

Local Pension Board

MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 24 AUGUST 2021 AT ONLINE MEETING.

Present:

Mark Spilsbury (Chairman), Marlene Corbey, Ian Jones, Rod Lauder and Mike Pankiewicz

Also Present:

Cllr Richard Britton, Cllr Elizabeth Threlfall, Cllr Jonathon Seed, Cllr Robert Yuill, Cllr Vijay Manro, Cllr Steve Heyes, Laura Fisher (Observer)

28 **Membership**

It was stated that Laura Fisher would shortly be confirmed as a member of the Local Pension Board as an Employer Representative by the Monitoring Officer, following delegation from Full Council on 20 July 2021. The Chairman welcomed Laura Fisher to the meeting.

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

The Chairman welcomed the attendance of Wiltshire Pension Fund Committee members Cllrs Richard Britton, Elizabeth Threlfall, Jonathon Seed, Robert Yuill, Vijay Manro and Steve Heyes.

30 **Apologies**

Apologies were received from Paul Smith.

31 **Minutes and Action Tracking**

The public minutes of the meeting held on 20 May 2021 were presented for consideration along with the updated action log for the Local Pension Board. It was agreed to close the actions relating to the Brunel governance and GMP reconciliation updates, and it was confirmed the Annual Report and Accounts for 2019/20 were now due to be signed by 28 September 2021.

It was then,

Resolved:

To approve and sign as a true and correct record the minutes of the meeting held on 20 May 2021, and update the action log as detailed above.

32 **Declarations of Interest**

There were no declarations.

33 **Chairman's Announcements**

There were no announcements.

34 **Public Participation**

There were no questions or statements submitted.

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

The minutes and key decisions of the most Wiltshire Pension Fund Committee of 24 June 2021 and Investment Sub-Committee of 10 June 2021 were presented for consideration and comment. It was confirmed that a summary of recommendations to the Board would be provided to the Committee as requested.

It was then,

Resolved:

To note the minutes of the Wiltshire Pension Fund Committee and the Investment Sub-Committee.

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

Andy Cunningham, Head of Pension Administration and Relations, presented a report on scheme, legal, regulatory and fund updates. Details were provided in relation to the Pensions Dashboard project, which was part of a national project to enable individuals to review their pension provision, with implementation expected in 2023.

It was confirmed further detail was awaited from government in relation to the consultation on climate risk, and that consultants had been tasked to review Fund compliance with the new UK stewardship code. Details were sought on the update relating to the Scheme Advisory Board and the McCloud case.

It was then,

Resolved:

To note the report.

37 **Training Update**

Richard Bullen, Fund Governance and Performance Manager, provided a verbal update on training. Hymans' online tool training portal hadn't been released until late June, so a full update on feedback would be provided at the next meeting of the Board. Following circulation of Hymans' knowledge assessment to Board & Committee members -officers thanked Board members for their 100% response rate. The results of the self-assessments would be provided later in the year in the form of a new Pension Fund training strategy.

The Board discussed the updates & it was agreed that officers would ask Hymans' to circulate the individual feedback to members. It was noted that officers would be organising new member induction training for 29 November 2021 in respect of all new members during 2021.

38 **Administration Quarterly Key Performance Indicators**

Andy Cunningham, Head of Pension Administration and Relations, presented a report on administration quarterly key performance indicators. Details were provided on targets for disclosure regulations, common and conditional data percentages, annual benefit statement production levels, administration strategy key performance indicators, and other specific updates as detailed in the report.

The Board discussed the update and welcome the clarity of the new formatting approach, and broadly positive outcomes.

Resolved:

To note the report.

39 **Pensioner Payroll Database Reconciliation**

Andy Cunningham, Head of Pension Administration and Relations, presented a report on the pensioner payroll database reconciliation project and new pensioner payroll system update. It was stated that a procurement exemption to go out to competitive tender had been obtained in relation to the integrated payroll system. Pensioner records would need to be updated with a view to completing the project by early Autumn 2021. In relation to rectifying errors identified in the system a small number remained to be resolved, and there had not been a large number of complaints so far relating to correcting errors in payments that had been identified through the reconciliation process. However, further work is still needed to correct pensions already in payment.

The Chairman welcomed the report, noting the positive progress on moving forward with the integrated payroll system. He noted that where errors had been identified people had every right to raise complaints, but welcomed the current low level of complaints received.

It was agreed that a cautious approach should be taken in relation to remaining cases, to ensure the precise detail of each was assessed and corrected.

Resolved:

To note the update

40 **tPR Governance & Administration Survey**

Richard Bullen, Fund Governance and Performance Manager provided an update on the findings of the latest Pension Regulator survey issued in June 2021. It was noted that this report covered the period 2020/21, whilst the Regulator's previous report, circulated to members in February 2021 covered the period 2019. Comparisons had been made between the two reports, however the only area of concern highlighted in the current report related to the Fund's approach to cyber. It was noted that the key subject the Regulator focused on this year was Cyber security, effective governance, administration, Covid-19, the pensions dashboard and Climate Change risk.. In respect of cyber security the need to measure Wiltshire against other Funds and identify areas for improvement was noted.

It was noted there would be a specific agenda item on data security and cyber resilience on a later agenda item.

It was therefore,

Resolved:

That the Board & the Committee should place a high emphasis on ensuring that the Fund's cyber security and business continuity arrangements are fully embedded within its governance arrangements

41 **Risk Register Update**

Richard Bullen, Fund Governance and Performance Manager presented the updated risk register for the Fund, including proposed recommendations to the Pension Fund Committee for consideration by the Board. The update relating to the Evolve programme and Altair payroll project was noted, and the need for regular communication between project managers. It was recommended that risk be divided into two elements, one on payroll specifically the other looking at impact on the Fund, managing accounting and other issues.

Details were also sought in relation to Covid-19 risk, and the status of current risks and proposed changes in assessment received as detailed in the report.

It was then,

Resolved:

To note the updated Risk Register and recommend the changes/actions proposed at paragraphs 5-9 of the report to the Committee.

42 **Urgent Items**

There were no urgent items.

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

The date of the next meeting was confirmed as 11 November 2021.

The Forward Work Plan was discussed, and it was agreed to review the plan to ensure it remained coordinated with the plan for the Pension Fund Committee workplan.

44 **Exclusion of the Public**

Resolved:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Numbers 18 - 23 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

45 **Fund Data Security, Cyber Resilience & Business Continuity Planning**

Andy Cunningham, Head of Pension Administration and Relations, presented a report on Fund Data Security, Cyber Resilience and Business Continuity Planning.

The Board discussed the report in detail and it was then,

Resolved:

1) At present the Fund's risk register records its cyber security risk (PEN018) as "Amber".

a) Due to a mixed picture of progress, it is officer opinion that the overall recommendation which should be made to the Committee is to retain the risk rating at "Amber".

b) Officers recommend taking all the actions to mitigate the risk outlined in the report.

2) That officers liaise with Aquila Heywood in respect of the points in 1 to 3 within the "Recommendations for the Fund" section in Appendix 2.

3) That the Board should recommend to the Committee that a report is produced for the December meeting of the Pension Committee, by Wiltshire Council's ICT function, working jointly with the Funds officers,

which addresses the key recommendations and additional comments set out in the SWAP audit, namely:

- That ICT work with Fund officers to establish a common framework of compliance borders, particularly where they may be beyond ICT's own compliance requirements, for inclusion within the report.
- That ICT provide an update on progress made relating to the two areas of concern (Red) and the areas marked as (Amber) highlighted in their last cyber security SWAP audit, highlighting how these concerns might specifically impact the Pension Fund, for inclusion within the report.

That the report also contains:

- An update on the progress made on the mitigating actions re risk PEN18 per recommendation 1.
- Agreed arrangements between the Fund and ICT, under which the full ICT related audit reports provided by SWAP to Wiltshire Council can be accessed via a separate folder.
- the Wiltshire Pension Fund IT security and resilience policy which is drawn up between ICT and the Funds officers.

That a senior officer from Wiltshire ICT attends at the December meeting of the Pension Committee to present the report and take questions.

4) That the Board recommend to Committee, that going forward officers provide a summary to members of any software provider cyber security reports they receive, on an exception basis, or where a provider has not provided evidence of their cyber security resilience as required by the Fund.

46 **Key Financial Controls**

Jennifer Devine, Head of Pension Fund Investments, presented a report in relation to the Fund's Key Financial Controls.

At the conclusion of discussion, it was,

Resolved:

To note the report.

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

The Part II minutes of the Pension Fund Committee held on 24 June 2021 and the Investment Sub-Committee meeting held on 10 June 2021 were presented for consideration, and it was,

Resolved:

To note the minutes.

48 **Brunel Governance Review Update**

A verbal update on Brunel Governance was received, where it was stated there were some minor issues on operational matters, and some delay on the property transition.

49 **Local Pension Board Minutes**

The Part II minutes of the meeting held on 20 May 2021 were presented for consideration, and it was,

Resolved:

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

50 **Urgent Items**

The Board was updated by the Chairman of the Wiltshire Pension Fund Committee on proposals relating to the structure of the Committee.

The Board also discussed future meeting arrangements.

(Duration of meeting: 10.05 - 11.55 am)

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