

AGENDA

Meeting: Local Pension Board

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

Date: Tuesday 13 February 2024

Time: 10.00 am

Please direct any enquiries on this Agenda to Ellen Ghey of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718259 or email ellen.ghey@wiltshire.gov.uk

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

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

Membership:

Mark Spilsbury (Chairman)
Marlene Corbey (Vice-Chairman)
Laura Fisher

James Nicholson
Mike Pankiewicz
George Simmonds

Recording and Broadcasting Information

Wiltshire Council may record this meeting for live and/or subsequent broadcast. At the start of the meeting, the Chairman will confirm if all or part of the meeting is being recorded. The images and sound recordings may also be used for training purposes within the Council.

By submitting a statement or question for a meeting you are consenting that you may be recorded presenting this and that in any case your name will be made available on the public record. The meeting may also be recorded by the press or members of the public.

Any person or organisation choosing to film, record or broadcast any meeting of the Council, its Cabinet or committees is responsible for any claims or other liability resulting from them so doing and by choosing to film, record or broadcast proceedings they accept that they are required to indemnify the Council, its members and officers in relation to any such claims or liabilities.

Details of the Council's Guidance on the Recording and Webcasting of Meetings is available on request. Our privacy policy can be found [here](#).

Parking

To find car parks by area follow [this link](#). The three Wiltshire Council Hubs where most meetings will be held are as follows:

County Hall, Trowbridge
Bourne Hill, Salisbury
Monkton Park, Chippenham

County Hall and Monkton Park have some limited visitor parking. Please note for meetings at County Hall you will need to log your car's registration details upon your arrival in reception using the tablet provided. If you may be attending a meeting for more than 2 hours, please provide your registration details to the Democratic Services Officer, who will arrange for your stay to be extended.

Public Participation

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

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

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

Our privacy policy is found [here](#).

For assistance on these and other matters please contact the officer named above for details

AGENDA

Part 1

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

1 **Membership**

To note any changes to the membership of the Board.

2 **Attendance of Non-Members of the Board**

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

3 **Apologies**

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

4 **Minutes** (*Pages 7 - 18*)

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

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

5 **Declarations of Interest** (*Pages 19 - 30*)

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

To receive an update on the Register of Interests.

6 **Chairman's Announcements**

To receive any announcements through the Chairman.

7 **Public Participation**

The Board welcomes contributions from members of the public.

Statements

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

Questions

Those wishing to ask questions are required to give notice of any such questions in writing to the officer named above (acting on behalf of the Corporate Director), no later than 5pm on **Tuesday 6 February 2024** in order to be guaranteed a written response prior to the meeting. Any question received

between the above deadline, and no later than 5pm on **Thursday 8 February 2024**, may only receive a verbal response at the meeting.

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

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

8 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee**
(Pages 31 - 48)

To consider the Part I (public) minutes, and recommendations arising, from the meetings of the Wiltshire Pension Fund Committee on 23 November 2023 and 14 December 2023.

9 **Headlines & Monitoring (HAM) Report** (Pages 49 - 98)

A report for the Board's ongoing oversight of:

- Scheme, Regulatory, Legal, and Fund Update
- Risk Register
- Administration KPI update – 1 October 2023 to 31 December 2023
 - a) Key business plan items – Aggregation Backlogs / i-Connect & Controls / Resourcing
 - b) Outsourcing updates
 - c) Business Plan 2024/27 summary
- Audit update 2023/24
 - a) SWAP Audit KPI 2023/24
 - b) SWAP Audit KFC 2023/24

10 **LPB Budget** (Pages 99 - 100)

LPB to endorse its budget 2024/25 as part of the recommendation to be submitted to the Pension's Committee. To be presented by the Investment and Accounting Team Lead.

11 **Key Financial Controls** (Pages 101 - 106)

An update by the Investment and Accounting Team Lead concerning the operational accounting arrangements and monitoring of the quarterly budget.

12 **Employer Update** (Pages 107 - 110)

The Employer Funding & Risk Lead will update the Board on employer related activities:

- a) The Employer Scorecard
- b) Employer Compliance – DSAs
- c) The Employer Review – internal working practices
- d) Employer Forum

13 **Immediate Payments Update** (*Pages 111 - 114*)

The Pension Administration Lead will present an “immediate payments” update following transfer of the fund payment process to Oracle.

14 **Administering Authority Discretions Policy** (*Pages 115 - 132*)

The Pension Administration Lead will present an updated version of the Administering Authority Discretions Policy for review by Members.

15 **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.

16 **Date of Next Meeting and Forward Work Plan** (*Pages 133 - 140*)

To note that the next ordinary meeting of the Board will be held on 22 May 2024.

The Board’s Forward Work Plan is attached for members’ consideration.

17 **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 18-24 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

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.

18 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee**
(*Pages 141 - 164*)

To consider the Part II (private) minutes, and recommendations arising, from the last meetings of the Wiltshire Pension Fund Committee held on 23 November 2023 and 14 December 2023 respectively.

19 **Brunel Governance Update**

A verbal update on the report from officers summarising the ongoing Brunel governance arrangements.

20 **KPI Improvement Plan** (*Pages 165 - 192*)

The Head of Wiltshire Pension Fund and Pension Administration Lead will present the KPI Improvement Plan, including a summary of the results of the recent staff engagement survey.

21 **Scheme of Sub-Delegation** (*Pages 193 - 198*)

The Fund Governance Manager will present an updated version of the Scheme of sub-delegation for review by the Board.

22 **Training**

Pension Fund procurement and how performance of suppliers can be monitored.

23 **LBP Minutes** (*Pages 199 - 208*)

To approve and sign as a true and correct record the Part II (private) minutes of the previous meeting held on 1 November 2023.

24 **Urgent Items**

Any other items of business of a confidential nature which, in the opinion of the Chairman, should be considered as a matter of urgency.

Local Pension Board

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

Present:

James Nicholson, Mark Spilsbury (Chairman), Marlene Corbey (Vice-Chairman), Mike Pankiewicz, and George Simmonds

Also Present:

Cllr Richard Britton

231 **Membership**

Members were informed that Paul Smith had stepped down as an Employer Representative of the Board and the Chairman thanked Paul for his hard work and contributions while a part of the Local Pension Board.

Richard Bullen, Fund Governance Manager, echoed the Chairman's thanks and confirmed that officers were in the process of appointing a replacement. Furthermore, it was noted that as a result of corporate restructuring within the Council, Lizzie Watkins had now taken on the role of the new Section 151 officer.

232 **Attendance of Non-Members of the Board**

The Chairman welcomed Councillor Richard Britton, Chairman of the Wiltshire Pension Fund Committee, to the meeting.

233 **Apologies**

There were no apologies for absence received from Members, however apologies from Jennifer Devine, Head of Wiltshire Pension Fund, were noted.

234 **Minutes**

The Part I (public) minutes of the previous meeting of the Board held on 10 August 2023 were considered alongside the Board's Action Log. Following which, it was:

Resolved:

The Board approved and signed as a true and correct record the Part I (public) minutes of the previous meeting held on 10 August 2023.

The Board noted the Action Log.

235 **Declarations of Interest**

There were no declarations of interest.

236 **Chairman's Announcements**

There were no Chairman's announcements.

237 **Public Participation**

There were no public statements or questions submitted.

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

The Part I (public) minutes of the previous meeting of the Wiltshire Pension Fund Committee held on 14 September 2023 were considered. Following which, it was:

Resolved:

The Board noted the Part I (public) minutes of the previous meeting of the Wiltshire Pension Fund Committee held on 14 September 2023.

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

Richard Bullen, Fund Governance Manager, presented the Headlines & Monitoring (HAM) report which provided information highlighting key issues and developments to enable the Board to fulfil its monitoring role.

The report detailed updates in the following areas:

- Headlines
- Key Business Plan items – Aggregations backlog, i-Connect and controls, and Resourcing
- Scheme, Regulatory, Legal, and Fund Update
- Risk Register
- Administration Key Performance Indicators (KPIs) update – 1 July 2023 to 30 September 2023

- ABS and PSS updates
- Audit Update 2022/23
 - 1) SWAP Audit 2022/23
 - 2) Audit Schedule

Members began by congratulating officers of the Fund winning the award for “Best Approach to Responsible Investment” again at the LAPF Investment Awards.

In response to a question regarding the impacts of the vacant Employer Services Manager role on the wider team, officers highlighted that the role itself was difficult to recruit to, due to the specific set of technical skills required and its integral nature to the smooth running of the service. Despite this, it was noted that there a number of officers were acting up to support the role which meant that workloads were increasing, and time was being taken away from other tasks. It was further explained that officers were outsourcing members of staff for the longer-term projects such as the payroll reconciliation project, rectification project, and aggregations backlog.

Officers had noted that staff were being encouraged to attend the office 2-3 days a week, with managers organising their own departments and rotas to ensure sufficient resources were available each day of the working week. However, it was acknowledged that attendance had been lower than hoped and it was anticipated that the results of the Wiltshire Pension Fund staff engagement survey may highlight the reasons for this and address the reports of low levels of team morale.

Further questions were asked in respect of the lack of translatable tangible results for i-Connect despite it being stated that significant progress had been made. Officers noted that Swindon Borough Council’s onboarding had been paused, however the issues had been resolved and therefore, once more employers had been onboarded, tangible results could be collected for consideration at the next meeting of the Board.

Members sought clarification on the escalation process if employers consistently submitted delayed and/or a poor-quality information. It was explained that the Pensions Administration Strategy detailed this process, which was available to all employers, and as a last resort issues could be reported to the Pensions Regulator (tPR) or employers charged for any additional work created.

Members then queried point c) under the Fund Governance section of the Risk Register. Officers explained that the Council’s Procurement Department had undergone structural changes which had led to communication challenges during the transition. Furthermore, as procurement was a complex area, Fund officers naturally had a lower level of knowledge compared to the specialist procurement officers within the Council.

Officers then noted that within the Administrative KPIs, the remaining cases over SLA (Service Level Agreement) were those that were particularly complex and needed further investigation, hence the impact on performance against the KPIs. As such, once these were resolved, improvements would be seen, and officers were focussing on improving communications and contacting those affected members directly as much as possible. Furthermore, the KPIs were expected to remain low until the over SLA cases were all cleared.

At the conclusion of the discussion, it was:

Resolved:

- 1) The Board noted the Fund updates and progress against the Business Plan 2023/24 key priorities.**
- 2) The Board endorsed the Risk Register in Appendix 2 and the summary of risk changes since the last review, as a true and fair view of the risks currently being experienced by the Fund and recommended that endorsement to the Committee.**
- 3) The Board noted the progress recorded on the SWAP audit actions logs and recommended any extension to action 6's target date to 31 March 2024.**

240 **Training**

Mark Briggs, Pension Fund Operations Manager, delivered a presentation on the background, approach and remedy to "McCloud".

During the presentation, the following points were detailed:

- A brief history of McCloud and the need to provide all members with an identical underpin protection, or a final salary underpin, by 1 October 2023.
- The running of a bulk calculation to create a LGM CLOUD CARE tranche, a McCloud Rectification data view, and a UNDERPINLG document, to provide a breakdown of any applicable underpins.
- Examples of Final Salary and Care Scheme calculations for those members with no salary increases, late salary increases, and early salary increases.
- Those members who were active at 31 March 2012 and on 1 April 2014 would be impacted.
- Officers had a completion target date of April 2025 with a review of the historic cases requiring adjustments commencing in 2024.
- Officers were aiming to write to all affected members by 31 December 2023.

Members were informed that when considering the size of the Fund, officers were anticipating approximately 90 affected members, however it was emphasised that it would still take a lot of time to run the underpin and then rectify any discrepancies. Furthermore, if records were identified that linked to other Funds, then those Funds would be contacted to provide further information.

Officers confirmed that additional resources were being organised to support the project and although there were challenges, officers were confident that the proposed deadline of April 2025 was achievable. Officers further clarified that if a case was missed and then subsequently identified post April 2025, officers would still reimburse the member as calculated.

Finally, officers confirmed that the data would be held on the Altair system alongside the UNDERPINLG document.

At the conclusion of the discussion, it was:

Resolved:

The Board noted the training update.

241 **KPI Improvement Plan**

James Franklin, Pensions Administration Lead, delivered a verbal update on the KPI Improvement Plan.

It was explained that progress on the plan had been delayed due to officers transitioning into new roles, however it was confirmed that an update would be presented at the next Wiltshire Pension Fund Committee meeting and subsequently at the next Board meeting.

After which, it was:

Resolved:

The Board noted the update.

242 **Key Financial Controls**

Christopher Moore, Investment and Accounting Team Lead, updated the Board on the issues in relation to the Fund's key financial controls as per the report.

The payroll reconciliation project was raised, and it was highlighted that Project Evolve was ongoing within Wiltshire Council which aimed to deliver a replacement to the existing SAP payroll and accounting software. As such, it added a further layer of complexity to the work reconciling and correcting discrepancies, however officers emphasised that they were ensuring that

information was being prioritised for the auditors and that training and communications between the Fund and Wiltshire Council were robust. Furthermore, it was confirmed that officers were in the final stages of reviewing a large correction which would bring down the discrepancies, thus improving performance data.

Officer reassured Members that the few outstanding employer contributions from small employers were immaterial to the Fund as a whole and that officers had received assurance that those payments would be received soon.

Resolved:

The Board noted the update and used the report to monitor progress against resolving the issues which had been identified, and the progress made to develop accounting and control improvements.

243 **Responsible Investment Update**

Christopher Moore, Investment and Accounting Team Lead, updated on the Board on responsible investment issues.

The table on Paragraph 2 of the report was highlighted alongside the points under Paragraph 3. Reference was then made to the Freedom of Information request and subsequent Wiltshire Times article that had been published with regard to which fossil fuel companies were being held by the Fund. Officers highlighted that the Fund's Climate Report had been published by chance on the same day and detailed the actions being taken to divest from these fossil fuel holdings.

The Chair congratulated officers and Members of the Committee on their approach and decisions within the Responsible Investment area. Following which, it was:

Resolved:

The Board noted the report as a basis for monitoring the progress that was being made towards implementing Responsible Investment Policy.

244 **Audit Plan 2024/25**

Richard Bullen, Fund Governance Manager, presented the report which recommended auditing proposals to the Wiltshire Pension Fund Committee for inclusion in the Fund's Audit Plan for 2024/25.

It was explained that for 2023/24, officers were anticipating the new Single Code of Practice to be implemented, however it had not come to fruition in the expected timeframe and as such, officers had made the decision to incorporate the Pension Regulator's (tPR) Code of Practice 14, or the new code, into the

review with the South-West Audit Partnership (SWAP) audit. The different phases of the Payroll Migration Audit were then briefly detailed alongside the other auditing considerations as per Paragraph 5 of the report.

Members highlighted the importance of the Payroll Mitigation Audit but queried the scope and need of the suggested Anti-Fraud, Corruption, and Whistleblowing Audit. However, this was discussed further under Agenda Item 20, in which the Board agreed that a case for its inclusion should form part of the Audit Strategy.

Following which, it was:

Resolved:

The Board recommended to the Committee that they approve the scope of audits and auditors as set out in Paragraph 4.

The Board recommended to the Committee that proposals also be put forward in relation to audits as set out in Paragraph 5.

245 **South-West Unison Response to LGPS Investments**

Marlene Corbey, Vice-Chair of the Board, presented an update on the South-West Unison response to the Local Government Pension Scheme Investments consultation.

It was noted that there was nothing of material significance between the two documents. There being no questions or comments on the update, it was then:

Resolved:

The Board noted the South-West Unison response to LGPS investments.

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

The date of the next ordinary meeting of the Local Pension Board was confirmed as 13 February 2024.

The Board additionally considered the Scheme Year Forward Work Plan. After which, it was:

Resolved:

The Board noted the Forward Work Plan.

247 **Exclusion of the Public**

The Board considered the recommendation to exclude the public. Following 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 19-22 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in 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.

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

The Part II (private) minutes of the previous meeting of the Wiltshire Pension Fund Committee held on 14 September 2023 were considered. Following which, it was:

Resolved:

The Board noted the Part II (private) minutes of the previous meeting of the Wiltshire Pension Fund Committee held on 14 September 2023.

249 **Integrated Payroll System Project**

Mark Briggs, Pension Fund Operations Manager, updated the Board on the Integrated Pensioner Payroll Project and the migration from the legacy pensioner payroll system (SAP to Oracle).

Resolved:

The Board noted the update.

250 **Fraud Case**

James Franklin, Pensions Administration Lead, and Richard Bullen, Fund Governance Manager, updated the Board on a case of customer fraud.

Resolved:

The Board noted the update.

251 **Local Pension Board Minutes**

The Part II (private) minutes of the previous meeting of the Board held on 10 August 2023 were considered. Following which, it was:

Resolved:

The Board approved and signed as a true and correct record the Part II (private) minutes of the previous meeting held on 10 August 2023.

252 **Urgent Items**

There were no urgent items in Part I of the meeting.

In Part II of the meeting the following urgent items of business were discussed: publication of the Fund's Climate Report, how Investment Managers were applying Responsible Investment policies, and Hymans-Robertson self-assessments.

(Duration of meeting: 10.00 am - 12.00 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

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

This page is intentionally left blank

Wiltshire Pension Fund Board - Actions Log

Minute reference	Section	Meeting Action	Task owner	Target date for completion	Completed and reported to last meeting
118 (18/02/21)	Governance (GCS)	Officers should change the Governance Compliance Statement to include external assurance in conjunction with any confirmed changes arising from the Scheme Advisory Board's Good Governance Review	RB	24/05/24	
89 (17/02/22)	Governance (Scheme of sub-Delegation)	To propose changes be made to the structure of delegations and controls & consider the breakdown of responsibilities outlined in the "Guidance to Delegations"	RB	13/02/24	On agenda
131 (18/08/22)	Governance (TPR Code of Practice)	The Board request a further update of the implementation of the new Single Code of Practice on publication of the Regulator's final guidance	RB	13/02/24	On agenda
150 (27/10/22)	Administration (KPI Improvement Plan)	Presentation of a KPI Improvement Plan to be submitted to the LPB meeting in February	JD	13/02/24	On agenda
179 (01/02/2023)	Invsetment (ISS)	The Board would provided any comments on the draft Investment Strategy Statement to the Committee (via officers) by Thursday 23 February 2023	MS	23/02/23	23/02/23
189 (24/05/2023)	Governance - (Terms of Reference)	To review the terms of reference, in terms of ensuring that the be appointment of a Vice Chair need no longer alternate annual between a member & employer representative	RB	24/05/24	
216 (10/08/2023)	Governance - (Audit)	Prepare a schedule of SWAP audit priorities along with allocated resources for each audit for consideration by the Committee	RB	05/10/23	01/11/23
217 (10/08/2023)	Governance - (Training)	Board members to attend a joint training session with Committee members on EDI	DR	14/11/23	14/11/23

This page is intentionally left blank

This document is part of the constitution and is a policy document for the Local Pension Board.

Code of Conduct and Conflict of Interest Policy Guidelines for Members of the Wiltshire Pension Fund Local Pension Board

Status of this document

The Terms of Reference for the Board (Protocol 2B) set out:

- the Board's code of conduct requirement; and
- the Administering Authority's conflict of interest policy for the Board (the Conflict Policy):

Duties of the Board

7. The Board should always act in a reasonable manner in the conduct of its purpose. In support of this duty all Board members shall make declarations on the register of interests of the Administering Authority in accordance with its code of conduct.

Conflicts of interest

50. All members of the Board must declare to the Administering Authority on appointment and at any such time as their circumstances change, any potential conflict of interest arising because of their position on the Board.
51. A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Board. It does not include a financial or other interest arising merely by that person being a member of the Scheme.
52. On each appointment to the Board and following any subsequent declaration of potential conflict, the Administering Authority shall ensure that any potential conflict is effectively managed in line with the internal procedures of the Administering Authority, the requirements of the Act, the requirements of the Code and the requirements of Relevant Legislation on conflict of interest for Board members.

This document is consistent with the Administering Authority's policy guidelines on conduct of Board members and conflicts of interest. These guidelines will be reviewed and approved by the Administering Authority & Board at least every three years, or upon any material changes to the Regulations, relevant legislation and scheme guidance.

Objectives of this document

1. To set out the principles and internal procedures that the Administering Authority and all Board Members are expected to follow in order to comply with the Terms of Reference, relevant legislation, codes of practice, government guidance and public law principles.
2. To ensure that all Board members are aware of their duty to act independently and carry out their roles to a high ethical standard.
3. To set out procedures for identifying, monitoring and managing potential conflicts to ensure they do not become actual or perceived conflicts of interest.
4. To ensure that a Register of Member Interests is kept, reviewed and published.
5. To remove any perception that the actions of a Board member have been influenced by a conflict of interest.
6. To ensure that public confidence in the governance of the Fund is maintained.

This document is part of the constitution and is a policy document for the Local Pension Board.

Definitions used in this document

“2011 Act”	The Localism Act 2011 (as amended from time to time)
“2013 Act”	The Public Service Pensions Act 2013 (as amended from time to time)
“Administering Authority”	The administering authority for the Fund, Wiltshire Council. The Administering Authority is the scheme manager for the purposes of the 2013 Act.
“Board”	The Wiltshire Pension Fund Local Pension Board
“Code”	The Pensions Regulator’s Code of Practice no. 14: Governance and administration of public service pension schemes (as amended from time to time)
“Committee”	The Wiltshire Pension Fund Committee
“Conflict Policy”	The conflict of interest policy of the Board set out in the Terms of Reference (as amended from time to time)
“Councillor”	An elected or co-opted member of a local authority
“Declaration of Interest Form”	The form used to declare Relevant Interests as amended from time to time, currently as attached to this document at Appendix 1
“Fund”	The Wiltshire Pension Fund within the LGPS, managed and administered by the Administering Authority
“Relevant Interest”	Any company directorship, trusteeship, other post (whether remunerated or not), financial interest or personal interest belonging to a Board member or a Board member’s spouse, civil partner or cohabitee, where such interest is likely to be affected by, or relevant to, the work of the Board. Note: Relevant interests are recorded in terms of their requirement for public disclosure & or disclosure to the Administering Authority.
“Register of Member Interests”	The register of member interests kept by Democratic Services to record Relevant Interests. Democratic Services is the Board Secretary for the purposes of the Terms of Reference
“Regulations”	The Local Government Pension Scheme Regulations 2013 (as amended from time to time)

This document is part of the constitution and is a policy document for the Local Pension Board.

“Scheme Advisory Board”	The Local Government Pension Scheme Advisory Board set up under section 7 of the 2013 Act
“SAB Guidance”	Local Government Pension Scheme (LGPS): Guidance on the creation and operation of Local Pension Boards in England and Wales

1. Code of Conduct for Board members

Government guidance on conduct of local pension board members

The Scheme Advisory Board provides advice to administering authorities and local pension boards in relation to the effective and efficient administration and management of the LGPS and their pension funds. The Scheme Advisory Board will be adopting the Shadow SAB Guidance therefore the Administering Authority and the Board should have regard to the SAB Guidance to assist with the effective and efficient administration and management of the Fund. Section 7 of the SAB Guidance deals with conduct of local pension board members. http://www.lgpsboard.org/images/Guidance/LGPS_Board_Guidance_FINAL_PUBLISHEDv1%20clean.pdf

Code of Conduct

Board members must have regard to the “Seven Principles of Public Life” (also known as the Nolan Principles). As members of a publicly funded body involved in the discharge of public business, all Board members must comply with these principles in the exercise of their functions. The principles require the highest standards of conduct.

The Seven Principles of Public Life are:

Selflessness - Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

Integrity - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Objectivity - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.

Honesty - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership - Holders of public office should promote and support these principles by leadership and example.

This document is part of the constitution and is a policy document for the Local Pension Board.

Information provided to a Board member in the course of his or her duties is confidential and must only be used for the purposes of the Board. Board members must not disclose any information given to them in confidence without the written consent of a person who is authorised to give it, or unless required by law to do so. Board members must seek the advice of Democratic Services before disclosing any information given in confidence.

Board members should not accept any personal gifts or hospitality from any individual or organisation (including contractors and/or outside suppliers) which has or may have a specific interest in the work of the Board.

Regulation 107 of the 2013 Regulations allows Councillors to sit on a local pension board in certain circumstances. Councillors are subject to the code of conduct adopted by their local authority in accordance with the 2011 Act. This statutory requirement will continue to apply to any Board members who are Councillors in conjunction with the code of conduct above.

2. Conflict of Interest Policy Guidelines

What is a Conflict of Interest?

The 2013 Act makes it a legal requirement that members of local pension boards do not have a conflict of interest. Section 5(5) of the 2013 Act defines a conflict of interest as;

A financial or other interest which is likely to prejudice the person's exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme)

A conflict of interest may arise when a member of a local pension board:

must fulfil their legal duty to assist the Administering Authority; and

at the same time has:

- a separate personal interest (financial or otherwise); or
- another responsibility in relation to that matter, giving rise to a possible conflict with their first responsibility as a local pension board member.

A possible conflict could also arise due to a member's partner, family member or close associate having a specific responsibility or interest in a matter.

The key issue for a Board member is to consider whether they are subject to a conflict of interest which prevents them from acting entirely independently in their capacity as Board member. It is recognised that from time to time a person may have interests or responsibilities which are not aligned with their responsibilities as a Board member, but these do not prevent the person from fulfilling their responsibilities as a Board member. This situation may occur when the separate interest is sufficiently immaterial and so does not conflict with the member's first obligation to the Board.

Relevant Legislation

The Regulations effect the requirements of section 5 of the 2013 Act in relation to the LGPS.

Regulation 108 of the Regulations states:

108 Local pension boards: conflict of interest

- (1) Each administering authority must be satisfied that any person to be appointed as a member of a local pension board does not have a conflict of interest.
- (2) An administering authority must be satisfied from time to time that none of the members of a local pension board has a conflict of interest.
- (3) A person who is to be appointed as a member of a local pension board by an administering authority must provide that authority with such information as the authority reasonably requires for the purposes of paragraph (1).
- (4) A person who is a member of a local pension board must provide the administering authority which made the appointment with such information as that authority reasonably requires for the purposes of paragraph (2).

Regulations 108(1) and (3) prohibit conflicts and require information from each Board member at the time of their appointment, and regulations 108 (2) and (4) deal with the same requirements during office.

Regulation 107 allows for Councillors to sit on a local pension board in certain circumstances. The 2011 Act imposes a legal obligation on Councillors to disclose certain pecuniary interests in a register maintained by their local authority's monitoring officer. This separate statutory requirement will continue to apply to any Board members who are Councillors in addition to the relevant legislation, codes of practice and government guidance referred to in the Conflict Policy and these guidelines. Nothing in the Conflict Policy or these guidelines in any way supersedes or replaces the separate statutory requirements for Councillors.

The Pensions Regulator's Code: Conflicts of Interest

The Pensions Regulator has responsibility for regulatory oversight of the governance and administration of public service pension schemes, including the LGPS. The Pensions Regulator has published guidance in the Code. Paragraphs 61 to 89 of the Code deal with conflicts of interest.

Other Guidance on Conflicts of Interest

The Administering Authority and the Board should have regard to the SAB Guidance to assist with the effective and efficient administration and management of the Fund. Section 7 of the SAB Guidance deals with conflicts of interest.

Policy Guidelines

1. Identifying and monitoring Conflicts of Interest

The Board must:

- identify, monitor and manage dual interests and responsibilities which are or have the potential to become actual or perceived conflicts of interest. In determining how to manage conflicts of interest the Board must comply with the 2013 Act, the Regulations, the Code and other relevant guidance from the Pensions Regulator, the Conflict Policy and these guidelines;
- ensure that conflicts of interest are considered at every Board meeting;
- ensure that a report is sent to the Administering Authority after each Board meeting and at other times upon the Administering Authority's reasonable request detailing declared interests and mitigation action taken;

This document is part of the constitution and is a policy document for the Local Pension Board.

- ensure that Democratic Services (the Board Secretary) is notified at the earliest opportunity of any declared interests;
- seek further advice from Democratic Services wherever the Board has any doubt about the duties set out in these guidelines;
- consider obtaining legal advice when assessing any option to prevent a potential conflict of interest becoming detrimental to the conduct or decisions of the Board.

All Board members must:

- be familiar with the Conflict Policy, these guidelines, relevant legislation, the Code and the SAB Guidance;
- be conscious of the need to be open about potential, perceived and actual conflicts;
- before appointment to the Board, disclose to Wiltshire Council all Relevant Interests using the Declaration of Interest Form;
- during office, disclose to the Board all Relevant Interests as soon as they arise by submitting the Declaration of Interest Form to Democratic Services;
- during any meeting of the Board, disclose any Relevant Interest to the Board prior to the commencement of the Board's discussion of that matter. This requirement applies regardless of whether the interest is already recorded in the Register of Board Members' Interests. In cases of exceptional sensitivity, a Board member may make a notification of a Relevant Interest to the Chair of the Board rather than to the full Board;
- provide any information reasonably requested by the Administering Authority in connection with the Authority's duty to ensure that conflicts of interest do not exist.

Democratic Services (the Board Secretary) will:

- record declared interests in the Register of Member Interests;
- ensure that the Register of Member Interests (as updated from time to time) is published on the Board's webpage on the Administering Authority's website;
- ensure that the Register of Member Interests (as updated from time to time) is circulated to all Board members for review prior to each Board meeting;
- ensure that all Board meetings open with a standing item titled Declarations of Interest. This will allow Board members to notify existing and new Relevant Interests, so that potential conflicts can be considered for each agenda item and managed as set out below;
- minute any disclosure by a Board member made during a Board meeting together with all decisions of the Board relating to that disclosure;
- ensure that all Board meetings include a standing item titled Forward Work Plan, to consider decisions to be taken and work to be carried out by the Board over the next year. This will allow mitigations to be put in place so that potential conflicts can be managed as set out below.

The Administering Authority must:

- be satisfied that no potential Board member has a conflict of interest at appointment;
- be satisfied that no Board member has a conflict of interest during office;

This document is part of the constitution and is a policy document for the Local Pension Board.

- use an appointment process which considers all applications from potential Board members prior to approval in order to ensure that no conflict exists. The potential for a conflict to arise at some point in future will not in itself be reason to exclude an individual from membership of the Board, unless the Administering Authority considers that the likelihood of a conflict arising is so high or the conflict itself is likely to arise persistently and frequently enough that it is likely to compromise an individual's ability to participate meaningfully on the Board;
- keep this document under regular review.

2. Managing Conflicts of Interest

In the event that the Board is of the view that a potential conflict of interest may become an actual or perceived conflict in respect of one or more of its members, the Board must determine the appropriate mechanism for managing that conflict. The approach taken will depend on the nature and extent of the potential conflict. Some possible methods for the management of potential conflicts are given below:

- Requiring that the Board member for whom the conflict exists takes no part in discussions or votes in respect of the matter for which they are conflicted, or leave the meeting;
- If practical, the Board member may relinquish or divest themselves of a personal interest which is the source of a conflict of interest with their Board responsibilities;
- If the conflict is likely to persist and continue in such a way that it is likely limit a Board member's meaningful participation in the Board, that member should consider resigning from their position.

The Administering Authority may remove any Board member where it considers there is an actual or potential conflict of interest which is impractical to manage.

3. Perceived Conflicts of Interest

Board members should be aware that even if no actual conflict of interest exists, it is important to guard against the perception among, for example, Scheme members, the Pensions Regulator, elected members or the general public that a real conflict of interest exists.

If there is the possibility that a perceived conflict of interest may exist, it should be managed by the Board in the same way as a real conflict of interest.

4. Confidential Information

A Board member may, by virtue of their employment by an employing authority within the Fund, have access to confidential information about their employer.

A Board member is not obliged to reveal this information as part of their role on the Board.

However, if an affected Board member considers that the information to which they are party may:

- a) adversely affect the Fund or an employer within the Fund;
- b) reasonably cause the Board to interpret a decision by the Pension Committee differently or act in a different way were the information to be known at the time; and
- c) the information will not be made available to the Board through some other means within such time as the Board is able fully to act upon it,

that Board member shall withdraw from all discussion in relation to that issue and notify the Board that a conflict of interest exists. The details of the conflict need not be disclosed.

This document is part of the constitution and is a policy document for the Local Pension Board.

This scenario may occur where a Board member is aware of legally confidential negotiations around, for example, the takeover of a Fund employer which may radically alter that business and have a corresponding effect on its participation in the Fund or the size of its liabilities.

5. Adviser and Officer Conflicts

The Board will be supported and advised by officers of the Fund in its day to day business. Similarly, the Board may, if appropriate, seek independent or professional advice, for example legal advice or governance advice.

The Board must be confident that the advice it receives from officers and advisers is independent and truly in the best interests of the Fund. For this reason, officers and advisers giving advice to the Board must also declare any situation where a potential, perceived or actual conflict exists, in order that it can be appropriately managed.

6. Examples of conflicts of interest

The following are intended to be examples of potential conflicts for illustrative purposes. The list is not exhaustive and is not intended to provide all the scenarios in which a conflict of interest may arise.

Example 1

There may be situations where a member of a local pension board who is also an officer for the relevant administering authority or some other employer in the LGPS pension fund faces conflicting priorities by virtue of their two roles. For example, as a local pension board member they may make or scrutinise a decision which requires the use of greater employer resource in order to improve the administration and efficiency of the relevant fund. However, at the same time they may be facing departmental pressure to cut budgets and spend less on pension administration matters.

Example 2

A local pension board is reviewing a decision by an administering authority to levy an additional charge under the Regulations to a group of employers whose poor performance in carrying out their statutory functions in respect of the LGPS has caused the administering authority additional costs. Any employer representative on the local pension board who is employed by an employer who falls into this category would need to declare their interest and the resulting conflict of interest would need to be managed.

Example 3

It is possible that a scheme member representative is also employed by a firm to whom an LGPS pension fund's administration has been outsourced. Such a member is likely to face a conflict of interest when the performance of that company in respect of their administration performance is discussed.

Example of where a declared interest may not constitute a conflict of interest

A representative on a local pension board holds shares in a company that provides outsourced pension administration services as part of a varied portfolio. The shares are valued at a few hundred pounds and the company's value is many tens of millions. The local pension board is reviewing the decision to outsource the relevant LGPS pension fund's administration staff to that company.

In this case the local pension board may consider that on grounds of materiality, no conflict of interest exists. The local pension board is not responsible for the decision and the impact of the outsourcing will have no effect on the company's share price. The local pension board member in question should, however, still declare their interest.

Appendix 1: Declaration of Interest Form

This form is prepared in two parts to reflect and fulfil requirements of the following legislation and policy;

- The Code of Conduct & Conflict of Interest Policy Guidelines for Members of the Wiltshire Pension Fund Local Pension Board
- The General Data Protection Regulations 2016 & the Data Protection Act 2018 □ The Public Services Pension Act 2013, Section 5.

Part 1 requires mandatory completion & is for public disclosure

Part 2 requires mandatory completion, is for retention by the Administering Authority & is not for public disclosure

PART 1 - For Public Disclosure

I,

a member of the Wiltshire Pension Fund Local Pension Board (the "Board") declare that I, and to the best of my knowledge my spouse, civil partner or cohabitee hold the following financial or other interests **likely to be prejudicial to the exercise of my function as a member of the Board** (Please state none where appropriate).

1. Employment, office, trade, profession or vocation

You should disclose any employment, office (e.g. director or trustee), trade, profession or vocation carried on including the name and address of the employer/appointor.

Member

Spouse/Civil Partner/Cohabitee

2. Contracts

You should detail any current contract under which goods or services are to be provided or works are to be executed and where any other party to the contract may be affected by the work of the Board.

Member

Spouse/Civil Partner/Cohabitee

3. Securities

You should detail any beneficial interest in securities which may be a Relevant Interest where either the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital, or one hundredth of the total issued share capital of any class of shares issued.

Member

Spouse/Civil Partner/Cohabitee

4. Disclosure of Gifts and Hospitality

You should reveal the name of any person from whom you have received a gift or hospitality with an estimated value of at least £50 which you have received in your capacity as a member of the Board.

Date of receipt of Gift/Hospitality	Name of Donor	Reason and Nature of Gift/Hospitality

Part 2 – For retention by the Administering Authority, Wiltshire Council

I declare also that I and to the best of my knowledge my spouse, civil partner or cohabitee holds the following **Relevant Interests** as defined in the Code of Conduct and Conflict of Interest Policy Guidelines for Members of the Wiltshire Pension Fund Local Pension Board (i.e. a company directorship, trusteeship, other post (whether remunerated or not), financial interest or personal interest **where such interest is likely to be affected by, or relevant to, the work of the Board** - Please state none where appropriate).

1. Employment, office, trade, profession or vocation

You should disclose any employment, office (e.g. director or trustee), trade, profession or vocation carried on including the name and address of the employer/appointor.

Member

Spouse/Civil Partner/Cohabitee

2. Contracts

You should detail any current contract under which goods or services are to be provided or works are to be executed and where any other party to the contract may be affected by the work of the Board.

Member

Spouse/Civil Partner/Cohabitee

3. Securities

You should detail any beneficial interest in securities which may be a Relevant Interest where either the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital, or one hundredth of the total issued share capital of any class of shares issued.

Member

Spouse/Civil Partner/Cohabitee

4. Disclosure of Gifts and Hospitality

You should reveal the name of any person from whom you have received a gift or hospitality with an estimated value of at least £50 which you have received in your capacity as a member of the Board.

Date of receipt of Gift/Hospitality	Name of Donor	Reason and Nature of Gift/Hospitality

5. Other Interests which may be Relevant Interests under the Committee’s Conflict of Interest Policy Guidelines

Member

Spouse/Civil Partner/Cohabitee

6. Changes to Registered Interests

I understand that I must notify the Board Secretary at the earliest opportunity of any changes or additions to the interests as set out at Part 1 and 2 above.

Signed:

Date:

Wiltshire Pension Fund Committee

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

Present:

Cllr Richard Britton (Chairman), Cllr Kevin Small (Vice-Chairman), Cllr George Jeans, Cllr Gordon King, Cllr Christopher Newbury, Cllr Vijay Manro, Cllr Stuart Wheeler and Mike Pankiewicz

120 **Apologies**

Apologies for absence were received from Claire Anthony and Mark Spilsbury.

121 **Minutes**

The minutes of the meeting held on 13 July 2023 and 14 September 2023 were presented for consideration, and it was,

Resolved:

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

122 **Declarations of Interest**

There were no declarations of disclosable interests.

123 **Chairman's Announcements**

The Chairman apologised for any confusion regarding the meeting of the Committee set for 5 October 2023, which was cancelled and outlined that this meeting would be a hybrid investment and administration meeting.

124 **Review of Actions Log**

The Committee reviewed the list of ongoing actions.

125 **Minutes and Key Decisions of the Local Pension Board**

The Committee reviewed the minutes of the Local Pension Board meetings held on 10 August 2023 and 1 November 2023, and it was,

Resolved:

To note the minutes of the Local Pension Board meetings on 10 August 2023 and 1 November 2023.

126 **Public Participation**

No statements or questions were submitted.

127 **Headlines and Monitoring (HAM)**

Jennifer Devine, Head of Wiltshire Pension Fund, supported by other officers, presented the Headlines and Monitoring report. The report included that regarding the backlog project, Hymans had completed 2,5k cases and it was thought that the work would be done in January with Aon aware that they need to complete their remaining 200 cases by the end of the year, which was dependent on a calculator for dependents being built.

Reference was drawn to the business plan priority area progress updates on page 44 of the agenda, which outlined that resourcing had a progress rating of red. It was outlined that four roles needed to be filled and that a lot of effort needed to be put into training and improving morale, as suggested by a staff survey.

Information regarding the Risk Register covering the period from April to September was provided, with the most noticeable change being that investment had changed from red to green progress rating. Fund governance had changed from green to amber, however this was mostly to do with the audit strategy and fraud case, which was now largely concluded. Data management had also improved from red to amber, with a lot of annual benefit statements issued.

It was updated that KPI audits had taken place over the course of November, and it was hoped that something could be brought to the December meeting.

The actions log for the KFC audit was discussed, with it noted that there had been good progress made since the last assessment on 16 October and that a new audit from SWAP was now awaited. Key elements outstanding included policies and procedures had now been drafted but would need to be signed off, though some target dates had been missed. It was also asked that the aggregation process be extended to 31 March 2024 to align with Status 2 “to be decided cases”, with the primary reason being its close relationship with what actions should be taken on identifying case types.

An update was provided on training, which included that a training plan would be circulated for Member consultation, which would cover the next scheme year. It was hoped that the training plan could be brought to the December meeting for approval.

The Committee discussed the report and presentation in detail, with the following comments received but not limited to discussion around the failure to find an Employer Services Manager and how this has impacted the Fund. It was stated that though the role had been advertised 5 times, the correct calibre of

applicant hadn't been found and that other local authorities had struggled to such roles even with a higher salary.

Positive feedback was received regarding the streamlining of work streams and the introduction of recipe cards to improve efficiency and effectiveness.

It was clarified that that the risk relating to "Project" had moved from an amber rating to red due to an Aon project being delayed, which should have finished in October and would now finish in December. Clarity was also provided regarding audit approvals, that the process of signing off audit approvals could be reviewed.

Feedback was provided regarding the 2022/23 training programme. Whilst the content was good, some Members felt training sessions would be better placed at the end of the meeting. Further points relating to training included concerns about the MIFID II self-certification, with a desire expressed for members to receive some training on this area, or direction to written document. It was outlined by officers that there was- no legal requirement to sign the self-certification form and that it was just a preference of the Fund so that it can demonstrate that its professional client status can be maintained. The use of experts for assurance when making decisions was also discussed.

Further detail was provided regarding the risk register fund governance, with part one of the recommendations with the audit plan for the next year set to come to the Committee in December. Discussion also took place regarding the contract for internal audit work and that should there be areas which the Fund desired to be investigated, the Fund should be able to pay for a specific contract. The officer also advocated the continued use of SWAP..

At the conclusion of debate, it was,

Resolved:

The Committee agreed to:

- a) to approve the risk register recommendations made by the Board and the officer assessment of risk as presented in the September version of the risk register:**
- b) to note progress in the SWAP audit actions log and to recommend any extension to action 6's target date to 31 March 2024:**
- c) to approve the 2022/23 training plan set out in Appendix 6.**

128 **Training**

The Committee received a presentation from Hymans regarding Employer Covenants reviews and the process of managing new and ceasing scheme employers.

The presentation included the following points:

- An overview was provided as to why employer covenant is monitored and reviewed, including the perspectives of risk management, diversity and appropriate funding strategies.
- Guidance was provided as to when and how a covenant should be monitored and reviewed.
- It was outlined how covenant can be reflected in contribution rates.
- An overview of managing new employers and ceasing employers was provided.

Following the training, the comments received but not limited to how academies are affected, with it clarified that they were generally seen as not too different a risk to others. It was clarified that Brunel PP were treated as an admission body within the fund and are considered to be a lower risk as they were backed by ten underlying funds in the Pool. The process of reviewing covenant was discussed and how the Pension Fund would conduct reviews, it was noted that an extensive approach wouldn't be taken for each employer but rather a proportional approach with more extensive reviews taking place for employers with more risk.

Clarity was sought regarding what might alert the Pension Fund to a change in the covenant of employers, to which it was noted that sometimes this can be reliant on the employers' providing information, such as through questionnaires and sometimes information can be gained from the press. It was noted that it is useful for officers to have a continual engagement with employers with regular meetings to find things out in advance. A point was made about mechanisms within covenants to protect contributions, with the example of bonds, insurance and guarantors discussed.

129 **Responsible Investment Update**

Jennifer Devine, Head of Wiltshire Pension Fund, presented a report on the Fund quarterly responsible investment performance. The update covered that actions had progressed as far as officers had wanted them to with some areas not started yet but could be completed by March. Additionally, an update would be provided later in the agenda about climate opportunities.

Resolved:

The Committee is agreed to:

- a) use the report as a basis for monitoring the progress that is being made towards implementing responsible investment policy;**
- b) note the progress made against the Responsible Investment Plan 2023/24 actions and discuss whether any additional actions are needed at the current time.**

130 **MiFID II Compliance**

Richard Bullen, Fund Governance Manager, presented an update which requested completion by members of their self-certification of MiFID II.

The Committee discussed the update, with the following comments received but not limited to that some of the Members were happy to sign the form having done so previously. Reference was also made to the need for some training on the area for Members to be able to satisfy themselves that they could sufficiently respond should they be questioned. It was suggested that a written textbook style approach would be appreciated with it agreed by officers that CIPFA guidance on the area would be reviewed before recirculating to Members. Reference was also drawn to Hymans modules which covered the area.

At the conclusion of debate, it was,

Resolved:

The Committee agreed for members of the Committee wishing to complete the self-certification form to complete the respective form, with others to wait for further guidance.

131 **Committee Forward Work Plan**

The Committee discussed the Forward Work Plan.

It was,

Resolved:

To note the Forward Work Plan.

132 **Date of Next Meeting**

The dates of upcoming meetings were confirmed as 14 December 2023 and 29 February 2024. In addition, a Brunel Investment Manager Presentation was set to take place 28 November 2023 on Microsoft Teams.

133 **Urgent Items**

There were no urgent items.

134 **Exclusion of the Public**

It was,

Resolved:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Minute Numbers 16 - 23 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 1 & 3 of Part I of Schedule 12A to the

Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

135 **Minutes**

The private minutes of the meeting held on 13 July 2023 and 14 September 2023 were presented for consideration, and it was,

Resolved:

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

136 **Minutes and Key Decisions of the Local Pension Board**

The private minutes of the Local Pension Board meeting held on 10 August 2023 and 1 November 2023 were presented for consideration, and it was,

Resolved:

To note the minutes as a true and correct record.

137 **Integrated payroll system project**

Mark Briggs, Operations Manager, provided an update concerning the new Altair payroll system and the migration from SAP to Oracle.

At the conclusion of debate, it was,

Resolved:

The Committee is agreed to note this update and is invited to make any comments or recommendations that it has in relation to this piece of work.

138 **Fraud case update**

James Franklin, Pensions Administration Lead, presented a report on a case of customer fraud which has occurred.

139 **Quarterly Investment update**

Jennifer Devine, Head of Wiltshire Pension Fund presented a report on the Fund quarterly investment performance.

At the conclusion of debate, it was,

Resolved:

The Committee is agreed to use the investment reports and the update provided by officers and advisers at the meeting as a basis for monitoring

the investment performance and implementation of the strategic asset allocation.

Chair called a break at 12:00pm and the meeting resumed at 12:05pm.

140 **Climate Opportunities**

Jennifer Devine, Head of Wiltshire Pension Fund, presented a report which updated the Committee on the Climate Opportunities available to the Fund.

At the conclusion of debate, it was,

Resolved:

The Committee is agreed to endorse the actions taken by officers towards implementation of the Clops portfolio.

Cllr Christopher Newbury voted against the resolution.

141 **Brunel Governance update**

Jennifer Devine, Head of Wiltshire Pension Fund and Andy Brown, Deputy Chief Executive, provided a verbal update on the report from officers summarising the ongoing Brunel governance arrangements.

142 **KPI Improvement Plan**

Jennifer Devine, Head of Wiltshire Pension Fund and James Franklin, Pensions Administration Lead provided a verbal update on the development of a KPI Improvement Plan.

At the conclusion of debate, it was,

Resolved:

The Committee is agreed to:

- **Use the presentation as a basis to discuss options for the model used for service delivery, and to discuss the issues currently faced which are standing in the way of success.**
- **Approve that officers should attempt to resolve the issues and deliver the service via the in-house team.**
- **Approve the high-level principles behind the 3-year plan as set out in this presentation.**
- **Approve that a more detailed plan with actions and time scales will be presented in December 2023, such that this can form part of the Business Plan for 2024-27.**

- **Endorse the approach to carry out a pay review of the whole Fund, such that the findings can be reviewed and, if necessary, incorporated into the Budget to support the 2024-27 Business Plan.**

(Duration of meeting: 10.00 am - 2.00 pm)

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

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

Wiltshire Pension Fund Committee

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

Present:

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

143 **Apologies**

Apologies for absence were received from Cllr George Jeans and Lizzie Watkin.

144 **Minutes of Previous Meetings**

The minutes of the meeting held on 23 November 2023 were presented for consideration, and it was,

Resolved:

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

145 **Declarations of Interest**

There were no declarations of disclosable interests.

146 **Chairman's Announcements**

There were no Chairman's Announcements.

147 **Review of Actions arising from previous meeting(s)**

The Committee reviewed the list of ongoing actions.

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

All Local Pension Board minutes to date were presented at the 23 November Committee meeting.

149 **Public Participation**

No statements or questions were submitted.

150 **Key Financial Controls**

Chris Moore, Investment and Accounting Team Lead, presented an update concerning the operational accounting arrangements, which also included budget monitoring. The update included that the final sign off for the full Wiltshire Council Accounts for 2019/20, 2020/21 and 2021/22 continued to be delayed. Additionally, work had been conducted on the accounts and annual report for 2022/23, however work had recently paused, with the auditors being chased for a progress update.

It was outlined that the new Evolve system went live in November 2023, however this had since changed from green to amber on the quarterly financial performance dashboard as the reconciliation and implementation of the system had not been smooth and had caused significant problems to the accounting team. Issues had included that the team had been unable to post journals and daily processes, however this was now possible.

Detail was provided regarding cashflow, banking and capital calls that the single approval limit for payments had been an issue due to the Council accounts not being signed off therefore meaning the limit could not be increased. The Treasury team in the Council had however provided an update that progress had been made and changes are expected to be applied to the limit.

Reference was made to the budget forecast, with it noted that there was a forecast overspend of £44k against the original budget. This overspend includes an additional £49k of costs approved by Committee for the new office space. An additional cost of £50,000 is also forecast should the Committee approve the recommendation for investment in the Climate Opportunities Portfolio. It was noted that previously there had been uncertainty with the budget regarding the pay award, however this had now come to fruition in line with what was budgeted for, therefore meaning the cost risk was removed.

Detail was provided that since writing the report, one of the employers in the Fund was experiencing insolvency, with officers set to work with the company to work out what will happen in due course.

The Committee discussed the update, which included reference to the Dorset & Wiltshire Fire and Rescue Service Financial Audit Committee who had had concerns about information not being provided for auditing purposes. It was stated that this could potentially be related to the external auditors as the Fund had provided all that it could to the auditors.

Clarity was provided regarding mismatched records between Altair and SAP payroll and that though the difference had come down in February and March, this had increased in April due to the way the pension increase was applied to members.

It was questioned regarding the performance dashboard, whether payroll should be rated as a red rather than amber due to the experience of implementation. It

was clarified this was treated as two separate issues with it rated red in the risk register but amber for progress made to align the two systems.

A question was posed regarding employer contributions as to why there were big variants and sudden peaks in June 2023 compared to other entries. It was clarified that the table provided summarised contributions from 187 employers with total payments circa £8million a month from employees with a spike in April due to a prepayment of contributions from Wiltshire Council of £35million. Furthermore, it would not take much for the table to be impacted, for example a late payment from a large employer, which could potentially distort the figures.

A discussion took place regarding whether the Fund charged interest on late payments, to which it was stated that the Fund could do but has not and rather takes an engagement approach. It was outlined that there was a focus on educating employers on their responsibilities and that the Fund might charge interest in the future.

A point was raised regarding running costs per member and whether the Fund was different to other organisations. It was clarified that a previous paper had included cost per member analysis and that this benchmarking had identified the Fund as being within the average expected number for the size of the Fund. Furthermore, though there was an increased running cost per member, this would still not be in the highest level with all funds experiencing the same increase.

It was questioned whether persistent late payers are flagged for action, to which it was noted that there is a list of those who are regularly late and that there is a control route for this, with an employer data and contributions working group reviewing the list each month. Furthermore, the list was also used to understand covenant risk. Officers also outlined that the escalation policies had been reviewed to now have a six-stage approach in comparison to the previous one of four stages. Additionally, it was acknowledged that there is also a breach log which is reported to the Pension Board on an annual basis.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to:

- **Use this report to monitor progress against resolving the issues which have been identified.**
- **Approved the additional £50k of investment due diligence and advice in relation to the Climate Opportunities Portfolio.**

Richard Bullen, Fund Governance Manager, presented the results of SWAP's Key Performance Indicator audits conducted in November. The presentation included that it had been a request of the Chairmen of the Committee and Board for KPIs to be audited to and provide insight as to whether reporting was operating in a consistent manner. SWAP had since completed the audit and provided reasonable assurance with 4 management actions identified.

It was noted that the one of the management points related to data extraction which is manually copied, and an action identified to improve the process and remove human error. The second point raised was regarding data accuracy, particularly in relation to opening and closing balances, with it highlighted in the previous Key Controls review that there were inaccuracies in the KPI data for aggregations and KPI work. It was however noted that this had since improved over the course of the year since March.

Other supplementary issues and observations included that the pensions administration strategy document which was currently being reviewed to ensure consistency and to make sure that reporting was improved based on feedback from members. Following the completed audit, an actions log would be created to conclude the recommendations made by SWAP.

The Committee discussed the update, with clarity provided on the use of pivot tables and Tableau to generate data, which is then put into spreadsheets.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to:

- **Note the SWAP Audit Report 2024.**

152 **Audit Plan 2024/25**

Richard Bullen, Fund Governance Manager, presented a draft audit plan for the Fund for the scheme year 2024/25. The plan included recommendations split between standard audits and audits of fund innovations, progress improvements and new regulations. Detail was provided that it had been hoped that the new Pension Regulator Code of Practice would have been in place by now, however this was likely to be delayed until April 2024. As the Fund had not been audited on its compliance against the Code of Practice this year, the Fund would assess itself against the old code and ask SWAP to audit itself against that. An internal audit could then be undertaken on implementation of the new code once in place.

An update was provided regarding the Phase II Payroll Migration Audit, and the audit scope being prepared by SWAP. Regarding the Fraud case this year, it

was stated that an audit was desired to determine whether exceptional circumstances exist for the Fund to adopt its own policy which supplements the Council's whistleblowing policy and arrangements.

The Committee discussed the update, with comments received but not limited to that it was perceived that the internal audit work looked thin, to which officers noted that a lot of work would be picked up by a full KFC audit next year and that the Fund was looking to introduce a customer service excellence project. These would take into account internal controls and consideration of how customers are treated.

Regarding the SWAP workload, it was clarified that SWAP would be aware of the Payroll Migrations Audit and the KFC audit, however as it stood an auditor had not yet been chosen for the Fraud audit and SWAP might feel conflicted if requested to do this as they had undertaken the fraud review. The Chairman raised concern that the SWAP workload was unable to be responsive to ad hoc demands which might arise through the year. Officers noted that with big projects on the horizon, more support might be required and that it could potentially be beneficial for the Fund to have its own contract with SWAP.

A further discussion took place regarding the potential for the Fund to purchase additional hours from SWAP as well as discussing how the Fund was currently assessed by SWAP as part of the Council's risk profile, even though it was financially separate. It was stated that the suggested plan was focused on what was needed to be done rather than what the Fund would like to be done.

The Committee believed that a way forward might be for Officers, Committee and Board to articulate what extra work could be conducted by SWAP for it then to be considered by the Audit and Governance Committee.

Clarity was sought regarding the Phase II Payroll Migration Audit, which was set to be completed 30 April 2024, which suggested that the auditors would be reviewing work while it was taking place. It was clarified by officers that 30 April was a hard deadline and that this would be a readiness review rather than a full investigation. It was also noted that internal testing would take place in January, therefore meaning that data could be provided earlier.

A suggestion was made that a discussion should take place between the Chairman, the Head of the Pension Fund, and the Section 151 Officer to discuss resourcing and the relationship of the Wiltshire Pension Fund and Wiltshire Council.

It was suggested that the Fund's Risk Register be added to the Audit Plan 2024/2025 as this would ensure that all operational and strategic risks were being managed efficiently.

It was suggested that the Chairman of the Wiltshire Pension Fund Committee have a discussion with the Chairman of the Audit and Governance Committee.

At the conclusion of debate, it was,

Resolved:

The Committee agreed:

- **To approve the scope of audits and auditors set out in paragraph 4 with the addition of the Fund Risk Register.**
- **For the Chairman of the Wiltshire Pension Fund Committee have a discussion with the Chairman of the Audit and Governance Committee.**

153 **Immediate payment report**

James Franklin, Pension Administration Lead presented an “immediate payments” update following transfer of the fund payment process to Oracle. The update covered that there had been delays in Oracle going live, which meant that the first batch of payments failed and as a result emergency payments had to be made. Over 100 emergency payments went through but then when the payments were loaded to Oracle some were not removed meaning that circa 67 potential members received duplicate payments. It was outlined that the Accounts team now have received full data to work out the number of duplicates. The process had started to contact those who received duplicate payments, with the majority happy to return the money, however this had had a large impact on the Member Services Team having to deal with the issues. A full review would be conducted regarding the issue with an update set to be provided on what payments were made and what was missed.

It was outlined that the issue was caused as the template designed to load payments to Oracle was not working and only came three days before the Oracle go live date. Furthermore, due to resource issues within the Evolve Team, communications were limited meaning it was not possible to obtain updates or manage the expectations of members. A positive development was noted that the internal payment system had now gone live and that there should not be any new members affected.

The Committee discussed the update, with assurance provided that the accounting team had all the necessary data and had been working to make sure that the code mapping was correct for ledgers. Assurance was sought by the Committee, to which officers noted that following the issue, Oracle now could run dummy payrolls and the risk was consequently lower with further checks also in place. It was outlined that risk is further being minimised by the pensions increase being ran on Altair and with Oracle to then be provided with a file to upload.

The impact caused by the duplicate payments was discussed and that the issue had impacted on all work within the department, however this would be mitigated by prioritising work. Feedback was also provided by the Committee that there was an impression that the process had taken a last-minute approach and that there had been a failure of communication.

It was questioned how further issues could be prevented from taking place when pensioner payroll is migrated to Oracle in 2024, to which officers were confident with the steps in place and that there would be more reporting requirements with notes to be shared to the Committee to provide comfort. A second meeting would be taking place with the Evolve team in January, after which a summary would be provided.

It was questioned whether the Evolve team formally understood their responsibilities, to which officers stated that they were aware of what was required and that a review would be required to understand what had gone right and wrong in the current project to prevent it from happening again.

The Committee recommended that that the Fund obtained a project plan from Evolve to show that the pensions requirements (including the uploads required for pensions increase) were clearly included in the plan.

At the conclusion of debate, it was,

Resolved:

The Committee agreed:

- **Based on the experience of the Fund during the initial live rollout of Oracle, to recommend to the SWAP auditor's that within the scoping of the Payroll Migration Audit – Phase II, particular emphasis is placed on ensuring that the operational requirements of the Fund are at the centre of any audit recommendations.**

154 **Committee Forward Work Plan**

The Committee discussed the Forward Work Plan.

It was,

Resolved:

To note the Forward Work Plan.

155 **Date of Next Meetings**

The dates of upcoming meetings were confirmed as 29 February 2024 and 28 March 2024.

156 **Urgent Items**

There were no urgent items.

157 **Exclusion of the Public**

It was,

Resolved:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Minute Numbers 16 - 20 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 1 & 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

158 **Minutes**

The private minutes of the meeting held on 23 November 2023 were presented for consideration, and it was,

Resolved:

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

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

All Local Pension Board minutes to date were presented at the 23 November Committee meeting.

The Chairman called the meeting to a break at 11.42am and resumed at 11.50am.

160 **KPI Improvement Plan**

James Franklin, Pension Administration Lead presented the KPI improvement plan.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to:

- **Approve timeline for inclusion in 2023/26 Business Plan noting success is dependent on the actions detailed in this Plan primarily successful recruitment and increased support and upskilling of current staff.**
- **Approve reporting requirements.**

161 **Brunel Governance and investment presentation**

The Committee discussed the recent BPP Investment Manager presentation held on 28 November 2023.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to:

- **Note the recent presentation by Brunel Pension Partnership.**

162 **Training**

Mark Briggs, Operations Manager provided a training session to the Committee which covered the Pension Payroll and National Fraud Initiative.

(Duration of meeting: 10.00 am - 12.58 pm)

The Officer who has produced these minutes is Ben Fielding - Senior Democratic Services Officer of Democratic Services, direct line: 01225 718656 or e-mail:

Benjamin.fielding@wiltshire.gov.uk

Press enquiries to Communications, direct line 01225 713114 or email

communications@wiltshire.gov.uk

This page is intentionally left blank

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
13 February 2024

WILTSHIRE PENSION FUND HEADLINES AND MONITORING REPORT

Purpose of the Report

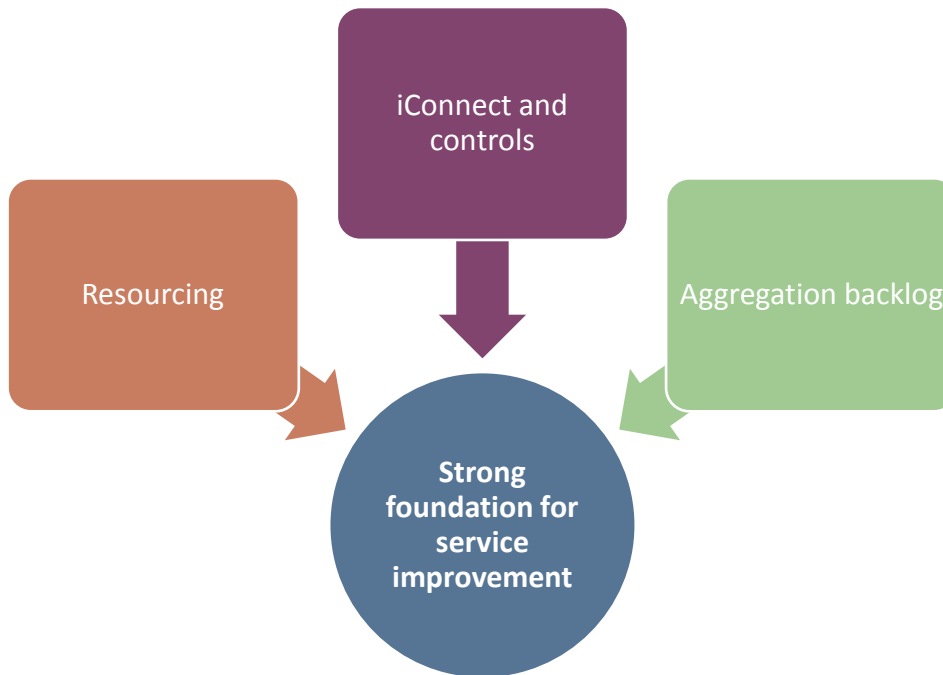
1. The purpose of this report is to provide the Board with information in relation to various standard issues, to enable the Board to fulfil its monitoring role.
 - a) Headlines
 - b) Key business plan items – Aggregations backlog, i-Connect & controls and Resourcing.
 - c) Scheme, Regulatory, Legal and Fund Update
 - d) Risk Register
 - e) Administration KPI update – 1 October 2023 to 31 December 2023.
 - f) Business Plan 2024/27 summary
 - g) Audit update 2023/24
 - 1) SWAP Audit KPI 2023/24
 - 2) SWAP Audit KFC 2023/24
2. This report is intended to highlight key issues and developments. Full detail is provided in the Appendices.

Report from Head of Wiltshire Pension Fund

3. This section summarises key events across the Pension Fund over the last quarter.
 - a) Investment performance for the quarter to Dec-23 was +3.9%, compared to a benchmark return of +3.8%. The fund value at the end of Dec-23 was just over £3.2bn. Performance for the full calendar year 2023 was +8.1%.
 - b) The funding level at the end of Dec-23 was 126.4% (based on a roll-forward of the 2022 funding level).
 - c) The backlogs project and the pensioner payroll rec projects are now complete. There is a small residual amount of work for the WPF team to complete.
 - d) We are experiencing ongoing issues with a high level of vacancies in the team, at all levels from admin manager down to processing staff, and also within the investment team.
 - e) We have now successfully gone live with our integrated payments system. One-off payments (such as refunds, transfers etc) started being paid in December, and the first payroll run for new pensioners only was paid in January. We paid 98 pensioners, at a total value of £70k.
 - f) The first investment in Wessex Gardens, our South West renewable energy fund, has now been made, in a historical deal that made the press: [LGPS funds back largest operational solar deal in the UK \(room151.co.uk\)](https://room151.co.uk)
 - g) We ran a responsible investment survey of our members during January 2024 (having last done one in March 2021). We received an amazing 2,914 responses. The findings will be shared with the board at the meeting.
 - h) The actuarial contract tender is now live.
 - i) The new General Code has been published, and training on this important topic will be arranged for the LPB and Committee shortly.

Business Plan Priority Area Progress Updates

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



Resourcing – progress rating red

5. We are still carrying several vacancies and are struggling to recruit. This has a knock-on effect on our ability to deliver against our priorities.
6. Where possible, we have worked to deliver the actions as set out in the Business Plan 23/24. We have developed training plans for all staff, and are currently working on implementation. We also have continued to improve our management information, and when managers are appointed, we will support them to use this to run the teams as efficiently as possible.

iConnect and related controls – progress rating green

7. This area has been improved from red/amber to green, to reflect the fact that significant progress has been made. At the meeting, the Employer Services Work Management Officer will deliver a presentation to the board, showing what work has been done to improve controls, design a monthly cycle of work, ensure that iConnect is being properly used, and to train and engage with employers.
8. We are now finally in a position where we can begin onboarding employers to iConnect again, and this will begin with Swindon Borough Council.

Aggregation backlog – progress rating amber

9. As mentioned above, the Hymans contract has now finished, and from a combination of this work and internal projects, the open cases now sit at 3.5k, down from around 9k back in Sept-22. Of those open cases, only 1.5k are actually overdue, with the others still being within target. If the team had been on top of BAU, we would have no overdue backlog at all at this point. Next steps will be an audit of the remaining backlog, and project work to clear it.

10. The Service Improvement Team (SIT), as well as working on various initiatives to deliver efficiencies, has cleared a large number of old cases. The Service Improvement Lead Analyst will attend this meeting to deliver a presentation on the highlights of what the team have achieved since it was set up in May 2023.

Scheme, Regulatory and Legal Update (Appendix 1)

11. A scheme update is included in paragraph 3 of this report. Regulatory & legal updates have been provided via Hymans January 2024 Current Issues circular (Appendix 1). Key additional strategic Fund updates have been incorporated within the Fund's risk register section of this report.
12. **TPR General Code of Practice Update** (Key points)
- a) The Code was published on 10 January and is expected to come into force on 27 March 2024.
 - b) It will unify and supersede 10 former codes, into 1 code fit for the 21st century.
 - c) It is split into 5 sections: Governance, Funding & Investment, Administration, Communication & Reporting
 - d) It confirms that for Public Sector Schemes, the Governing Body will be the Scheme Manager (The Pension Committee)
 - e) It will increase existing "guidance" to "code". This code will be reinforced by existing compliance and legislation.
 - f) Due to the definitions set out in the Pension Act 2004, sections 249a & 249b it has been determined that the Own Risk Assessments (ORA) and the Effective System of Governance (ESOG) are not mandatory for LGPSs. LGPSs need only demonstrate that "adequate" systems and controls are in place. However, LGPSs may wish to complete annual ORAs as part of a best practice approach.
 - g) Committee member training will be a requirement and will include not just the need for a member training policy but reporting against that training policy.
 - h) Key new areas and priorities include conflicts of interest and decision-making, investment governance, cyber controls, pension scams & ensuring that Council business continuity plans fully reflect the requirements of the pension fund.
 - i) Officers propose to review the new code over the next 6 months and update their existing action plan. It is understood that the timeline to finalise implementation can be extended into 2026. &
 - j) TPR intends to actively engage with Funds and will expect Funds to be compliant.

Risk Register (Appendix 2)

13. The version of the risk register presented in Appendix 2 relates to the month of December 2023. The December 2023 version will be the version submitted to the Committee meeting on 28 March. The officer led CROC Group continue to process and moderate ratings of monthly manager reviews in a consistent manner in the interim period.
14. A summary table is provided below for members to be able to monitor the key changes between versions submitted to their meetings. The purpose of this summary is to assist Board members in making their recommendations to the Committee.
15. The summary of key changes between the September and December versions, since the Board last reviewed the risk register in November are:

Risk Section	Section rating change	Key notes and mitigations during the period
Fund Governance	Amber to Green & back to Amber	<p>a) Whilst a 2024/25 audit plan had been commissioned & the KPI, KFC and external audit completed, as well as the Payroll Migration Phase II audit scope agreed, significant concerns remain about the appointment of auditors and the relevant services they can offer to the Fund.</p> <p>b) A new external auditor is to be appointed from 1 April 2024 and as a result of the Council's/Fund's accounts not being formally signed off for several years concern in relation to the audit handover arrangements has been highlighted.</p> <p>c) A review of contractual tenders for 2024/25 has been completed and circulated. However, key tenders are still a work in progress with the Procurement team's attitude to risk, priorities and processes creating barriers.</p>
Investment	Green to Amber	<p>a) The Fund's relationship with BPP has caused concern after the Fund's complaint was rejected concerning inappropriate stock holdings.</p> <p>b) The Government's autumn statement indicated that more investment powers would be passed to pooling arrangements, which may exasperate the Fund's relationship with BPP and increase potential conflicts of interest.</p> <p>c) BPP governance arrangements and 2024/25 budget expectations continue to cause concern for the Fund.</p>
Compliance and Regulations	Green to Amber	<p>a) An inability to fulfil a strategic investment governance role could impact the Fund in terms of compliance and regulations.</p> <p>b) Certain 3rd party service providers to scheme employers are not providing data and contributions to the Fund within statutory deadlines. This is creating additional work for officers.</p>
Performance	Amber to Green & back to Amber	<p>a) As a result of the rollout of Oracle immediate payments in November where hundreds of payments were paid late and many duplicated, a significant increase in complaints occurred. A lack of controls was highlighted as well as communication issues. Whilst these are being addressed, the risk of future occurrences means that this performance risk rating has increased.</p>

Administration KPIs (Appendix 3)

16. Tables 1 & 2 show the admin performance over the period from 1 October to 31 December 2023. January 2024 statistics were unavailable at the time of drafting. Regarding the overall Admin KPI picture, has improved over the period however we expected this to remain around this level as we implement the training plans over the next few months. This will be detailed further in the KPI improvement plan. The backlog has reduced by 319 cases since our last report. Open case volumes remained steady over the last three months, the audit of the backlog is due to take place shortly and the officers are still dealing with the effects of the duplicate payments issue.

17. Table 3 provide some analysis of the open cases. Table 3 shows a reduction of 450 cases that are older than 2 years with no cases older than 4 years and only two cases older than 3 years. The graph under the table shows the difference between completed and received cases except for the month of December however the difference is understandable due to the challenges faced in the month. On average we continue to complete more cases that we receive. The second graph shows the continued trend of cases over SLA reducing.

SWAP Audit KPI 2023/24 (Appendix 4):

18. The Chairs of the Board and the Committee requested a KPI audit to reassure both groups that the performance of the Fund is effectively monitored, accurately reported on and that appropriate action is taken to address any performance variances.

19. The scope of the audit covered:

- a) The KPI setting process to include consideration of the requirement and relevance of each KPI:
- b) The methodology for calculating KPIs:
- c) Accuracy of the reported KPIs and direction of travel indicators – including pre reporting review processes:
- d) Management oversight and reporting of the KPIs reported to the Board and Committee; and
- e) Monitoring of results by management and action plans put in place where KPIs are not achieving the determined target.

20. SWAP advised a “reasonable assurance” audit rating. The auditor’s made four recommendations. These were:

- a) To ensure that the current excel spreadsheet formula is secure and that an automated data extraction process, rather than the current manual updating arrangement is introduced to avoid errors. Additionally, that reported results are reviewed prior to circulation. (Priority 2)
- b) That the process outlined above is documented (Priority 2)
- c) To incorporate the changes above into the Pension Administration Strategy document (Priority 3): &
- d) To continue to revise the reporting in line with member feedback (Priority 3)

21. The recommendations were approved by the Committee at their meeting on 14 December and officers undertook to complete all recommendations by 31 March 2024.

SWAP KFC Audit review 2023/24 (Appendix 5a & 5b)

22. During December SWAP completed a KFC audit review based on the progress of the audit recommendations identified in November 2022. The review involved Fund officers providing SWAP with the latest version of their actions log dated October 2023 and supporting evidence in respect of each action, as requested by SWAP.

23. On completion of the review SWAP agreed in all cases with Fund officers in relation to the percentage progress made, as identified on the actions log, however as indicated in Appendix 5a not all evidence was made available to the auditors. Nevertheless, it was recorded that significant progress had been made overall during the preceding 12 months and that generally speaking satisfactory evidence was provided.

24. In line with the status of an audit review a re-rating of the audit completed in November 2022 did not take place. However, in support of SWAP’s one page review summary (Appendix 5a), Appendix 5b has been added for members information. Appendix 5b

represents the original November 2022 recommendations, with added commentary by SWAP on each section qualifying the progress made.

25. Members should note that Fund officers continue to fulfil the recommendations made where they have not been 100% completed. In particular, the following progress has can be noted:

- a) Onboarding of Scheme Employers to i-Connect has recommenced:
- b) Work is underway to implement the Employer scorecard:
- c) The Fund's overpayment policy has now been approved:
- d) Monthly reporting on transfers into the Fund had occurred. Whilst, in the second half of 2023 a system transfer impacted Fund officers' ability to maintain monthly reporting, this process will recommence on the system issues being resolved.
- e) Issuance of the KPI Improvement Plan
- f) A Quality Assurance Lead officer has been appointed to develop the work required in this area: &
- g) A bespoke risk register audit has been commissioned in 2024/25 the assure that the improvements recommended have been embedded.

Financial Implications

26. No direct implications.

Legal Implications

27. There are no known implications from the proposals.

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

29. There are no known implications currently.

Proposals

30. The Board is asked:

- a) to note the Fund updates and progress against the Business Plan 2023/24 key priorities;
- b) to endorse the risk register in Appendix 2 & the summary of risk changes since the last review, as a true and fair view of the risks currently being experienced by the Fund and to recommend that endorsement to the Committee:
- c) To note the Committee's approval of the KPI audit recommendations
- d) to endorse the SWAP KFC audit review report in Appendix 5a and to recommend that report to the Committee as a true reflection of progress made.

JENNIFER DEVINE
Head of Wiltshire Pension Fund

Report Authors: Richard Bullen (Fund Governance Manager), James Franklin (Pension Admin Lead) and Jennifer Devine (Head of Wiltshire Pension Fund)

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

Appendices:

Appendix 1 – Scheme, Legal, Regulatory and Fund updates
Appendix 2 – Full risk register

Appendix 3 – Administration KPIs
Appendix 4a & 4b – SWAP Audit Report KPI
Appendix 5 – SWAP Audit Report KFC

This page is intentionally left blank

Current issues

January 2024

Articles this month:

Out with the old, in with the new (allowances)

Down with the levy—PPF confirms 2024/25 policy

Boundary issues

Ready, steady...

Free cyber upgrade available

Competing authorities

Return revamp

Three feet high & rising—pensions complaints

Out with the old, in with the new (allowances)

His Majesty's Revenue and Customs (HMRC) has published a December 2023 [Lifetime Allowance Guidance Newsletter](#). It gives a useful summary of the provisions that the current Finance Bill would make, from 6 April 2024, for the abolition of the lifetime allowance.

The Newsletter also—

- sets out details of future tax reporting arrangements;
- reassures readers that the Bill's implication that almost every lump sum payment must be reported is a mistake that will be corrected (the intention is to require reporting of 'relevant benefit crystallization events' exceeding a member's available allowances, or when reliance on protections or enhancement factors is necessary to avoid a charge);
- confirms that the process whereby a deceased member's personal representatives are responsible for liaising with HMRC in connection with lump sum death benefits has been made permanent; and
- says that, from 2025, a protection look-up service will allow administrators to check whether a member's claim to a higher, protected lump sum is valid.

The Newsletter not only outlines the Bill's lifetime-allowance provisions, it also cites the parts of the legislation that are relevant to each change. So, it will be a helpful crib-sheet and index for those who don't want or have time to pore over the hundred or so pages of legislative amendments.



Down with the levy—PPF confirms 2024/25 policy

The Pension Protection Fund (PPF) has [announced](#) the [final levy rules for 2024/5](#). As proposed in a [consultation document](#) in September 2023, it is targeting total levies of just £100m. It expects that 99% of schemes will receive lower invoices as a result, and that legislative amendments will pave the way for them to fall yet further.

Having considered commentators' largely supportive reactions to its consultation proposals, the PPF has decided to proceed as planned, by

- increasing the risk-based levy-scaling factor from 0.37 to 0.40;
- reducing the scheme-based levy multiplier from 0.000019 to 0.000015; and
- delaying adoption of up-to-date valuation assumptions.

As noted [previously](#), the £100m target levy is an artificially high number. The PPF feels compelled to raise more than it needs, just to protect its capacity to raise more money in future years if conditions change. It is legally prevented from increasing its levies from one year to the next by more than 25%. It is also obliged to impose a risk-based levy that the accounts for at least 80% of the total amount to be raised.

Had the PPF not made the planned changes, the 2024/25 levy estimate would (as indicated by the September consultation document) have been just £90m. The increase to the scaling factor was necessary to raise the targeted amount, and the reduction to the multiplier will maintain the minimum 80:20 ratio between the risk- and scheme-based components of the levies. Using the latest actuarial assumptions would have further reduced the required levy, as well as the pool of levy payers (or forced the levy scaling factor even higher, to the detriment of those still paying risk-based levies).

The consultation document also aired ideas on how levies held at the £100m level might be distributed amongst levy payers in 2025/26 and beyond, if legislative intervention is not forthcoming. The PPF's [policy statement](#) discusses the responses, and says that it will take them into account, but also notes that the Department for Work and Pensions '*has agreed to revisit the legislation as soon as parliamentary time allows.*'

Other announcements

The Pensions Regulator plans to publish revised asset-class reporting guidance in January 2024. It will be used for levy purposes, so the PPF encourages trustees and their advisers to study it in preparation for their scheme returns (see the article in this edition for more about next year's return).

Following contract re-negotiations, the PPF has decided to drop Moody's as a provider of credit ratings, whilst retaining the services of Fitch and S&P. This change will apply for the purposes of the 2024/25 levies, and will be reflected firstly in the scores published for January 2024, with those for April to December 2023 updated soon after. The PPF thinks that the impact on schemes '*is likely to be extremely limited*', but says that those affected will be informed and will receive support with any resulting queries.

The PPF has expressed ambitions to move to nil levies, eventually, and only resume charging if its funding position deteriorates. Without the statutory changes necessary to enable it to realize that goal, the incentive to over-collect on its levies will persist and, if average scheme funding positions continue to improve, become more incongruous. Whilst it's good to see that the DWP has committed to doing something about the problem, its packed agenda in the run-up to the next general election means that it's unclear when a suitable opportunity might present itself.

Boundary issues

The Financial Conduct Authority (FCA) and His Majesty's Treasury have jointly published a [discussion paper](#) in which they propose ways to increase the availability of support for those making financial decisions. Although it is focused primarily on the sorts of guidance and advice provided by regulated financial advisers, the paper also contains a chapter on the assistance given by pension trustees to scheme members.

The discussion paper, *Advice – Guidance Advice Boundary Review: proposals for closing the advice gap* (DP23/5), seeks views on plans to—

- clarify financial firms' ability to offer their clients support and guidance that falls short of full, regulated financial advice;
- allow '*targeted support*', falling between guidance and advice, which is based on limited personal information about the client but is instead aimed at groups of people in similar circumstances ('these solutions have been designed for people like you'); and
- introduce lower-cost, simplified advice, focused on meeting one specific need and based only on the personal information that is relevant to that need, for persons with less-complicated circumstances and fewer assets.

Chapter 7 of the discussion paper is headed '*Specific considerations for pension scheme trustees*'. Aimed at the trustees of occupational defined contribution (DC) schemes, it asks how the advice – guidance boundary affects the support that they want to provide to their members. Reference is made to the Department for Work and Pension's [proposal](#) to require that DC schemes offer a suite of suitable decumulation solutions, with a default option.

Comments can be submitted in the period from 8 December 2023 to 28 February 2024.

[Wariness about the precise location of the advice – guidance boundary persists despite previous attempts at clarification. Simplified-advice propositions have been advanced before too, with limited success. The targeted-support concept is new, and it will be particularly interesting to see where that proposal, which is still at the embryonic stage, will lead.](#)

Ready, steady...

The Pensions Administration Standards Association (PASA) has issued [guidance](#) to help schemes get ready to connect to the dashboards system. It is published alongside a '[call to action](#)' that gives reasons why trustees and providers should ensure their readiness now, despite the postponing of the connection deadline until 31 October 2026.

The PASA explains that, for a scheme to be 'connection ready', those in charge should be capable of connecting to the dashboards infrastructure and able to meet their duties thereafter. The guidance sets out tasks that need to be completed in the following five areas:

- governance
- matching
- pensions values
- technology
- administration

It also contains an example timeline, suggesting that the work required for connection readiness might take 18 months or longer.

[The PASA is justifiably concerned that trustees and scheme managers may neglect or otherwise allow complacency to creep into their dashboards preparations, in the absence of staging deadlines to focus their attention.](#)

Free cyber upgrade available

The Pensions Regulator has updated its [cyber security guidance](#). It now asks that trustees, advisers and pension providers report significant incidents.

The guidance was first published in 2018, and is intended to help trustees and managers meet their duties to assess cyber-risks, ensure that controls are in place, and respond to incidents. The revised guidance sets out the steps schemes can take to satisfy the Regulator's expectations on cyber security, as contained in the draft 'General Code'.

The updated version also contains a new section that asks for voluntary reporting of 'significant' cyber incidents to the Regulator. A significant incident is one likely to result in a significant loss of member data, major disruption to member services, or a negative impact on other pension schemes or service providers. Incidents should be reported as soon as reasonably practicable: the Regulator says that it not necessary to carry out a full investigation beforehand.

The Regulator emphasizes that this new reporting expectation does not replace the existing legal requirements to report personal data breaches to the Information Commissioner's Office or to report breaches of pensions law that are likely to be of significance to the Regulator.

Competing authorities

The Pensions Ombudsman has [expressed disappointment](#) with the Court of Appeal's recent decision that he does not constitute a 'competent court'. The import of the case is that the Ombudsman cannot—currently—resolve overpayment disputes by making scheme recoupment proposals enforceable.¹ It seems, however, that the Department Work and Pensions is willing to make the necessary changes to the law to give him that authority.

In the meantime, a [factsheet](#) from the Ombudsman gives guidance on how to manage such disputes, including how to go about getting the necessary rubber stamp from the County Court. The Ombudsman will help by specifying in his determinations the total amount of the overpayment and the rate at which it should be recouped; and, indeed, he has also just published the first [determination](#) in which he does just that.

Return revamp

The Pensions Regulator plans to issue [defined benefit & hybrid scheme return](#) notices at the end of January 2024. The returns, which will ask new questions about how trustees have complied with their obligations to put fiduciary management appointments out to tender and set objectives for their investment consultants, will be due for completion by 31 March.

The Regulator says that it has improved the format of the return, which will be entirely contained within the Exchange system. For the last couple of years, it has been necessary to use a separate online form to provide some information.

The new questions arise from action taken by the Competition and Markets Authority (CMA) in 2019, following an investigation into the operation of the markets for fiduciary management and investment consultancy services. Responsibility for overseeing compliance with the obligations passed from the CMA to the Regulator, in most cases, in October 2022.

3 feet high & rising—pensions complaints

The Pensions Ombudsman (PO) published his [annual report and accounts for 2022/23](#). The overall picture is one of improvements in efficiency, but a burgeoning workload.

The organization experienced a 17% increase in complaints (it had anticipated a 12% rise), but managed to dispose of more than in the previous year (indeed, more than it received). Very few were ultimately determined by an Ombudsman (only 326 out of the total of 7,280); the rest were instead dealt with using initial assessment, early resolution, or adjudication processes. Only 1/3 of the determinations represented outright victories for the complainants: just under a half were dismissed, and the remainder were only partially upheld (often when this happens the PO will make a finding of maladministration, and award compensation for 'distress and inconvenience' as a result, but reject the complainant's claims to have suffered financial loss).



The top five subjects for complaints were contributions—the PO is now dealing with lots of cases involving non-payment of AE contributions by micro employers], administration, transfers, retirement benefits, and misquotes/misinformation. The PO's dedicated Pensions Dishonesty Unit concluded three cases, expects to determine six more shortly, and has another seventeen waiting in the wings (so far).

Long waiting times to resolution continue to be a problem. The continual increase in complaints leads the PO to conclude that, despite additional funding for 2023/24, reducing the delays experienced by complainants will be '*a real challenge*'.



And Finally...

AF turns once again to the drama of an appeal against a penalty imposed by the Pensions Regulator for an auto-enrolment breach. It's not uncommon in such cases for the appellant to complain that the fine is excessive and imperils a small and struggling business (and indeed, the fixed £400 penalty takes no account of the nature of the offence or circumstances of the transgressor). The appellant in *Evan One Ltd v The Pensions Regulator* distinguishes itself by accusing (via its accountant) the Regulator's staff of pursuing the case only to justify expense-funded outings to its business premises (alternatively, they are merely ignorant and thrawn, rather than corrupt).¹

According to Companies House the employer's registered office is in Beckenham, in Kent. Now, *AF* has nothing against Beckenham, and it's not even cut-and-dried that that was the destination for the alleged jaunts; we just feel that an outing to there from the Regulator's base in Brighton would set an unambitiously low bar for junkets and official graft. It wouldn't even necessarily take one out of the office for the entire day.

Then again, the nature of the business is stated as being 'Public houses and bars', so maybe the allure wasn't so much the geographical location or time away from their desks as the refreshments that awaited them there...(?)

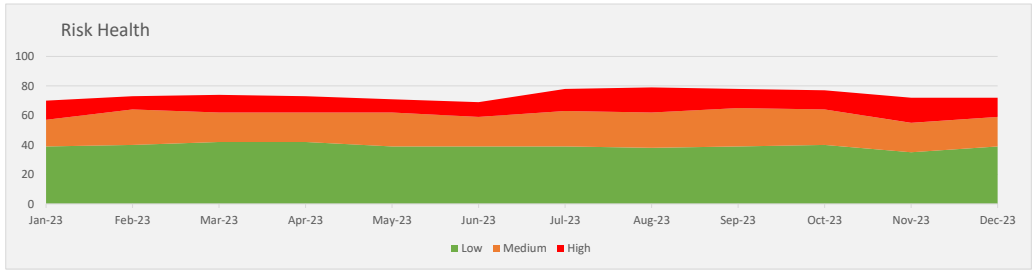
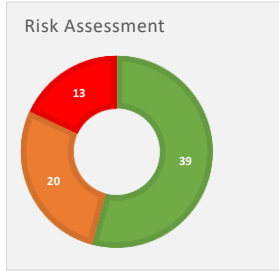
[We should probably add, for the sake of completeness, that the First-tier Tribunal judge was unconvinced by the accountant's account of the Regulator's motivations, and indeed said that the unevicenced allegations were '*completely improper*'.]

¹ [2023] UKFTT 01060 (GRC).

Committee Risk Register

Owner: Richard Bullen

Medium Overall Risk



Risk Area	Key Risks	Risk Assessment	Updates to note
Service Delivery	<p>A failure exists where levels of post and work volumes remain high creating a concern over the failure to meet the KPI targets. This includes the internal backlogs which staff are seeking to reduce.</p> <p>The processing of death notifications is a key risk in the failure to meet KPI targets.</p> <p>A risk that resourcing constraints will cause work to not be received and allocated in a timely manner.</p> <p>Poor or out of date documentation, particular of an external nature could lead to service risks</p>	High	<p>A new business plan for 2024/2027 is being prepared for March 2024 and a KPI Improvement plan has also been developed.</p> <p>A Service Improvement team has settled in well to facilitate data preparation and in turn productivity. The SIT Team are focused on undertaking work to reduce the internal backlog.</p> <p>A work allocation system has been embedded for member services, with employer services managing their own work using different measures of reporting.</p> <p>Weekly KPIs are now circulated and analysed and weekly insights have been launched for the member services team which show staff productivity.</p> <p>Embedding the use of bulk processing is now better supporting Fund processes.</p> <p>A review of member documentation is being undertaken to make sure its clear, accurate and concise.</p> <p>A first report is anticipated of possible membership deaths, now that the new mortality screening arrangements are in place. A special exercise to focus on potential cases will be managed.</p>
Financial Management	<p>Failure to maintain an accurate employer contribution rate schedule, or the Fund is unable to determine if it is receiving the correct contributions, or identify ceasing employers at an early stage is a key risk</p> <p>The Fund pays incorrect pensions, lump sums and other one off payments to pensioner members. In particular, where the new Oracle system is not operating effectively.</p> <p>Failure to process Treasury Management actions on a timely basis could be caused by changes to external approval limits. It could also impact budgeting and forecasting.</p> <p>A lack of guidance relating to covenant reviews and processes could cause a financial risk to the Fund.</p> <p>The non-reporting of information to complete Fund and employer accounts could lead to reputational damage.</p>	Medium	<p>Officers maintain an Employer Contribution and Data Management Working Group to mitigate the risk of the schedule not being maintained. An update will be presented to members at each meeting cycle.</p> <p>Officers ensure that the contributions rates are implemented & paid by all employers, and that this requirement is maintained.</p> <p>Covenant guidance requested from Hymans remains outstanding and is being followed up by officers. An employer process review has been undertaken with changes implemented, particularly in relation to the management of Admission Agreements which have ceased or lapsed.</p> <p>Officers are working with Wiltshire Council Finance to ensure that the appropriate approval limits are in place.</p> <p>The new Oracle rollout has impacted ledger coding, poor quality recording in the accounts & access issues. Officers are working with the Evolve team to resolved these issues.</p> <p>Officers are liaising with Hymans to ensure all Scheme Employers are receiving the FRS102 reports they need to complete their company accounts.</p>
Fund Governance	<p>Failure to maintain the implemented risk and control framework and embed it into departmental culture</p> <p>A failure to receive consistent independent auditing of the Fund's internal controls could lead to material risks being created.</p> <p>A failure to manage key procurements and ensure the completion of these procurements as a result of poor resource knowledge and experience. This concern extends to the sourcing of existing contracts.</p>	Medium	<p>Officer training on the risk and control framework has been completed and regular meetings are held to reinforce the concept. An independent audit in 2024/25 is scheduled in relation to risk management.</p> <p>Officers are working with both the procurement team and internal auditors to ensure that these strategic management issues of the Fund are fulfilled.</p>

Systems Management	The Council's contract with SAP expires in December 2023. However, SAP's payroll function is currently planned to continue until April 2024. The Evolve Project plans to migrate the payroll to other fund service to Oracle during 2023/24.	Medium	The migration to new payroll databases is crucial. In addition, other SAP functions such as HR could also impact the Fund if not properly migrated. Implementation of the Altair payroll to mitigate the cessation of SAP will help, however the Fund remains reliant on the Council's Evolve programme to move forward as expected. The expected mitigation is due in April 2024.
Investment	Investment performance by managers is poor or misaligned with expectations leading to risks concerning the funding level, the achievement of the investment strategy and poor benchmarking. BPP needs to operate effectively to ensure funds are well managed & investments are made on a timely basis and delivering their objectives.	Medium	The Fund is working with Brunel on pooling arrangements, particularly in relation to stock holdings not consistent with the Fund's SAA. Progress is slow in this area with a recent complaint letter being rejected. The autumn statement 2023 indicated more investment powers into pooling arrangements. The Fund is currently benefitting from net fee savings and costs are under constant pressure to rise with high budget increases. The new BPP budget request for 2024/25 was 19%, but now reduced to 15%. Officers are working with BPP and other authorities in the partnership to update BPP's constitution. A new arrangement with BPP is enabling face to face visits concerning portfolio discussions
Compliance with Regulations	Anticipated changes in legislation could impact the Fund adversely, specifically regarding compliance and resourcing. Failure to achieve statutory requirements & deadlines due to work volumes A lack of governance resource and experience could lead to the Fund losing its Stewardship Reporting status	Medium	Regular updates to the Committee and Board enable all stakeholders to monitor any potential changes in legislations. This work is supported by adviser guidance. The new pooling guidance may increase areas of potential conflict between BPP and the Fund. Project planning and holding of regular management meetings to ensure deadlines are achieved. Where required, meetings with Scheme Employers are also held to ensure deadlines are met, where those deadlines involve 3rd party input. Fund officers are seeking to fill a key Investment Governance officer vacancy to prevent regulatory failure. Officers are also completing work where a statutory deadline needs to be met.
Performance	Poor operational performance, communication and implementation of new software and working practices could lead to an increased management of complaints	Medium	The implementation of Oracle has seen a surge in complaints from informal through to IDPRs. Officer are devoting resource to manage and mitigate the level of complaints, including extending the contract of the independent adjudicator.
Employer Management	Contacts have inadequate knowledge, skills and experience to administer the Scheme correctly and effectively. Contact maintenance requires ongoing improvement. Employers are not set up, maintained or leaving the Fund correctly. This can affect the starting position for funding, unitisation adjustments, pooling or cessation arrangements due to untimely or incorrect information.	Medium	The Fund offers training to employers to mitigate the risks highlighted. Implementation of the Stabilisation Policy provides a certain amount of increased security for employers. The Fund also works closely with our Actuarial advisers to ensure new sets up are managed correctly. In addition, officers maintain the Fund's unitisation database. An exercise updating the employer contacts is being reviewed.
Data Management	A lack of i-Connect controls & checks may impact data accuracy and timeliness, noting that information is posted through both i-Connect & employer spreadsheets and can be provided late. Poor data provision from large individual employers can heavily impact the Fund's data management and its ability to fulfil statutory deadlines. A lack of i-Connect controls & checks may impact data accuracy and timeliness, noting that information is posted through both i-Connect & employer spreadsheets and can be provided late.	Medium	To enable the i-Connect onboarding process officers have worked closely with the outstanding employers, particularly major employers to obtain outstanding data. The suspended process will now recommence. Relevant data quality checks associated with i-Connect submissions have been implemented and then passed to accounts for financial checks. A clear plan is now in place. However, with the migration to Oracle, accounting resource has been assigned to managing this implementation. Assignment of responsibilities to specific officers aids the management of data. Where employers or their payroll providers are not providing data on a timely basis, or correctly, officers are actively contacting those organisations. TUPE & cessation reporting is in place and officers are migrating work to LGPS Create to enable more effecting processing.
Stakeholder Engagement	No material risks are current identified in this area	Low	
Funding	No material risks are current identified in this area	Low	

Resourcing	<p>The Fund is not appropriately resourced and staff all adequately trained to enable the service to be delivered in a sustainable and reliable way. In addition, key departures could lead to a loss of crucial knowledge in the team.</p> <p>Failure to maintain an approved Committee training plan could increase the risk around a lack of knowledge and understanding in key areas</p>	High	<p>Key people in the team are seeking to transfer specialist knowledge to colleagues by documenting procedures and notes. In addition, a training strategy is under review for the department. However, in the event of a knowledge gap, we can call on our external consultants and independent advisors for help in the short-term;</p> <p>Whilst key vacancies have been filled staff have also left leading to a cycle of recruiting & replacement which can effect the overall knowledge base.</p> <p>Employer service staff have received focussed training relating to their roles to mitigate processing errors and encourage i-Connect data checks.</p> <p>The Committee approved their training plan in November and will review their 2024/25 in March, noting the implementation of new legislation.</p>
Climate risk	<p>Failure to manage the risks in the investment portfolios, and/or to take advantage of the investment opportunities which arise from transition to a low carbon economy could cause the Fund to suffer material negative financial impacts.</p> <p>Difficulty in receiving climate data reporting from the Fund's Investment consultants and pooling arrangement could lead to poor decision making</p>	Medium	<p>The Fund has a climate change policy (within the responsible investment policy), decarbonisation targets, and has assessed alignment of all portfolios. The Fund reports against the requirements of the Task Force on Climate-related Financial Disclosures (TCFD).</p> <p>BPP continue to hold stock in the name of the Fund which is not in accordance with the Fund's climate change flightpath. This could lead to reputational damage. Officers continue to liaise with BPP and other Fund's in the group to ensure that the SAA of the Fund's climate change flightpath remains on track</p>
Projects	<p>Projects are managed by a designated Project Manager. Key projects currently being managed are the Backlog project and McCloud. The backlog project has been outsourced to a 3rd party administrator. Regular oversight of & updates to the management team, Committee and Board to avoid the projects failing. The other projects relating to internal backlogs & the introduction of a new payroll system are also considered a risk areas and are being managed in a similar way.</p> <p>The McCloud project is beginning to move forward and the outsourced backlog project is due to cease by 31 January 2024.</p> <p>Failure of the Evolve programme is also contributing to risk in this area, as well as a possible risk associated with the implementation of the Altair payroll system.</p>	High	<p>As part of the oversight of Evolve Payroll Programme periodic strategic updates are received by the s151 Officer to assess level of risk.</p> <p>Mitigations relating to the Evolve project involve the implementation of an Altair payroll system, and weekly meeting with Evolve team.</p> <p>From October McCloud calculation routines have been run and its is anticipated that only about 50 potential members will be effected.</p> <p>Officers continue to work with Hymans to mitigate delays and bring the outsourced backlog casework to a satisfactory conclusion by 31 January, to hand back to the WPF.</p>
Other External Risks	No "other" risks currently identified.	Low	

Administrative use only

Risk Assessment		72
Low	39	54%
Medium	20	28%
High	13	18%

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23		
Low	39	40	42	42	39	39	39	38	39	40	35	39		
Medium	18	24	20	20	23	20	24	24	26	24	20	20		
High	13	9	12	11	9	10	15	17	13	13	17	13		

Appendix 3 – Administration KPI's

An analysis of the administrative performance over the period

1 October 2023 – 31 December 2023



Internally set targets (Fund)

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

Table 2 Performance over 1 October to 31 December 2023

Priority Category	Process	SLA (Working days)	Target KPI	Closing cases prior report	Terminated Cases	Cases Open at Start	Cases received	Cases processed	Cases open at end	Case Change	Completed on target
High	Deaths	5/10/20 days	95%	338	22	316	501	520	297		88%
High	Retirements	10/20 days	95%	515	163	352	705	666	391		71%
High	Refunds	10 days	95%	20	8	12	200	200	12		100%
Medium	Transfers Out	10/20 days	90%	311	62	249	322	300	271		62%
Medium	Transfers In	10/15/20 days	90%	33	8	25	33	35	23		69%
Medium	Aggregations	23 days - 1 year	90%	1907	663	1244	1626	1649	1221		83%
Medium	Leavers	23 days - 46 days	90%	2247	861	1386	2780	3241	925		83%
Medium	Divorce	20 - 25 days	90%	34	2	32	53	65	20		80%

*red alert shown for anything below 10% of tolerable performance

Process	Reply Due	In Office	Of which: Currently within SLA	Of which: Already beyond SLA
Deaths	247	38	25	13
Retirements	297	48	34	14
Refunds	11	0	0	0
Transfers Out	162	84	31	53
Transfers In	13	16	2	14
Aggregations	368	764	275	489
Leavers	446	350	86	264
Divorce	14	5	2	3
Total	1558	1305	455	850

*Table 1 shows the Fund's process times against the timeframes set out in the administration strategy

Table 2: Monthly breakdown of completion on target percentage

				QTR2 - Apr - Jun 2023	QTR 3 Jul - Sept 2023	QTR 4 Oct - Dec 2023	October	November	December
Priority Category	Process	SLA (Working days)	Tolerable Performance	Completed on Target					
High	Deaths	5/10/20 days	95%	85%	92%	92%	92%	92%	91%
High	Retirements	10/20 days	95%	81%	71%	70%	73%	71%	61%
High	Refunds	10 days	95%	97%	100%	100%	100%	100%	100%
Medium	Transfers Out	10/20 days	90%	37%	65%	66%	55%	74%	80%
Medium	Transfers In	10/15/20 days	90%	58%	67%	68%	71%	63%	80%
Medium	Divorce	20 - 25 days	90%	95%	75%	80%	67%	78%	100%
Medium	Aggregations	23 days - 1 year	90%	61%	82%	83%	77%	86%	89%
Medium	Leavers	23 days - 46 days	90%	51%	81%	79%	84%	80%	62%

*red alert shown for anything below 10% of tolerable performance

Table 3: 'In Office' (as at 31 December 2023)

*'In Office' refers to any cases that are currently ready to be worked on

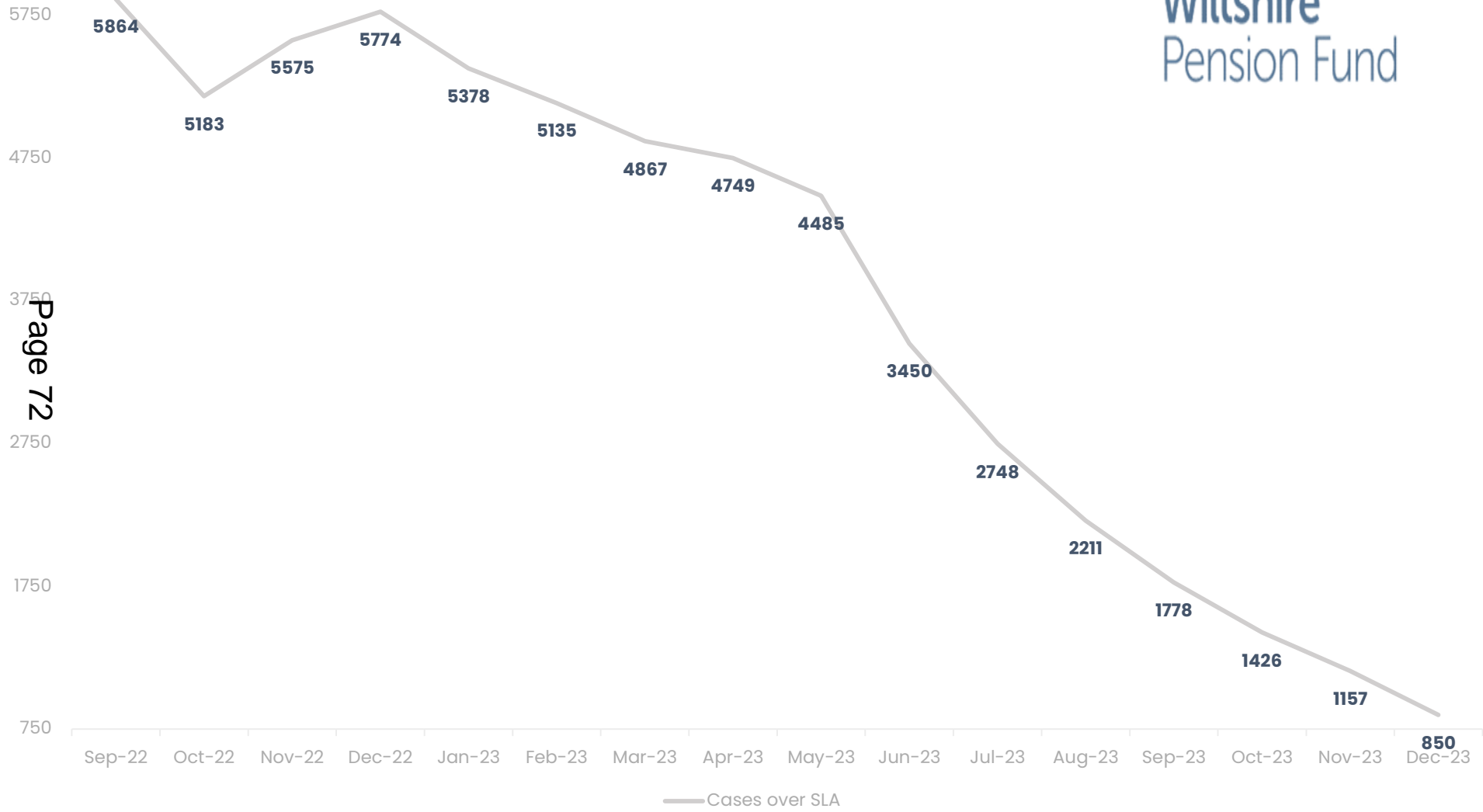
		Age Analysis (working days)							
Priority level	Process	Jan-40	2-6 months	6-12months	1year +	2year +	3year +	4 year +	Total
High	Deaths	27	9	1	1	0	0	0	38
High	Retirements	39	4	0	4	1	0	0	48
High	Refunds	0	0	0	0	0	0	0	0
Medium	Transfers Out	63	20	1	0	0	0	0	84
Medium	Transfers In	9	7	0	0	0	0	0	16
Medium	Aggregations	287	306	38	53	80	0	0	764
Medium	Leavers	95	20	143	71	19	2	0	350
Medium	Divorce	5	0	0	0	0	0	0	5

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

Comparison of cases completed in period vs cases received



Open cases over SLA



4. i-Connect onboarding progress figures at end of period

* I-Connect onboarding is currently on hold while we establish solid foundations for the checking and monitoring of receipt of employer data.*

5. MSS (My Wiltshire Pension) take up

	As at 31/01/2024		
	Active	Deferred	Total
Registered	12,147	13,811	25,958
Total	23,033	30,488	53,521
Percentage	52.74%	45.30%	48.50%

*Excludes members with password resets or disabled account.

Internal targets - Employers



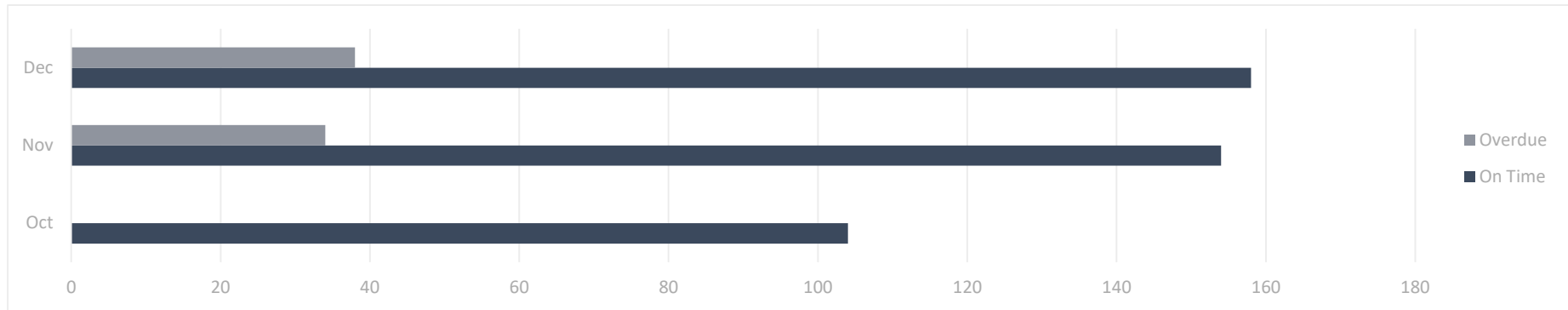
6. i-Connect submission performance

Size of Scheme	October			November			December		
	On-time	Late	Submitted on Target	On-time	Late	Submitted on Target	On-time	Late	Submitted on Target
Small	102	0	98%	142	24	92%	144	30	73%
Medium	2	0	2%	12	4	8%	14	4	7%
Large	0	0	0%	0	6	0%	0	4	0%
Total	104	0	100%	154	34	82%	158	38	81%

*size of scheme - small <250members, medium 250 members +, large >1000 members

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

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



tPR Data performance measures

The Pension Regulator (tPR) helps regulate each LGPS's Fund compliance with various legislation. In respect of administrative performance, tPR focuses on Common and Conditional data measures. The Fund is required to submit its scores against these measures each year as part of its Scheme Return

98

tPR Common Data

Percentage score at 31 December 2023

Common Data various data measures it expects all Pension Funds to hold (e.g., name, address etc).

98

tPR Conditional Data

Percentage score at 31 December 2023

Conditional/Scheme Specific data scores are those data types which are needed for the administration of that specific scheme. For the LGPS, the Scheme Advisory Board (SAB) has determined the relevant data items.

98.8

Active Annual Benefit Statements (ABS)

Percentage score at 31 August 2023

+0.1% increase since 31 August 2021

The Fund is required under the LGPS Regulations to produce active ABSs by the 31 August of each year The Fund currently uploads all ABS to the member portal. The Active Annual Benefit Statement score is slightly short of the target of 99%. Most of failures relate to Swindon Borough Council employees, due to their ongoing administrative difficulties following their change of payroll system early this year.

However, this score is still relatively high compared to previous years:

2022: 98.7% 2021: 99.5%; 2020: 96.9%; 2019: 95.0%; 2018: 93.9%.

100

Pension Saving Statements

Percentage score at 5 October 2023

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

This page is intentionally left blank

Audit Objective

To ensure that Key Performance Indicators relating to the Pension Fund are accurate, appropriately monitored and reported.

Executive Summary

	<p>Assurance Opinion</p> <p>There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.</p>	<p>Management Actions</p> <table border="1"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>2</td> </tr> <tr> <td>Priority 3</td> <td>2</td> </tr> <tr> <td>Total</td> <td>4</td> </tr> </table>	Priority 1	0	Priority 2	2	Priority 3	2	Total	4	<p>Organisational Risk Assessment</p> <p>Medium</p> <p>Our audit work includes areas that we consider have a medium organisational risk and potential impact.</p> <p>The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level.</p>
	Priority 1	0									
	Priority 2	2									
	Priority 3	2									
Total	4										

Key Conclusions

Page 77

<p>Through this review and the Pensions Key Control Follow Up it is clear that management has committed to making improvements in Key Performance Indicator (KPI) data. The Data Reporting and Performance Lead manages the flow of KPI data from the system into an Excel spreadsheet for weekly, monthly and quarterly reporting to make the information available for management to scrutinise. The Administration Lead has created a KPI Improvement Action Plan which is due to be reported to Committee, although this was not reviewed during the audit it is clear, from conversation, that it aspires to ensure that performance is the best it can be.</p>	<p>Audit Scope</p> <p>An audit was requested by the Pension Fund in relation to the Pensions Key Performance Indicators. We have reviewed the following:</p> <ul style="list-style-type: none"> • KPI setting process to include consideration of the requirement and relevance of each KPI; • The methodology for calculating KPIs; • Accuracy of the reported KPIs and direction of travel indicators – including pre reporting review process; • Management oversight and reporting of the KPIs reported to the Board and Committee; and • Monitoring of results by management where KPIs are not achieving the determined target. <p>We have excluded the KPI Improvement Action Plan from our review. This was not able to be shared with us during the audit as we were informed it would need to be presented to the Committee prior to audit having sight of it.</p>
<p>Whilst we did not identify any errors in the spreadsheet maintained by the Data Reporting and Performance Lead there is opportunity for this to occur. There is no formal secondary review of the data prior to internal circulation to identify errors that may have occurred in the process of copying data from system to spreadsheet. The introduction of additional controls in this area will ensure that inaccuracies are identified and limit the risks associated with having only one officer responsible for checking the data. In addition, it will ensure that there is a safety net provided for the Data Reporting and Performance Lead should any inaccuracies be identified once reports have been circulated.</p>	
<p>There is still work ongoing within the Pensions team to ensure that KPI data is accurate. This relies partly on the completion of an outsourced project and we have been informed, but not evidenced, that this will be addressed within the KPI Improvement Action Plan.</p>	

Other Relevant Information

This review has resulted in four key conclusions being raised with management for which an action plan has been agreed. This report should be considered alongside the relevant KPI information in the Key Control Follow Up report and the KPI Improvement Action Plan created by the Administration Lead when it is available.

This page is intentionally left blank

Audit Findings & Management Action Plan – December 2023

Finding 1.

KPI spreadsheet

Key Performance Indicator (KPI) data is automatically calculated within the system. However, in order to report on this data, it must be extracted from the system by the Data Reporting and Performance Lead and manually copied into an excel based spreadsheet for weekly, monthly, and quarterly reporting. This reporting process is time consuming and requires a lot of manual intervention by the Data Reporting and Performance Lead.

The report produced by the Data Reporting and Performance Lead is not subject to formal supervisory review by management prior to internal circulation; although we were informed by the Administration Lead that they scrutinise the information regularly. In addition to this, reports are reviewed by management on a weekly basis and any inaccuracies identified would be investigated. However, there is no evidence that this process occurs which would ensure that, should the data be inaccurate, it is rectified prior to Committee/Board reporting. To ensure both the validity of the data and also to negate the risk that the Data Reporting and Performance Lead is wholly responsible for the data it would be wise to ensure that any supervisory checks can be evidenced.

The formulae included within the KPI spreadsheet are not locked and therefore subject to potential errors or loss of information. From our review of the spreadsheet, we found that there were manual errors on a pivot table. When discussed with management we have been informed they do not use this pivot table and it was agreed during the review that the pivot table would either be rectified or deleted to avoid any risk should it be used in the future.

It is important to note that whilst we did not find any errors in the data held in the spreadsheet, due to the way the reports are extracted and processed makes it vulnerable to potential misstatements in the future.

Management may want to consider exploring the possibility of extracting reports directly from the system to minimise manual interventions and mitigating the risks of errors and manipulations.

Action

We will ensure that the pivot table in the KPI excel spreadsheet is either updated or deleted and ensure that the formulae used are locked down to prevent accidental changes.

We will include a point of formal review prior to the reports being circulated internally with appropriate documentation retained in our process guides that are currently being drafted.

As a longer-term ambition, we will begin to explore the capabilities of the system for reporting in order to fully mitigate the risks associated with using the Excel spreadsheet.

Priority	2	SWAP Reference	AP#3489
Responsible Officer	Pensions Administration Lead		
Timescale	31 st March 2024		

Finding 2.	Action		
<u>Data Accuracy</u>	This is partly incorporated in the action agreed for AP#3489 in Finding 1 regarding documenting of process guides. The outsourced work is due for completion at the end of 2023 and we should then have accurate reporting available for the areas identified in the Key Controls review.		
In the previous Key Controls review it was highlighted that there were inaccuracies in the KPI data for aggregations and Status 2. Work is ongoing to ensure that the data is accurate and is partially reliant on the work that has been outsourced being completed.			
As part of the follow up process and through this review it is evident that terminated cases are now being reported to reconcile differences between closing and opening balances. The ability to delete cases does still exist however, it would be much more readily identified if the terminated cases did not provide the balancing figure.			
Weekly internal reports provide information to management which would flag if there were any discrepancies in the data. As per Finding 1, this process is not documented so we were unable to confirm that this happens in practice.			
	Priority	2	SWAP Reference AP#3493
	Responsible Officer	Pensions Administration Lead	
	Timescale	31 st March 2024	

Page 80

Finding 3.	Action		
<u>Strategy document</u>	We are in the process of revising the Pension Fund Strategy document and will include these observations in the review.		
The Pension Fund Strategy does not define a clear period. The current Strategy is dated for the year 2022 but was not implemented until July of 2022. Consideration should be made to ensuring it states the correct time period for which it is applicable whilst it is being updated e.g. Strategy 2023-25 and a paragraph added documenting the agreed schedule for review e.g. annually, 3 yearly or sooner if legislation or process change requires.			
Furthermore, we observed that the user guidance which is a document that aids with extracting and reporting data is outdated and does not reflect the current Pensions Team structure.			
	Priority	3	SWAP Reference AP#3483
	Responsible Officer	Pensions Administration Lead	
	Timescale	31 st March 2024	

Finding 4.	Action
-------------------	---------------

Committee reports

Committee reports have been improved over the past 6 months. Previous reports reviewed for March 2023 were unclear and difficult to analyse. The direction of travel indicator has been replaced with a traffic light style dot which indicates if performance is within a 10% tolerable performance. Consideration should be given as to whether this can be improved by the introduction of an amber light. For example, green would indicate at or above target, amber within 5-10% of target and red more than 10% below. This should be considered alongside the KPI Improvement Plan to ensure that reporting parameters remain consistent.

In addition, some of the text surrounding the tables as footnotes is unclear such as the note referring to red indicating anything below 10% of target but in the chart 85% on a 95% target is shown in red. We appreciate this is a relatively minor point to but for clarity a full key of colours used in the tables should be presented each time.

Terminated cases are presented to the Committee/Board in the KPI table. This now ensures that there is transparency regarding any discrepancies relating to closing and opening balances. However, some commentary relating to the reason, or example circumstances, for terminated cases would be beneficial to ensure that new readers of the report are aware of why cases would be terminated.

We continue to revise reporting based on member feedback but agree that further revisions will make reporting more transparent and easier for non-Pension specialists reading these public reports to understand.

Priority	3	SWAP Reference	AP#3490
Responsible Officer	Pensions Administration Lead		
Timescale	31 st March 2024		

This page is intentionally left blank

Follow Up Audit Objective

To provide assurance that agreed actions to mitigate against risk exposure identified within the 2022/23 Limited opinion audit of Pensions Key Financials Control report and Pensions Payroll Reconciliation Project have been implemented.

Follow Up Progress Summary				
Priority	Complete	In Progress	Not Started	Summary
Priority 1	0	2	0	2
Priority 2	1	8	0	9
Priority 3	2	0	0	2
Total	3	10	0	13

Follow Up Assessment

Wiltshire Pension Fund officers provided us with updates, a progress percentage, and supporting documentation for 13 actions across the Key Financial Controls and Payroll Reconciliation Project audits.

Significant progress has been made against the majority of actions. For three actions we were unable to confirm the percentage of progress reported as supporting evidence was not available. The original Pension Fund Risk and Controls Register action has been closed, but suggestions have been made to further enhance this area.

Action	Priority Rating	Reported progress	Audit Comment
New Enrolments	2	50%	We were provided with satisfactory evidence and confirm 50% progress has been made on this action.
Overpayments	2	80%	We were provided with satisfactory evidence and confirm 80% progress has been made on this action.
Lumpsum payments	2	70%	We were provided with satisfactory evidence and confirm 80% progress has been made on this action.
Transfers into the fund	2	95%	At the time of this audit we were unable to obtain evidence confirming that all cases had been resolved and therefore the overall progress against the action has not been confirmed.
Amendments	3	100%	We were provided with satisfactory evidence and the action is now closed.
Aggregation Processing and Backing	1	70%	We were provided with satisfactory evidence and confirm 70% progress has been made on this action.
Status 2 Members	2	70%	We were provided with satisfactory evidence and confirm 70% progress has been made on this action.
Retired Members (Over 75s)	3	100%	Satisfactory evidence has been provided and the action is now closed.
Workflow Management	2	85%	We were provided with satisfactory evidence and confirm 85% progress has been made on this action.
KPIs, Reports and Monitoring of Staff Productivity	2	70%	We were provided with satisfactory evidence and confirm 70% progress has been made on this action.
Quality Assurance	2	90%	At the time of this audit we were unable to obtain evidence of the new quality assurance processes that have been implemented and therefore the overall progress against the action has not been confirmed.
Pension Fund Risk and Controls Register	2	100%	Satisfactory evidence has been provided to close the initial action, however suggestions have been made to further enhance this area.
Pensions Payroll Reconciliation Project	1	100%	It is understood that all cases have been resolved but, at the time of this audit, we were unable to obtain supporting evidence for this.

Additional Information

We will undertake a full Key Control Review, as agreed, in Q1 2024/25 which will provide an assessment of the overall control framework.

This page is intentionally left blank

Finding	Action												
<p>A: New Enrolments</p> <p>At the time of our audit about 60% of employers within the Fund were enrolled in the Fund’s Pensions Administration System I-Connect which was introduced in 2020. We were advised that the Fund was having difficulty onboarding the remaining employers as they were unable and or unwilling to provide the data submissions in the required format to be uploaded into I-Connect. If an employer is not enrolled on I-Connect it has a negative effect on the time it takes the Fund to process administrative duties for those members and there is a greater risk of things being processed incorrectly as more manual entry and manipulation is required.</p> <p>To help encourage employers to invest time in formatting their data, the Fund has discussed issuing additional administrative charges using an employer score card to determine employers which are more cumbersome. During our review we identified that the employer score cards have not been finalised and no employers have been issued charges for additional administrative time.</p>	<p>We will finalise the employer score cards to help identify employers which require additional administrative time and implement reasonable charges to address this.</p> <p>We will continue to encourage employers to join i-Connect, prioritising the largest remaining employers.</p> <table border="1" data-bbox="1344 670 2119 925"> <tr> <td data-bbox="1344 670 1456 726">Priority</td> <td data-bbox="1456 670 1702 726">2</td> <td data-bbox="1702 670 1926 726">SWAP Reference</td> <td data-bbox="1926 670 2119 726">425</td> </tr> <tr> <td data-bbox="1344 726 1702 853">Responsible Officer</td> <td colspan="3" data-bbox="1702 726 2119 853">Head of Wiltshire Pension Fund and Employer Services Manager (once in post)</td> </tr> <tr> <td data-bbox="1344 853 1702 925">Timescale</td> <td colspan="3" data-bbox="1702 853 2119 925">30/09/2023</td> </tr> </table>	Priority	2	SWAP Reference	425	Responsible Officer	Head of Wiltshire Pension Fund and Employer Services Manager (once in post)			Timescale	30/09/2023		
Priority	2	SWAP Reference	425										
Responsible Officer	Head of Wiltshire Pension Fund and Employer Services Manager (once in post)												
Timescale	30/09/2023												
<p>January 2024 Update</p>													
<p>We agree with the Fund’s assessment of 50% progress made. Based on documentation received, the Fund has made good progress with documentation and resources required to encourage employers to join i-Connect. They have also produced an employer scorecard template. However, onboarding is currently paused.</p> <p>Limited progress appears to have been made regarding finalising employer score cards and identifying employers which require additional administrative time. As mentioned in the Fund’s update, they are reluctant to introduce additional charging, and consideration of trigger points and arrangements is to be determined.</p>													

Finding	Action												
<p><u>B: Overpayments</u></p> <p>When a member leaves the Fund, an overpayment maybe made due to processing delays and as such needs to subsequently be recovered by the Fund. At the time of our review there were member overpayments going back to 2016 amounting to £153,509, and in addition to this since 2021 £24,002 has been written off. We were informed that anything which is below £250 is automatically written off however, the Fund was not following the write off process for values above this amount.</p> <p>We were also advised that the Fund does not review the outstanding overpayments on a regular basis. As mentioned in finding J below, there are no KPIs for chasing aged debt and as such it is not monitored in the management report.</p>	<p>We will ensure outstanding overpayments are reviewed and chased on a regular basis. The monitoring of this will form part of the KPI (Action J) below.</p> <p>We will ensure the aged debt is reviewed on a regular basis to determine if anything should be written off. This will follow the write off process contained in the overpayment’s procedure.</p> <table border="1" data-bbox="1346 550 2119 722"> <tr> <td data-bbox="1346 550 1458 600">Priority</td> <td data-bbox="1458 550 1704 600">2</td> <td data-bbox="1704 550 1928 600">SWAP Reference</td> <td data-bbox="1928 550 2119 600">426</td> </tr> <tr> <td data-bbox="1346 600 1704 675">Responsible Officer</td> <td colspan="3" data-bbox="1704 600 2119 675">Member Services Manager</td> </tr> <tr> <td data-bbox="1346 675 1704 722">Timescale</td> <td colspan="3" data-bbox="1704 675 2119 722">30/04/2023</td> </tr> </table>	Priority	2	SWAP Reference	426	Responsible Officer	Member Services Manager			Timescale	30/04/2023		
Priority	2	SWAP Reference	426										
Responsible Officer	Member Services Manager												
Timescale	30/04/2023												
<p>January 2024 Update</p>													
<p>We agree with the Funds assessment of 80% progress made. The fund has confirmed that a monthly report of aged debt is issued. We were provided with the Overpayments Policy which is satisfactory evidence of their agreed action having taken place. We have reviewed the new scheme of sub delegation and payment approval policy as part of our Pensions Payroll Implementation work and are satisfied with the contents of this document also.</p> <p>The remaining 20% appears to consist of finalising the overpayments policy and the write off of overpayments on death procedure.</p>													

Page 86

Finding	Action																
<p><u>C: Lump sum Payments</u></p> <p>We reviewed a sample of members in receipt of lump sum payments because of death, transfers out of the Fund or retirement and determined if the agreed process had been followed. See summary of issues below.</p> <p>Deaths:</p> <ul style="list-style-type: none"> 2 out of 10 from the sample tested had been closed without final letters being sent to the beneficiary or the estate. The Fund had identified this as a reoccurring issue during our audit and as such were determining if a report could be run to identify any anomalies. The Fund advised that it will be introducing this report as an additional control which will be run on a quarterly basis. <p>Transfers out:</p> <ul style="list-style-type: none"> 1 of the 11 lump sum payments made were signed off after the SLA deadline. This payment exceeded 100k, members of the Member Services Team were not aware that the Head of the Wiltshire Pension Fund has authority to sign off payments above this value and should be contacted if another staff member with authority is not available. 	<p>We will finalise the report to help identify death cases which have been closed without final letters being sent. We will ensure letters are sent for any cases identified and run the report to identify anomalies on a regular basis going forward, so issues are addressed in a timely manner.</p> <p>We will ensure that all team members are aware of who has authority to sign off lump sum payments and to what level.</p> <table border="1" data-bbox="1339 614 2128 874"> <tr> <td>Priority</td> <td>2</td> <td>SWAP Reference</td> <td>427</td> </tr> <tr> <td>Responsible Officer</td> <td colspan="3">Member Services Manager</td> </tr> <tr> <td>Timescale</td> <td colspan="3">30/04/2023</td> </tr> <tr> <td>Revised Timescale</td> <td colspan="3">31/07/2023</td> </tr> </table>	Priority	2	SWAP Reference	427	Responsible Officer	Member Services Manager			Timescale	30/04/2023			Revised Timescale	31/07/2023		
Priority	2	SWAP Reference	427														
Responsible Officer	Member Services Manager																
Timescale	30/04/2023																
Revised Timescale	31/07/2023																

Page 87

January 2024 Update
<p>We agree with the Fund’s assessment of 70% progress made. The death casework report has been prepared. We have also been informed that members services have finalised the letter.</p> <p>SWAP has already completed advisory work on the immediate payments system. Whilst advisory, assurance can be drawn from the fact that we reviewed segregation of duties as part of our work and were satisfied with the proposed controls. The payment approval policy was also reviewed as part of this work.</p> <p>We have also been provided with some procedure notes to evidence the work that has taken place during review and update of said notes.</p>

Finding	Action			
<p><u>D: Transfers into the Fund</u></p> <p>In our previous audit in March 2022, we identified when a member transfers into the Fund, the money received from members previous funds is recorded in the SAP system on the general ledger as an asset, but the corresponding liability is not always recorded on the members file in the Fund’s Altair system. This can result in a false representation of assets and liabilities in the Fund’s accounts. Since our previous audit the unallocated money has fallen from £5 million in July 2022 to £1 million at the time of our audit.</p> <p>We were advised that any cases that are not allocated within 20 days of receipt of the money fall outside of the Fund’s SLA deadline and as such should be flagged as an issue. We reviewed the aging analysis for unallocated transfers in and noted there were 153 cases which date back to 2018. This has not been flagged in the weekly KPI and performance reports which go to the Management team as an issue. There is therefore a risk of this going unresolved.</p> <p>We reviewed a sample of 3 transfers in and noted all 3 had significant delays, including one which was sat with the fund for 11 months before being actioned. This case had not been flagged as being overdue in the KPIs as a task had not been set up in Altair.</p>	<p>We will ensure Altair is updated with any historical missing liabilities.</p> <p>Any delays will be accurately highlighted in the weekly KPI report. This action is also reflected in the Finding J below regarding KPIs.</p>			
	Priority	2	SWAP Reference	428
	Responsible Officer	Member Services Manager		
	Timescale	31/12/2023		
January 2024 Update				
<p>The Fund has stated 95% progress against this action, however there was not enough evidence available at the time of this follow up to enable our agreement with this assessment. We have been provided with the final, updated TV-in procedure. The document does state that funds should be allocated promptly within 5 days receipt, but the timescales are not strictly laid out and there is no mention of SLAs or the reason for the target. Based on this, we are not confident that we have enough evidence to suggest the aging analysis will improve going forward.</p> <p>We have not been able to confirm whether the cases identified have been resolved.</p>				

Page 88

Finding	Action																
<p><u>E: Amendments</u></p> <p>We reviewed a sample of amendments made to members files and determined if the correct process was followed; this included changes to the members name, address and nominated beneficiary. See summary of issues noted below:</p> <p><i>Nomination change:</i></p> <ul style="list-style-type: none"> • 1 of the 8 nomination changes, the Fund had not saved evidence in Altair to support the reason for the nomination change. <p><i>Address change:</i></p> <ul style="list-style-type: none"> • 1 of the 10 address changes, the correspondence address had not been updated in Altair, the Fund had overwritten the address on a correspondence letter only. • 1 of the 10 address changes, the Fund had been trying to trace a member since 2020 through a tracing agency called Target. A low match had been received back from Target, but a workflow task had not been set up to schedule a full search and as such no further progress has been made. 	<p>We will remind staff of the importance of saving evidence to support any changes made in Altair.</p> <p>We will remind staff of the processes which should be followed when making address changes and ensure this is monitored as part of the Quality Assurance (Action K) below.</p> <table border="1" data-bbox="1344 571 2130 798"> <tr> <td>Priority</td> <td>3</td> <td>SWAP Reference</td> <td>429</td> </tr> <tr> <td>Responsible Officer</td> <td colspan="3">Member Services Manager</td> </tr> <tr> <td>Timescale</td> <td colspan="3">30/04/2023</td> </tr> <tr> <td>Revised Timescale</td> <td colspan="3">30/06/2023</td> </tr> </table>	Priority	3	SWAP Reference	429	Responsible Officer	Member Services Manager			Timescale	30/04/2023			Revised Timescale	30/06/2023		
Priority	3	SWAP Reference	429														
Responsible Officer	Member Services Manager																
Timescale	30/04/2023																
Revised Timescale	30/06/2023																
<p>January 2024 Update</p> <p>We agree with the Fund’s assessment of 100% progress made against this action and note that this action may now be closed.</p>																	

Page 89

Finding	Action																
<p>F: Aggregations Processing and Backlog</p> <p>Aggregations are where a member has multiple pensions within the Fund (i.e. from different roles), it is a legislative requirement that these pensions are aggregated into one pension.</p> <p>Aggregations Historical Backlog: In our previous audit we found there were a number of unresolved aggregations resulting in a large backlog of work. Since our last audit the Fund has outsourced 3500 cases to a company called Hymans who have agreed to work through the cases over the next 11 months. However, during our review 500 additional cases were identified. We were advised that these had not been picked up in the original data to be outsourced as a workflow status had not been set against them in Altair and as such did not appear in the data.</p> <p>Aggregations Ongoing Backlog: We reviewed the process followed to manage future ongoing aggregations to determine if they are being processed in a timely manner to ensure a backlog does not occur again in the future. Aggregations processing is managed by the Employer Services Team however, we were advised that they do not have a robust workflow allocation process to manage this work. Furthermore, no targets have been set for processing the work and the manager believed that the team do not see the importance of completing this work and as such it is prioritised behind other tasks.</p>	<p>We will ensure that the additional 500 aggregation cases identified are analysed and workflows are updated in Altair to ensure a complete picture is reported in the weekly KPI reports. A plan will be developed to ensure timely completion of these tasks and progress updates will be reported to the Pensions Committee on a regular basis.</p> <p>We will determine if there are any other historical aggregations which have not been outsourced.</p> <p>We will implement a robust process to ensure future aggregations are processed in a timely manner by setting defined SLAs for completion. This action also forms part of the Workflow (Action I) below.</p> <p>We will ensure the SLAs for future aggregations are regularly monitored for adherence and included in the weekly KPI report. This action is also reflected in the Finding J below regarding KPIs.</p> <p>We will remind staff of the importance of completing the aggregation tasks and any under performance in this area will be formally addressed.</p> <table border="1" data-bbox="1332 869 2123 1141"> <tr> <td>Priority</td> <td>1</td> <td>SWAP Reference</td> <td>430</td> </tr> <tr> <td>Responsible Officer</td> <td colspan="3">Head of Wiltshire Pension Fund, Operations Manager and Employer Services Manager (once in post)</td> </tr> <tr> <td>Timescale</td> <td colspan="3">30/09/2023</td> </tr> <tr> <td>Revised Timescale</td> <td colspan="3">31/03/2024</td> </tr> </table>	Priority	1	SWAP Reference	430	Responsible Officer	Head of Wiltshire Pension Fund, Operations Manager and Employer Services Manager (once in post)			Timescale	30/09/2023			Revised Timescale	31/03/2024		
Priority	1	SWAP Reference	430														
Responsible Officer	Head of Wiltshire Pension Fund, Operations Manager and Employer Services Manager (once in post)																
Timescale	30/09/2023																
Revised Timescale	31/03/2024																
<p>January 2024 Update</p> <p>We agree with the Fund’s assessment of 70% progress made against this action. The Fund has good oversight and understanding of the work that Hymans is completing to clear the outstanding aggregations. We have been provided with a copy of the project updates from Hyman – a weekly update is received stating how many have been cleared, how many are outstanding, and totals and tallies can be confirmed from this. The Fund do note that the project may take longer than anticipated.</p> <p>We were also informed of the KPI Improvement Plan and are aware of the Administration Strategy review that is currently underway. SWAP was not able to review and assess the KPI Improvement Plan during the recent KPI audit as the document was not made available to the audit team.</p>																	

Page 90

Finding	Action																
<p>G: Status 2 Members</p> <p>When a member leaves their employer, they will initially go from being an Active Member to a Status 2 Member in Altair. A Status 2 member represents a leaver where their future pension status has not yet been determined, for example if their fund is going to be deferred or if they will have a refund etc.</p> <p>We reviewed a report which identified that there was a backlog of 4277 cases currently at the Status 2 stage. We compared this to the outstanding leavers referenced in the latest KPIs reported to management and noted that this only stated 3501 cases (circa of 1200 short). We were advised that the figures differed as the KPI report does not include Status 2 cases where a workflow has not been set up in Altair and it also does not include cases which have been assigned a 'Status 2 Chase' workflow.</p> <p>Status 2 processing is managed by the Employer Services Team however, we were advised that they do not have a robust workflow allocation process to manage this work and no targets have been set for processing the work.</p> <p>We were also advised that the Fund does not have a clear picture of the types of leavers that are currently unprocessed i.e., if they are deferments, aggregations, refunds etc. Without this information it is difficult for the Fund to forecast how long it is going to take to clear the outstanding work.</p>	<p>We will ensure the KPI report is amended so that it captures all Status 2 outstanding cases clearly. This will form part of the KPI action in Action J below.</p> <p>We will implement a robust allocation method to ensure Status 2 cases are processed in a timely manner against defined SLAs. This will form part of the Workflow (Action I) below.</p> <p>We will monitor performance and formally address any underperformance in this area.</p> <p>We will ensure that the leaver backlog is fully analysed as a priority (action timescale 28/02/2023), and a plan made to clear the cases which are not outsourced to Hymans in a timely manner.</p> <table border="1" data-bbox="1328 671 2123 970"> <thead> <tr> <th data-bbox="1328 671 1440 711">Priority</th> <td data-bbox="1440 671 1722 711">2</td> <th data-bbox="1722 671 1982 711">SWAP Reference</th> <td data-bbox="1982 671 2123 711">431</td> </tr> </thead> <tbody> <tr> <th data-bbox="1328 711 1722 887">Responsible Officer</th> <td colspan="3" data-bbox="1722 711 2123 887">Head of Wiltshire Pension Fund and Employer Services Manager (once in post)</td> </tr> <tr> <th data-bbox="1328 887 1722 927">Timescale</th> <td colspan="3" data-bbox="1722 887 2123 927">30/09/2023</td> </tr> <tr> <th data-bbox="1328 927 1722 970">Revised Timescale</th> <td colspan="3" data-bbox="1722 927 2123 970">31/03/2024</td> </tr> </tbody> </table>	Priority	2	SWAP Reference	431	Responsible Officer	Head of Wiltshire Pension Fund and Employer Services Manager (once in post)			Timescale	30/09/2023			Revised Timescale	31/03/2024		
Priority	2	SWAP Reference	431														
Responsible Officer	Head of Wiltshire Pension Fund and Employer Services Manager (once in post)																
Timescale	30/09/2023																
Revised Timescale	31/03/2024																
<p>January 2024 Update</p>																	
<p>We agree with the Fund’s assessment of 70% progress made against this action. The number of outstanding Status 2 cases accurately reflects this percentage. Further analysis of the KPIs was covered as part of SWAP’s KPI review.</p>																	

Finding	Action												
<p><u>H: Retired Members</u></p> <p>Retired members are those who are over 75 years old and therefore have reached an age that their pension must be paid. The Fund confirmed that there were no retired members which had not been contacted however, they are currently waiting for a report to be written to enable bulk letters to be sent out to members on a regular basis. In the absence of this, each retired member has to be contacted individually, taking away time which could be spent on resolving other issues highlighted in this report.</p>	<p>We will finalise the report to enable letters to be sent to retired members in bulk.</p> <table border="1" data-bbox="1326 399 2123 574"> <tr> <td data-bbox="1326 399 1720 438">Priority</td> <td data-bbox="1720 399 1989 438">3</td> <td data-bbox="1989 399 2123 438">SWAP Reference</td> <td data-bbox="2123 399 2123 438">432</td> </tr> <tr> <td data-bbox="1326 438 1720 502">Responsible Officer</td> <td colspan="3" data-bbox="1720 438 2123 502">Member Services Manager</td> </tr> <tr> <td data-bbox="1326 502 1720 574">Timescale</td> <td colspan="3" data-bbox="1720 502 2123 574">31/03/2023</td> </tr> </table>	Priority	3	SWAP Reference	432	Responsible Officer	Member Services Manager			Timescale	31/03/2023		
Priority	3	SWAP Reference	432										
Responsible Officer	Member Services Manager												
Timescale	31/03/2023												
<p>January 2024 Update</p>													
<p>We agree with the Fund’s assessment of 100% progress made against this action and note that this action is now closed.</p>													

I: Workflow Management

Member Services Team

Our previous audit identified that the Fund was using the workflow built into Altair to distribute tasks however, there were many flaws in this system and as such the team’s work was not being effectively managed and allocated. Since our last audit, a new workflow system has been introduced for to help manage the tasks completed by the Member Services Team which distributes tasks by a pre-defined priority of high to medium. A report is distributed to the team 3 times a week, the team must complete the high tasks first followed by medium tasks once all high tasks have been completed. We reviewed the corresponding KPIs and noted that medium tasks were falling behind the SLA deadlines on a regular basis. This was supported by our sample testing which identified the following exceptions:

- **Retirements** – for 2 out of 10 of the sample tested the Election form, quote and member declaration form was not sent within the SLA deadline.
- **Transfers out** – for 6 out of 11 of the sample tested the letter of calculation was not sent out by the Fund within the SLA deadline. These cases were all set as medium priority as they were all LGPS funds.

Employer Services Team:

The new workflow system referenced above has not been implemented in the Employer Services Team. We were advised that the Fund plan to do this, but they need to work out the best way to pull the data to enable it to work effectively. Our sample testing over the Employer Services Team task identified the following exceptions regarding SLA adherence which may not have occurred if the tasks were appropriately managed and prioritised:

- **Name change** - 3 out of the 8 name changes were not processed within the SLA deadline.
- **Nomination change** - 2 of the 8 nomination changes were not updated within the SLA deadline.
- **Address change** - 1 out of 10 the address change was not updated within the SLA deadline.

Finding F regarding Aggregations and G regarding Status 2 Members also highlights issues with how tasks in the Employer Services Team are managed.

January 2024 Update

We agree with the Funds assessment of 85% progress made against this action. The review of IWAS is complete and the process for managing overpayments is complete. However, the process for implementing a workflow management system is still ongoing, and the Fund clearly acknowledges this and this reflects the 15% progress remaining.

We will review how medium tasks are managed and ascertain if any of these should be re prioritised. This will consider if the backlog of tasks is impacting compliance with the SLA deadlines.

We will introduce a process to manage overpayments (see Finding B above).

We will implement a robust workflow system to manage the tasks completed by the Employer Services Team.

Priority	2	SWAP Reference	433
Responsible Officer	Head of Wiltshire Pension Fund and Employer Services Manager (once in post), and Member Services Manager		
Timescale	30/06/2023		

Finding	Action																
<p>J: KPIs, Reports and Monitoring of Staff Productivity</p> <p>A weekly KPI report is produced and monitored by the Management team to help determine if tasks are being completed in line with the agreed SLAs. We reviewed the KPIs report and identified the following issues:</p> <p>Inaccuracy of KPIs</p> <ul style="list-style-type: none"> The aggregations KPIs were not accurate as it did not include aggregations where a workflow had not been set up. The Status 2 KPIs fall under the leavers data but this was not accurate as it did not include Status 2 members where a workflow had not been set up and did not include ‘Status 2 Chase’ workflows. The backlog of transfers in allocations was not flagged as an issue. The weekly KPI reports were not consistent with themselves as each week the closing position for the previous week did not agree to the new opening position. We were advised that this has been raised with the systems external support team; Heywoods. <p>KPIs not captured</p> <ul style="list-style-type: none"> There are no KPIs to monitor the progress of overpayment aged debt chasing. There are no KPIs to monitor new joiners processing. There are no KPIs to monitor amendments processing. <p>We also reviewed how the Fund monitors the data recorded for active members to ensure the data quality requirements set by The Pensions Regulator are met. We were advised that a data quality report can be run but this is only done on an ad hoc basis and the results are not reported to management to monitor.</p> <p>Finally, we reviewed how the Fund monitors staff productivity and found a weekly report has been introduced for the Member Services Team. For each type of task, the management team have determined an average time it should take to complete. A report is then produced weekly to look at the tasks which have been completed against the team members availability. In return a productivity percentage is produced. This is not yet live for the Employer Services Team but is in the testing phase.</p>	<p>We will review the KPIs and address the inaccuracy issues identified.</p> <p>We will introduce KPI monitoring for overpayments, new joiners, amendments.</p> <p>We will regularly monitor the data quality for active members and ensure the requirements set by The Pensions Regulator are met.</p> <p>We will implement the staff productivity monitoring report in the Employer Services Team.</p> <table border="1" data-bbox="1350 874 2134 1166"> <tr> <td>Priority</td> <td>2</td> <td>SWAP Reference</td> <td>434</td> </tr> <tr> <td>Responsible Officer</td> <td colspan="3">Head of Wiltshire Pension Fund and Employer Services Manager (once in post), and Member Services Manager</td> </tr> <tr> <td>Timescale</td> <td colspan="3">30/04/2023</td> </tr> <tr> <td>Revised Timescale</td> <td colspan="3">30/09/2023</td> </tr> </table>	Priority	2	SWAP Reference	434	Responsible Officer	Head of Wiltshire Pension Fund and Employer Services Manager (once in post), and Member Services Manager			Timescale	30/04/2023			Revised Timescale	30/09/2023		
Priority	2	SWAP Reference	434														
Responsible Officer	Head of Wiltshire Pension Fund and Employer Services Manager (once in post), and Member Services Manager																
Timescale	30/04/2023																
Revised Timescale	30/09/2023																
<p>January 2024 Update</p> <p>We agree with the Fund’s assessment of 70% progress made against this action. Terminated cases and additional KPIs were covered as part of SWAP’s KPI review. Overpayment aged debt chasing is being reported on and the procedure for chasing up is under review.</p>																	

Page 94

Finding	Action																
<p><u>K: Quality Assurance</u></p> <p>Our previous audit identified that no quality assurance was being carried out over the work processed within the Employer Services and Member Services Teams. Our review found that the Member Services Manager and their deputy have been completing quality assurance reviews of the Member Services Team since May 2022, but we identified the following weaknesses in the process:</p> <ul style="list-style-type: none"> • The quality assurance sample is selected at random and is not proportionality split by Officers and transaction types. There is therefore a risk that the sample is not representative. • The number of cases reviewed each month differed, ranging from 1 case up to 20 cases. The Fund has not defined how many cases should be reviewed each month. • The quality assurance is being completed at the same time and by the same person that reviews and signs off the case. The sign offs are therefore not independently quality assessed. <p>We also identified that no quality assurance reviews have been carried out over the work completed by the Employer Services Team. We were advised that the Fund is hoping to have this in place by the end of January 2023.</p>	<p>We will review the quality assurance process and ensure all samples are representative in terms of officer and transaction types. We will also define how many cases should be reviewed each month and ensure the reviewer has not been involved with the case previously We will continue to monitor adherence through the Risk and Controls register and management reports.</p> <p>We will ensure a quality assurance process is implemented for the Employer Services Team and adherence is monitored on a regular basis.</p> <p>We will ensure the issues identified in Finding E above are including in the quality assurance checks for amendments.</p> <table border="1" data-bbox="1323 667 2134 954"> <tr> <td>Priority</td> <td>2</td> <td>SWAP Reference</td> <td>435</td> </tr> <tr> <td>Responsible Officer</td> <td colspan="3">Head of Wiltshire Pension Fund and Employer Services Manager (once in post), and Member Services Manager</td> </tr> <tr> <td>Timescale</td> <td colspan="3">30/04/2023</td> </tr> <tr> <td>Revised Timescale</td> <td colspan="3">30/09/2023</td> </tr> </table>	Priority	2	SWAP Reference	435	Responsible Officer	Head of Wiltshire Pension Fund and Employer Services Manager (once in post), and Member Services Manager			Timescale	30/04/2023			Revised Timescale	30/09/2023		
Priority	2	SWAP Reference	435														
Responsible Officer	Head of Wiltshire Pension Fund and Employer Services Manager (once in post), and Member Services Manager																
Timescale	30/04/2023																
Revised Timescale	30/09/2023																
<p>January 2024 Update</p>																	
<p>The Fund has stated 90% progress against this action however, there was not enough evidence available at the time of this follow up to enable us to verify this assessment. We were informed that a more comprehensive peer review arrangement, built into checklists is being implemented as a replacement for sample reviews. Further detail around what quality assurance work is being developed would also be required.</p>																	

Finding	Action												
<p><u>L: Pensions Payroll Reconciliation Project</u></p> <p>There has been an ongoing Payroll Reconciliation Project in the Fund as it became apparent that pensions payments to members were not always paid at the current rate. This was due to recording differences between the Pensions system, Altair, and the Council’s payroll system, SAP. The work to rectify the differences has now been outsourced to a third party however, our review noted there were 35 outstanding cases still sat with the Fund to resolve. We were advised the following:</p> <ul style="list-style-type: none"> • 11 cases are not in the correct payroll area and they need to be altered by the Payroll Team, but the Payroll Team had not been informed of this; • 4 cases have an issue on Altair which need to be resolved (not payment related); and • 20 cases have payment discrepancies that need to be resolved. <p>We were informed that no deadlines had been set to resolve the above issues and their resolution was not being formally monitored by management.</p>	<p>We will ensure the issues noted with the 35 outstanding cases still sat with the Fund are resolved.</p> <table border="1" data-bbox="1335 547 2134 718"> <tr> <td data-bbox="1335 547 1458 595">Priority</td> <td data-bbox="1458 547 1733 595">1</td> <td data-bbox="1733 547 1966 595">SWAP Reference</td> <td data-bbox="1966 547 2134 595">436</td> </tr> <tr> <td data-bbox="1335 595 1733 671">Responsible Officer</td> <td colspan="3" data-bbox="1733 595 2134 671">Head of Wiltshire Pension Fund and Operations Manager</td> </tr> <tr> <td data-bbox="1335 671 1733 718">Timescale</td> <td colspan="3" data-bbox="1733 671 2134 718">31/03/2023</td> </tr> </table>	Priority	1	SWAP Reference	436	Responsible Officer	Head of Wiltshire Pension Fund and Operations Manager			Timescale	31/03/2023		
Priority	1	SWAP Reference	436										
Responsible Officer	Head of Wiltshire Pension Fund and Operations Manager												
Timescale	31/03/2023												

Page 96

January 2024 Update

The Fund has stated 100% progress against this action and we have been informed that all 35 cases have been dealt with. However, evidence to verify this assessment was not made available during the review.

Finding	Action												
<p>M: Pension Fund’s Risk and Controls Register</p> <p>Since our previous audit the Fund has introduced a Risk and Controls Register which is reviewed monthly to help determine if controls are operating effectively. The controls are linked to a list of risks to help determine a risk score.</p> <p>Each month it is the managers responsibility to document and evidence in the Risk and Controls Register if their controls for the month have been completed. We reviewed the minutes and registers from previous meetings and noted that not all managers have been updating the register and as such the output on corresponding risks is not accurate.</p>	<p>We will continue to embed the Risk and Controls Register and formally address managers performance when controls are not updated ahead of the monthly risk and controls meeting.</p> <table border="1" data-bbox="1323 375 2134 523"> <tr> <td data-bbox="1323 375 1444 414">Priority</td> <td data-bbox="1444 375 1713 414">2</td> <td data-bbox="1713 375 1982 414">SWAP Reference</td> <td data-bbox="1982 375 2134 414">437</td> </tr> <tr> <td data-bbox="1323 414 1713 478">Responsible Officer</td> <td colspan="3" data-bbox="1713 414 2134 478">Head of Wiltshire Pension Fund</td> </tr> <tr> <td data-bbox="1323 478 1713 523">Timescale</td> <td colspan="3" data-bbox="1713 478 2134 523">31/03/2023</td> </tr> </table>	Priority	2	SWAP Reference	437	Responsible Officer	Head of Wiltshire Pension Fund			Timescale	31/03/2023		
Priority	2	SWAP Reference	437										
Responsible Officer	Head of Wiltshire Pension Fund												
Timescale	31/03/2023												
<p>January 2024 Update</p>													
<p>We agree with the Fund’s assessment of 100% progress made against this action and note that this action may now be closed.</p> <p>However, having reviewed the risk register, we would advise some additional minor changes going forward.</p> <ul style="list-style-type: none"> • Basic training for officers on risk and control wording to ensure consistency throughout; and • A ‘last reviewed’ column is added so it is clear when risks become overdue. 													

This page is intentionally left blank

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD
13 February 2024

Local Pension Board Budget

Purpose of the Report

1. The purpose of this report is to present a proposed Local Pension Board Budget for 2024/25 for the Board to consider and recommend to the Pension Fund Committee for its inclusion alongside the full Wiltshire Pension Fund Budget 2024/25.
2. The Wiltshire Pension Fund Committee will consider the Fund's budget at its meeting on 28th March 2024.

Background

3. 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 will now 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.
4. Therefore, the Local Pension Board's budget is approved by the Pension Fund Committee when setting its budget for the year.

Main Considerations for the Board

5. The main financial headings for the Local Pension Board Budget and key financial totals are presented in the table below.

Local Pension Board Budget (£'s)	2023/24 Budget	2024/25 Budget
Independent Chair Remuneration	11,750	12,796
Consultancy Services	2,000	2,000
Training	2,000	2,000
Committee Services	3,947	4,298
Travel & Subsistence Costs	500	500
Catering	400	-
Insurance	3,539	3,854
Total	24,136	25,448

6. The total budget proposed for 2024/25 is £25k, a small increase on the prior year. Increases have been applied to reflect the inflationary uplift to costs. Costs for catering have been removed as no costs have been incurred in recent years on such items.

Environmental Impact of the Proposals

7. There are none.

Legal Implications

8. There are no known implications at this time.

Financial Considerations & Risk Assessment

9. In line with good governance practice, officers bring budget monitoring reports back to the Pension Fund Committee quarterly.

Safeguarding Considerations/Public Health Implications/Equalities Impact

10. There are no known implications at this time.

Reason for Proposal

11. It is considered best practice for the Local Pension Board to recommend that its budget is approved with Pension Committee.

Proposal

12. The Board is asked to agree the draft Local Pension Budget and recommend to the Pension Fund Committee that this is included in the Fund's Administration budget for 2024/25.

Chris Moore
Pension Fund Accounting and Investments Officer

Report Author: Chris Moore Pension Fund Accounting and Investments Officer

Unpublished documents relied upon in the production of this report: *None*

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
13th February 2024

KEY FINANCIAL CONTROLS REPORT

Purpose of the Report

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

Background

2. The purpose of this report is so that the Committee and Local Pension Board can easily review key areas of financial controls and monitor progress against planned improvements.

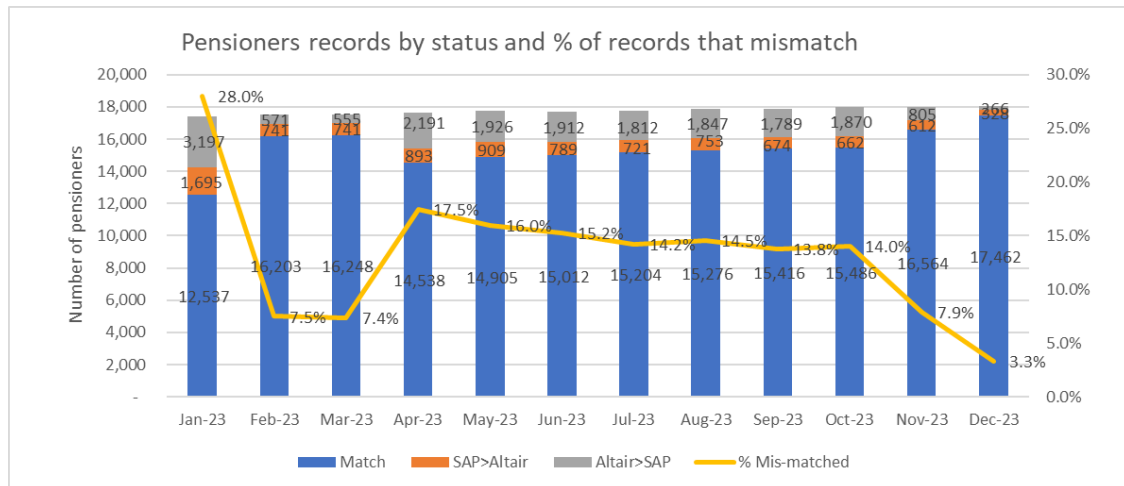
Key Considerations for the Committee / Risk Assessment / Financial Implications

Accounts and Annual Report

3. Final sign off for the full Wiltshire Council Accounts for 2019/20, 2020/21 and 2021/22 continues to be delayed, the Pension fund accounts form a part of the full Council accounts and the delay, which is due to an issue within the Wiltshire Council figures, has meant the pension fund accounts have not received their final audit opinion for inclusion in the annual report. Officers have responded to all requests by the external auditors for information for all years of accounts. To ensure we comply with The Pensions Regulator (TPR) requirement to publish the report, they are available on the website for all years with a note in the audit report section explaining the unaudited status.
4. Work is completed on the accounts and annual report for 2022/23, the external auditors commenced their work in October, however work has recently paused, we are chasing the auditors up for a progress update. Work has commenced on planning for the 2024/25 annual accounts.

Payroll reconciliations

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



- The reconciliation data shows a significant improvement in December 23, this is as a result of work to bulk correct cases <£5pm different. The Fund is close to resolving all discrepancies between the payroll and Altair system.

Finance System

- The new Evolve system went live in November 2023, the finance team were actively involved in training and testing for the system. Unfortunately despite this the team are encountering significant problems with the accounting system post going live, something which has not been isolated to the pension fund team. There have been problems posting journals, the accurate accounting for payments and running the reports needed on the new system, this has been compounded by the duplicate payments issues which have added further work.
- The accounting team are working hard to re-establish their accounting processes and to get things up and running with support from the evolve team. All daily banking is being kept up to date and reconciliation controls are as up to date as they can be prior to the system go live. However it has impacted the teams ability to provide up to date financial reports which has resulted in an increase to the risk register rating from medium to high for the accounting function. Temporary resource is being sought to clear the backlog of work and reestablish working practices.

Quarterly Financial Performance Dashboard

Wiltshire Pension Fund - Key Financial Controls Dashboard

Control Area	RAG	Items reviewed under this control area	Comments on Performance	Ongoing Actions
	Dec-23			
1. Employer Contributions	Green	Timely and accurate payment of employer contributions each month.	See summary performance table for full details. Almost all employers paying on time and with the correct rate. New reconciliation process established between I connect and banking	To chase Swindon Council for accurate remittance information.
2. Cashflow, banking and capital calls	Yellow	Maximum and minimum cash balances, private markets capital calls and distributions and treasury performance.	See summary performance table for full details.	Issue with a single approval required by the banking provider for large payments has increased the risk to making timely payments. Treasury limit for operational cash temporarily exceeded due to higher employer contributions, review of treasury policy required.
3. Balance Sheet Reconciliations	Red	All balance sheet control codes are reviewed for accuracy and outstanding issues.	All control codes have been reviewed and checked, no unexplained balances prior to Evolve implementation. Evolve implementation has made review of all balance sheet reconciliations.	Get the processes up and running again following the evolve implementation
4. Altair Checks	Yellow	Check between the ledger and pension admin system (altair) that any transactions, such as payments or receipts match the admin system.	All reconciliations have been undertaken discrepancies have reduced following active engagement with the Admin team to review old cases. Evolve implementation has delayed this work, latest reconciliations are being caught up to October 23.	To catch up on outstanding months following the evolve implementation.
5. Financial Budget Reporting	Red	Review of year to date and forecast operating budget performance, or any unusual monthly movements on the overall fund account.	Latest forecast in line with budget however now out of date. Issues with new system have prevented effective review of the latest spend.	Get the processes up and running again following the evolve implementation. Budget setting work ongoing for 24/25.
No material concerns	Green			
Minor issues	Yellow			
Major issues	Red			

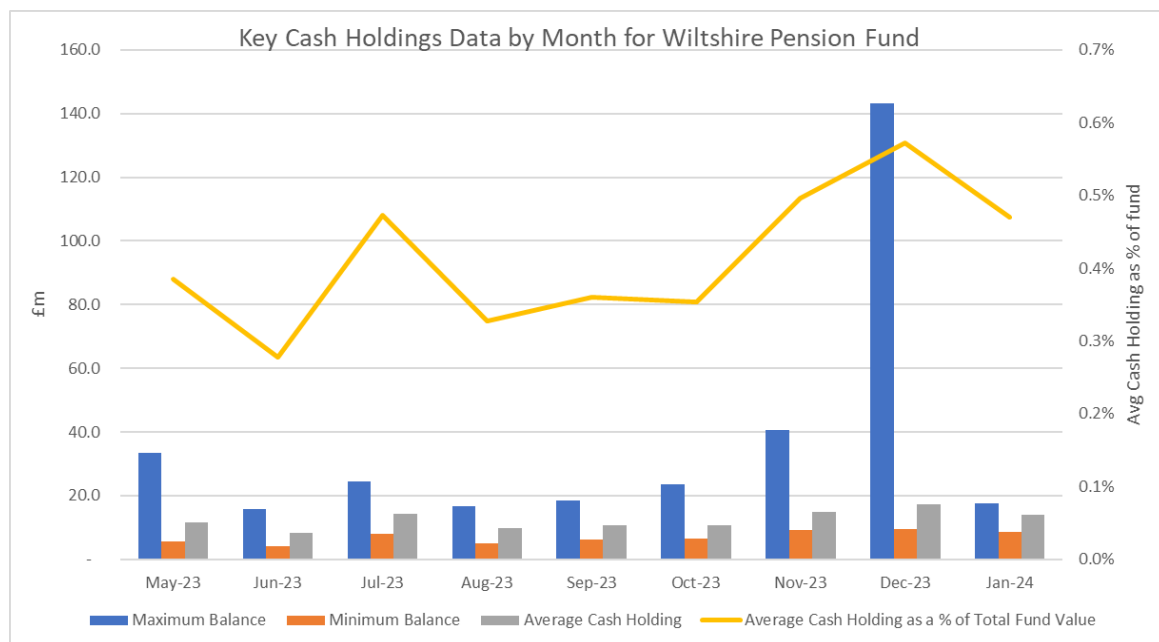
9. The following table provides further details for performance dashboard item 1. Employer contributions.

Quarter	Payroll Month	Paid contributions £000's				Average late and overdue contributions total days		Number of employers payments status		
		Total Payment	On Time Payment	Late Payment	Late Payment %	Days Late Recd	Days Overdue	On time	Late	Not Received
Q1	Apr-23	35,505	34,625	881	2.5%	22.0	-	168	8	-
Q1	May-23	8,289	6,267	2,022	32.3%	14.6	-	165	11	-
Q1	Jun-23	8,297	8,286	9	0.1%	69.0	-	175	1	-
Q2	Jul-23	8,289	6,011	2,278	37.9%	9.5	-	163	11	-
Q2	Aug-23	8,233	8,218	15	0.2%	3.3	-	168	6	-
Q2	Sep-23	8,072	7,204	868	12.0%	4.1	-	168	8	-
Q3	Oct-23	8,258	7,150	1,108	15.5%	3.9	-	165	10	-
Q3	Nov-23	10,372	10,370	3	0.0%	4.3	48.0	170	3	3
Q3	Dec-23	9,967	9,964	3	0.0%	7.3	17.0	170	3	3
Total	Q1	52,091	49,178	2,912	5.9%	35.2	-	508	20	-
Total	Q2	24,594	21,434	3,161	14.7%	5.6	-	499	25	-
Total	Q3	28,597	27,484	1,114	4.1%	5.2	21.7	505	16	6

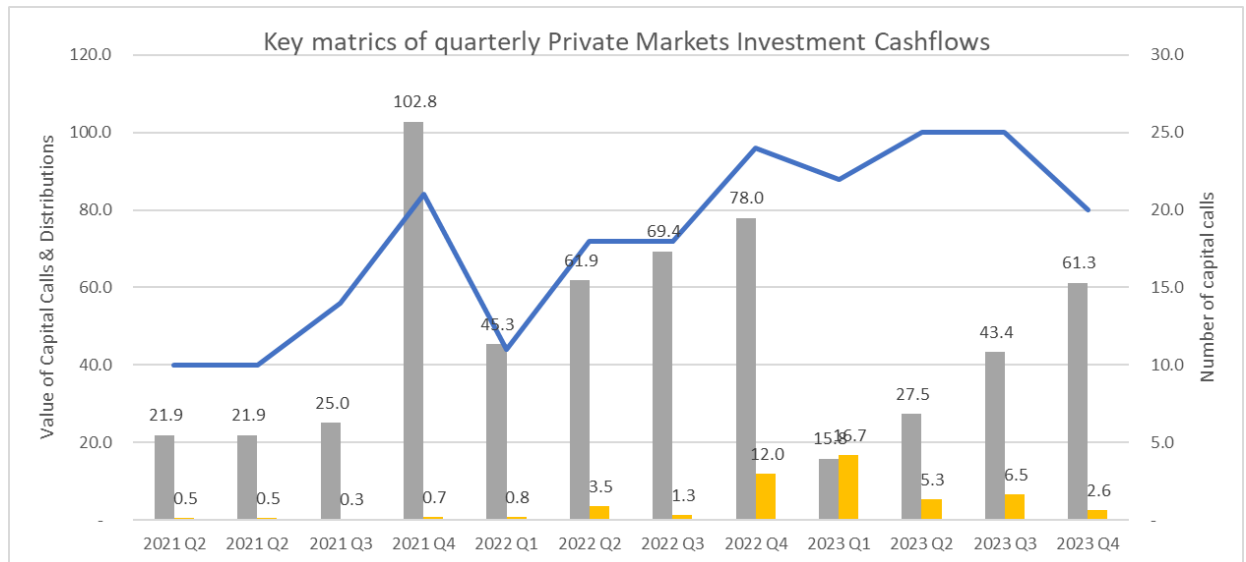
10. The majority of the late payments are received within a day or two of the deadline and all employers who have not paid are contacted immediately after the deadline day to remind them to pay. Persistently late payments or employers where we have problems are escalated to the employer engagement and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

11. The 6 payments not received are all from contracts held by Imperial Cleaning. The company has gone into Administration and the employer relationship manager is working with this employer on the outstanding payments.

12. The following graph provides further details for performance dashboard item 2. Cashflow, banking and capital calls.



13. Overall average cash holdings have remained low, a peak in the minimum balance was seen in November following divestment of the investment with Magellan. The investment funds were immediately transferred into the SALAMI portfolio to earn investment returns, awaiting investment in the new Climate Opportunities Portfolios.
14. Cashflow activity for private markets capital calls have continued to be met as commitments are called. Large calls are anticipated for early 2024 to fund new commitments to the Climate Opportunities fund, these will be funded from funds recently divested from Magellan.



Planned improvements and key items to monitor

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

Improvement / Issue	Last RAYG* rating	Current RAYG* rating	Comments
Evolve	Orange	Red	The implementation has caused significant issues for payments and the ongoing operations for the pension fund accounting team. Work is ongoing to ensure these are resolved.
Wiltshire Council – Wiltshire Pension Fund SLA charge	Yellow	Yellow	LPB Action Point – SLA Recharge The Council have provided a new fee for 23/24 based on a reasonable methodology for all key items, these costs have been included in the agreed budget for the year. Officers are drafting an SLA document to support all the charges.
	Significant concern		
	Not started		
	Work has commenced		
	Significant progress made		
	Completed/situation under control		

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

17. There are no known implications at this time.

Proposals

18. The Board is asked to use this report to monitor progress against resolving the issues which have been identified.

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

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

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
13 February 2024

Employer Related Activities Update

Purpose of the Report

1. The purpose of this report is to update the Wiltshire Local Pension Board with employer related activities undertaken by the Fund. The Board is asked to note the report and to seek from Officers such clarifications or further information as they require.

Background

2. **Employer Scorecards**

The purpose of employer scorecards is to introduce a method by which employers and the Fund can track employer performance against the responsibilities and obligations. A significant amount of work has been completed in this in obtaining the relevant data from different data sources e.g. employer database, i-Connect, employer contributions received and Rates and Adjustments Certificate data. A draft report is currently being reviewed and the expectation is that employers will receive their scorecard each quarter from April 2024.

Each employer will be scored using a RAG rating (red, amber and green). Where an employer isn't performing at a satisfactory level, the Fund will engage with them to address and discuss the issues including putting in a plan to improve employer performance.

3. **Employer Compliance – Data Sharing Agreements (DSAs)**

The Fund Governance Manager leads on this, these allow the Fund to share membership data with third party payroll providers or an outsourced HR provision. As at 15th January 2024, 78% of these have been completed and are held by the Fund. Of the remaining 22%, 3% are in progress and 19% of which we are awaiting a response.

A review was undertaken between the Fund Governance Manager and Employer Funding and Risk Lead to ensure all employers continue to be captured.

The Fund Governance Manager is chasing the outstanding DSAs on an ongoing basis.

4. **Employer Review – Internal working practices**

Since the appointment of the Employer Funding and Risk Lead in June 2023, they have reviewed and tested the current processes/procedures, ensuring compliance, reducing risk and finding more efficient ways of working.

A new employer process was developed for Fund Officers, whereby now as per the regulations, employers are only scheme employers once the admission agreement is signed and thereby pay contributions to Fund accordingly. Clear responsibilities and functions are now identified by each team/Fund Officer in the new employer process.

The New Employer Policy and Cessation Policy were reviewed, previously presented and approved by the Board and Committee in July 2023.

The Employer Database was overhauled so now end dates, open/closed admissions, i-Connect status, current and payroll providers, company numbers and risk sharing arrangements are captured in one location, previously these were held in various locations and in some cases, not recorded at all.

As a result of the above, this identified some lapsed admission agreements which were previously un-detected. Fund Officers are now working with the relevant employers to establish if the contracts were extended or awarded to an alternative provider. The end dates are now monitored and flagged for action for Fund Officers, by the employer database. In addition, any new admission agreements set up from December 2023 are now tracked via Eversheds Sutherland LGPS Create system which also sends a reminder to the Fund Officers.

The TUPE Tracker was overhauled to now guide Fund Officers through the TUPE process, with various “check-in” points to ensure the relevant action has been completed, which was previously missing.

The Cessation Tracker was overhauled to now capture all the relevant information needed, with various “check-in” points to ensure the relevant action has been completed, which was previously missing.

One key change as part of this review and especially as a result of feedback from employers, was to make the drafting of admission agreements more efficient. Before the review, Wiltshire Council Legal Services were instructed by the Fund to construct admission agreements, they would send these out to all parties and then wait for them to be returned. From December 2023, the Fund now uses Eversheds Sutherland LGPS Create portal to construct admission agreements, send out virtually and obtain the relevant signatures virtually via DocuSign. Eversheds Sutherland also pro-actively chase any missing signatures. This has significantly reduced turnaround times from months or even years for fully signed admission agreements to 3 or 4 weeks. An employer cannot legally join the Fund and send contributions until the admission agreement is signed.

The review is still ongoing, with the Fund currently working with Hymans Robertson to produce an Employer Risk Management/Covenant Policy.

All the above now means the Fund can effectively track employers from “cradle to the grave” and conduct tasks more efficiently going forward.

Feedback received so far from the wider Fund and employers has been positive to date.

5. Employer Forum

On 16th November 2023 the Fund held it's first face to face Employer Forum at the Council Offices in Trowbridge, with over 30 employers attending. The Pension Regulator was the key note speaker and other areas covered included investment performance, discretions policies, employer responsibilities, pensions news, pensionable pay and communicating pensions with members.

After the event, a survey was conducted of those that attended with positive feedback being received and this also identified there was a need to undertake more forums to engage and share information with employers.

In 2024 the Fund are currently planning to hold up to three Employer Forums throughout the year in the Swindon, Salisbury and Trowbridge areas.

6. Employer Changes

Imperial Cleaning Services Ltd – The Fund were notified in December 2023 that the employer was entering administration. The Fund were contacted directly by the Administrators Quantuma. Imperial had three active contracts in the Fund, all on full pass-through risk sharing arrangements. The Fund contacted the ceding scheme employers via Wiltshire Council Legal Services, to advise of their obligations.

Imperial Cleaning Services Ltd three contracts in the Fund were: Imperial Cleaning (Highworth), Imperial Cleaning (Greentrees) and Imperial Cleaning (King William Street), with a total of 3 active members across all these contracts.

In January 2024, the Fund were notified that Imperial Cleaning Services Ltd were sold to Imperial Cleaning Services (South West) Ltd. on 1st December 2023. Fund Officers are currently liaising with Wiltshire Council Legal Services, Eversheds Sutherland and the ceding scheme employers to consider the implications and draft new admission agreement, as applicable.

Aster – In January 2024, the Fund were notified that following consultation with their members, Aster's intention is to exit the Fund from 1st April 2024. Fund Officers are currently working with the actuaries to assess if any deficit/surplus payments are applicable. Aster currently holds three employer records/contracts in the Fund: Aster Living Ltd, Aster Group Ltd and Aster Property Ltd, with 6 active members across these in total.

The Chartered Institute of Public Finance and Accountancy (CIPFA) – Fund Officers since CIPFA's exit in September 2022, have been negotiating with them and their legal advisors in the arrangement of a Debt Spreading Arrangement (DSA) and Legal Charge on their 77 Mansell Street, London property. The Fund have sought legal advice from Osborne Clarke and actuarial advice from Hymans Robertson throughout this process. The exit payment due was £12.7million. In December 2023, the final documentation was agreed and sent to them for their signature.

Diocese of Bristol MAT (DBAT) – It was reported in the local media that the employer was looking to withdraw as Multi Academy Trust (MAT) in the Swindon and Wiltshire areas following an adverse Ofsted report. The Employer Funding and Risk Officer contacted DBAT immediately following the report, to ascertain the current situation and understand potential timelines. DBAT confirmed this was ongoing and will remain in contact with the Fund. DBAT currently has 12 schools in the Wiltshire and Swindon area and the Department of Education are looking for other MAT/s to take on these schools.

Considerations for the Board

7. It is proposed that the Board note this report and the work currently being undertaken to resolve the employer changes issues, seeking reassurance as required.

Environmental Impact of the Proposal

8. There are no known environment implications from this report.

Financial Considerations & Risk Assessment

9. Appropriate risks are suitably mitigated for the employer changes identified in this report. Actuarial work may be required for the DBAT dissolution and Imperial Cleaning (South West) Ltd joining the Fund.

Legal Implications

10. New admission agreements may be required for Imperial Cleaning (South West) Ltd.

Safeguarding Considerations/Public Health Implications/Equalities Impact

11. There are no known implications at this time.

Reasons for Proposal

12. To bring to the attention of the Local Pension Board the ongoing employer activity currently being undertaken by the Fund.

Proposal

13. The Board is asked to note the report and to seek from Officers such clarifications or further information as they require.

Matt Allen
Employer Funding and Risk Lead

Report Authors: Matt Allen, Employer Funding and Risk Lead

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

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
13 February 2024

Immediate Payments Update

Purpose of the Report

1. To update the Board on the impact to the Fund of immediate payments to scheme members following the Council's migration of service from SAP to Oracle.

Background

2. On Monday 13 November the Council formally began to migrate its live SAP service to its new Oracle software platform. The phased transfer of services to the new platform included an administration blackout period of 3 working weeks prior to 13 November to enable readiness for the migration and allow a clean and stable data strategy from day one. Part of this phased transfer included the Pension Fund's immediate payments arrangements.
3. For information, the Fund's immediate payments arrangements include its ability to pay retirement tax free cash sums, refunds, cash equivalent transfer values & death grants for the benefit of the Fund's membership, as those liabilities fall due.
4. In preparing for this transition the Fund communicated with relevant members, likely to be impacted, that there would be a delay in the payment of their benefits, notably during the administration blackout period, this communication allowed some contingency if there were further delays to manage the members expectations. Whilst such a delay was accepted by the majority of members, Fund officers did experience an upturn in complaints from members unhappy with an enforced delay.
5. Additionally, in preparation for the transition Fund officers also sought to liaise with the Evolve team to ensure that the appropriate communication and immediate payment loading arrangements to Oracle were in place, thus clearing the accumulated backlog at the earliest possible opportunity. Due to time constraints the Evolve team faced they were unable to respond to the Fund until 3 days before the Oracle go live date. The Fund officers then received a draft loading template to submit payments for processing through the BACS systems.

Issues experienced with member payments

6. On 13 November three issues quickly transpired. These were:
 - a) The template designed to load payments to Oracle was not working and consequently payments could not be loaded.
 - b) The spreadsheet had not been tested using the Oracle software to check whether the payment templates could be loaded, and &
 - c) Due to resource issues within the Evolve team, communications were extremely limited, meaning that it was not possible to obtain updates in order to manage the expectations of members, some of whom were growing increasingly agitated about the delays.

7. As a consequence of these issues many payments were further delayed, noting that only critical and complainant payments had been processed via Oracle on a manual basis, and onward via the CHAPS system. The remaining backlog of some 200 payments was finally cleared by 6 December, 3 weeks after the original go-live date, meaning that some members experienced a delay of up to 6 weeks (including the original 3-week blackout period).
8. When the most urgent payments were made via CHAPS the BACs file created for loading into Oracle was not updated for all members. This meant 47 members were paid a second time, £228,257.81 was paid in error. 7 overpayments were less than £250, these payments were written off in the line with the Fund's Overpayment policy.
9. Due to the issues experienced, the member services team have experienced higher-than-usual call volumes and an increased level of complaints, which has distracted from processing work over this period. There have also been demands on other resource within the team in order to assist in resolving these issues. 15 members have now paid back £74,090.75 leaving 25 members owing £153,063.28. If these funds are not returned by the 29 February 2024 the Fund will commence a formal debt recovery process unless a repayment plan has been agreed.

Issues experienced with supplier payments and accounting

10. Payments to suppliers of invoices has also been disrupted, leading to queries and complaints from suppliers, and requiring additional work with the Council team to process payments. Issues with ledger coding of the payments has also created additional work.
11. The one-off payment process used to make payments to reach pensions has created additional work for the accounting team as all of the ledger coding will need to be added manually. This also increases the risk of incorrect accounting records.

Migration to Altair Immediate Payments and Integrated Payroll

12. On 8 December the Altair Immediate Payments and Integrated system went live. All member payments and new pensions are paid through Altair. The Fund successfully paid 98 members their first pension payment and 25th January 2024 totalling £69,540.32. The Fund has also now made over 250 immediate payments totalling over £3.2m.
13. Now the Fund is in control of its own payments the risk of incorrect or duplicate payments have been significantly reduced. The processing time of payment tasks has also reduced which should result in an improvement in service.

Considerations for the Board

14. The Board may recall that payroll was split out from the initial Oracle implementation plan and will be going live in April 2024. There are significant risks to the operations of the Pension Fund during this transition, which is further increased by the fact that it will be occurring at the same time as the annual pensions increase exercise. Officers have requested information on timings and resource requirement from the Evolve team to ensure that there is adequate time to load and test data during the migration, so that we minimise the risk of a second, more significant, service disruption. It will be critical that both teams collaborate on this migration and ensure a joined up approach.

15. The Fund recognises that the Evolve team would have experienced competing demands on its time from other service areas, such as payments for housing benefits and adult social costs. Fund officers have asked for a “lessons to be learned” report from the Evolve Team, in order to mitigate the risk of similar issues occurring when the pensioner payroll is migrated to Oracle in April 2024.

Environmental Impact of the Proposal

16. Not applicable.

Financial Considerations & Risk Assessment

17. Risks to the Pension Fund’s ability to fulfil core operational requirements and/or breach of agreements with suppliers, and risk of reputational damage.

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

19. There are no known implications at this time.

Proposals

20. The Board is asked to endorse the actions taken by the Officers who will, in turn, ensure the Board is kept informed regarding the Payroll migration in April and the return the overpayments.

Jennifer Devine
Head of Wiltshire Pension Fund

Report Author: Richard Bullen, Fund Governance Manager

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

This page is intentionally left blank

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
13 February 2024

Administering Authorities Discretions Policy

Purpose of the Report

1. To note four minor amendments to the Fund's regulatory discretions.

Background

2. In various parts of the LGPS Regulations, the Fund is afforded discretion over how the rules of Scheme operate, allowing a degree of localised decision making.
3. In line with best practice, the Fund summarises its approach to all of these areas of discretion in an Administering Authority Discretions Policy. This whole policy was last reviewed and approved by the Committee on 31 March 2021.
4. As with all key policies and strategies, it is good practice to review its contents periodically, normally every 3 years for policies of this nature.
5. As one of the core policies identified in the Committee's terms of reference, this policy will be submitted to the Committee for their approval at their March 2024 meeting.

Considerations for the Board

6. As no new LGPS Regulations have been published since the last review officers have not undertaken a full review of all the discretions. However, a full review of all policies and procedures will be undertaken over the next 12 months, notably within the administration area and where required, officers will propose changes to discretions to reflect any updates. Where this occurs, a revised Administering Authorities Discretions Policy will be brought back for further approval.
7. The Board is asked to note, that whilst it is common place to summarise all discretions into a single document, the discretions themselves are wide-ranging and are mostly independent of one another which is why a partial review was deemed a reasonable way forward.
8. For information, the four minor amendments to the Fund's regulatory discritions are:
 - a). Name changes to reflect the new operational staffing structure from January 2023.
 - b). Policy No. 2: Under WPF discretion column, just after... R3(5) & RSch 2, Part 3, para1) "and s75 of the NHS Act" has been included.
 - c). Policy No. 3: Under WPF discretion column just after...where, possible, through reasonable means "and within a reasonable period (specified by the Administering Authority)" has been included.
 - d) Policy No. 4: Under WPF discretion column reference to "Fund" have been changed to "Administering Authority".

Environmental Impact of the Proposal

9. Not applicable.

Financial Considerations & Risk Assessment

10. There are no specific financial and risk assessments resulting from this report.

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

12. There are no known implications at this time.

Proposals

13. The Board is asked to recommend the recent amendments to the Administering Authority Discretions Policy to the Committee.

Jennifer Devine
Head of Wiltshire Pension Fund

Report Author: Richard Bullen, Fund Governance Manager

Appendix 1: Administering Authority Discretions Policy

Wiltshire Pension Fund's Administering Authority Discretions Policy

External publication: Applies from 28 March 2024

Approved by the Wiltshire Pension Fund Committee on the date above.

Introduction:

The following policy outlines Wiltshire Pension Fund's approach to exercising the discretions afforded to it with the LGPS Regulations. In all cases, the discretion outlines the normal approach the Fund will use but the Fund reserves the right to waiver from a discretion stated in extraordinary circumstances where the Fund deems it appropriate and reasonable to do so.

Regulatory references

The discretions held within this policy originate from various versions of the LGPS Regulations as shown in the list below. In the interests of brevity, a one or two letter prefix related to each set of Regulations has been used for each regulatory reference within the discretions policy. The prefix used are shown in square brackets.

- The Local Government Pension Scheme Regulations 2013 [prefix R]
- The Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 [prefix TP]
- The Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [prefix B]
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]
- The Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]

Policy No	Regulation Reference	Brief Description	Wiltshire Pension Fund's (WPF) Discretion
1	R3(5) & RSch 2, Part 3, para 1	Whether to agree to an admission agreement with a body applying to be an admission body	The Fund's approach to applying to discretion is outlined in its New Employer Policy, as approved by its Committee and updated from time to time.
2	R4(2)(b)	Whether to agree to an admission agreement with a Care Trust, NHS Scheme employing authority or Care Quality Commission	WPF will accept the admission of a Care Trust, NHS Scheme employing authority or Care Quality Commission subject to the relevant authority meeting the criteria set out in R3(5) & RSch 2, Part3, para 1 and s75 of the NHS Act. Further details are outlined in the Fund's New Employer Policy.
3	RSch 2, Part 3, para 9(d)	Whether to terminate a transferee admission agreement in the event of: <ul style="list-style-type: none"> - insolvency, winding up or Liquidation of the body - breach by that body of its obligations under the Admission agreement - failure by that body to pay over sums due to the Fund within a reasonable period of being requested to do so 	In the first instance, the terms of the relevant Admission Agreement will apply. Where the terms of the relevant Admission Agreement leave the decision open to the Administering Authority, the Administering Authority will cease the admission agreement in the event of insolvency, winding up or liquidation of the body unless there are strong reasons not to do so. If the terms of the Admission Agreement are broken, WPF will try to resolve the matter, where possible, through reasonable means and within a reasonable period (specified by the Administering Authority). If WPF is unable to resolve the matter satisfactorily, WPF will terminate the Admission Agreement.

4	RSch 2, Part 3, para 12(a)	Define what is meant by “employed in connection with” in relation to admission agreements.	This applies where an admission agreement states that only those employed in connection with the service have the right to remain in the LGPS. The Administering Authority determines that a member should spend at least 50% of their time on the relevant contract to remain eligible to be an active member in the LGPS unless an individual admission agreement states otherwise in which case the definition outlined in that admission agreement should prevail for that admitted body arrangement.
5	R22(3)(c)	Pension account may be kept in such form as is considered appropriate.	WPF will maintain a separate pension account as required by legislation within the electronic pension administration system (currently Altair).
6	TP10(9)	Decide, in the absence of an election from the member within 12 months of ceasing a concurrent employment, which ongoing employment benefits from the concurrent employment which has ceased should be aggregated (where there is more than one ongoing employment).	WPF will proceed with what is considered to be the most advantageous decision to the member at the point of time of processing the case.
7	R49(1)(c) & B42(1)(c)	Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefits under 2 or more regulations in respect of the same period of Scheme membership.	WPF will proceed with what is considered to be the most advantageous decision to the member at the point of time of processing the case.
8	L12(5)	Frequency of payment of councillor’s Contributions	N/A for English LGPS Funds
9	L17(4),(7),(8), & 89(4) & Sch 1	Whether to extend normal 12-month Period following end of relevant Reserve forces leave for "Cancelling notice" to be submitted by a councillor member requesting that the service should not be treated as relevant	N/A for English LGPS Funds

		reserve forces service.	
10	R69(1), L12(5) & L81(1)	Decide frequency of payments to be made over to the Fund by employers and whether to make an admin charge.	This information is outlined in the Fund's charging policy on its website.
11	R69(4) & L81(5)	Decide form and frequency of information to accompany payments to the Fund	Employers must provide the information set out in Regulation 69(3) of the LGPS Regulations 2013. This must be provided on a monthly basis and in appropriate electronic format as determined by WPF and updated from time to time.
12	R70 & TP22(2)	Whether to issue employers with notice to recover additional costs incurred as a result of the employer's level of performance	WPF will consider each case on its individual merits and take in consideration the level of cost incurred by the Fund. WPF sets out the procedure and circumstances where costs might be recoverable in its Administration Strategy.
13	R71(1) & L82(1)	Whether to charge interest on payments by employers overdue by more than 1 month	WPF will follow the procedures outlined in the Fund's Administration Strategy before issuing such a charge. If a charge is issued, then the rate will be 1% above base rate compounded quarterly.
14	R16(10)	Whether to require a satisfactory Medical before agreeing to an application to pay an Additional Pension Contribution (APC) or Shared Cost APC	WPF will require that a medical certificate from a GP, or another appropriate qualified practitioner, is provided to the Fund by any member wishing to take up an APC/SCAPC for extra pension which would buy upon completion at least £500 of annual pension (in one or more APCs, regardless if paid as a lump or in instalments). The certificate must state that as far as a GP or appropriate qualified practitioner are aware, or can reasonably assess, that there is no reason to believe that the member will retire on ill health grounds before the age of 65 or the member's State Pension Age if later. Any costs obtaining the certificate will be paid for the member.

			For the avoidance of doubt, all APCs for “lost pension” do not require a medical certificate
15	R16(10)	Whether to turn down an application to pay an APC / SCAPC if not satisfied that the member is in reasonably good health.	WPF will assess each case and a decision will be determined on its individual merits.
16	R16(1)	Whether to turn down a request to pay an APC/SCAPC over a period of time where it would be impractical to allow such a request (e.g. where the sum being paid is very small and could be paid as a single payment).	Except in exceptional circumstances, WPF will turn down a request to pay an APC/SCAPC for extra pension where the contract results in paying in instalments of less than £20 per month.
17	TP15(1)(d) & A28(2)	Whether to charge member for provision of estimate of additional pension that would be provided by the Scheme in return for transfer of in house AVC/SCAVC funds (where AVC/SCAVC arrangement was entered into before 1/4/14).	Members may request a quote for free that is valid for three months. In the exceptional case that WPF are asked to do another, we reserve the right to make a charge.
18	R17(12)	Decide to whom any AVC/SCAVC monies (including life assurance monies) are to be paid on death of the member	As per discretion number 45: WPF has absolute discretion when deciding to whom any death grant shall be paid upon the member’s death. In exercising this discretion, WPF will endeavour to comply with the member’s wishes by taking into consideration the nominee(s) stated on a completed ‘expression of wish’ form, where one exists. Where WPF reasonably believes any expression of wish to be invalid or inappropriate for any reason, including if it believes the expression of wish may not have reflected the member’s final wishes, it reserves the right, in accordance with its absolute discretion, to ignore any such wishes as expressed. Where no expression of wish has been made, WPF will consider the claims of anyone appearing to be a relative or

			<p>dependant of the member and exercise its absolute discretion accordingly, taking into account the contents of the Will (if one exists). In exceptional circumstances, WPF also reserves the right to pay the death grant to the estate via the personal representatives, if it considers this an appropriate form of action.</p>
19	R55*	<p>Governance Compliance Statement policy must state whether the admin authority delegates their function or part of their function in relation to maintaining a pension fund to a committee, or an officer of the admin authority and, if they do so delegate, state</p> <ul style="list-style-type: none"> - the frequency of any committee meetings - the terms of reference, structure and operational procedures appertaining to the delegation - whether representatives of employing authorities or members are included and, if so, whether they have voting rights. <p>-The policy must also state the extent to which a delegation, or the absence of a delegation, complies with Sec of State guidance and, to the extent it does not so comply, state the reasons for not complying.</p> <ul style="list-style-type: none"> - The terms, structure and operational procedures appertaining to the local Pensions Board. 	<p>WPF has a Governance Compliance Statement on its website.</p>
20	R54(1)	<p>Whether to set up a separate Admission agreement fund.</p>	<p>The Fund's approach to applying this discretion is outlined in its New Employer Policy and Funding Strategy Statement, which broadly states that each admitted body will be a standalone employer unless a risk-</p>

			<p>sharing arrangement is in place which implies or states that the letting body and admitted body should be pooled.</p> <p>Admitted bodies will not be set up as a separate pool.</p>
21	R58*	Decide on Funding Strategy for inclusion in funding strategy Statement.	WPF's latest Funding Strategy Statement is available for inspection on the WPF's website.
22	R64(2A)	Whether to suspend, for up to 3 years, an employer's obligation to pay an exit payment where the employer is again likely to have active members within the specified period of suspension.	WPF's approach to applying this discretion is outlined in its Cessation Policy.
23	R64(4)	Whether to obtain revision of employer's contribution rate if there are circumstances which make it likely a Scheme employer will become an exiting employer.	WPF's approach to applying this discretion is outlined in its Funding Strategy Statement (FSS).
24	R65	Decide whether to obtain a new Rates and adjustments certificate if The Secretary of State amends the Benefits Regulations as part of the "cost sharing" under R63.	WPF will consider the likely significance of the impact of any such changes on employer rates and the amount of time remaining before the next triennial valuation before deciding whether the administrative cost of making such a change is justifiable.
25	R68(2) & L80(5)	Whether to require any strain on Fund costs to be paid "up front" by employing authority following redundancy, flexible retirement, or the waiver (in whole or in part) of any actuarial reduction on flexible retirement or any actuarial reduction that would otherwise have been applied to	<p>WPF will require costs relating to redundancy, flexible retirement and the waiver of any actuarial reduction on flexible retirement to be paid "up front". WPF will invoice for such payments and will require payment to be made within its normal invoice terms.</p> <p>If there is any cost to the fund for deferred benefits being released at the employer's consent before the former member attains age 60</p>

		benefits which a member voluntarily draws before normal pension age.	these will be recharged to the former employer of the member concerned. The Head of the Wiltshire Pension Fund may allow a different approach in exceptional circumstances, after seeking the advice of the Fund actuary if necessary.
26	TPSch 2, para 2(3)	Whether to require any strain on Fund costs to be paid “up front” by employing authority if the employing authority “switches on” the 85 year rule for a member voluntarily retiring (other than flexible retirement) prior to age 60, or waives an actuarial reduction under TPSch 2, para 2(1) or releases benefits before age 60 under B30(1) or B30A.	WPF will require costs relating to the employer “switching on” the 85 year rule or waiving an actuarial reduction to be paid “up front”. WPF will invoice for such payments and will require payment to be made within its normal invoice terms. The Head of the Wiltshire Pension Fund may allow a different approach in exceptional circumstances, after seeking the advice of the Fund actuary if necessary.
27	TSch1 & L83(5)	Extend the 3 month time period for the member to due to capitalise (pay off) of their added year’s contract upon leaving due to redundancy.	WPF will not normally allow an extension of the period of time to capitalise an added years contract except in exceptional circumstances.
28	A45(3) & L89(3)	Outstanding employee contributions can be recovered as a simple debt or by deduction from benefits.	WPF’s preferred approach is for outstanding employee contributions to be deducted through payroll but where this is not possible it may either accept a recovery as a simple debt (potentially as a deduction from any lump) or to deduct any unpaid employee contributions from benefits as appears appropriate given the circumstances (for example by reducing the service to match the contributions period)
29	R82(2), A52(2), L95	Can pay death grant due to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate/letters of administration	WPF will normally make payments due in respect of deceased persons without the production of probate or letters of administration of estates, where the amounts due are below the amount specified in any order under section 6 of the Administration of Estates (Small Payments) Act 1965. [Currently applies to all death

			<p>payments under £5,000].</p> <p>Discretion 45 outlines the Fund's full approach to exercising its discretion over death grants.</p>
30	R36(3), A56(2), L97(10)	Approve medical advisors used by employers (for ill health benefits)	<p>Except in exceptional circumstances, WPF will approve the use by employers of any suitably qualified and experienced Independent Registered Medical Practitioner (IRMP) they wish to use for ill health purposes.</p>
31	R76(4), A60(8), L99	Decide procedure to be followed by admin authority when exercising its stage two IDRPs functions and decide the manner in which those functions are to be exercised	<p>Stage 1 IDRPs will be determined by an independent adjudicator procured by the WPF..</p> <p>Stage 2 IDRPs will be determined by the Administering Authority following a review of the case being undertaken by its actuarial, benefit and governance service provider or another appropriate adviser if deemed necessary by the Administering Authority.</p>
32	R79(2), A63(2) & L105(1)	Whether Admin. Authority should appeal against employer decision (or lack of a decision)	<p>WPF will only appeal against employer decisions, by approaching the Secretary of State for determination, in exceptional cases where the Fund is adversely affected.</p> <p>In the first instance, regarding all levels of employer decisions, WPF will attempt to resolve the matter with the employer.</p>
33	R80(1)(b), TP22(1) & A64(1)(b)	Specify information to be supplied by employers to enable admin. authority to discharge its functions	<p>WPF will specify the standard information and actions required by employers, their format, frequency and level of accuracy in an online Employer's Guide and Administration Strategy.</p>

34	R59(1) & (2)	Whether to have a written pensions administration strategy and, if so, the matters it should include	WPF has written pension administration strategy and this can be found on the WPF website.
35	R61*	Communication policy must set out policy on communicating with members, representatives of members, prospective members and employing authorities and format, frequency and method of communications	WPF has written Communication Strategy and this can be found on the WPF website.
36	TP3(13), A70(1)* & A71(4)(c) & T12 & L109* & L110(4)(b)	Decide policy on abatement of pensions following re-employment	WPF will not abate pensions following re-employment.
37	R98(1)(b)	Agree to bulk transfer payment	WPF will agree to bulk transfer payments where, with actuarial advice and where necessary with employer consultation, the Fund believes the amount transferred represents a fair valuation of benefits.
38	R100(6)	Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS	WPF will normally only agree to extend the normal time limit for the acceptance of a transfer value where the employer also agrees to the extension of the normal time limit. However, if a member has expressed an interest within the 12 month period, but there has been a delay in the Fund returning a quote within the 1 period, the Fund may provide a short extension to allow the member to make an election.
39	R100(7)	Allow transfer of pension rights into the Fund	The Fund accepts all non-club transfers in unless it is agreed otherwise in the terms of the employer's admission agreement or in a separate, formal written agreement between the Fund and employer (and its guarantor, if deemed necessary by the Fund).
40	R106(6)	Decide procedures applicable to the Local Pension Board	Wiltshire Council as administering authority has determined the

			procedures applicable to the Local Pension Board in its full council meeting dated 24 February 2015. Furthermore, the Local Pension Board has a terms of reference in place which is reviewed and updated from time to time and approved by full council.
41	R107(1)	Decide appointment procedures, terms of appointment and membership of local pension board	Wiltshire Council as administering authority has determined the procedures applicable to the local pension board in its full council meeting dated 24 February 2015 and within the Local Pension Board terms of reference.
42	TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & B10(2)	Where member to whom B10 applies (use of average of 3 years pay for final pay purposes) dies before making an election, whether to make that election on behalf of the Deceased member	Where WPF is aware that member's family would have benefited from such an election and the member did not have the opportunity to make the election themselves, WPF will make the election on the member's behalf which provides the largest benefit to the member's family.
43	L47(1), L47(2), G11(1) & G11(2)	Whether to pay the whole or part of a child's pension to another person for the benefit of that child.	Where there is more than one eligible child WPF will divide a children's pension equally between them. Where a child is under 18, WPF will normally pay the pension to the person who has responsibility for their care with the expectation that the money is used for the benefit of that child (including for day to day expenses). In certain circumstances, WPF may pay the pension to an account in the name of the eligible child, if the carer of the child so wishes. For 'children' aged 18-23 who are still in full-time education, WPF will normally pay the pension into the child's bank account. However, for 'children' aged 18+, who are deemed to have a permanent physical or mental impairment the Fund may pay the pension into a parent's or guardian's account. If the 'child's' incapacity does not prevent them from managing their own affairs, WPF will normally pay the pension into a bank account in the child's name.

44	R83, A52A	Whether, where a person is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit.	<p>If through receipt of a Power of Attorney notice (or an equivalent provision from the court of protection) or through correspondence from a solicitor or GP, the Fund is made aware that a person is unable to manage their own affairs, WPF may pay benefits to a person managing the affairs in accordance with an enduring Power of Attorney or equivalent. WPF will request the 'persons incapable of managing their own affairs' form is completed.</p> <p>Where the individual is a child and under the age of 18, WPF will normally pay their pension to the person who is responsible for the care of that child. The pension is to be applied for the benefit of that child, or paid into a bank account in the name of the child if the carer of the child wishes.</p>
45	TP17(5) to(8) & R40(2), R43(2) & R46(2) & B23(2) & B32(2) & B35(2) & TSch1 & L155(4) & L38(1) & L155(4) & E8	Decide to whom death grant is paid	<p>WPF has absolute discretion when deciding to whom any death grant shall be paid upon the member's death.</p> <p>In exercising this discretion, WPF will endeavour to comply with the member's wishes by taking into consideration the nominee(s) stated on a completed 'expression of wish' form, where one exists. Where WPF reasonably believes any expression of wish to be invalid or inappropriate for any reason, including if it believes the expression of wish may not have reflected the member's final wishes, it reserves the right, in accordance with its absolute discretion, to ignore any such wishes as expressed. Where no expression of wish has been made, WPF will consider the claims of anyone appearing to be a relative or dependant of the member and exercise its absolute discretion accordingly, taking into account the contents of the Will (if one exists). In exceptional circumstances, WPF also reserves the right to pay the death grant to the estate via the personal representatives, if it considers this an appropriate form of action.</p>

46	RSch 1, TP17(9)(b) & B25	Decide evidence required to determine financial dependence of cohabiting partner on scheme member or financial interdependence of cohabiting partner and scheme member	The evidence to determine financial dependence or interdependence will be assessed and agreed on a case by case basis and may include, but not be restricted to evidence such as a joint bank account, shared utility bills, joint mortgage arrangements, insurance policies, joint loans, evidence of regular transfers of money between the partners (or from one to the other) etc.
47	TP17(9)(a), RSch 1,	Decide to treat child as being in continuous education or training despite a break	WPF will treat a child as being in continuous education or training in all cases where the child is under age 18. Where the child is aged between 18 and 23, WPF will ignore all breaks up to 6 months and will ignore longer breaks in exceptional circumstances.
48	R34(1), B39, T14(3), L50 & L157	Decide whether to commute small pension	<p>WPF will offer trivial commutation of benefits where the capital value of their LGPS is such that it is possible to pay out in this way regardless of what benefits are held elsewhere (i.e. If the capital value is under £10k and the member left after 31/03/2008 or if they are a dependant and the capital value is under £10k).</p> <p>In other limited circumstances, where the member can demonstrate that all other schemes/funds do not exceed HMRC's limits and all benefits from these funds are commuted within a period of 12 months, the Fund will permit the trivial commutation of benefits. Members are required to provide information on all their pension rights held in a HMRC tax-approved pension arrangement in order for WPF to determine whether the benefits can be commuted. Members are required to declare that all information provided is correct and accurate and that if they are making a false statement they will be liable for any tax charged by HMRC.</p>

49	TP3(6), TP4(6)(c), TP8(4), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & TSch 1 & L23(9)	Make election on behalf of deceased member with a certificate of protection of pension benefits i.e. determine best pay figure to use in the benefit calculations (pay cuts/ restrictions occurring pre 1.4.08.)	Where WPF is aware that member's family would have benefited from such an election and the member did not have the opportunity to make the election themselves, WPF will make the election on the member's behalf which provides the largest benefit to the member's family.
50	L147	Discharge Pension Credit liability (in respect of Pension Sharing Orders for councillors and pre 1.4.08 Pension Sharing Orders for non-councillor members)	WPF will discharge pension credit liabilities by conferring appropriate rights under the scheme on the ex-spouse or ex-civil partner. Alternatively, the ex-spouse or ex-civil partner may request a transfer of those rights to a HMRC tax-approved pension arrangement
51	F7	Whether to pay spouse's pensions for life for pre 1.4.98 retirees / pre 1.4.98 deferreds who die on or after 1.4.98 (rather than easing during any period of remarriage or cohabitation)	WPF will pay a spouses pension for life.
52	R30(8)*, TP3(1), TPSch 2 para 2(1), B30(5) and B30A(5)*	Whether to waive, in whole or in part, actuarial reductions on benefits drawn before Normal Pension Age (Where employer has become defunct)	WPF will refer requests to be considered by the Head of the Wiltshire Pension Fund and assessed on their merits taking into account such factors as costs and the views of any employer which has inherited responsibility for the liabilities.
53	TPSch 2, para 1(2)*	Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 (Where employer has become defunct)	WPF will refer requests to be considered by the Head of the Wiltshire Pension Fund and assessed on their merits taking into account such factors as costs and the views of any employer which has inherited responsibility for the liabilities.
54	B30(2)* & B30A(3)*	Whether to grant application for early payment of deferred benefits or a suspended tier 3 ill health pension on or after age 55 and before age 60 (Where employer has become defunct)	N/A – legislation has changed.

55	B30(5)* & B30A(5)*	Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early (Where employer has become defunct)	WPF will refer requests to be considered by the Head of the Wiltshire Pension Fund, in consultation with the funding employer if relevant to be decided on a case by case basis
56	R32(7)	Whether to extend the time limits within which a member must give notice of the wish to draw benefits before normal pension age or upon flexible retirement.	WPF will extend the time limit that a member must advise the fund of their intention to receive their benefits within reason.

LOCAL PENSION BOARD - WORK PLAN 2023-24

Meeting:	LPB Term of Reference item	Description of scope as defined by the LPB ToR	24/05/23	10/08/22	01/11/23	13/02/24	No expected review in 2023/24	23/05/24	Guidance comments
Governance – Board Specific									
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 ToR review to ensure continuity. Lasted reviewed in July 2020. With the ISC meetings discontinued and the publication of final guidance on the Good Governance review and new Single Code of Practice anticipated, this is expected to be a material review.
Effective System of Governance (ORA document)	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.			✓				To prepare on publication of tPR Single Code of Practice. The self-assessment will be independently audited. To replace tPR Code of Practice 14.
Board Annual Training Plan Update (To include Member training policy)	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.				✓			To be completed each Scheme year for subsequent inclusion in the Board's Annual Report & the Fund's AR&A. Office training strategy attached to

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 review the strategy for Committee and Board member training. Plus, consideration of the 4 year training plan last approved on 16/12/2021.
Effectiveness review	81g	Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness and efficient operation and governance of the Fund.	✓					Not expected	4 year plan last prepared for the Board in November 2022. The LPB should also compare itself against its own core functions as set out in its ToR.
Training Item relevant to agenda	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.	✓	✓	✓	✓		✓	To be consistent with Member's training & development strategy
Code of Conduct & Conflicts of Interest Policy (Review all Fund Declarations of Interest)	80d	Review such documentation as is required by the Regulations including the Single Code of Practice and Good Governance Review			✓				3 year plan last approved on 15/10/2020. Annual reviews should be undertaken by Democratic Services in each Q4
Review Actions from previous meetings	n/a	Maintained by officers to enable Members manage their responsibilities	✓	✓	✓	✓		✓	Address primarily during pre-meeting planning meeting
Forward Work Plan Review	87	Maintained by officers to enable Members manage their responsibilities	✓	✓	✓	✓		✓	Annual reviews to therefore be undertaken in Q2
Governance - Fund Specific									
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 and HAM Report.

Fund update & comments on minutes of the Pension Fund Committee	80a	Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.	✓	✓	✓	✓		✓	In addition to the Fund's operationally based risk register, Members should use the minutes to identify risks for incorporation into the register
Review Governance Compliance Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.			✓				5 year plan last approved on 30/03/2021. To form part of the changes arising from the Good Governance review.
This should consider the Fund's internal escalation strategy and breach reporting.	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.		✓					3 year plan last raised with the Board on 17/02/2022. To review again in the 2023/24 to include changes arising from the new Single Code of Practice and SAB Good Governance Review.
Scheme Legal, Regulatory & Fund update	n/a	A summary for Board members the latest legal, regulatory and Fund issues affecting the Pension Fund	✓	✓	✓	✓		✓	Quarterly update by the Head of Pensions
Review service providers, both internal & external. Include advisor appointments, processes, controls & SLAs	81b	Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.			✓				Committee requested Board annually review advisors & services providers.
Monitor External & Internal Audit Reports	81d	Monitor internal and external audit reports	✓	✓	✓	✓		✓	Audit recommendations actioned

Input to Annual External & Internal Audit Plans	n/a	Recommend to Committee the audit scope & timetable to be commissioned in the next Scheme year			✓				Committee to liaise with the Audit Committee concerning the scope of Council's AR&A's and SWAP audits
Governance – Fund Plans, Policies, and Strategies									
Review Business Plan (To include KPI Improvement Plan)	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.		✓		✓			Interim business plan reviewed due on 23/03/2023. 3 year plan to 2026 to be considered in August. 2024/25 plan to be reviewed in Feb '24
Review Pension Administration Strategy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.					Not expected		3 year plan last approved on 28/07/2022
Review Communication strategy	80e	Review scheme members and employers communications as required by the Regulations and Relevant Legislation					Not expected		3 year plan last approved on 16/12/2021. E-communication strategy update and customer service assessment
Review Data Improvement Plan	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.					Not expected		All 3 year plans Data Improvement last approved on 30/09/2021. Data Protection Policy and Data Retention Policy last approved on 10/01/2023
Review Admin Charging Policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.					Not expected		2 year plan last approved on 28/07/2022
Review Admin Authority Discretions	80j	Review the complete and proper exercise of employer and administering authority discretions				✓			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.		✓					3 year plan last approved in 10/01/2023. Will need to be updated again this year, within the normal 3 year cycle.
Review Funding Strategy Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.					Not expected		3 year plan last approved on 17/11/2022. Next Fund Valuation 31/03/2025
Review Compliance with FRC stewardship code	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.						✓	Last approved on 23/03/2023. Annually - Consider TCFD requirements as part of the process
Review Investment Strategy Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.						✓	Annual review. last approved on 02/03/2023 (Ensure inclusion of MiFID II arrangements)
Review Fund "Responsible Investment Strategy"	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.						✓	To be reviewed in conjunction with the Investment Strategy Statement. To cover Climate Change Statement. To also cover topical changes on policy relating to BPP & ESG
Review the Fund's Annual Report & Accounts	80l	Review draft accounts and Fund annual Report		✓					To ensure CIPFA compliance requirements have been applied
Review External & Internal Audit Reports	80k	Review the outcome of internal and external audit reports		✓	✓	✓			Audits include 2023/24 - Report 1: AR&A's - Published by 1st December, Report 2: Key Financial Controls, Report 3: Payroll Migration Parts 1 &

									2, Report 4 - ESoG & Report 5 - KPI accuracy.
Employer Admissions Policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.		✓					3 year plan last approved in 16/07/2020
Administration									
Review Fund fraud risk prevention and mitigation measures	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.						Not expected	Stood down in favour of the Council's standard policy. Should be completed every 2 years and will be an update of the Fund's NFI & Certificate of Existence exercises. Anti-Fraud & Corruption Policy (also AML & Whistle Blowing policy) last review in January 2019.
Payroll migration, i-Connect & Members Self-service update	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.		✓					Present as part of a Fund digital platform update. Progress report on take up and functional developments
Receive an annual report of a 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.
Review of Data Security & Business Recovery	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with			✓				Report sets out the arrangements in place & when they were last tested. BCP last reviewed April 2023. Scope

		the Regulations, Relevant Legislation and in particular the Code.							subject to Retained EU Law Bill and DP & Digital Information Bill.
Review GMP Rectification	81a	Monitor performance of administration, governance and investments against key performance targets and indicators	✓	✓	✓	✓			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. Including outsourced backlog KPIs
Benchmark KPIs in Annual Report & Accounts information with other Funds	80f	Monitor complaints and performance on the administration and governance of the scheme						✓	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
Review employers compliance (data)	80c	Review the compliance of scheme employers with their duties under the Regulations and Relevant Legislation			✓				Ideally incorporate with ABS review process & update on Fund's Data Improvement Plan. Statistics on Employer Report Cards

Funding and Investments

Review Triennial Valuation Process	n/a	Consider how the whole valuation exercise was executed & what recommendations may be made to improve the process next time						Not expected	Next valuation currently due 31/03/2025
Review Triennial Valuation Results	81f	Review the outcome of actuarial reporting and valuations						Not expected	Verify that the FSS, ISS & Valuation results are consistent

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 on Brunel governance and operational issues
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 (Last reviewed 23/03/2023)
Cost transparency of SP, Managers & the Custodian	81c	Monitor investment costs including custodian and transaction costs.	✓						Review of Cleargrass audit. Typically, presented in conjunction final Annual Report & Accounts.
Review investment performance against Fund's benchmarking criteria	81a	Monitor performance of administration, governance and investments against key performance targets and indicators				✓			To be presented in conjunction final Annual Report & Accounts
Total Number of Agenda Items:			15	18	20	17		17	

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank