

AGENDA

Meeting: Local Pension Board

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

Date: Thursday 27 October 2022

Time: 10.00 am

Please direct any enquiries on this Agenda to Kieran Elliott of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718504 or email kieran.elliott@wiltshire.gov.uk

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

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

Membership:

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

Asifa Ashraf
Mike Pankiewicz
Juliet Weimar

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 an online meeting you are consenting that you will be recorded presenting this, or this may be presented by an officer during the meeting, and will be 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](#).

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

AGENDA

Part I

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

1 **Apologies and Membership**

To receive any apologies for the meeting.

To note any changes to membership of the Board.

2 **Minutes and Action Tracking (Pages 7 - 16)**

To confirm as a true and correct record the minutes of the previous meeting held on 18 August 2022.

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

3 **Declarations of Interest**

To receive any declarations of disclosable interests.

4 **Chairman's Announcements**

To receive any announcements through the Chairman.

5 **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 20 October 2022 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 24 October 2022, 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.

6 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee and Investment Sub-Committee** *(Pages 17 - 22)*

To consider the public minutes of the Wiltshire Pension Fund Committees held on 5 September 2022 & 6 October 2022 (to follow).

7 **Scheme, Legal, Regulatory and Fund Update** *(Pages 23 - 30)*

A report providing an update on the latest Scheme, Legal, Regulatory and Fund developments for the Board's information by the Head of the Wiltshire Pension Fund.

- a) Evolve rescheduling
- b) Post fiscal event update

8 **Business Plan 2022-2032** *(Pages 31 - 36)*

A report updating members on the progress against the Plan's objectives by the Head of the Wiltshire Pension Fund.

9 **Training Update** *(Pages 37 - 44)*

Training – DLUHC (SAB) Good Governance Review

10 **Administration Quarterly Key Performance Indicators and Data Improvement Plan** *(Pages 45 - 70)*

A report presenting the Fund's administration statistics from the Pension Administration Lead.

To include:

- a) ABS, PSS
- b) New Report design (merging Admin & Financial KPIs)

11 **Key Financial Controls** *(Pages 71 - 80)*

An update by the Senior Investment and Accounting officer concerning the operational accounting arrangements.

12 **Responsible Investment Plan** *(Pages 81 - 86)*

An update by the Senior Investment and Accounting officer on progress against the plan.

13 **Data Retention Policy** *(Pages 87 - 94)*

To review the Fund's policy on data retention. To be presented by the Pension Administration Lead.

14 **Audit Update** *(Pages 95 - 114)*

An update on 2022/23 audit plan activity and audit recommendations for 2021/22. Presented by the Head of the Wiltshire Pension Fund & the Fund Governance and Performance Manager:

- a) SWAP Key Financial Controls 2021/22 actions
- b) Audit progress 2022/23:
 - i. SWAP Pension Payroll Reconciliation
 - ii. TPR self-assessment
 - iii. Statutory Returns
 - iv. Brunel cost savings

15 **Risk Register Update** (*Pages 115 - 124*)

A report presenting the Risk Register for the Wiltshire Pension Fund for review by the Board. Presented by the Fund Governance and Performance Manager.

To introduce members to the new Risk Register design.

16 **Employer Compliance and Performance** (*Pages 125 - 128*)

A report outlining the approach being taken by officers to ensure employer compliance. Presented by the Fund Governance and Performance Manager.
Ref: LPB terms of reference – paragraph 80

17 **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.

18 **Date of Next Meeting and Forward Work Plan** (*Pages 129 - 134*)

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

The Board to review and approve its new Scheme Year Forward Work Plan which is attached for members' consideration.

19 **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 20-22 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.

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.

20 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee**
(Pages 135 - 140)

To consider the Part II (Private) minutes of the Wiltshire Pension Fund Committee held on 5 September & 6 October 2022 (to follow).

21 **Cyber Security Update** (Pages 141 - 158)

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

22 **Minutes of the Previous Meeting** (Pages 159 - 166)

To approve the Part II minutes of the meeting of the Board held on 18 August 2022.

Local Pension Board

MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 18 AUGUST 2022 AT THE KENNET ROOM – COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Mark Spilsbury (Chairman), Marlene Corbey, Paul Smith, Asifa Ashraf and Mike Pankiewicz

Also Present:

Jennifer Devine, Andy Cunningham, Richard Bullen, Cllr Richard Britton, Cllr Steve Heyes, Juliet Weimar, Ben Fielding and Tara Shannon

122 **Membership**

Said my pThe Chairman welcomed Asifa Ashraf and Juliet Weimar to their first meeting of the Local Pension Board, with it noted that Asifa Ashraf was present as a Scheme Member Representative and that her position had now been ratified by Wiltshire Council.

It was stated that Juliet Weimar was a Scheme Employer Representative, however her position would have to be ratified by Wiltshire Council following the endorsement of the Local Pension Board.

Resolved:

The Board agreed to endorse the addition of Juliet Weimar to the Membership of the Local Pension Board as an Employer Representative to be ratified by Wiltshire Council.

123 **Apologies**

Apologies for absence were received from Laura Fisher.

It was noted that Jennifer Devine, Marlene Corbey and Paul Smith all joined the meeting in a hybrid capacity via Microsoft Teams.

124 **Minutes**

The Part I (public) minutes of the meeting held on 5 May 2022 were presented for consideration, and it was;

Resolved:

The Board approved and signed the Part I (public) minutes of the previous meeting held on 5 May 2022 as a true and correct record, and the Board's action log was noted.

125 **Declarations of Interest**

There were no declarations of disclosable interest or dispensations granted by the Standards Committee.

126 **Chairman's Announcements**

The Chairman informed the Board that on 28 September 2022 there would be a Brunel Partnership Investment Day in Bristol, which could also be attended via Microsoft Teams. The Chairman recommended that Board Members attend.

127 **Public Participation**

No questions had been received from councillors or members of the public.

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

The Part I (public) minutes from the last ordinary meetings of the Wiltshire Pension Fund Committee held on 26 May 2022 and 28 July 2022 were considered. Following which, it was;

Resolved:

The Board noted the Part I (public) minutes from the last ordinary meeting of the Wiltshire Pension Fund Committee held on 26 May 2022 and 28 July 2022.

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

The Board received an update from Andy Cunningham, Pension Administration Lead and Jennifer Devine, Head of Wiltshire Pension Fund. The update covered the following matters:

It was stated that it had been a tricky period for investments and the performance within the second quarter had been challenging, though there were indications of improvement in July and August. Attention was drawn to the appendix within the agenda pack which included a link to education reforms, with it acknowledged that further education colleges are currently in an uncertain state and that Wiltshire Council has two of them. Work is being conducted investigating the reclassification of further education colleges in order to improve security and reduce risk.

Information was provided that GAD had completed a review and that the cost cap which had been breached in 2016 was to no longer be deemed as breached due to the McCloud remedy of the costs. Unions are however looking

to act and challenge the conclusion and the way that the McCloud judgement was used.

It was clarified in regard to i-Connect that there is still data to be collected and people to be onboarded. In addition, it was noted that around 95% of employers who have onboarded with i-Connect have provided data, however, there has been difficulty retrieving some data due to some employers having to engage with previous payroll providers, who they no longer have a contract with. It was stated that the gap analysis would be brought to the next meeting of the Board.

Resolved:

The Board noted the information included within the report and the attached appendix.

130 **Business Plan 2022-2023**

The Board received an update from Jennifer Devine, Head of Wiltshire Pension Fund. The update covered the following matters:

Attention was drawn to the report attached to the agenda which outlined important Business Plan actions for 2022/2023. Further information was provided on, but not limited to that the strategic asset allocation review was on track with timelines and would come to the November meeting rather than September; the KPI improvement plan; that a new outsourcing project had been agreed for payroll reconciliation and backlogs.

It was clarified that regarding i-Connect and Swindon, the main reason for delays was challenges to Swindon's payroll system as well as other complications. Regular conversations are however taking place with key officers from Swindon every two weeks and once able to, work would be restarted to onboard them with i-Connect.

The Chairman noted that there were plenty of positive outcomes within the report, especially in regard to outsourcing which had been the right decision made by officers and the Committee.

Resolved:

The Board noted the information included within the report.

131 **Training Update**

The Board received an update from Richard Bullen, Fund Governance and Performance Manager. The update covered the following matters:

Officers had been liaising with Hymans-Robertson with the view of issuing a Member effectiveness and knowledge assessment review, with the former being last conducted in 2018. The member effectiveness review had been delayed by 12 months due to the new intake of Councillors. In addition, it is anticipated

that an annual training questionnaire will shortly be issued, as well as information on a new member induction training session set to take place on 3 November 2022, which would be aimed at new Board and Committee members.

An introduction and background to the draft the TPR new Code of Practice was provided, with the content of the new Code of Practice outlined, comprising of 5 key areas and containing 51 shorter modules. In addition, key LGPS content and future updates was outlined, with it noted that such changes would require consultation and parliamentary approval. The importance of expectations and having clear lines of responsibility was stressed, with a new requirement for most occupational schemes to have and operate an effective system of governance (ESoG), with the modules listed that Wiltshire Council should be compliant with.

The Own Risk Assessment (ORA) was introduced, with it stated that Wiltshire Council would have to initially write a policy and then challenge itself against various items such as audit reports. Furthermore, the Wiltshire Pension Fund's next steps were outlined, which included but were not limited to undertaking its first ORA and agreeing upon the range of data points by which the Fund's ESoG would be monitored.

Clarity was provided that regarding responsibility, within each module an appropriate body would be chosen in order to decide who has clear responsibility. It was also stated that if an area arose outside of the scope, parties would work together to agree upon a correct way forward. In addition, it was stated that decision making and scrutiny roles of the Pension Fund would remain respected.

Resolved:

The Board noted the information and requested a further update on publication of the Regulator's final guidance.

132 **Administration Quarterly Key Performance Indicator**

The Board received an update from Andy Cunningham, Pension Administration Lead. The update covered the following matters:

It was covered that new reporting software had allowed information to be extracted much easier than previously, which had allowed for more regular reviews. It was stated that the KPIs achieved were significantly below target, and that the team would be looking to report more regularly. It was further acknowledged that internal targets had been set, with more cases processed and data being covered than before. Attention was also drawn to the tables within the agenda pack, which outlined reported scores.

Terminology of the report was discussed with it noted that "ready to go" cases were those which could be processed without having to wait for a third-party response. It was also acknowledged that there was an aim to reduce the

number of cases to a working level. Additionally, it was outlined that i-Connect onboarding has made the process slower than had been hoped, with the number of onboard employers up to 73%.

It was also noted that an annual benefit statement had been taken place with deferred statements having been sent out in batches, with a completion rate expected of 99%, similar to that of last year and that a paper could be expected at the next Board meeting.

Resolved:

The Board noted the information included within the update.

133 **Key Financial Controls**

The Board received an update from Jennifer Devine, Head of Wiltshire Pension Fund. The update covered the following matters:

It was noted that work from Deloitte was still delayed and that the Committee had discussed in their last meeting at the end of July to write to Andy Brown, which Cllr Richard Britton had since sent. Furthermore, as there had been delays, Wiltshire Pension Fund had to publish the respective reports unaudited. Reconciliations between SAP and Altair were discussed with a key problem area being unallocated transfers with money coming in, that is then booked onto a ledger but not booked onto Member accounts. In addition, it was noted that late payments had been up by 63% in May with larger employers paying late. These have since been made, but there are now some resulting payments in June with are consequentially late.

It was acknowledged that the long-term plan is to have an integrated payroll and one-off payments system within Altair and that there should not be resource implications other than paying for software, which was included within the budget. Additionally, this would create an offsetting effect, which would effectively pay for itself with there not anticipated to be a net cost increase through completing payroll in house.

Resolved:

The Board noted the information included within the report.

134 **Pension Payroll Database reconciliation**

The Board received an update from Andy Cunningham, Pension Administration Lead. The update covered the following matters:

It was stated that a number of cases had been found which had not been identified correctly at an early stage and therefore meant that case numbers had increased significantly rather than decreasing. Initially there were thousands of records that did not match; however this has reduced to a smaller percentage level and differences can be accounted for on a monthly basis.

Furthermore, a tender documentation has been produced and has been awaiting final approval to be sent out and once published, external expertise will be used to progress through cases and there is confidence that using one of the national frameworks, there will be a supplier that can deliver what is wanted. Additionally, the planned move to an integrated payroll system will help ensure that these problems do not reoccur.

Regarding overpayments, it was clarified that the Pension Fund is only proceeding with attempting to recover overpayments in cases where it is obvious that overpayment had taken place where the Member involved reasonably knew.

Resolved:

The Board noted the information included within the report.

135 **Audit Update**

The Board received an update from Richard Bullen, Fund Governance and Performance Manager. The update covered the following matters:

It was noted that the strategy commissioned in December 2021 for the Scheme Year 2022/23 had been altered following approval of the Business Plan objectives in April 2022. The table included within the covering report to this update reflected the original strategy, what changes had been made, as well as - demonstrating progress on the current range of audits. This included but was not limited to areas such as cyber security and the TPR self-assessment. It was stated that the tabling of this item was driven by Board's terms of reference in order to enable the Board to monitor progress of audits through the year.

The second part of the update presented the positive progress in relation to the actions arising from the SWAP audit for the 2021/22 Scheme Year. However there had been some areas with complexities and therefore the report suggested the revision of deadlines to make them more realistic. The monitoring action, relating to the monitoring of work was a particularly complex area, with a new system introduced by Andy Cunningham which allowed the KPI results from the Insight reporting tool to be applied to the workflow management tool in order to enable targeted allocation of work and improve the Fund's KPIs.

Resolved:

The Board noted the progress by officers against the SWAP audit recommendations dated March 2022, as outlined on the actions log and to endorse the revised target dates recommended by officers.

136 **Risk Register Update**

The Board received an update from Richard Bullen, Fund Governance and Performance Manager. The update covered the following matters:

It was stated that a new Risk Register Framework had been requested by Members of the Board and Committee earlier in the year and that progress had been made by the compliance group established to investigate it. It was outlined that the idea was for the new Risk Register Framework to be embedded into the operational side of the Fund and allow officers to report risks to the Board and Committee. It was noted that the introduction of the new Risk Register was taking longer than anticipated to implement, which would then feed into 20 Risk areas at a Board and Committee level. Emphasis was placed on the management of filtering risks in order to ensure the weighting of risk areas properly reflected. It was also stated that the current - process would not be removed and would run parallel with the new Risk Register until new arrangement was approved.

The Chairman stated the importance of capping the Risk Register at 20 areas in order not to overwhelm those involved and that there was a need to examine PEN037 and PEN022 at an on-going basis.

Resolved:

The Board noted the attached Risk Register and recommended that the changes/actions by officers in points 6 to 8 should be submitted to the Committee.

137 **Urgent Items**

There were no urgent items.

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

The next ordinary meeting of the Local Pension Board would be held on 27 October 2022.

Resolved:

The Board reviewed and approved its new Scheme Year Forward Work Plan.

139 **Exclusion of the Public**

The Board considered the recommendation to exclude the public. After which, it was:

Resolved:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Numbers 24 - 26 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.

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

The Part II (private) minutes from the last ordinary meetings of the Wiltshire Pension Fund Committee held on 26 May 2022 and 28 July 2022 were considered.

It was agreed that the words “investing in sustainable companies” on Page 112 of the agenda pack should be removed from the minutes.

Following which, it was;

Resolved:

The Board noted the Part II (private) minutes from the last ordinary meeting of the Wiltshire Pension Fund Committee held on 26 May 2022 and 28 July 2022.

141 **Cyber Security Review**

The Board received an update from Richard Bullen, Fund Governance and Performance Manager and Jennifer Devine, Head of Wiltshire Pension Fund.

142 **Minutes**

The Part II (private) minutes of the meeting held on 5 May 2022 were presented for consideration, and it was;

Resolved:

The Board approved and signed the Part II (private) minutes of the previous meeting held on 5 May 2022 as a true and correct record.

(Duration of meeting: 10.00am – 12.10pm)

The Officer who has produced these minutes is Ben Fielding of Democratic Services, direct line 01225 718656, e-mail Benjamin.Fielding@wiltshire.gov.uk
Press enquiries to Communications, direct line (01225) 713114/713115 or email communications@wiltshire.gov.uk

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	01/02/23	
89 (17/02/22)	Governance (Scheme of sub-Delegation)	To propose changes be made to the structure of delegations and controls & consider the breakdown of responsibilities outlined in the "Guidance to Delegations"	RB	01/02/23	
105 (05/05/22)	Governance (Training)	The Board requested that officers send reminders to Members who had not completed their mandatory training	RB	18/08/22	04/07/22
111 (05/05/22)	Governance (Audit update)	To provide an update from Wiltshire Council finance team on the determination of the level of the Council recharge to the Fund, including details of the service relating to that charge.	CM	18/08/22	
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	01/02/23	

This page is intentionally left blank

Wiltshire Pension Fund Committee

PART I MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 5 SEPTEMBER 2022 AT THE COUNCIL CHAMBER, COUNTY HALL, BYTHESEA ROAD, BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr Steve Heyes (Vice-Chairman),
Cllr George Jeans, Cllr Jonathon Seed, Cllr Kevin Small, Mike Pankiewicz and
Claire Anthony

170 **Apologies**

Apologies were received from Tracy Adams and Councillor Gordon King.

171 **Minutes**

The minutes of the meeting held on 28 July 2022 were presented for consideration, and it was,

Resolved:

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

172 **Declarations of Interest**

There were no declarations.

173 **Chairman's Announcements**

With the agreement of the Committee, it was determined that Agenda Item 13 on the agenda, Presentation from Magellan, would take place as the first substantive item.

174 **Public Participation**

There were no statements or questions submitted.

175 **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 the items at Minute Numbers 176, 182 and 183, 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.

176 **Presentation from Magellan**

The Committee received a presentation from representatives of Magellan Financial Group.

This provided updates on organisational changes, fund performance, risk analysis and impact of various factors impacting the investments managed by Magellan.

The Committee thanked Magellan for the update, which would be further discussed in relation to the Investment Quarterly Progress Report.

177 **Responsible Investment Update and Progress Report**

A report was presented by Liam Robson, Pension Fund Accounting and Investment Officer, along with Jennifer Devine, Head of Wiltshire Pension Fund and other officers, to update the Committee on Responsible Investment issues and actions agreed at previous meetings.

The Fund Annual report had included a climate change report, in line with the requirements of the Task Force on Climate-related Financial Disclosure (TCFD). It was also reported the Fund had submitted a full stewardship report to the Financial Report Council as directed to apply for signatory status to the 2020 Stewardship Code. This had been successful and would be formally confirmed shortly.

Details were also provided on the investment theme of education as determined by the Committee as one of its three themes. There had been engagement with investment managers to understand how they would incorporate this theme, for example whether they were investing in companies providing educational services, or involved in reskilling and upskilling with new technology.

The Committee sought additional details from officers. It was confirmed whilst delivering on the themes including a positive social approach was aimed for, financial returns was the priority of any investment. It was stated the managers took the factors and themes chosen seriously when making their decisions.

Questions were raised relating to affordable housing portfolios, with Mercer working to find appropriate managers and help identify appropriate metrics, such as number of houses and type of houses delivered as well as financial returns. Details were also sought on moving to a data baseline of 2019 instead of 2020 for decarbonisation, with this being to align with Brunel and other funds as well as provide further data points for comparison.

Resolved:

To note the progress made against the responsible investment plan actions.

178 **Climate Update and Progress Report**

The Head of Wiltshire Pension Fund, Jennifer Devine, presented a report in relation to the Fund's goal to protect investments from climate change risk, and safeguard the financial future of the Fund.

The report set out progress toward the target of net zero carbon emissions by 2050. On decarbonisation the Fund was on track with its target as measured by the carbon footprint, but it was noted absolute emissions was more challenging. The Fund was working with Brunel on developing a climate solutions portfolio, and the Committee considered a proposed response to Brunel in relation to its Climate Stocktake.

It was noted that there was not a standardised measurement for monitoring environment, social and governance factors, with managers often having their own scoring methodologies.

The Committee discussed the report and presentation. Queries were raised on engagement with education on the subject, and in relation to innovation with infrastructure as contributing toward targets. The Committee agreed that the proposed statement on climate change should be sent to Brunel, for inclusion in the Brunel climate stocktake, with the addition of the Fund's priority Sustainable Development Goals.

Mercers also provided a detailed update relating to the net zero target, as set out in the report. In response to queries it was stated the Fund had set slightly more ambitious targets than Brunel due to more exposure to utilities and having more opportunities to divest, but it was not significantly different from other comparable funds.

Details were sought on the work being undertaken by companies to more 'green' solutions, and harmonisation of requirements for funds in this area. Questions were also raised on affordable housing allocations, with additional details in the Mercers report.

At the conclusion of discussion, it was,

Resolved:

- 1) To note the progress being made towards the Fund's target of net zero emissions across all portfolios by 2050;
- 2) To approve the statement to be provided to Brunel for the climate stocktake, with the addition of the Committee's priority Sustainable Development Goals;
- 3) To approve the plans for reporting on climate risk via a single report in early 2023

A break was taken from 1155-1200

Councillor Jonathon Seed left the meeting at 1200.

179 **Responsible Investment Policy**

The Head of Wiltshire Pension Fund, Jennifer Devine, presented a brief report on updates to the Responsible Investment Policy.

It was then,

Resolved:

To approve the Responsible Investment Policy 2022.

180 **Date of Next Meeting**

The date of the next meeting was confirmed as 6 October 2022.

181 **Urgent Items**

There were no urgent items.

182 **Investment Quarterly Progress Report**

Chris Moore, Pension Fund Accounting and Investment Officer, presented the investment quarterly progress report.

Following discussion, it was,

Resolved:

- 1) To agree to use this report to monitor private markets investment progress quarterly and to use the appended Brunel private market report 6 monthly;
- 2) To delegate the Head of Wiltshire Pension Fund, after consultation with the Chairman, to explore the feasibility of appointing external specialists

to undertake a review of the estimated fee savings accrued through the creation of the Brunel Pension Partnership , and to make an appointment if appropriate.

183 **Minutes**

The Part II (Private) minutes of the meeting held on 28 July 2022 were presented for consideration, and it was,

Resolved:

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

(Duration of meeting: 10.00 am - 12.40 pm)

The Officer who has produced these minutes is Kieran Elliott of Democratic Services, direct line 01225 718504, e-mail kieran.elliott@wiltshire.gov.uk

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

This page is intentionally left blank

Scheme, legal, regulatory and Fund update

Organisation	Subject	Link	Status	Comments	Risk Ref
HM Treasury	Reforms to public sector exit payments.		No change since the last meeting	After revoking the Restrictions on Public Sector Exit Payment Regulations in early 2021, but promising replacement legislation, we are yet to hear what type of replacement regulations will be implemented or when this may apply.	PEN021
DLUHC	McCloud	Please see below the table for more information from Aon	No (material) change since the last meeting	<p>The Fund's software provider continues to release software updates in stages in anticipation of the final remedy legislation being laid before parliament. Primary legislation is currently being finalised but no draft changes to the LGPS Regulations have been released.</p> <p>It is anticipated that the remedy legislation will apply from 1 October 2023, with backdated effecting across the remedy window of 1 April 2014 to 31 March 2022.</p> <p>In preparation of this, as part of i-Connect onboarding, officers continue to update part-time hours histories for active staff. Officers have also requested part-time hour history for all other employers which are not currently on i-Connect. Correcting part-time hours histories remains a Fund priority.</p> <p>As part of the 2022 Triennial Valuation, there will be an assumption about the impact of remedying legislation and therefore the financial impact will be 'baked in'. At Fund level, the financial impact is likely to be small but the employer level impact will vary depending on each employer's membership profile.</p>	PEN042
	Fair Deal Consultation	https://www.gov.uk/government/consultations/local-government-pension-scheme-fair-deal-strengthening-pension-protection	No change since the last meeting	Officers have responded to the consultation but have yet to hear anything further from MHCLG. The next step is likely to be either another consultation or the introduction of legislation. Due to the Parliamentary backlog, further progress may not be seen until 2022 or 2023.	PEN040

Organisation	Subject	Link	Status	Comments	Risk Ref
	<p>Education Sector reforms</p> <p>&</p> <p><i>Changes to the Local Valuation Cycle and the Management of Employer risk Consultation</i></p>	<p>Sixty Second Summary - Education sector in the LGPS - Hymans Robertson</p> <p>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/800321/LGPS_valuation_cycle_reform_consultation.pdf</p>	Minor updates	<p>Education sector reforms: These are outlined in the helpful 'sixty second summary' link to the left. Some of these discussions related to point 5 of the Consultation outlined below.</p> <p>One positive area being considered by Government is the introduction of guarantee to protect Funds against FE Colleges defaults.</p> <p>Scope:</p> <p>1). Amendments to the local fund valuations from the current three-year (triennial) to a four-year (quadrennial) cycle. <i>Nothing further has been heard on this. As contribution rates are currently being set for the period 2023-2026, it is likely that any changes would not take place for a number of years.</i></p> <p>2). A number of measures aimed at mitigating the risks of moving from triennial to quadrennial cycles. <i>As above.</i></p> <p>3). Proposals for flexibility on exit payments.</p> <p>4). Proposals for further policy changes to exit credits <i>Legislation has been introduced in relation to 3) & 4) and is embedded in the Fund's cessation policy.</i></p> <p>5). Proposals for policy changes to employers required to offer LGPS Membership (allowing further education, sixth form colleges to close entry to new employees)</p> <p><i>The Fund is unaware of any further developments in this area.</i></p>	PEN044
	Consultation: Taking action on climate risk	https://www.gov.uk/government/consultations/taking-action-on-climate-risk-improving-governance-and-reporting-by-occupational-pension-schemes-response-and-	No change since the last meeting	<p>MHCLG are shortly expected to release draft regulations and statutory guidance for consultation on how schemes will need to take action on climate risk. The DWP have already issued a consultation for occupational pension schemes – this is the link provided – and the MHCLG consultation will apply to the LGPS and is expected to be virtually identical.</p> <p>The Fund is in a good place here as the Committee has already done significant work to address this risk, via modelling, education (both of Committee members and the</p>	PEN041

Organisation	Subject	Link	Status	Comments	Risk Ref
		consultation-on-regulations		wider scheme membership), transparent reporting and meaningful actions.	
The Department of Work and Pensions (DWP)	Pension dashboard project	https://pensionsdashboardproject.uk/industry/about-the-pensions-dashboard-project/ Please see below the table for more information from Aon	Updated	<p>DWP consulted on draft regulations earlier this year, and the consultation closed on 13 March 2022. A further consultation was issued in June 2022, and this closed on 19 July 2022.</p> <p>The consultation raises some issues due to the different rules that apply in the LGPS in comparison to other schemes. Such as: excluding deferred refunds, issues around missing starter notifications and the value of benefits if the vesting period is not met etc.</p> <p>The public sector staging date is April 2024.</p> <p>The Fund's software provider, Aquila Heywood, is designated as an 'Integrated Service Provider' and is part of the national working party to help deliver the Pensions Dashboard. The Fund intends to work with Aquila Heywood to provide the data required.</p>	PEN038
Financial Reporting Council	Proposed revision to the UK Stewardship Code	https://www.frc.org.uk/investors/uk-stewardship-code	Updated	<p>The Financial Reporting Council (FRC) published the revised Stewardship Code on 24th October 2019 which sets substantially higher expectations for investor stewardship policy and practice.</p> <p>During April 2022, officers submitted an application to gain signatory status of the new Code, to the FRC, and signatory status was confirmed in September 2022. The Fund will need to make an annual submission to retain signatory status.</p>	
Scheme Advisory Board (SAB)	Goodwin Case		No change since the last meeting	With some similarities to McCloud, another discrimination case affecting public service schemes including the LGPS, this time on the grounds of sexual orientation whereby it has been shown that it is discriminatory for female partners of members	PEN056

Organisation	Subject	Link	Status	Comments	Risk Ref
				<p>who are in a same sex or opposite sex marriage to receive different survivor benefits from one other.</p> <p>Although the funding costs will be small, this will be a further administration and communication burden to address.</p> <p>Little information has still been provided of the impact on the LGPS, but the DfE has started a consultation in relation to the Teacher's Pension Scheme to start the process of altering the scheme rules. It is expected MHCLG will undertake a similar process for the LGPS in due course.</p>	
	Good Governance Project (formerly known as the Separation Project)	http://www.lgpsboard.org/images/PDF/BoardFeb18/PaperBItem50218.pdf	No change	<p>Hymans-Robertson, on behalf of the SAB, has released its report on phase II which outlines a number of specific recommendations.</p> <p>Hymans Robertson and SAB are now moving towards Phase III of the project and a proposal is going to MHCLG to implement the proposals.</p> <p>The timeframes for implementation are still unclear.</p>	PEN039
The Pension Regulator (tPR)	Single code of practice		No change	<p>tPR have released a consultation concerning its intention to produce a single code of practice covering all pension schemes (rather than over 15 at the moment).</p> <p>Whilst some of the exercise is merely one of administrative consolidation, tPR have also used this as an opportunity to make some changes.</p>	PEN050
DLUHC	Finance Act 2022		No change	<p>The normal minimum pension age will increase from 55 to 57 from 6 April 2028 (the general intention was the minimum age would always be 10 years less than the state pension age).</p> <p>Act allows certain pension age protections to apply but DLUHC are yet to advise how these might apply in the LGPS.</p>	None

Organisation	Subject	Link	Status	Comments	Risk Ref
				The Stage Pension Age is due to be reviewed again next year (under the Pensions Act 2014, it should be reviewed every 6 years). As a reminder, the LGPS normal pension age for post 2014 service is set as being equal to the State Pension Age.	
Fund updates	Evolve programme – which involves the Council changing the pensioner payroll system and Fund accounting system			The target system implementation date is 1 April 2023 but officers understand from the project team that the target date is now in doubt and it is possible the new systems will not be implemented until several months later.	PEN059
Post Fiscal Event Update				A verbal update will be provided at the meeting due to the dynamic/ever-changing position.	

In December 2018 the Government lost a Court of Appeal case (the 'McCloud/Sargeant' judgement) which found that the transitional protection arrangements put in place when the judges/firefighters' pension schemes were reformed, which applied to all active members who were within 10 years of their Normal Pension Age on 1 April 2012, amounted to illegal age discrimination. The Government's application to the Supreme Court for permission to appeal the Court of Appeal judgement was subsequently denied on 27 June 2019.

Government accepted that any changes would need to apply to all public service schemes with these protections and in July 2020, MHCLG (now DLUHC) consulted on changes to the LGPS in England and Wales. On 13 May 2021 MHCLG confirmed the key elements of the expected changes to the LGPS to implement the McCloud judgement in a Written Ministerial Statement, principally the extension of the final salary underpin (better of both promise) to all qualifying members in active service on 31 March 2012 with post-2014 career average benefits. The Public Service Pensions and Judicial Offices Act 2022 sets out the framework for scheme regulations and confirmed that the new final salary underpin will apply to membership from 1 April 2014 to 31 March 2022. It also extended the qualification criteria for the LGPS to qualifying members in active service on or before 31 March 2012 (not just in active service on 31 March 2012). A full consultation response from DLUHC is not expected until later this year and final LGPS Regulations are not expected to be come into force until 1 October 2023.

Although there is still some time before the Regulations are expected to be in place, implementing the McCloud judgement is expected to take up significant time and resource at administering authorities due to the need to:

- collect data from employers relating to members active between 1 April 2014 to 31 March 2022 which is required to calculate final salary benefits for that period
- plan for the calculation of the underpin benefits and potential rectification of benefits for members leaving since 1 April 2014 (up to the date the Regulations are in place)
- plan for the necessary updates to the administration system to enable the new underpin to be calculated where required for future benefit calculations
- communicate with stakeholders, including members and employers and including updating all template letters etc
- monitor the progress of the project to ensure regulatory requirements are met

A recent update from Technical Group suggested around 60% of the c50 administering authorities who responded have collected over half of the additional data required to calculate the new underpin and over a third of respondents have loaded that data to the pensions administration system. In addition, 80% have communicated with scheme members and 98% with employers about McCloud; over 60% have recruited or intend to recruit extra resource to help implement McCloud and nearly 15% have outsourced or plan to outsource implementation.

Aon has suggested that the Fund should move forward with its own preparations as soon as possible, and not only collect data when employers are onboarded onto i-connect. They recommend:

- establishing an Implementation Project with strands including a project charter, consideration of risks and mitigation, roles and responsibilities, workstreams required to implement McCloud and their key deliverables and planning for when draft regulations are available
- identifying how much data has already been collected and widening the data collection process to all employers as soon as possible (having regard to the i-connect roll-out programme)

- validating and uploading data to the pensions administration system in respect of the remedy period
- considering what resources/budget will be needed to successfully implement McCloud and how that might be achieved, i.e. in-house or outsourced (bearing in mind that the data collected will need to be validated before uploading onto Altair)

Dashboards – more info

The Pensions Dashboard is a Government initiative first announced in the Budget 2016. The idea behind the Dashboard is to allow all UK pension savers the ability to view all of their pensions, including state pension, via a single platform. DWP first consulted on the proposal in early 2019, asking for views on the potential phased introduction of the pensions dashboards as well as on the architecture, funding and governance arrangements. The Pension Schemes Act 2021 provides the legal framework for implementing the dashboard and a further consultation on regulations closed on 13 March 2022 which clarified that public sector pension schemes are expected to onboard between October 2023 and April 2024. A consultation response is expected before recess (so later this month) although DWP unexpectedly issued a further consultation on 28 June 2022 on (i) the period between dashboards becoming law and the requirement for them to be up and running and (ii) proposals to enable the Money and Pensions Service and Pensions Dashboard Regulator to share information relating to dashboards.

The Pensions Regulator has recently published guidance strongly advising schemes to start preparing as soon as possible, regardless of their connection deadline, noting that they will typically need to work with several organisations to get connected. Wiltshire Council as administering authority is ultimately accountable for ensuring connection, and we will need to work with our suppliers including Heywood to progress the work needed. TPR's guidance highlights the need for scheme managers to set the criteria for matching data and taking any steps necessary to ensure they have sufficient confidence in the accuracy of their data. Our recent decision to outsource our aggregation backlog should support us in our preparation for Dashboards but we need to put in place plans to ensure we will be ready on time. TPR states that it will take action if it sees intentional or reckless non-compliance.

A recent LGA survey suggested around 45% of funds who responded have recruited or intend to recruit extra resource to help implement dashboards; just over half have engaged with an integrated service provider to connect to the dashboard system and nearly 60% have cleansed their data in preparation for pensions dashboards.

Aon has suggested that the Fund should move forward with its own preparations as soon as possible, including specifically considering or confirming:

- Whether there are any procurement implications of connecting via the Heywoods ISP solution (this is potentially a slightly grey area so will need to be properly checked).
- That all key data fields are populated within Altair (such as Date of Birth, National Insurance Number, Address, Employer Name, Date Joined Fund, Date Left Fund).
- Data matching convention – the consultation suggests schemes can select which data items are used to identify members.
- That the timeframe for addressing the backlogs fits with the Dashboard timetable. (if a member whose deferred benefit has not been calculated logs in to the dashboard and MaPS realise there is a benefit pending the Fund will have 10 days to calculate the benefit and notify the member or we could face fines.)

- What resource/budget we may need to ensure we can comply with the requirements. (we will need to check what Heywoods are going to be charging for dashboard activity and ensure this is included in the business plan for 2023/24.)

Business Plan Actions for 2022/23

	Action	Description	Target SVGs	Priority	Progress update as at 30 Sep 2022
	1 Actuarial valuation	The triennial actuarial valuation of the Fund, as at 31 March 2022, needs to be carried out over the next year.	1, 9, 10, 16	Mandatory	Work is underway in line with a slightly revised timetable. The results will be presented at the Committee meeting on 17 November 2022.
Page 31	2 Strategic Asset Allocation (SAA) review	A review of the SAA needs to be carried out triennially, in conjunction with the actuarial valuation, in order to ensure that the Fund is set to deliver the required investment returns for an appropriate level of risk.	1, 9, 10, 11, 12	Mandatory	Work is underway in line with a slightly revised timetable. The results will be presented at the Committee meeting on 17 November 2022.
	3 Hit as close to 100% as possible of legal requirements and develop improvement plan for achieving KPI targets	Once the standardised weekly KPI reporting (action 7) is up and running, we will be able to identify specific processes to focus on and develop a detailed plan. The focus will initially be on aiming to achieve 100% of the legal requirements, and prioritising cases like retirements and deaths.	5, 6, 7, 16	High	The team are working towards the development of an improvement plan. This will include the launch of a new work allocation system, a review of the level of checking carried out on i-Connect returns, launching staff productivity targets and monitoring, and targets linked to turning individual KPIs “green” by specified dates.
	4 Complete the payroll reconciliation project	The long-running reconciliation project between the administration system and the ledger needs to be concluded, so that we have assurance that all pensioners are being paid the correct amount.	5, 6, 7, 16	High	The tender for this piece of work has closed, with several reputable bidders. Evaluation work is now taking place.
	5 Outsource the backlogs	The Aon review indicates that the backlogs could take 6 years to clear at the current rate. Additional resource is needed to clear these, and outsourcing would be the preferred option (i.e. not recruitment).	2, 6, 7, 16	High	Hymans have been appointed to carry out this work, with an estimated 11 month timeframe, and are ready to begin as soon as the contract has been finalised.

	Action	Description	Target SVGs	Priority	Progress update as at 30 Sep 2022
6	Review the resourcing of the team	The Aon review carried out analysis of resourcing levels and made various recommendations. Further internal analysis is required here, taking into consideration actions 8 and 14 at the same time.	1-16	High	Work is underway.
7	Launch weekly KPIs	The Fund has historically produced KPIs for admin processes on a quarterly basis. Moving to weekly will be a key driver in improving performance. Weekly stats will show performance and movements in caseloads, and aging of open cases. Forward looking KPIs will identify cases about to go out of date, so that preventative action can be taken. Stats will be used by managers to identify issues and plan workloads, and shared with teams for awareness of their impact on the Fund's vision.	5, 6, 7, 16	High	Weekly KPIs have now been launched, both for in-depth management review, and a separate (more concise) version to be shared with the wider team.
8	Implement integrated payments	Adopting integrated payroll and one-off payments (e.g. lump sums, refunds etc) systems will create efficiencies and improve controls.	2, 5, 7, 9, 13, 16	High	The contract has been signed with Heywoods, and work has begun to set a project plan for the implementation. One-off payments will be rolled out over this financial year, with the payroll going live in summer 2023.
9	Implement renewable infra and affordable housing portfolios	The Fund has made strategic allocations to renewable infrastructure and affordable housing, which need to be implemented over the next year in consultation with advisers.	1, 9, 10, 11, 12	High	Work is ongoing with Brunel and the client group to see whether a new portfolio can be developed to deliver the renewable infrastructure allocation via the pool. The affordable housing portfolio will be completed towards the end of 2022.

	Action	Description	Target SVGs	Priority	Progress update as at 30 Sep 2022
10	Complete iConnect onboarding	Onboarding of all employers onto iConnect was targeted to complete by 31 March 2022, but there are still several employers outstanding. Although the Fund does not have full influence over this, we will work collaboratively with employers to ensure all are onboarded by 31 March 2023 and that we can realise the control and data benefits of iConnect.	2, 3, 6, 7, 13, 14	High	There are 49 employers left to onboard (of 180). Escalations are in place with the remaining employers. A change to the administration strategy has made i-Connect mandatory with charges for not signing up, something which is being communicated to employers.
11	Treasury management (TM) strategy implementation	The new TM strategy needs to be fully implemented, and a new liquidity portfolio implemented.	9, 10, 13	Medium	The tender for this piece of work is now live, closing at the end of September 2022.
12	Performance measurement reporting improvements	In order to improve visibility of the Fund's overall performance for Local Pension Board, Committee, and senior officers, a new whole Fund performance report will be developed, to show standardised, concise information on KPIs, projects, key financial controls, customer service measures etc.	3, 5, 6, 7, 10, 13, 16	Medium	Work is underway here, with the aim to launch the new reporting during Q4 2022.
13	Become signatories of the 2020 Stewardship Code	The Fund developed plans for reporting in line with the 2020 Stewardship Code during 2021/22, and will make a submission to achieve signatory status during 2022/23.	9, 10, 11, 15, 16	Medium	The Fund has published a report in line with the requirements of the 2020 Code, and has been awarded signatory status.
14	Systems review	The Aon review recommended that a detailed review is carried out to determine the exact responsibilities of the Systems and Data team, which should also incorporate a review of all systems procedures and controls and the Fund's overall objectives in this area.	2, 5, 6, 7, 13, 16	Medium	This piece of work has been completed and has been used to inform part of the work done against action 6.
15	Participate in Brunel climate stocktake	The Brunel climate stocktake will help inform the partnership's approach to climate risk, including how the portfolios are shaped going forward. We will be actively involved in this review in order to represent Wiltshire's position.	9, 10, 11, 12	Medium	The Fund is very actively involved in the Brunel climate stocktake, and is working with other client funds to set the agenda.

	Action	Description	Target SVGs	Priority	Progress update as at 30 Sep 2022
Page 34	16 Collaborating with investment managers to ensure climate risk is appropriately addressed	It is necessary to ensure the investments are safeguarded from potential financial losses as a result of climate risk, and that the portfolios are positioned to take advantage of any investment opportunities as a result of transition to a low-carbon economy. We will collaborate with legacy managers and the Brunel pool to ensure that portfolios are fit for purpose from a perspective of sustainability and climate risk, can be aligned to our broader climate objectives, and that data provision is adequate to allow for a meaningful assessment of progress against targets.	9, 10, 11, 12, 15, 16	Medium	The Fund is actively working with investment managers to ensure that the Fund's investments are safeguarded against financial losses due to climate risk. This work is underway and a full report (including actions and outcomes) will be provided to the Committee once work is complete.
	17 Employer report cards	Employer report cards will address the quality and timeliness of data submitted via iConnect and in relation to contributions, as well as timeliness of payment of contributions. The full member experience is partly our service KPIs, but also partly determined by the employer's provision of the relevant data in a timely manner - this will also be covered by the report cards. This will help to clarify roles and responsibilities.	2, 3, 5, 6, 15, 16	Lower	An employer report card has now been developed, and will be initially send to employers in Q1 2023. The initial template includes information related to i-Connect returns and contribution receipts. More information may be added in the future.
	18 Risk monitoring and reporting improvements	The framework around risk monitoring and reporting needs improving, to improve ownership taken for specific risks, to integrate consideration of risks more fully operationally, and to improve clarity in reporting risks to Committee and the Local Pension Board.	13, 15, 16	Lower	Significant progress has been made here, and a new risk register will first be presented to the Local Pension Board and Committee in Q4 2022.
	19 Review internal audit arrangements	The Committee has approved various specialist audits as part of the audit plan. We will investigate potential providers to deliver these audits, as well as any other high-priority areas where we need specialist advice. Action 23 is part of this, so the potential budgetary impact for that review is included under that action.	3, 6, 7, 9, 13	Lower	Internal audits are ongoing as planned.

	Action	Description	Target SVGs	Priority	Progress update as at 30 Sep 2022
20	Complete Member Self Service (MSS) sign-up campaign	The Fund's strategy is to write out to members who have not signed up to MSS every 3 years. We will complete this campaign, and investigate options to further promote MSS through use of email signatures, the website, and campaigns through the scheme employers.	4, 8, 14, 15	Lower	The initial mailout campaign has been completed. Another significant piece of work here will take place as part of Pensions Awareness Week, which has been postponed to November 2022.
21	Customer service excellence review	An independent customer service assessment will provide evidence of good practice and recommendations for improvement.	2, 3, 4, 5, 6, 7, 16	Lower	As assessor has been appointed and the team are working to complete the initial self-assessment, before the independent review which is likely to be in November 2022. A report on findings will be shared with the Committee in due course.
22	Employer training and engagement (carried forward)	We will develop the training materials on the employer website, including videos, simple guides etc. We will expand the approach to direct interaction with employers, to proactively address issues with fulfilling requirements, welcome new contacts, and help with any iConnect issues.	2, 3, 4, 14	Lower	This work is ongoing.
23	Good governance review compliance	In advance of the recommendations of the Good Governance Review becoming mandatory, an independent review will map current arrangements to the new requirements, and make recommendations to ensure compliance.	16	Lower	This work will be carried out internally by officers, and will be presented to Committee in the form of a gap analysis with recommendations on any necessary changes at the 14 December 2022 meeting.
24	Collaborate with partner funds to define the direction of travel for the Brunel Pension Partnership	We will be actively involved in setting the direction of travel for the Brunel pool, to ensure that Brunel delivers the intended fee savings and investment performance in a cost-efficient way, evidenced through meaningful reporting in line with client requirements, and retains a focus on ensuring that all activities deliver value and map to positive outcomes for the partner funds.	9, 10, 11, 12	Lower	This work has now concluded, and a letter has been sent to Brunel summarising the WPF position.

	Action	Description	Target SVGs	Priority	Progress update as at 30 Sep 2022
25	Complete lower priority actions from the improvement plan	The improvement plan (Annex 1 of the Business Plan) sets out recommendations from the Aon review and SWAP's latest internal audit. High priority actions have been mapped to specific Business Plan actions, however all actions need to be completed.	5, 6, 7, 9, 13	Lower	This work is ongoing, and covered in more detail elsewhere on this agenda, in Appendix 5 of the HAM report.

Good Governance Review October 2022



Contents

- An overview of the review (Who, Why & How?)
- The review timeline (When?)
- GGR & the new SCoP
- What are the key features (What?)
- What is the Fund's response and approach to the GGR (What?)
- Next steps

When? – The review timeline

- **April 2019** – SAB commissioned Hymans following survey feedback and a draft summary – Phase 1
- **February 2020** – SAB accepted the proposals set out in Hymans Phase 2 Report and requested a more detailed implementation of the proposals
- **February 2021** – Hymans published its Phase 3 Report and action plan, which was also sent to DLUHC. After previously being approved by SAB.
- **September 2022** – DLUHC is believed to have approved SAB’s Phase 3 Report, making only one additional recommendation.
 - a) To implement a workplace strategy around planning & resourcing
- **Q4 2022** – Draft regulation and statutory instruments are expected to be prepared for consultation
- **April 2023** – Final regulation expected to be published



GGR and the new SCoP

➤ Good Governance Review (GGR)

- a) Sponsored by SAB
- b) Scope – Improving governance for the LGPS
- c) Hymans Report
- d) All recommendations should be implemented (see project plan)

➤ Single Code of Practice (SCoP)

- a) Sponsored by TPR
- b) Scope – Improving governance for the whole pensions industry
- c) Based on the Public Sector's Code of Practice 14 model
- d) Select modules relevant to your type of scheme

Local Government Pensions

SAB

England and Wales



The
Pensions
Regulator
Making workplace pensions work

What are the key features?

➤ **There are 5 basic features**

- a) Outcomes based approach, setting minimum standards
- b) Clarity over roles, responsibilities, conflict management and decision making (The introduction of Independent Governance Reviews)
- c) Training for key officers and Committee members
- d) Updating guidance and better signposting

Plus

- e) A workplace strategy around planning & resourcing



What? – Is the Fund’s response and approach to the GGR

- Officers implemented a project plan following the publication of Hymans Phase III report (see attached)
- The plan was included in the Fund’s business plan 2022/23, as an objective
- Whilst many recommendations were already in place, a gap analysis was completed to identify any missing governance elements, or elements which may need updating
- Where possible the draft recommendations have already been implemented
- On publication of the final guidance (including updated templates) the outstanding recommendations will be implemented



Next steps

- Officers will complete the implementation of outstanding recommendations

What can you do?

- Know your terms of reference and the terms of reference of other groups
- Clearly understand your role and responsibilities
- Embrace a culture of learning and development, and complete all relevant training. Use the published member and senior officer training policy as your guide
- Be an advocate for change, where required. Particularly where you identify a conflict of interest



1. tPR Data performance measures

(Note: There is no change since the last meeting, but data has been included for completeness)

Measure	Score	Change since last period
Common Data	98.7% (at 1 Nov 2021)	-0.5% since July 2021
Conditional (Scheme Specific) Data	95.0% (at 1 Nov 2021)	+0.1% since July 2021
Annual Benefit Statement production rate	98.7% (at 31 Aug 2022)	-0.8% from the previous year
Pension Saving Statements	100%	No measure

Explanatory

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

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

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

a). Common and Conditional/Scheme Specific data scores

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

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

b). Active Annual Benefit Statement (ABS) production

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

c). Pension Saving Statements

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

Performance commentary for the year

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

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

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

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

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

However, this score is still relatively high compared to 2018-2020.

2021: 99.5%

2020: 96.9%

2019: 95.0%

2018: 93.9%.

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

2. Internally set targets (Fund)

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

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

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

Table 1: Performance over the period 1 July to 31 August 2022

Performance over the period 1 July to 30 Sept 2022

Priority Category	Process	SLA (Working days)	Tolerable Performance	Cases Open at Start	Cases received	Cases processed	Cases open at end	Case change	Completed on target	Change
High	Deaths	5/10/20 days	95%	322	424	395	351	↑	76%	+13%
High	Retirements	10/20 days	95%	355	836	636	554	↑	82%	+1%
High	Refunds	10 days	95%	6	164	169	1	↓	99%	+2%
Medium	Transfers Out	10/20 days	90%	142	268	166	244	↑	54%	-16%
Medium	Transfers In	10/15/20 days	90%	28	33	32	29	↔	50%	-18%
Medium	Divorce	20 - 25 days	90%	6	46	41	11	↔	80%	-12%
Medium	Aggregations (BACKLOG)	23 days - 1 year	90%	3604	586	608	3582	↓	69%	-7%
Medium	Leavers (BACKLOG)	23 days - 46 days	90%	3451	2011	1491	3971	↑	56%	-3%

Table 2: Monthly breakdown of completion on target percentage

Priority Category	Process	SLA (Working days)	Tolerable Performance	July	August	September
				Completed on target	Completed on target	Completed on target
High	Deaths	5/10/20 days	95%	82%	79%	55%
High	Retirements	10/20 days	95%	91%	82%	68%
High	Refunds	10 days	95%	100%	98%	99%
Medium	Transfers Out	10/20 days	90%	45%	63%	59%
Medium	Transfers In	10/15/20 days	90%	69%	0%	50%
Medium	Divorce	20 - 25 days	90%	88%	77%	80%
Medium	Aggregations (BACKLOG)	23 days - 1 year	90%	59%	71%	78%
Medium	Leavers (BACKLOG)	23 days - 46 days	90%	64%	52%	55%

Table 3: 'Ready to go' aging analysis (as at 31 August)

Priority level	Age analysis (working days)						Total
	1-5	5-10	10-15	15-20	21-40	2+ months	
High	4	6	5	8	17	22	62
Medium	2	4	3	13	543	6128	6695

Table 4: 'In office' tasks within 5 days off the target date (excluding backlog areas) as at 14 October 2022

	High priority	Medium priority	Total
In office tasks	68	131	199

Commentary:

Table 1 & 2: Shows improvements in the KPIs relating to high priority tasks but a worsening in the percentages for medium priority tasks. It is important to note that the (medium priority) aggregation and leaver tasks both have significant backlogs, which are currently being outsourced, and therefore the priorities in those areas is to reduce down the volumes to manageable levels.

The reduction in the figures for September is partly due to implementing the new Work Allocation System (IWAS) which meant time was spent clearing older tasks first, which meant more failures coming through the system.

Table 4: Shows what officers consider to be the key metric to achieving high KPIs in future. As backlog work is being outsourced to Hymans, this metric shows the non-backlog areas at the moment but it will be expanded to show aggregation and leaver work not being outsourced in future. The goal is to reduce these numbers to zero which then mean that there was sufficient time to turnaround work with the KPI timeframe.

The introduction of a new Work Allocation System (IWAS) is expected to have the impact of improving high priority task KPIs but initially worsening the medium priority cases. Therefore to ensure that the Fund is scoring highly on all tasks, officers are put a plan in place to improve efficiency and consider whether additional resource is required.

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

The following table shows the progress in onboarding employers on to i-Connect. The long-term target is now to onboard all employers on to i-Connect as soon as possible.

	Number onboarded	Number left to onboard	Completion rate
Active members	13816 (-300)	c9,000 (total =c 23,000)	61.6%
Employers	133 (-1)	47 (total = 180)	73.9% (+0.3%)

The comparison figure is to 17 July 2022.

Outstanding employers updates (major employers):

*Swindon Borough Council (SBC) and FS4S (a payroll provider), Wiltshire Police and New College covering nearly all of the remaining active membership not already onboarded. In all cases, their onboarding has been complicated by changes they have made to their payroll system. Officers are supporting each of these organisations but will also be escalating matters to more senior staff should good progress not be made soon.

c). MSS (My Wiltshire Pension) take up

RECORDS	
ACTIVE	31 August 2022
Registered	10,687
Total	22,656
Percentage	47.2% (+0.7%)
DEFERRED	
Registered	12,760
Total	31,537
Percentage	40.1% (+0.3%)
TOTAL	
Registered	23,447
Total	54,193
Percentage	43.3% (+0.5%)

4. Internal targets - Employers

a). i-Connect submission performance

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

i). Timeliness measure of submissions

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

Month		Jun 2022			Jul 2022			Aug 2022		
		On-time	Late	% on time	On-time	Late	% on time	On-time	Late	% on time
iConnect Submissions	Large (250>)	6	0	100%	6	1	86%	6	0	100%
	Medium (50-250)	24	1	96%	26	1	96%	24	2	92%
	Small (10-50)	31	0	100%	31	0	100%	31	1	97%
	X Small (<10)	50	0	100%	56	2	97%	50	1	98%
Total		111	1	99%	119	4	97%	111	4	97%

This page is intentionally left blank

Wiltshire Pension Fund Performance Dashboard Report “How are we doing?”

August 2022

Contents

Our Vision is to deliver an outstanding service to our scheme employers and members



1. Investment Performance & Funding
2. Financial Controls
3. Administration
4. Key Projects
5. Audit
6. Customer Service
7. Staffing

Page 54

<p>1 Stable and affordable contributions</p>	<p>2 Straight-forward administration</p>	<p>3 Clear service measures and responsibilities</p>	<p>4 Employers are advocates for the scheme</p>	<p>Working together as One Fund</p> <p>1</p> <p>We work together as One Fund, demonstrating the values of transparency, accountability, ownership, critical thinking, respect, and agility</p>	<p>High performing team</p>	<p>Data driven decisions</p>	<p>Efficiency through technology</p>	<p>We collaborate, and challenge our systems and processes, to create innovative solutions and drive continuous improvement</p>	
<p>5 Correct pension, paid timely</p>	<p>6 Accurate up-to-date records</p>	<p>7 Service administered effectively and cost-efficiently</p>	<p>8 Members understand their benefits</p>						
<p>9 Safeguard the assets</p>	<p>10 Strong risk-adjusted returns</p>	<p>11 Responsible ownership and stewardship</p>	<p>12 Positive impact</p>						
<p>13 Robust processes, controls and risk management</p>	<p>14 Widely adopted self-service solutions</p>	<p>15 Transparency and information sharing</p>	<p>16 Compliance and best practice</p>	<p>Long term thinking</p>	<p>Clear communications</p>	<p>Smarter working</p>	<p>We always act with the long term in mind, whether we are setting our investment strategy, planning improvements, or working towards our net zero by 2050 goal</p>	<p>We communicate with all our stakeholders in a clear, concise, relevant and effective way</p>	<p>We maintain focus on our core objectives, and work in a proactive and disciplined way, to promote simplicity and efficiency in everything we do</p>

1. Investment Performance & Funding

In Quarter 2 (April – June 22) the fund assets returned -6.3%, -2.8% behind the benchmark.



Investment KPI's to Quarter end June 2022

Total Fund Assets

In Quarter return

1 Year return

Funding Level

£3,037m



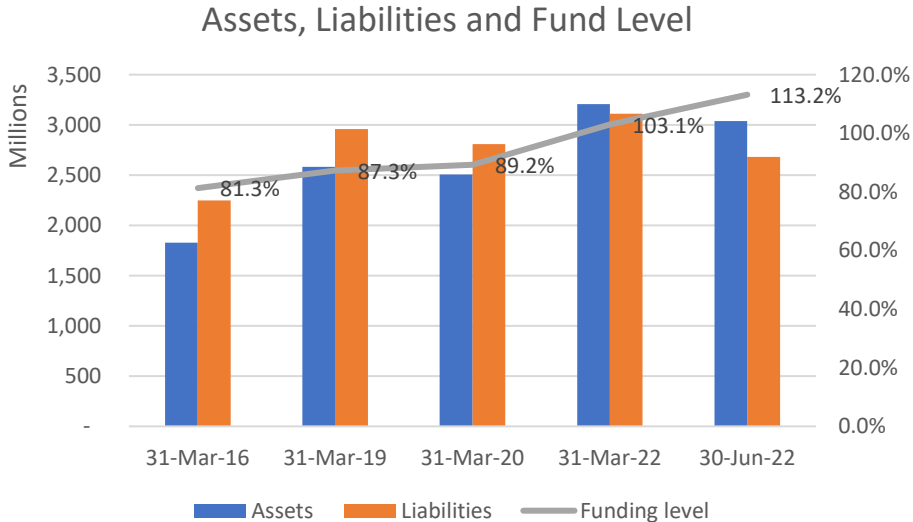
113.2%

Page 55

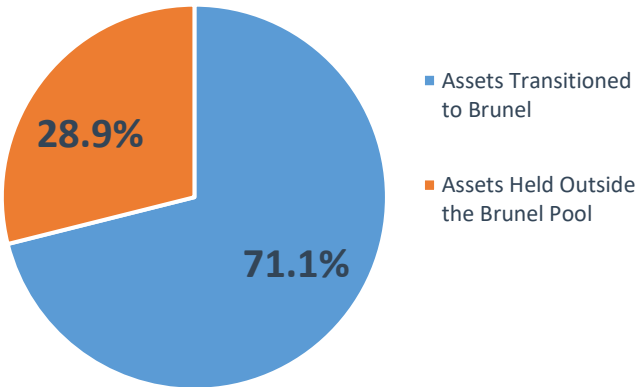
10 Strong risk-adjusted returns

9 Safeguard the assets

1 Stable and affordable contributions



Assets Transitioned to Brunel Pension Partnership

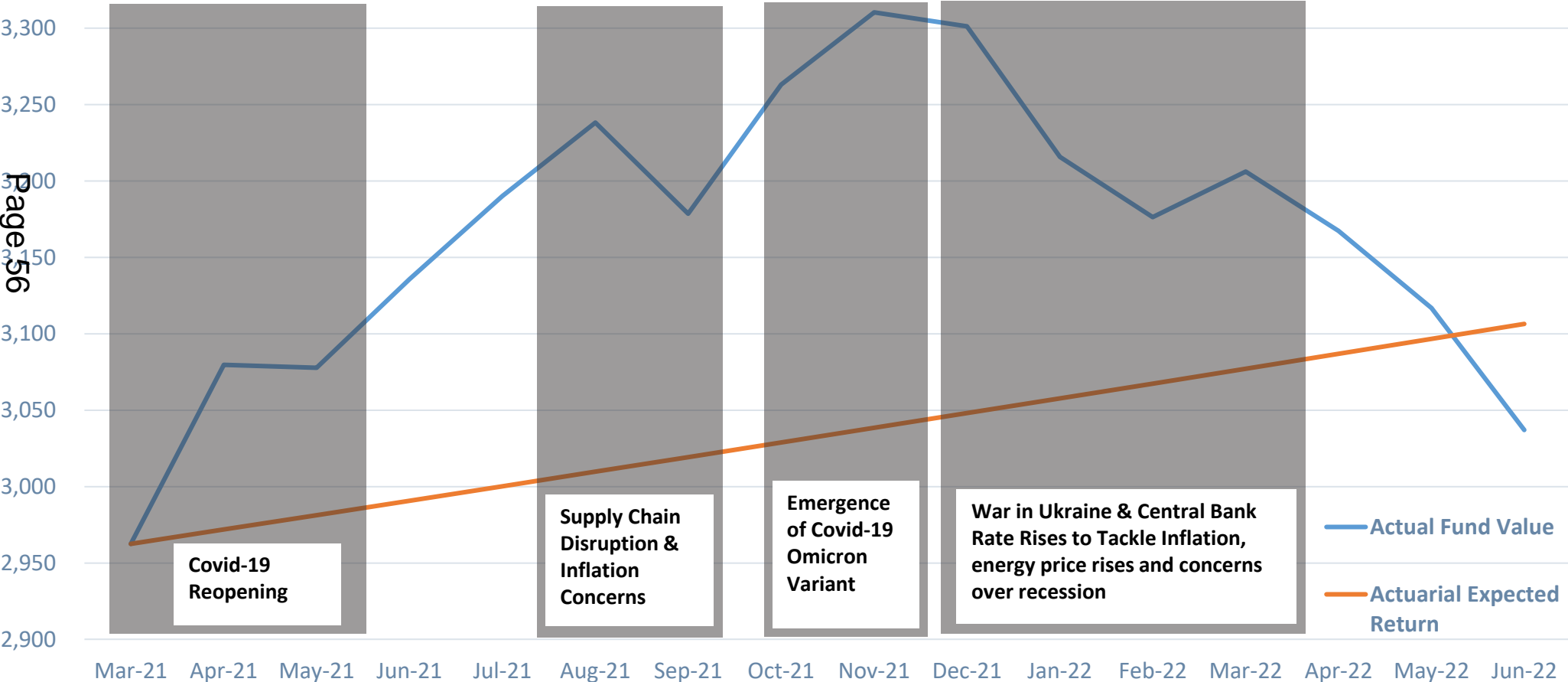


1. Investment Performance

The fund valuation has undergone significant change since March 2021 due to major global events.



Wiltshire Pension Fund Valuation March 2021 - Jul 2022 compared to target fund valuation

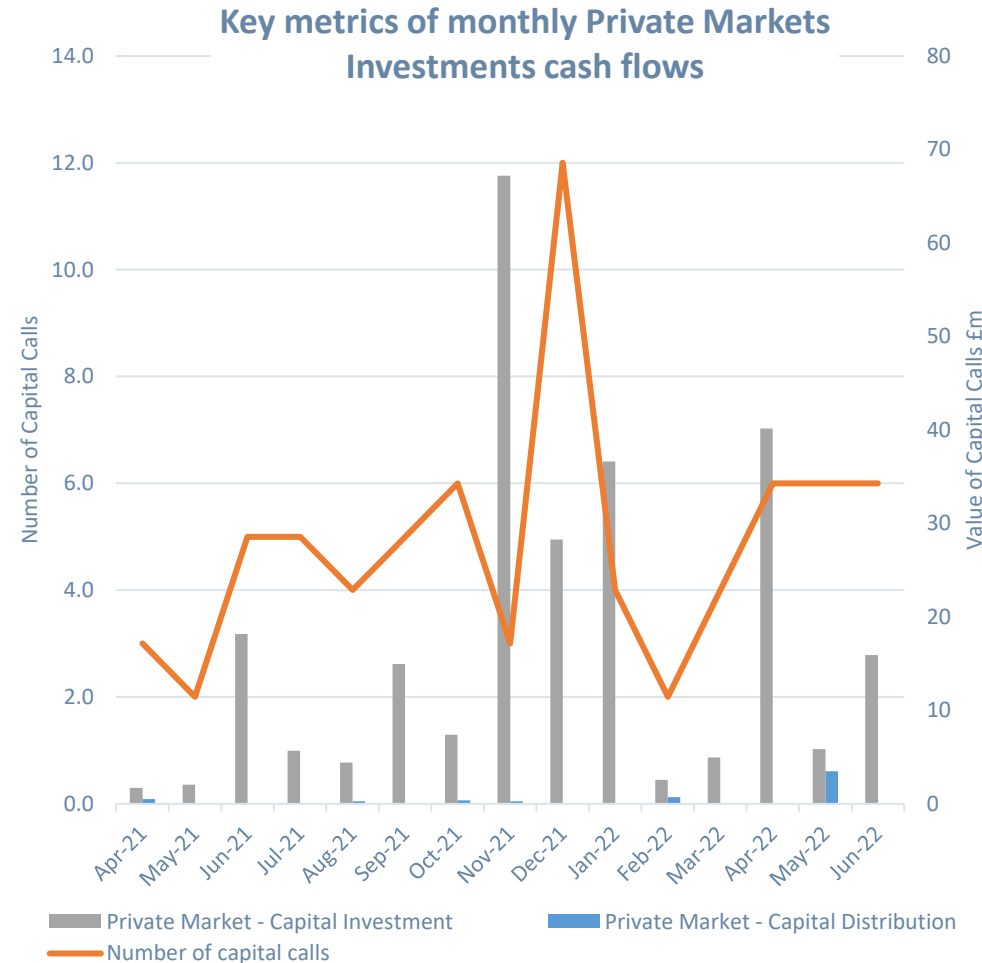
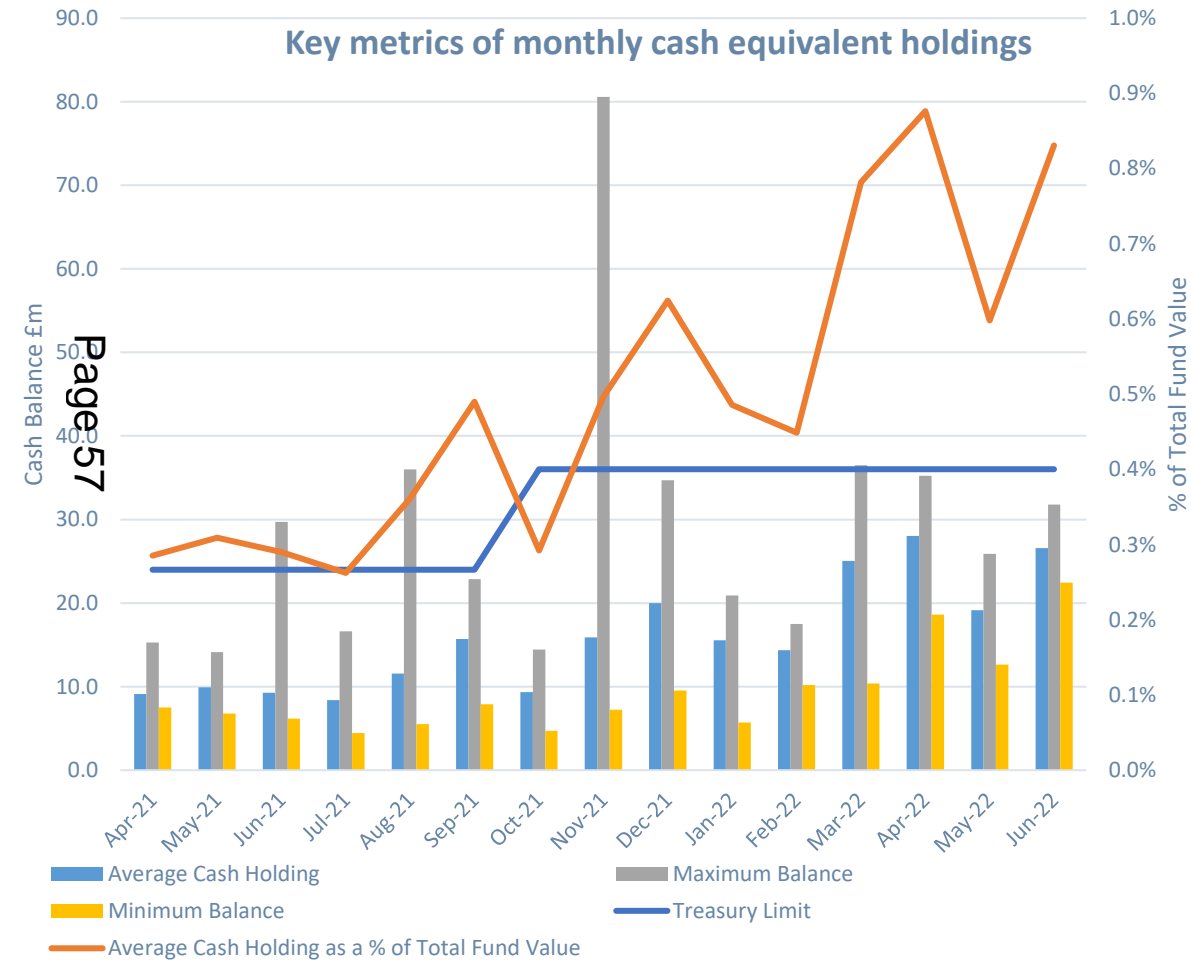


10 Strong risk-adjusted returns

9 Safeguard the assets

2. Financial Controls

Cashflow remains closely monitored, average cash holding balance has increased to enable the fund to meet private market capital call commitments.



5 Correct pension, paid timely

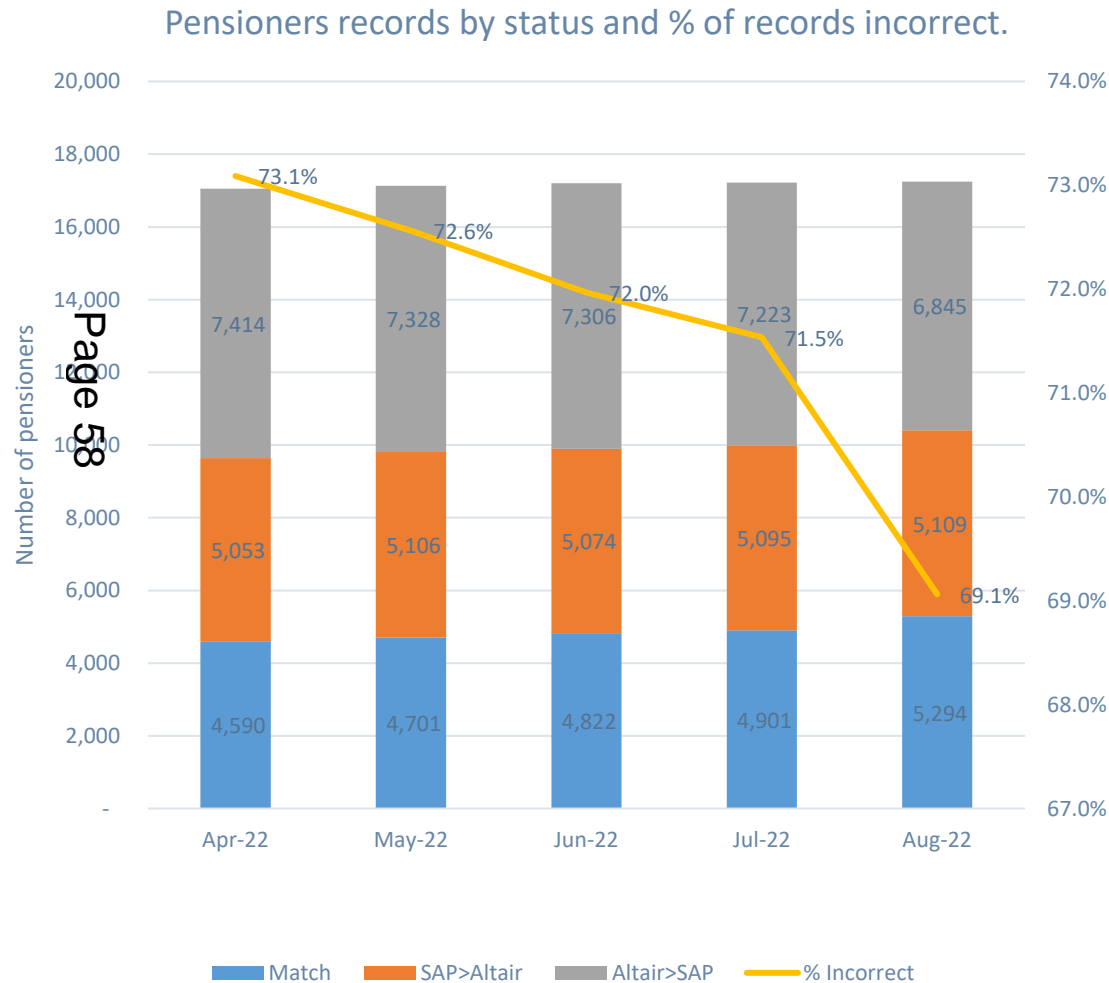


9 Safeguard the assets



2. Financial Controls

The variance between the payroll system and pensions admin system is monitored monthly via a new control report. The variance has been declining each month.



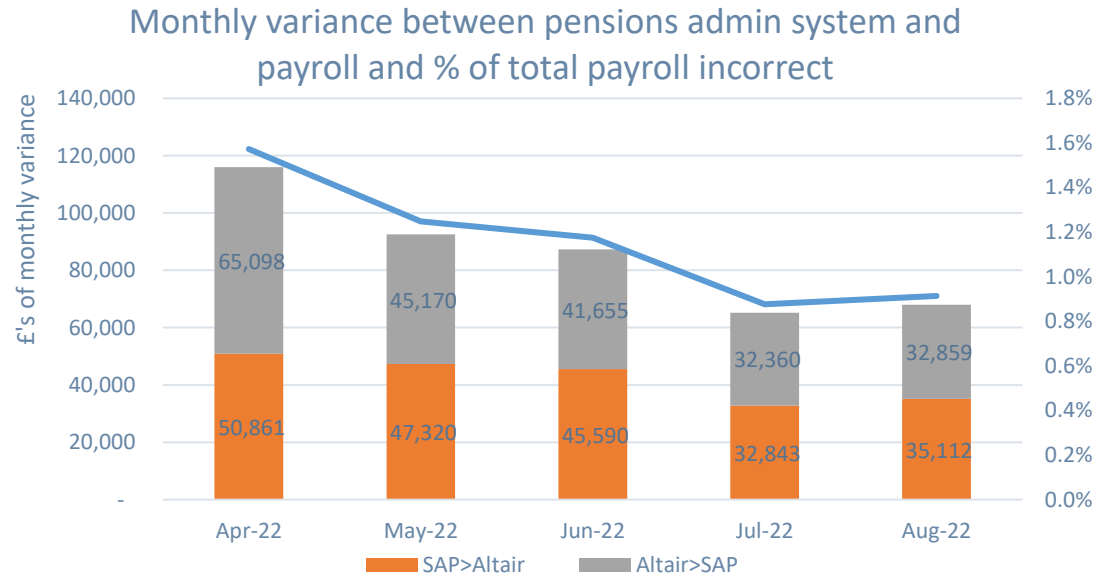
69.1% of records incorrect

Progress note on reconciliation:
Tender is live awaiting submissions

5 Correct pension, paid timely



9 Safeguard the assets

2. Financial Controls

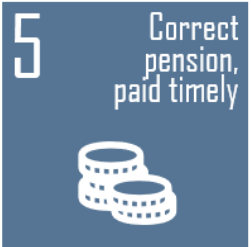
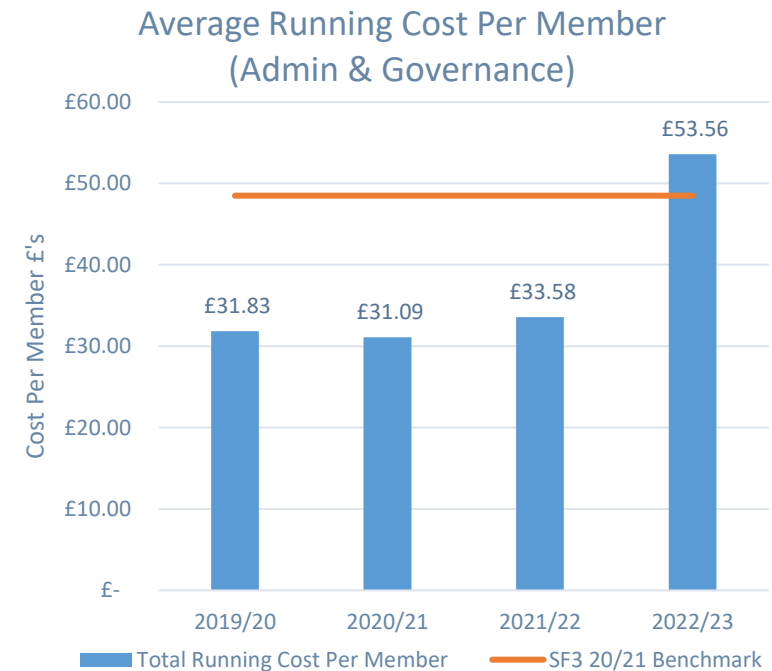
Expenditure is forecast to be £15k adverse to budget. Running costs per member are forecast to be higher than average for the LGPS due to one off expenditure on exceptional project work, backlog and payroll.

Wiltshire Pension Fund Budget 2022/23

£000's	Prior Year			2022/23			
	2019/20	2020/21	2021/22	Forecast	Budget	Variance	% Variance
Investment administration staffing costs	119	114	206	198	198	0	0%
Investment administration travel/conferences/training costs	0	2	24	8	8	(0)	-6%
Total investment administration costs	120	116	230	206	206	(0)	0%
Pension scheme administration staffing costs	996	1,036	1,152	1,267	1,267	0	0%
Staff training	19	22	18	28	28	0	0%
Corporate charges	311	311	311	311	311	0	0%
Pension administration systems and data cleansing	310	354	328	635	622	(13)	-2%
Other administration costs	107	51	28	971	970	(1)	0%
Total scheme administration costs	1,743	1,775	1,838	3,213	3,199	(14)	0%
Oversight & governance staffing costs	246	180	225	238	238	0	0%
Training and conferences	8	0	24	28	28	0	0%
Subscriptions, memberships and levies	34	32	44	36	36	0	0%
Actuarial services	214	154	147	319	319	(0)	0%
Audit	10	37	27	83	83	0	0%
Legal fees	13	11	28	49	49	0	0%
Advisory fees	142	196	276	279	279	0	0%
Corporate charges & other costs	149	165	144	146	146	0	0%
Total oversight & governance costs	815	775	916	1,178	1,178	0	0%
Local Pension Board costs	14	14	15	25	25	0	0%
Total operational running costs	2,692	2,679	2,998	4,623	4,608	(15)	0%

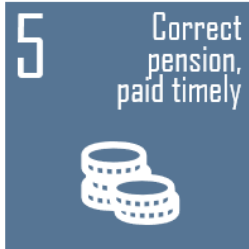
Cost Pressures:

National Pay award agreement greater than 2% planned - £89k



2. Financial Controls

As at the end of XXX all contributions had been received.



Quarter	Payroll Month	Paid contributions £000's				Average late and overdue contributions total days		Number of employers payments status		
		Total Payment	On Time Payment	Late Payment	Late Payment %	Days Late Recd	Days Overdue	On time	Late	Not Received
Q1	Apr-22	38,492	35,650	2,842	8.0%	19.4	-	156	18	-
Q1	May-22	7,732	4,723	3,003	63.6%	7.9	-	154	20	-
Q1	Jun-22	7,815	7,794	22	0.3%	18.9	-	164	10	-
Q2	Jul-22	7,827	6,993	57	0.8%	6.0	72.0	167	5	1
Total	Q1	54,040	48,166	5,867	12.2%	15.4	-	474	48	-

Page 00

3. Administration

KPIs as at the end of 30 September 2022

Performance over the period 1 July to 30 Sept 2022

Priority Category	Process	SLA (Working days)	Tolerable Performance	Cases Open at Start	Cases received	Cases processed	Cases open at end	Case change	Completed on target	Change
High	Deaths	5/10/20 days	95%	322	424	395	351	↑	76%	+13%
High	Retirements	10/20 days	95%	355	836	636	554	↑	82%	+1%
High	Refunds	10 days	95%	6	164	169	1	↓	99%	+2%
Medium	Transfers Out	10/20 days	90%	142	268	166	244	↑	54%	-16%
Medium	Transfers In	10/15/20 days	90%	28	33	32	29	↔	50%	-18%
Medium	Divorce	20 - 25 days	90%	6	46	41	11	↔	80%	-12%
Medium	Aggregations (BACKLOG)	23 days - 1 year	90%	3604	586	608	3582	↓	69%	-7%
Medium	Leavers (BACKLOG)	23 days - 46 days	90%	3451	2011	1491	3971	↑	56%	-3%

Page 61



Measure	Score	Change since last period
Common Data	98.7% (at 1 Nov 2021)	-0.5% since July 2021
Conditional (Scheme Specific) Data	95.0% (at 1 Nov 2021)	+0.1% since July 2021
Annual Benefit Statement production rate	98.7% (at 31 Aug 2022)	-0.8% from the previous year
Pension Saving Statements	100%	No measure

Priority Category	Process	SLA (Working days)	Tolerable Performance	July	August	September
				Completed on target	Completed on target	Completed on target
High	Deaths	5/10/20 days	95%	82%	79%	55%
High	Retirements	10/20 days	95%	91%	82%	68%
High	Refunds	10 days	95%	100%	98%	99%
Medium	Transfers Out	10/20 days	90%	45%	63%	59%
Medium	Transfers In	10/15/20 days	90%	69%	0%	50%
Medium	Divorce	20 - 25 days	90%	88%	77%	80%
Medium	Aggregations (BACKLOG)	23 days - 1 year	90%	59%	71%	78%
Medium	Leavers (BACKLOG)	23 days - 46 days	90%	64%	52%	55%

3. Administration

As at the end of 31 August 2022



i-Connect onboarding progress

	Number onboarded	Number left to onboard	Completion rate
Active members	13816 (-300)	c9,000 (total =c 23,000)	61.6%
Employers	133 (-1)	47 (total = 180)	73.9% (+0.3%)

Page 62

i-Connect submission timeliness

Month		Jun 2022			Jul 2022			Aug 2022		
		On-time	Late	% on time	On-time	Late	% on time	On-time	Late	% on time
iConnect Submissions	Large (250>)	6	0	100%	6	1	86%	6	0	100%
	Medium (50-250)	24	1	96%	26	1	96%	24	2	92%
	Small (10-50)	31	0	100%	31	0	100%	31	1	97%
	X Small (<10)	50	0	100%	56	2	97%	50	1	98%
Total		111	1	99%	119	4	97%	111	4	97%

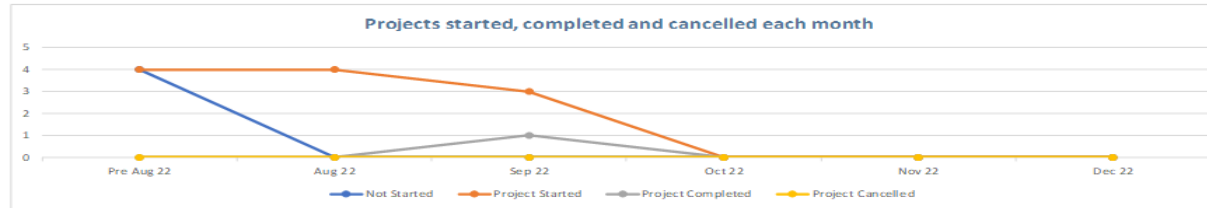
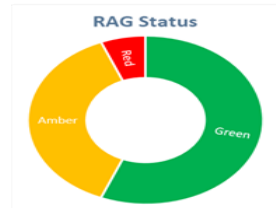
4. Key Projects

Project work effecting the overall operation of the Pension Fund. They exclude mini projects also undertaken during the year.

Project Summary

Estimated Project Days (September)

71



Key to Resources

AC, Andy Cunningham
MB, Mark Briggs
KW, Krystie Waterhouse
LW, Luke Webster
MSM, Member Services Management
MSO, Member Services Officers
ESM, Employer Services Management
ESO, Employer Services Offices
SYM, Systems Management
SYO, Systems Officers
PRO, Project Team

Project Name	Brief Project Description	Resource Used (FTE Days)	Resource Required (FTE Day)	Resource Area	Expected Completion Date	On Target RAG Status	Status	Status Updated	Notes
Backlog (Outsourcing)	Outsourcing of the backlog to an external company to complete	0	104	MB, AC, LW, PRO	Sep 2023	Amber	In Progress	01/09/2022	
Backlog (In-House)	Completion of non-standard cases/complex cases not outsourced	0	156	MB, AC, LW, PRO	Sep 2023	Green	In Progress	01/08/2022	
Payroll Rectification (Outsourcing)	Outsourcing of the Payroll Rectification exercise to an external company to complete	0	52	MB, AC, LW, PRO	Oct 2023	Amber	Not Started		
Payroll Rectification (In-House)	Completion of the Payroll Rectification exercise where discrepancies are not outsourced, i.e. discrepancies under £5pcm	0	26	MB, AC, LW, PRO	Oct 2023	Green	In Progress	01/09/2022	
i-Connect Onboarding	To onboard all employers to i-Connect	60	60	AC, ESM, ESO	Apr 2023	Amber	In Progress	01/01/2020	
McCloud (Analysis and Hour Update on Records)	Analysis and update of records (missing hours) iro McCloud data	16	16	MB, ESM	Nov 2022	Red	In Progress	01/08/2022	Need some statistics on data updated and data still outstanding
McCloud (Calculations and Historic Record Corrections)	McCloud calculations testing and update of records no longer active with McCloud underpin		TBC	TBC		Green	Not Started		
Refunds (Over 5 years)	Contact all refunds leaving over 5 years to complete their payment options (online)		50	MB, ESM	Nov 2022	Green	Completed	01/09/2022	
KPI Improvement	A KPI improvement programme to ensure that KPIs are monitoring correctly and staff are using and updating accordingly		8	AC, MSM	Dec 2022	Amber	In Progress	01/07/2022	
Online Active Retirements	To defer all actived recdrs that have not contacted us and then push all deferred members down the online route		6	AC, MSM	Nov 2022	Green	In Progress	01/08/2022	
Immediate Payments	Pension Fund payments to be automated through the Altair Payroll system and managed in-house	2	12	AC, MB, MSM, MSO, ESO, PRO	Nov 2022	Green	In Progress	28/09/2022	
Evolve Payroll	Monitoring the payroll migration		8	MB	Apr 2023	Green	In Progress	01/04/2022	
Altair Payroll	Migration of SAP Payroll to Altair Payroll		TBC	TBC	Dec 2022	Amber	Not Started		
Insights Reporting	Building a suite of reports in Insights as per the report request log		20	AC, MB, SYM	Dec 2022	Amber	In Progress	01/06/2022	
Online Forms	To allow members to request all refund payments via an online form (etc?)		2	MB, ESO	Oct 2022	Green	In Progress	01/08/2022	
Dashboard	To implement the data connections to the Dashboard and ensure processes are in place for partial matches		TBC			Green	Not Started		Scope still not completely finalised

2 Straight-forward administration



6 Accurate up-to-date records



7 Service administered effectively and cost-efficiently



13 Robust processes, controls and risk management



5. Audits

Overview of 2022/23 audits and assessments commissioned by the Committee and their progress as at xxx. Only represents progress at the key audit milestones.

Page 64

Commissioned Audits - 2022/23									
Audit	Auditor	Start Date	Planning meeting	Field work completed	Report prepared	Actions on log addressed	Target date	Revised target date	Audit closed
Progress Bar		→							
Annual Report & Accounts	Deloitte	Apr-22	Aug-22				Nov-22	n/a	
Cyber Security	Aon	Jan-22	Feb-22				Oct-22	n/a	
Key Financial Controls	SWAP	Oct-22	tbc					n/a	
Treasury Management	SWAP	Jan-23	tbc					n/a	
Pension Payroll Reconciliation	SWAP	Jun-22	Jun-22				Oct-22	n/a	
BPP Cost Transparency	tbc	Sep-22	tbc					n/a	
TPR Code of Practice 14	Self-assessment	Feb-22	Feb-22				tbc	n/a	
Statutory Returns	Self-assessment	Oct-22	Oct-22				Nov-22	n/a	
Good Governance Review	Self-assessment	Apr-22	May-22				tbc	n/a	

Notes:

	Clear audit progress
	Unclear audit outcome



6. Customer Service

Focus areas – Email, telephone, website and MSS statistics, including membership

General Email box Statistics				
Month	September	Target/ Expected count	RAG	Data Description
General Email Count	1000	1000	xxx	xxx
Email requiring an action	800	900	xxx	xxx
Email requiring NFA	200	100	xxx	xxx
Actions completed in period	700	900	xxx	xxx
Actions completed %	87.5%	100.0%	xxx	xxx
Outstanding actions	100	0	xxx	xxx

Telephone Statistics				
Month	September	Target/ Expected count	RAG	Data Description
Call Count	1062	1000	xxx	xxx
Abandoned calls	231	50	xxx	xxx
Abandoned calls %	21.8%	5.0%	xxx	xxx
Av wait time	6.7 min	30 sec	xxx	xxx
Av time before hang up	5.5 min	5 min	xxx	xxx
Average call time	4.5 min	5 min	xxx	xxx

Website & MSS Statistics				
Month	September	Target/ Expected count	RAG	Data Description
Total visits to site	2500	2000	xxx	xxx
Attachments opened	400	500	xxx	xxx
Usage v membership %	3.1%	2.5%	xxx	xxx
Total MSS logins	1000	800	xxx	xxx
New MSS sign ups	300	200	xxx	xxx
Total visits v membership %	0.3%	0.2%	xxx	xxx

	RECORDS
ACTIVE	31 August 2022
Registered	10,687
Total	22,656
Percentage	47.2% (+0.7%)
DEFERRED	
Registered	12,760
Total	31,537
Percentage	40.1% (+0.3%)
TOTAL	
Registered	23,447
Total	54,193
Percentage	43.3% (+0.5%)

2 Straight-forward administration



3 Clear service measures and responsibilities



14 Widely adopted self-service solutions



15 Transparency and information sharing

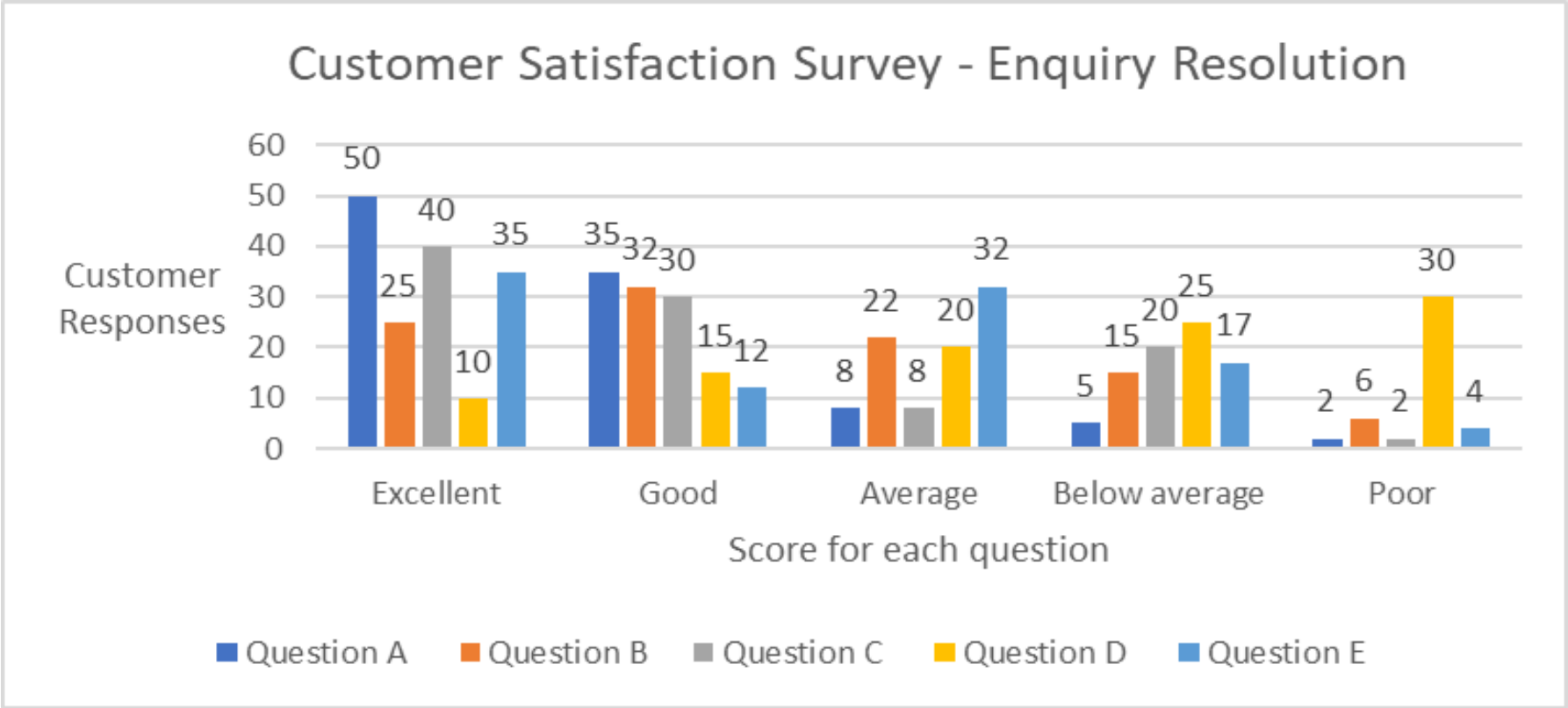


Committee Reporting Link: Further detailed reporting is available in the Fund's Communications folder

6. Customer Service

To include stats from satisfaction survey when completed
Periodically suppressed depending on data being available.

Page 66



3 Clear service measures and responsibilities



15 Transparency and information sharing



6. Customer Service

Statistics on formal complaints received

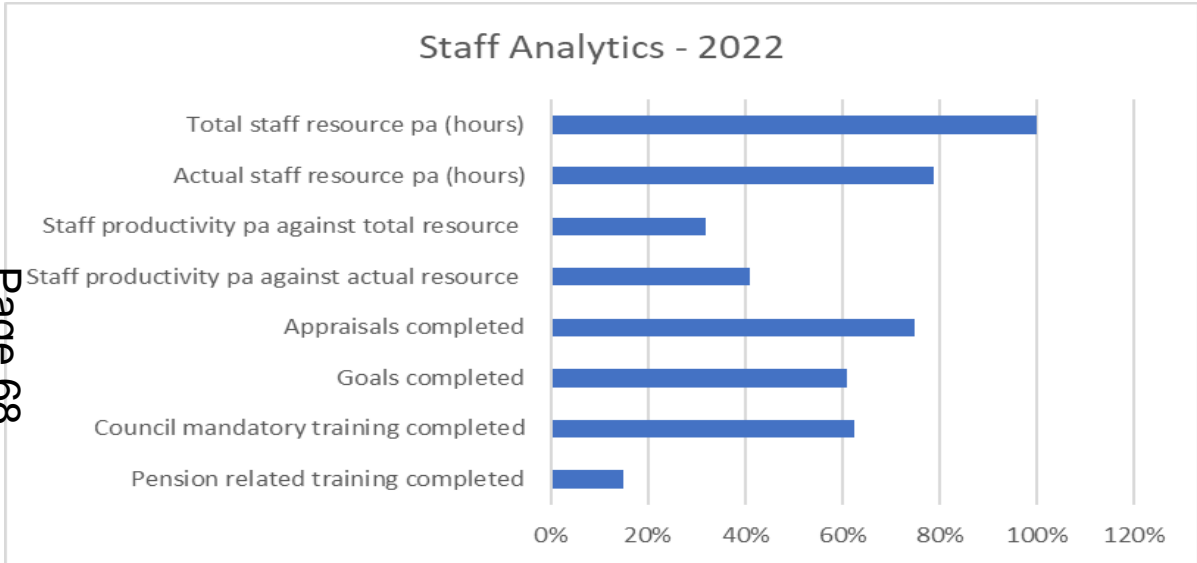
Nature of Complaint	Date received	Dated resolved	Resolution
Retiree challenged multiple assumed pay calculations used to calculate her pension.	21/10/2020	21/05/2021	Upheld
Overpayment of pension due to incorrect uploading to payroll	09/03/2021	-	Determination outstanding
Concerned the Fund's requirement to execute a court order in relation to a pension sharing agreement	24/08/2021	14/01/2022	Not upheld
Poor administration led to dependent's pension not being paid. Distress payment made to widow	27/08/2021	27/08/2021	Upheld
Adjustment to annual pension. Distress payment made as insufficient notice of change was provided to member (Ref 4)	16/09/2021	22/09/2021	Went to IDRPs
Employer did not calculate pensionable pay correctly (Ref 3)	03/11/2021	03/11/2021	Complaint not upheld, went to IDRPs
Employer decision to enrol member into the Fund did not include backdated service (Ref 1)	08/11/2021	08/11/2021	Complaint not upheld, went to IDRPs
A claim for interest & compensation was made because of a delay in the payment of a death grant, causing a tax charge to occur. (Ref 2)	10/01/2022	19/01/2022	Went to IDRPs
Adjustment to annual pension	26/01/2022	08/03/2022	Not upheld
Adjustment to annual pension. Distress payment made as insufficient notice of change was provided to member (Ref 5)	26/01/2022	26/01/2022	Went to IDRPs
Employer did not follow correct process on terminating a member's employment (Ref 7)	27/01/2022	01/02/2022	Went to IDRPs
Adjustment to annual pension. (Ref 6)	17/02/2022	17/02/2022	Went to IDRPs
Adjustment to annual pension.	25/03/2022	31/03/2022	Not upheld
Total Complaints recorded in 2021/22		13	
Complaints progressed to IDRPs		7	
Last Year 9 complaints were recorded. This represents a 44% increase.			

Nature of IDRPs	Date received	Dated resolved	Resolution
Stage 1 IDRPs			
Dispute: Adjustment to annual pension. Outcome: Distress payment made as insufficient notice of change was provided to member. (Ref 4)	22/09/2021	08/03/2022	Not upheld, but process improvements made
Dispute: Employer did not calculate pensionable pay correctly Outcome: Went to Stage 2 IDRPs. (Ref 3)	03/11/2021	03/11/2021	Not upheld
Dispute: Employer decision to enrol member into the Fund did not include backdated service. Outcome: Adjudicator found not evidence to support claim. (Ref 1)	08/11/2021	08/11/2021	Not upheld
Dispute: A claim for interest & compensation was made because of a delay in the payment of a death grant. Outcome: The adjudicator found that whilst maladministration had occurred, HMRC legislation overrode the maladministration. The Fund made a compensation payment for distress, but no compensation was made by the Council. (Ref 2)	19/01/2022	04/04/2022	Partially upheld
Dispute: Adjustment to annual pension. Outcome: Distress payment made as insufficient notice of change was provided to member. (Ref 5)	26/01/2022	22/03/2022	Not upheld, but process improvements made
Dispute: Employer did not follow correct process on terminating a member's employment. In turn, it became an IDRPs on the basis that the member didn't receive an enhanced pension from the Fund. Outcome: To be confirmed. (Ref 7)	01/02/2022	-	Determination outstanding
Dispute: Adjustment to annual pension. Outcome: Distress payment made as insufficient notice of change was provided to member. (Ref 6)	17/02/2022	21/04/2022	Not upheld
Stage 2 IDRPs			
Dispute: A Stage 1 IDRPs case b/fwd. from 2020/21 - A member exceeded their Annual Allowance in the Scheme Year 2019/20 due to a transfer-in. Member claimed that they had suffered a financial loss. Outcome: Adjudicator upheld Stage 1 IDRPs on the basis of maladministration and suggested compensation. Stage 2 was not upheld on the basis that the Fund must comply with HMRC rules.	20/05/2021	04/01/2022	Not upheld
Dispute: Employer did not calculate pensionable pay correctly Outcome: Stage 1 and Stage 2 IDRPs not upheld, as considered an employer dispute.. (Ref 3)	03/11/2021	02/02/2022	Not upheld
Total Stage 1 & 2 IDRPs recorded in 2021/22			9
IDRPs currently upheld in 2021/22 (including partially)			1
Last Year 3 IDRPs were recorded. This represents a 300% increase.			



7. Staffing

Focus areas – Resource availability, productivity, appraisal setting, goals and training



Rate	Notes
100%	45,225 hours pa, based on a 6 hrs per day
79%	35,728 hours pa, Impact due to sickness & approved absence
32%	Based on ave. time of 6 hrs per day at 1 hr per case
41%	Based on ave. time of 6 hrs per day at 1 hr per case
75%	Excludes appraisals completed, but not formally closed on GROW (Released)
61%	Excludes goals not completed, but still within target date
63%	Covers HR required and data protection training
15%	Covers on-line tools - TEC, Hymans & TPR toolkit (1 hr per week for all training)

Page 68

The analysis is based on 35 Pension Fund officers actively employed during 2022, 3 of which worked part-time. The statistics are drawn from GROW and Altair. The information does not consider new joiners or leavers during the period.

2 Straight-forward administration



3 Clear service measures and responsibilities



15 Transparency and information sharing



8. Staff Survey

To be designed following survey completion

This page is intentionally left blank

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
27th October 2022

KEY FINANCIAL CONTROLS REPORT

Purpose of the Report

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

Background

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

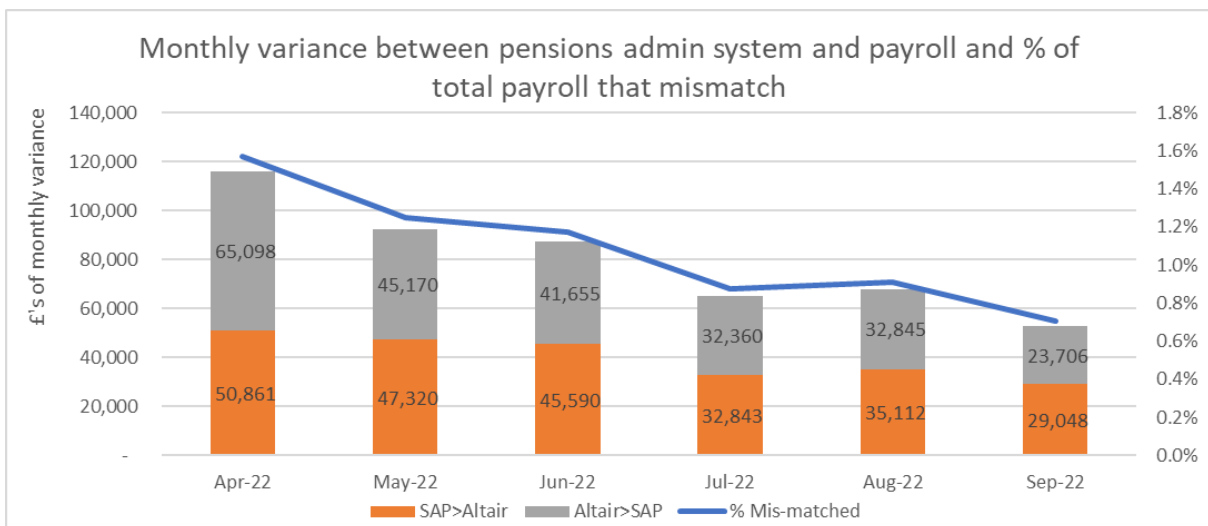
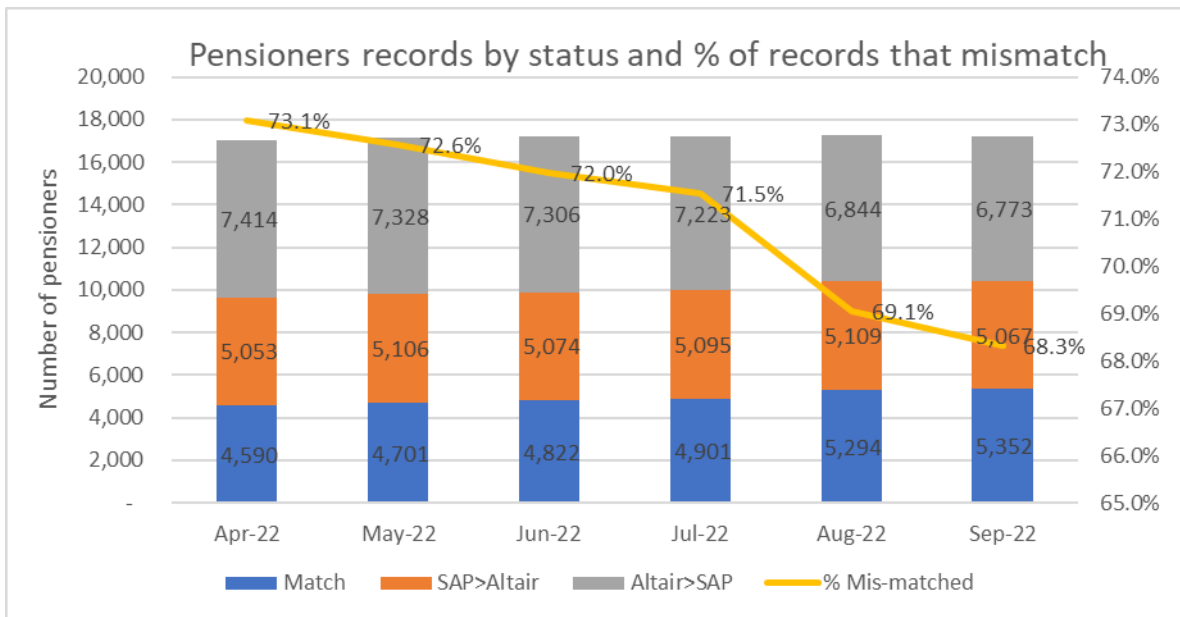
Key Considerations for the Committee / Risk Assessment / Financial Implications

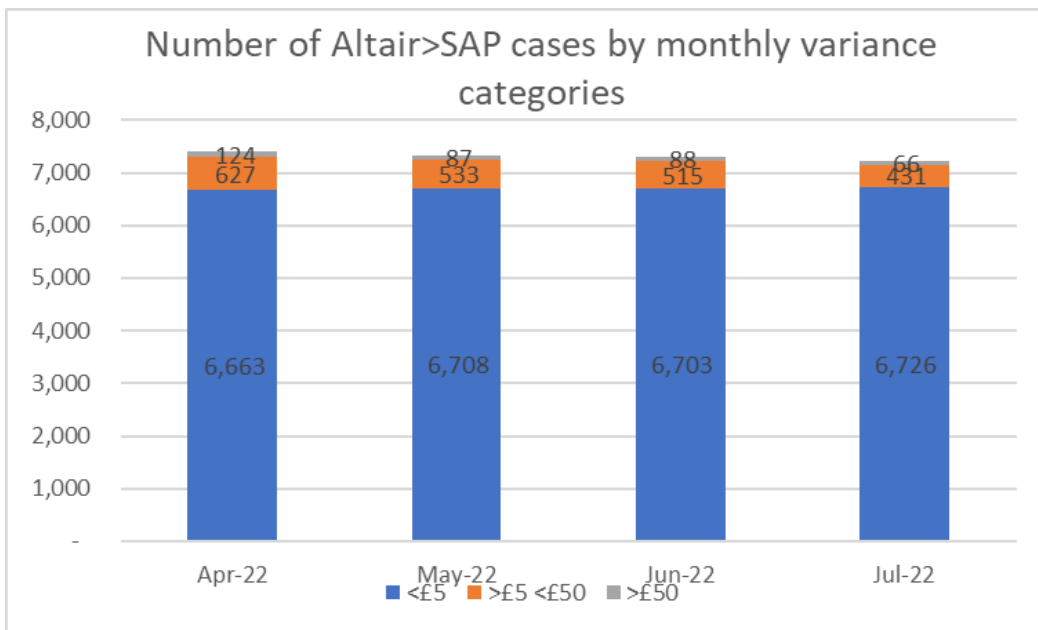
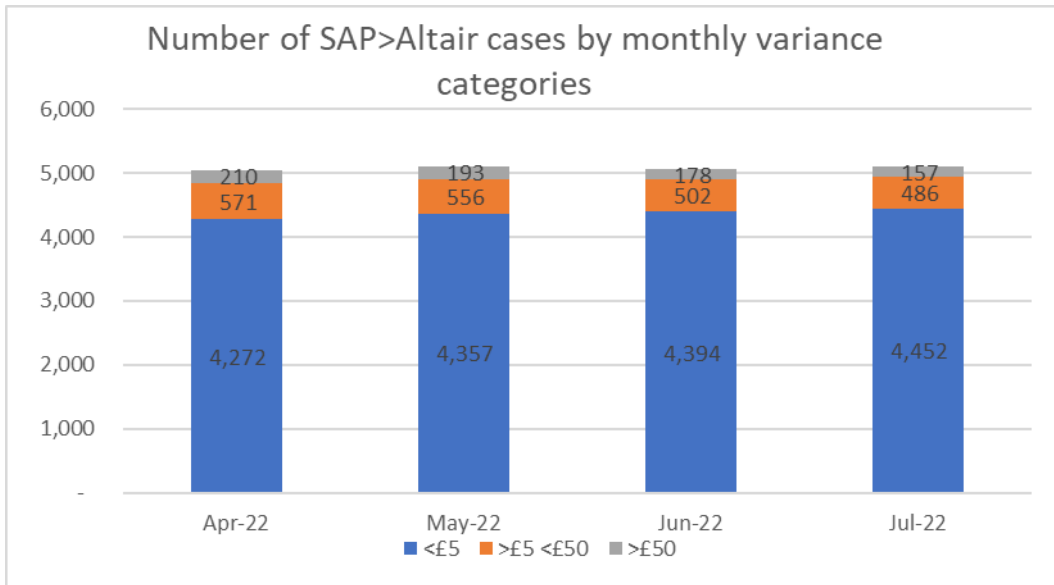
Accounts and Annual Report

3. Final sign off for the full Wiltshire Council Accounts for 2019/20 and 2020/21 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. All work has been completed by the auditors on the Pension Fund accounts for 2019/20 and 2020/21. To ensure we comply with The Pensions Regulator (TPR) requirement to publish the report, it is available on the website with a note stating the audit opinion will be included when available.
4. Officers have continued to monitor progress towards final publication and sign off for the Wiltshire Council Accounts through dialogue with the Council Finance team and via the Audit Committee papers. Sign off for 2019/20 accounts was expected in April 2022 following delegation of authority by the Wiltshire Council Audit Committee on 1st March 2022 to Officers and the Chair of the Audit Committee. However, this has been further delayed due to a national issue regarding the values held against 'infrastructure assets'. The issue was of a technical accounting nature and was specifically in relation to the value held in local authority accounts for 'infrastructure assets' which, in the Councils accounts are mainly roads. This may mean there will be extra work for the Council finance team and auditors to address the problem. It is not known how long it would take to resolve the national issue. This was reported at the previous committee meeting and the national delay remains. Given the extended national delay this will have further delayed the audit of the councils 2020/21 and 2021/22 accounts.
5. The external auditors have commenced their audit of the pension fund accounts and annual report for 2021/22, this is planned to be completed by the end of November 2022 and be reported to the Board and Committee in December 2022.

Payroll reconciliations

- Work to reconcile and correct discrepancies between the Altair pension admin system and SAP payroll records continues. A separate update is provided on this project elsewhere on this agenda. The reconciliation process to track the variance between the Altair pension admin system and the payroll has been running since April 2022. The reconciliation compares the annual pension payable on each system and quantifies the number of cases and value of discrepancies. In the last quarter improvements have been made to this process to exclude known or allowable variances to enable focus on real issues.
- The following graphs show the extent of the variances between the two systems. There can be multiple reasons for the discrepancies which can range from a fundamental incorrect payment to data mismatch problems. Therefore the gross value of SAP>Altair or SAP<Altair figure represents the extent of the mismatch. Because all of these issues require resolution for the fund to move to a single integrated payroll it is relevant to report all such discrepancies.





8. This report categorises all cases <10p p/a as matching. The graphs show the number of cases at variance within three categories of monthly variance total. The majority of cases are below £5p/m however there are still a significant number of cases >£5p/m different, these cases will be resolved through the outsourcing project.

9. The reconciliation data shows a positive trend with the number and value of differences between the two systems reducing over time. The improvement has mainly come from work to develop and correct data issues between the two systems and how the reconciliation is built. Work to finalise cases being resolved by the administration team has also reduced the variance. Once the outsourced payroll reconciliation project commences these graphs will track the progress being made.

Integrated Systems

10. Project Evolve is ongoing within Wiltshire Council, this will deliver a replacement to the existing SAP payroll and accounting software. The pension team are members of implementation working groups, officers are working with the payroll and Evolve implementation teams to transfer existing pensioners to the new payroll system. Following a recent evaluation of the timeline by the project team implementation has been delayed beyond the planned commencement date of April 2023. A revised start date is being worked on by the project team.
11. Officers have commenced work with Heywoods, who provide the Altair system, to implement integrated payments. This will provide a new process for making all one-off payments to pensioners, e.g. lump sums, without the need to run reports and send separate information to the council accounts payable team. Initial training on how to use the system has been taking place in October 2022 and following this a phased roll out plan will be developed to commence making one off payments via this new system.
12. Following implementation of the new Evolve payroll a plan will be prepared to transfer pensioners onto the new integrated payroll within Altair. This would take place once the reconciliation process between Altair and payroll is completed and post implementation of Evolve when the Council payroll team would have available resources. More detail on these plans will be included in the business plan and future papers.

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
	Aug-22			
1. Employer Contributions	Green	Timely and accurate payment of employer contributions each month.	See summary performance table for full details. Almost all employers paying on time and with the correct rate.	Work ongoing to consolidate a single schedule of employers contribution rates and formalise the process for ensuring this remains up to date.
2. Payroll	Yellow	Monthly payroll sign off process checking starters and leavers plus reconciliation of Altair to Payroll	New reconciliation process designed and implemented to monitor discrepancies between the pension admin system and payroll, reported on within this paper.	Large amount of work required to be completed to resolve discrepancies between the two systems. Outsourced provider appointed to resolve discrepancies above £5p/m. Process being developed to resolve issues below £5p/m
3. Cashflow, banking and capital calls	Green	Maximum and minimum cash balances, private markets capital calls and distributions and treasury performance.	See summary performance table for full details. All capital calls met on time.	Procurement for a manager to deliver the investment portfolio to allow implementation of the treasury management policy is almost complete, new provider expected in November 2022.
4. Balance Sheet Reconciliations	Green	All balance sheet control codes are reviewed for accuracy and outstanding issues.	All control codes have been reviewed and checked, no unexplained balances.	None
5. Altair Checks	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 and discrepancies have been found across all items.	Administration team working with finance team to resolve discrepancies.
6. Financial Budget Reporting	Green	Review of year to date and forecast operating budget performance, or any unusual monthly movements on the overall fund account.	Budget forecast within plan, see detailed schedule later in this paper for information on assumptions.	Continued review of forecast .
No material concerns	Green			
Minor issues outstanding	Yellow			
Major issues outstanding	Red			

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

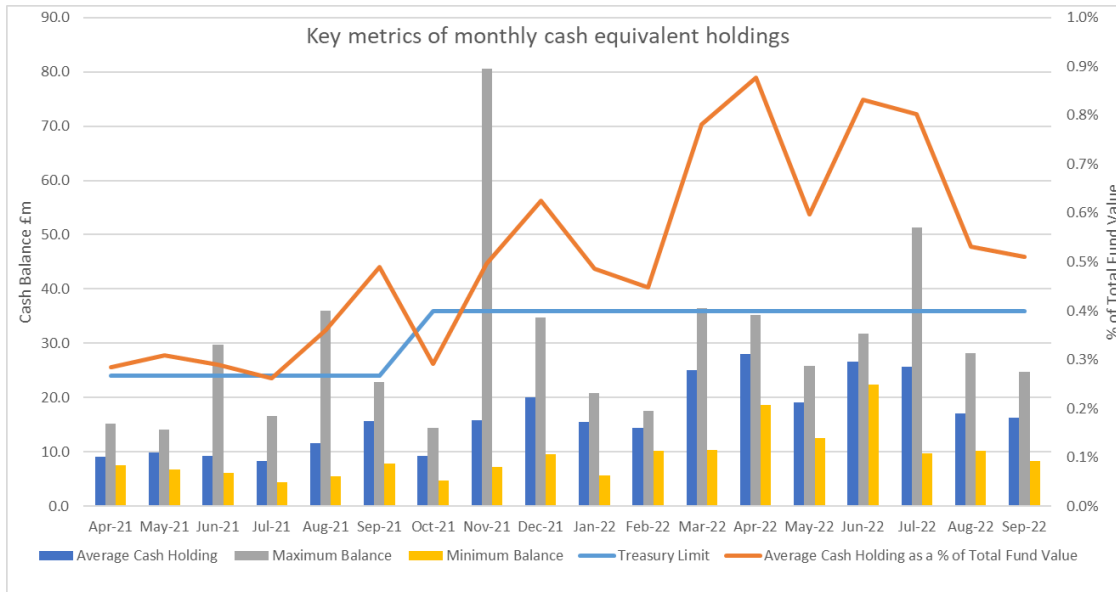
Summary of Contributions Payment Performance										
Quarter	Payroll Month	Paid contributions £000's				Average late and overdue contributions total days		Number of employers payments status		
		Total Payment	On Time Payment	Late Payment	Late Payment %	Days Late Recd	Days Overdue	On time	Late	Not Received
Q1	Apr-22	8,099	5,256	2,842	54.1%	19.4	-	157	18	-
Q1	May-22	7,732	4,723	3,003	63.6%	7.9	-	155	20	-
Q1	Jun-22	7,815	7,794	22	0.3%	18.9	-	165	10	-
Q2	Jul-22	7,836	6,993	66	0.9%	5.8	-	167	6	-
Q2	Aug-22	7,518	7,265	252	3.5%	5.1	45.0	162	7	3
Total	Q1	23,646	17,773	5,867	33.0%	15.4	-	477	48	-

14. Three payments remain outstanding as at 17th October 2022, these are being actively chased by the fund. The majority of the late payments are received within a day or two of the deadline and all employers who have not paid are contacted immediately after the deadline day to remind them to pay. Persistently late payments or employers where we have problems are escalated to the employer relationship manager for resolution.

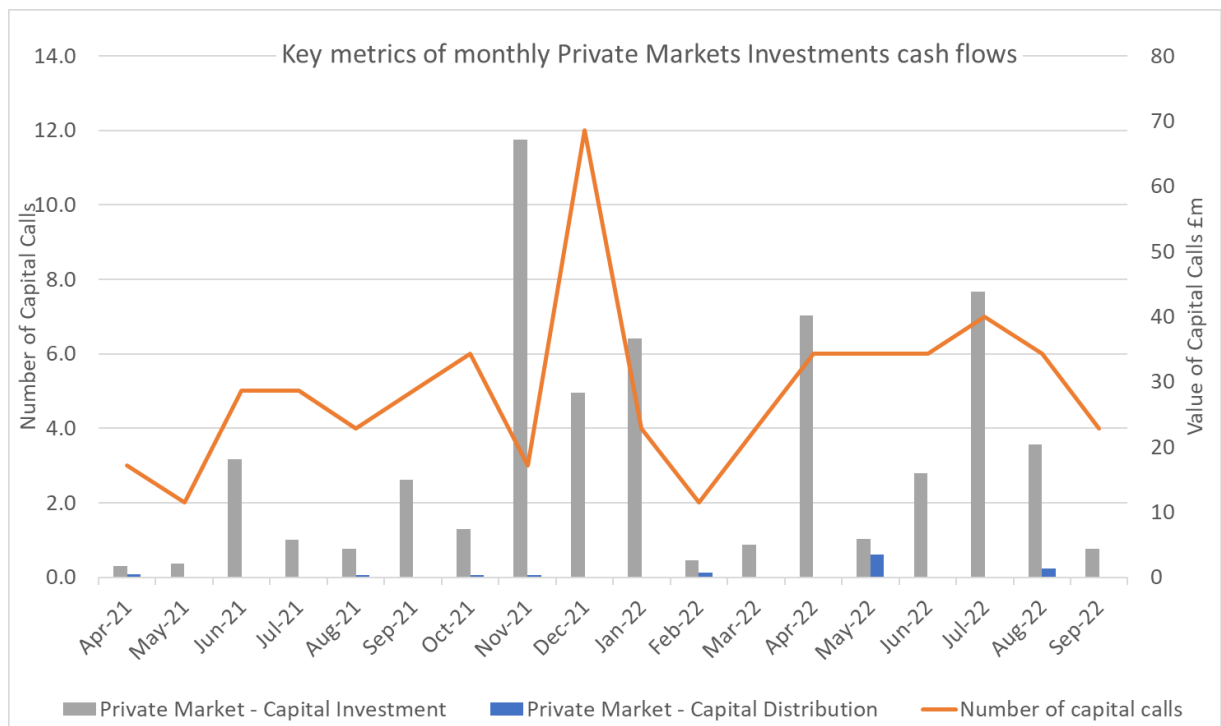
15. The following table provides further details for performance dashboard item 3. Cashflow, banking and capital calls. This table sets out the actual and forecast cashflow movements for 2022/23. The table separates the cashflow between operating cashflow, such as income from employers and payment of pensions and investing which includes rebalancing strategies or meeting private markets capital calls.

Summary Cashflow statement for Wiltshire Pension Fund														
£m equivalent	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	2022/23	
Opening Cash Balance	28.7	18.9	25.9	22.5	10.1	11.9	16.1	16.1	(4.3)	5.3	3.2	4.2	5.5	28.7
Operating Income	39.9	6.9	11.6	8.8	8.7	8.6	7.8	7.8	7.8	7.8	7.7	7.8	7.8	131.2
Operating Expenditure	(9.5)	(10.9)	(9.1)	(11.4)	(10.0)	(10.1)	(9.8)	(10.1)	(13.2)	(10.1)	(9.8)	(10.1)	(10.1)	(124.3)
Investing Private Market - Capital Investment	(40.1)	(5.9)	(15.9)	(43.8)	(20.4)	(4.3)	(20.0)	0.0	(10.9)	(10.9)	(10.9)	(10.9)	(10.9)	(193.9)
Investing Private Market - Capital Distribution	0.0	3.5	0.0	0.0	1.3	0.0	1.6	0.0	2.2	2.2	2.2	2.2	2.2	15.3
Investing Listed Market - Capital Withdrawal	0.0	13.3	10.0	34.0	23.0	10.0	0.0	12.0	12.0	12.0	12.0	12.0	12.0	150.3
Investing Listed Market - Capital Investment	0.0	0.0	0.0	0.0	(0.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.8)
Investing Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Closing Cash Balance	18.9	25.9	22.5	10.1	11.9	16.1	(4.3)	5.3	3.2	4.2	5.5	6.5	6.5	6.4
Maximum Balance	35.2	25.9	31.8	51.4	28.1	24.7	17.0	13.3	11.4	12.4	13.4	14.7	14.7	
Minimum Balance	18.6	12.6	22.4	9.7	10.2	8.3	(4.4)	5.3	3.2	4.2	5.5	6.5	6.5	
Average Cash Holding	28.0	19.1	26.6	25.7	17.0	16.4	6.9	8.2	5.9	7.1	8.3	9.3	9.3	
Average Cash Holding as a % of Total Fund Value	0.9%	0.6%	0.8%	0.8%	0.5%	0.5%	0.2%	0.3%	0.2%	0.2%	0.3%	0.3%	0.3%	
Number of capital calls	6	6	6	7	6	4	1	0	0	0	0	0	0	36
Number of listed market withdrawals	0	1	1	1	2	1	0	0	0	0	0	0	0	6
Maximum Balance	35.2	25.9	31.8	51.4	28.1	24.7	17.0	13.3	11.4	12.4	13.4	14.7	14.7	
Minimum Balance	18.6	12.6	22.4	9.7	10.2	8.3	(4.4)	5.3	3.2	4.2	5.5	6.5	6.5	
Net Cashflow from Operating	30.4	(3.9)	2.4	(2.6)	(1.3)	(1.5)	(2.0)	(2.3)	(5.4)	(2.3)	(2.1)	(2.3)	(2.3)	7.0
Net Cashflow from Investing	(40.1)	10.9	(5.8)	(9.8)	3.2	5.7	(18.4)	12.0	3.3	3.3	3.3	3.3	3.3	(29.1)

16. The average cash equivalent holding as a % of total fund assets remains small at around 0.8% - 0.5% to minimise the detrimental effect of cash drag on overall performance. Procurement of an investment manager to run the SALAMI (Strategic allocation to Liquid asset matching investments) portfolio is underway, appointment is expected by the end of Q4 2022/23. This portfolio will allow the fund to maintain a smaller cash balance.



18. Cashflow activity for private markets capital calls have continued to be met as commitments made to Brunel Cycle 2 portfolios (Private Debt, Private Equity, Infrastructure & Secured Income) are called.



Planned improvements and key items to monitor

19. 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
Payroll reconciliation			Reconciliation process is implemented and recording a gradual reduction in variances. This is reported on within this report. It shows the large number of discrepancies between the two systems. Work on procuring an outsource provider to address cases over £5p/m is complete and they will commence work soon. A process to resolve cases under this value needs to be designed and implemented.
Integrated systems			New plans are now being worked on to implement an integrated payroll and a one-off payments system within Altair. The payroll will be set-up, tested etc. and then pensioners would transfer to the new Evolve system and be moved to the Altair payroll in batches when the reconciliation work is complete and the payroll team have capacity. One-off payments will be implemented this year, in order to quickly realise control and efficiency benefits.
Evolve			SAP financial system will be replaced by Q1 2023. The pension fund is now a member of the finance implementation working group. The new system is in development to meet the Council and pension fund needs.
An overall review of reconciliations, and improved management information			Reconciliations are being reviewed monthly within the finance team and reported on. Cases causing discrepancies are being passed to the administration team for investigation. The finance team are working with the administration team to resolve issues, improvement have been seen in transfer in cases outstanding over the last quarter.
Wiltshire Council – Wiltshire Pension Fund SLA charge			LPB Action Point – SLA Recharge Pension Fund Officers have received and reviewed a freshly calculated SLA charge from the Council finance team. Further work is required to revise some of these calculations and then produce a full SLA document, officers are awaiting a response from the council team.
*RAYG = Red/Amber/Yellow/Green			
			Significant concern
			Not started
			Work has commenced
			Significant progress made
			Completed/situation under control

Wiltshire Pension Fund Running Costs 2022-23

20. The pension fund is forecasting an underspend of £43k versus the operating budget for 2022/23, based on known expenditure to the end of August 2022.
21. The operating budget includes core running costs of the fund; administration, governance and investment officers. The operating budget excludes fees for investment managers, these are reported annually and considered alongside investment returns.
22. The main item of overspend relates to a small number of high value systems contracts incurring inflationary increases greater than included in the plan. This overspend is offset by lower than expected advisory fees, notably a saving on reporting previously provided by Mercer now provided by officers. Also no expenditure forecast for a selection process for a new renewable infrastructure manager.
23. The current forecast shows pay costs in line with plan, there is a risk of additional unbudgeted costs pending the outcome of national pay award negotiations. The staffing budget included a pay award of 2%, the current proposal; an increase for all staff of £1,925, would increase staffing costs by £64k for the year. Officers will continue to monitor the outcomes of this negotiation.
24. The fund is also commencing work to trial overtime to tackle operational backlogs not covered by the backlog clearance project. This will incur additional costs depending on uptake.
25. The budget for 2022/23 included large one off costs for the following projects, payroll reconciliation £350k, backlog clearance £450k, payroll implementation £308k. The forecast included expenditure matching the budget for these projects in 2022/23. Separate updates on the projects are included elsewhere on this agenda. Due to timing of the project start not all costs are expected to be incurred in 2022/23, therefore it is inevitable some costs will run into the 2023/24 budget.

Wiltshire Pension Fund Budget 2022/23							
£000's	Prior Year			2022/23			
	2019/20	2020/21	2021/22	Forecast	Budget	Variance	% Variance
Investment administration staffing costs	119	114	206	198	198	0	0%
Investment administration travel/conferences/training costs	0	2	24	8	8	(0)	-6%
Total investment administration costs	120	116	230	206	206	(0)	0%
Pension scheme administration staffing costs	996	1,036	1,152	1,267	1,267	0	0%
Staff training	19	22	18	28	28	0	0%
Corporate charges	311	311	311	311	311	0	0%
Pension administration systems and data cleansing	310	354	328	635	622	(13)	-2%
Other administration costs	107	51	28	971	970	(1)	0%
Total scheme administration costs	1,743	1,775	1,838	3,213	3,199	(14)	0%
Oversight & governance staffing costs	246	180	225	238	238	0	0%
Training and conferences	8	0	24	28	28	0	0%
Subscriptions, memberships and levies	34	32	44	36	36	0	0%
Actuarial services	214	154	147	319	319	(0)	0%
Audit	10	37	27	83	83	0	0%
Legal fees	13	11	28	49	49	0	0%
Advisory fees	142	196	276	222	279	57	20%
Corporate charges & other costs	149	165	144	146	146	0	0%
Total oversight & governance costs	815	775	916	1,121	1,178	57	5%
Local Pension Board costs	14	14	15	25	25	0	0%
Total operational running costs	2,692	2,679	2,998	4,565	4,608	43	1%
Number of Members	80,824	82,454	82,454	82,454	82,454		
Total Running Cost per member (Admin & Governance)	£ 31.83	£ 31.09	£ 33.58	£ 52.87	£ 53.39	£ 0.52	1%
SF3 Average Cost Per member			£ 48.47				
Underlying Running Costs Per member 22/23							
Valuation & SAA				207	207	0	
Altair Payroll & Implementation				308	308	0	
Payroll Reconciliation				350	350	0	
Backlog Clearance				450	450	0	
Systems Review				20	20	0	
Exclude One off Costs				1,335	1,335	0	
Underlying Running Costs				3,230	3,273	43	
Revised Running costs per member				£ 39.18	£ 39.69	£ 0.52	

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

27. There are no known implications at this time.

Proposals

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

Report Author: Chris Moore, Pension Fund Accounting and Investments Officer

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

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD
27 October 2022

RESPONSIBLE INVESTMENT UPDATE REPORT

Purpose of the Report

1. The purpose of this report is to update members on responsible investment issues.

Key Considerations for the Board

2. A Responsible Investment Plan is drafted and approved by the Pension Fund Committee annually. The plan for 2022/2023 can be found here:
3. [Responsible-Investment-Plan-2022/23 \(PDF\) \[574KB\]](#)

Progress against actions in the Responsible Investment Plan 2022/23

4. The road map from the Responsible Investment Plan 2022/23 is shown on the following page. Progress against actions for Q1 & Q2 2022 is as follows:
5. **Investments and strategy:**
 - Mercer's work on a "net zero by 2050" road map has been completed and has been incorporated in a climate statement and action plan as part of the Responsible Investment Policy. This work included setting interim decarbonisation targets.
 - The Fund has made a specific allocation to renewable infrastructure (5%). Implementation options for this portfolio are currently under consideration.
 - The Responsible Investment Policy 2022 has been approved and published on the pension fund website: [Responsible Investment Policy 2022](#).
6. **Reporting and disclosure:**
 - The second report following the Task Force for Climate Related Financial Disclosures (TCFD) recommendations was published alongside the Fund Annual Report and Accounts: [TCFD Report 2022](#).
 - The Fund's Stewardship Report (2020 Code) was published in April 2022 and submitted to the Financial Reporting Council FRC, for consideration for signatory status.
 - Code Signatory status success was confirmed by the Financial Reporting Council (FRC) in September 2022.
 - Officers have received initial impact reports from affordable housing managers and are beginning to develop reporting on the portfolio.
7. **Training and engagement:**
 - A summary stewardship highlights report mini-magazine was published in April. This was aimed at a wider (non-technical) stakeholder audience to be more engaging and accessible than the full length report.
 - A Strategic Asset Allocation training session for Pension Fund Committee members was held on 16 May 2022.

- Brunel held an Investor training day on 28 September 2022. Among the topics and discussion sessions were “Emerging Markets and responsible investing update”, “Long-termism and Sustainability in a world of acute short-termism” and “Investing with Profit and Purpose” (impact). These were presented by Ninety One, Ownership Capital and Neuberger Berman respectively. An update on Brunel Stewardship was also provided.

8. **Responsible Investment Plan 2022/23 progress summary:** The Plan is on track to be achieved – all actions scheduled for Q2 & Q3 2022 have been (or are due to be) completed. Some preparatory work has begun on actions for Q4 2022 (described below).

Q2 2022 -

Investments and strategy: Progress the next stage of the Mercer work on climate, to look at bottom-up and engagement targets. Implement the first stage of the renewable infrastructure portfolio.

Reporting and disclosure: Expand our portfolio coverage in terms of carbon metrics, and develop our TCFD reporting.

Training and engagement: Publish the 2020 Stewardship Code submission and mini-magazine version. Training on strategic asset allocation for Committee members.

Q3 2022 -

Investments and strategy: Complete the strategic asset allocation (SAA) review, embedding sustainability and climate considerations. Review the climate modelling findings from the actuarial valuation 2022.

Reporting and disclosure: Monitor and report progress against the interim decarbonisation targets. Develop impact metrics reporting for the affordable housing portfolio.

Q4 2022 -

Investments and strategy: participate in the Brunel climate stocktake and input into shaping policy and direction of travel. Review the RI Policy.

Reporting and disclosure: establish decarbonisation targets for property and infrastructure, and develop plans for other asset classes.

Training and engagement: expand the stewardship and voting information on the website

Q1 2023 -

Investments and strategy: update Investment Strategy Statement . Complete implementation of the affordable housing and renewable infrastructure portfolios.

Training and engagement: investigate use of a tool to enhance holdings transparency for stakeholders. Investigate the topics of biodiversity, and reporting against the Taskforce on Nature-related Financial Disclosures (TNFD).

9. Current and ongoing work (Q4 2022 and Q1 2023)

- Some of the work scheduled for Q3, e.g. the strategic asset allocation review, are ongoing and carry forward into Q4. The section below describes work that is in progress and upcoming.

Investments and Strategy

10. As mentioned above, the triennial valuation and investment strategy review are in progress, with a full report from the actuary and investment consultant due at the 17 November 2022 Pension Fund Committee meeting. The Government Actuary's Department (GAD), in its [latest Section 13 review of the Scheme](#) (published 16 December 2021) recommended that climate risk was considered in the valuation.
11. The Department of Levelling Up, Housing and Communities (DLUHC), consultation, [LGPS \(England and Wales\): Governance and reporting of climate change risks](#) proposes that climate scenario analysis is incorporated into the valuation cycle and carried out at least every three years.
12. Officers of the Fund attended the Brunel Climate Stocktake workshop on 11 October 2022. The purpose of this workshop was for Brunel clients to discuss priorities and for Brunel to update clients on its progress and development of Brunel's own climate policy.

Responsible Investment (RI) Policy

13. As mentioned above, the RI Policy 2022 has been approved and published. The updates to the new policy may be summarised as follows:
 - Linking work on responsible investment to our vision, values and goals
 - More information on impact investing
 - Enhanced information on climate risk, looking across all asset classes
 - A new section setting out engagement and escalation (including Sustainable Development Goals (SDGs))
 - A new and improved glossary
14. The RI policy was circulated to all legacy asset managers and Brunel for acknowledgement, review and acceptance. Officers held discussion and clarification calls with some managers and Brunel, and can confirm that the policy has been accepted by all.

Training

15. An induction training session for new Pension Fund Committee and Local Board members will be held on 3 November 2022.
16. In addition, the Local Government Association (LGA) Fundamentals training programme (a three-day introductory course) is running between October and December. Details of this have been circulated separately to new members by the Fund Governance & Performance Manager.

Reporting and disclosure

17. The LGPS consultation [LGPS \(England and Wales\): Governance and reporting of climate change risks](#) opened on 1 September 2022. The Fund is planning a response and the Pension Fund Committee will consider a draft at its meeting on 17 November to be submitted by 24 November 2022.

Member and Employer Engagement Activity

Pension Awareness Week (PAW)

18. Following the success of Pension Awareness Week September 2021, a similar campaign is planned for 21-25 November 2022. Pension Awareness Week is used to inform members of key facts on their benefits in the Pension Fund, how investments are managed, and to encourage sign-up to member self-service (MSS).

COP27 Engagement

19. In the run-up to COP26, the 2021 UN Climate Change Conference, officers developed a campaign to engage with the scheme membership. A similar series of communications on how the Fund is managing climate change risk are planned for COP27 (6 November – 18 November 2022). These will include a one-page factsheet, refreshed webpage and social media updates.

20. Members will be able to view the factsheet and climate webpage here:

<https://www.wiltshirepensionfund.org.uk/climate>

Employer Engagement

21. The Employer Strategic Focus group is due to meet on 1 November 2022. The agenda will include broader funding and investment items, but also the opportunity for employers to engage on responsible investment.

Environmental Impacts of the Proposals

22. This report includes information on actions and policies which directly deal with addressing climate change risk.

Safeguarding Considerations/Public Health Implications/Equalities Impact

23. There are no known implications at this time.

Proposals

24. The Board is asked to

- use the report as a basis for monitoring the progress that is being made towards implementing responsible investment policy;
- note the progress made against the Responsible Investment Plan 2022/23 actions and discuss whether any additional actions are needed at the current time;

Report Author: Liam Robson (Accounting and Investments Officer)

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

This page is intentionally left blank

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD

27 October 2022

Data Retention Strategy

Purpose of the Report

1. To provide a proposed, revised approach to the Fund's Data Retention Strategy from what was presented to Board members in 2019-2020 and to seek comments and any recommendations from members.

Background

2. Following the introduction of GDPR and, later, the Data Protection Act 2018 the Fund produced a report outlining an overview of its proposed Data Retention Strategy. In setting out that policy the Fund's sought to comply with data protection legislation but also to ensure that it held all data required to administer the Scheme efficiently and in line with specific pensions legislation.
3. The first report was presented to the Board on 14 November 2019 and a follow up report was presented on 13 February 2020.
4. The original report took into account the advice that the Local Government Association from its legal advisers (Squire Patton and Boggs (UK) LLP) and the views of the Fund's actuary.
5. Legislation does not stipulate specific data retention times that the Fund must adhere to but the general principle which applies is that the Fund must be able to demonstrate that it is not holding personal data for longer than is reasonably or legally required (for example, to perform another non-data protection legal function).

Considerations for the Board

Key changes:

Altair and associated member specific records retention periods

6. After further consideration from officers concerning the desire to be able to demonstrate that all liabilities once held by the Fund had now been extinguished (i.e. showing former member have received a refund or transferred out), and given that the latest age that a member can withdraw LGPS benefits is at age 75, officers have made the following broad changes to its strategy:
7. Delete membership data from no liability or opt out Altair statuses after the later of:
 - a). When the former member reaches age 75; and
 - b). 15 years after the date that benefit entitlements ended.
8. Previously the Fund's approach was to delete membership data after 15 years from the date the benefit entitlements ended, regardless of the person's age (noting the LGA advised using the greater of age 100 and 15 years).

9. A further minor amendment was made to clarify that we would only delete deceased members data if there was no associate dependent pensions still being paid (because the latter is derived from the former). In the case of death with no dependent benefits due, only the 15 year period would remain. Note: The protection of personal data legislation does not apply to anyone who is deceased.
10. Similarly it has been clarified within the Fund's strategy that we would not minimise or delete any data from records where benefits were still due.

SharePoint:

11. Given changes to the way that the Council's ICT department rolled out the newer version of SharePoint since the last data retention strategy was drafted, and in consideration that the Fund's existing SharePoint folder and file structure was not designed with data retention considerations in mind (because it was built long before GDPR), officers also propose changes in this area too:
12. Officers will seek to start afresh with a new SharePoint which has retention periods built into its design. Clearly essential material from the old site will be migrated across on mass while other less clear material will be migrated as and when accessed and required – both sets of data will have retention timescales attached to them. From the date the new site starts, the old site will be locked to making further amendments to avoid version control issues and therefore overtime any data remaining on the old site will be deemed to be no longer necessary.
13. The exact details of dates and transition periods will be determined as part of project set up and when considering the next year's business plan actions, bearing in the mind the Fund's other resource requirements and existing priorities.

Conclusions

14. Officers consider these changes to be reasonable and proportionate changes to the existing strategy, striking a balance between compliance, achievability and efficiency.
15. The Fund's proposed retention periods are still shorter than recommended by the LGA's advisers but longer than previously stated and therefore officers have not consulted with the actuary regarding their needs as there would be no impact on them.

Environmental Impact of the Proposal

16. Not applicable.

Financial Considerations & Risk Assessment

17. There are no financial considerations in addition to those commented on in the original report.

Legal Implications

18. There are no material legal implications from this report beyond those already stated.

Safeguarding Considerations/Public Health Implications/Equalities Impact

19. There are no known implications at this time.

Reasons for Proposals

20. To comply with GDPR & the Data Protection Act 2018 in a pragmatic way.

Proposals

21. The Board is asked to endorse the changes outlined.

Jennifer Devine
Head of Wiltshire Pension Fund

Report Author: Andy Cunningham, Pensions Administration Lead

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

This page is intentionally left blank

PERSONAL DATA RETENTION POLICY

Wiltshire Pension Fund (the "Fund")

This document has been prepared by Wiltshire Council (the "**Administering Authority**", or "**we**") in its capacity as the administering authority of the Fund and sets out the Fund's policy on the retention of personal data.

This policy document can also be accessed via the following link: www.wiltshirepensionfund.org.uk and should be read in conjunction with the Fund's privacy notice, which can be accessed via the following link: www.wiltshirepensionfund.org.uk.

Introduction

As data controllers, we are required by legislation to comply with the principles of data minimisation and storage limitation. Personal data we process:

- must be adequate, relevant and limited to what is necessary in relation to the purposes for which it is processed; and
- must not be kept in a form which permits identification of a data subject for longer than is necessary for the purposes for which the personal data is processed.

We are obliged to retain certain records (whether in hard copy or electronic form) for various periods of time because:

- we have a statutory obligation to do so; and/or
- the information contained in those records may be necessary for the future (for example, questions may arise about the calculation of benefits paid in the past, and data that may be relevant to a possible legal claim needs to be kept until the period within which that claim could be brought has expired).

This policy document sets out the measures adopted by the Fund to comply with the principles of data minimisation and storage limitation in relation to personal data that it holds.

Types of personal data we hold

We hold and process the following types of personal data in relation to Members of the Fund:

- Contact details, including name, address, telephone numbers and email address.
- Identifying details, including date of birth, national insurance number and employee and membership numbers.
- Information that is used to calculate and assess eligibility for benefits, for example, length of service or membership and salary information.
- Financial information relevant to the calculation or payment of benefits, for example, bank account and tax details.
- Information about the Member's family, dependents or personal circumstances, for example, marital status and information relevant to the distribution and allocation of benefits payable on death.
- Information about the Member's health, for example, to assess eligibility for benefits

payable on ill health, or where the Member's health is relevant to a claim for benefits following the death of a Member of the Fund.

- Information about a criminal conviction if this has resulted in the Member owing money to the Member's employer or the Fund and the employer or Fund may be reimbursed from the Member's benefits.

Retention periods for personal data

In compiling our policy on the retention of personal data, we have taken into account the guidelines on the retention of personal data as set out by / in:

- Information and Records Management Society;
- The National Archives;
- HMRC compliance handbook manual CH15400;
- Lord Chancellor's Code of Practice on the Management of Records issued under Section 46 of the Freedom of Information Act 2000;
- ICO's retention policy;
- EU Article 29 Working Party guidance; and
- The Pension Regulator's code of practice 14 for public service pension schemes.

Data protection legislation requires that we retain personal data for no longer than is necessary in order to fulfil the purpose(s) for which it is processed. Given the long term nature of pensions, we need to ensure that personal data is retained to:

- comply with our legal and regulatory obligations regarding the payment of pensions from the Fund; and
- deal with any questions or complaints that we may receive about our administration of the Fund.

Personal data will be retained for **the greater of**⁵:

- such period as the Member (or any Beneficiary who receives benefits after the Member's death) are entitled to benefits from the Fund and for a period of 15 years after those benefits stop being paid or when they reach age 75 (whichever is later);

During any period when we retain personal data, we will keep that personal data up to date and take all reasonable steps to ensure that inaccurate data is either erased or rectified without delay. We will periodically review the personal data that we retain and consider whether it is still required; any personal data that we no longer require will be destroyed.

Member's and Beneficiary's rights

Beneficiaries form a wider category of people who receive benefits from the Fund, for example the active/deferred/pensioner Member's spouse / child(ren) / dependants who may receive benefits from the Fund following a Member's death. Members of the Fund and Beneficiaries have a right to access and obtain a copy of the personal data that we hold about them and to ask us to correct personal data if there are any errors or it is out of date or incomplete.

In certain circumstances a Member / Beneficiary has the right to:

- object to the processing of their personal data
- restrict the processing of their personal data until any errors are corrected;
- transfer their personal data; or
- erase their personal data.

If the exercise of the Member's / Beneficiary's rights would prevent us from paying

or continuing to pay a pension from the Fund, we will consider retaining a minimised version of that Member's / Beneficiary's personal data in order to fulfil our legal and regulatory obligations.¹¹

Participating Employers

This policy applies to Wiltshire Council in its capacity as the administering authority of the Fund. We have produced separate guidance for other participating employers in the Fund about our expectations for the retention by them of personal data we may require to administer the Fund. That guidance includes a suggested data retention policy that employers can each adopt in relation to their participation in the Fund.

Review

This policy will be reviewed by Wiltshire Pension Fund as required.

This page is intentionally left blank

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD

27 October 2022

Fund Audit Plan – 2022/23 & Action Log Progress – 2021/22

Purpose of the Report

1. To update Board members on the progress made by officers against the actions log of the SWAP Key Financial Controls audit dated March 2022 (Appendix 1).
2. To update Board members on the progress of 2022/23 internal audits commissioned by the Pensions Committee.

Background

3. The programme of audits for 2022/23 is progressing as planned. Within this programme the two external audits covering the Annual Report & Accounts and Cyber Security, are considered separately to this report. In respect of the internal audits and self-assessments, this paper intends to update members on audits in current progress. These include:
 - a) Pension Payroll Reconciliation (Appendix 2 – included in Part II):
 - b) TPR self-assessment against the Code of Practice 14 (Appendix 3):
 - c) Statutory Returns self-assessment: and
 - d) Brunel cost savings.
4. **Pension Payroll Reconciliation** – The scope of SWAP’s audit covered the reconciliation’s brief, controls in relation to its peer review, signing off protocols and deadlines, as well as regular reporting arrangements on the project’s progress. In addition, the audit also focused on the Fund’s outsourcing plan to a 3rd party service provider who would complete the reconciliation.
5. **TPR self-assessment** – This assessment largely reflected the SWAP Key Financial Controls audit – March 2022, however, to avoid duplication only the recommendations identified in addition to the SWAP audit were included on the actions log. These recommendations are:
 - a) A review of the Fund’s tPR Breach policy:
 - b) A formalisation of the Fund’s Contract Management review arrangements: and
 - c) The introduction of regular reporting on the Fund’s system access controls.
6. **Statutory Returns self-assessment** – This is the first self-assessment of its kind undertaken by the Fund and its scope focuses on what is termed as the Fund’s tier 2 statutory returns. Tier 2 being defined as those statutory obligations which the Fund is required to fulfil, but which aren’t typically highlighted unlike the Fund’s tier 1 obligations. Tier 1 statutory obligations being items such as the Annual Report & Accounts, ABSs, PSSs, PI exercises & the other disclosures requirements communicated to members throughout the scheme year. The areas assessed as part of this review include the Fund’s:
 - a) GAD transaction reporting:
 - b) Accounting for Tax (AFT) Returns:
 - c) HMRC Event Reporting:
 - d) Payroll Real Time Information (RTI) returns:

- e) TPR Scheme Return: and
- f) SF3 Returns.

This self-assessment will be completed in a similar manner to tPR self-assessment, and it is anticipated that any findings will initially be presented to the Board at their next meeting.

7. **Brunel Cost Savings** – The Pension Fund Committee agreed to commission its own review of BPP cost savings (at its meeting on 5 September). Officers are now investigating potential organisations to conduct this review and will provide an update at the next Committee meeting on 17 November.

Considerations for the Board

SWAP Key Financial Control audit - March 2022

8. A summary of progress made against key actions are highlighted below (Appendix 1):
- a) Progress relating to transfers into the Fund is still not as rapid as hoped. Prioritisation and resourcing constraints continue to impede progress in this area:
 - b) Regarding “Monitoring”, the Insights reporting tool has enabled significant progress, however areas of logistical limitation remain such as reporting on new starters, which by definition have no initial record on which to report. Consequently, a set of parameters are being prepared to qualify the production of reporting:
 - c) Spot checking arrangements have been increased as part of officers’ quality controls, in addition to the standard peer review arrangements:
 - d) Negotiations between the Fund and Council officers concerning the level of Wiltshire Council recharge and services for that charge continue: and
 - e) An agreed set of changes to the Fund’s data retention policy have been finalised and are included within this meeting pack for members consideration.

Outcomes of commissioned audits and self-assessments during 2022/23

9. **Pension Payroll Reconciliation** – Due to the confidential nature of the SWAP audit, the audit report has been included within Part II of this meeting pack.

In accepting the findings and recommendations stated, officers have recently appointed a 3rd party service provider to complete the reconciliation within an estimated 9 months. Arrangements are currently being made to hand the project over and set in place the appropriate monitoring and reporting arrangements to enable the oversight of its completion.

10. **TPR self-assessment** – Whilst progress can be demonstrated via the actions log it is recognised that the rate of progress has not been as rapid as officers would have liked. There are two key factors contributing to the present rate of progress of this review. These are:
- a) The prioritisation of work coupled with resource constraints: and
 - b) The delayed publication of national guidance relating to these actions.

However, officers consider the current timescales to be realistic and will aim to complete the outstanding items by those deadlines.

Environmental Impact of the Proposal

11. Not applicable.

Financial Considerations & Risk Assessment

12. There are no known implications at this time.

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

14. There are no known implications at this time.

Proposals

15. To note the progress being made by officers in relation to the various action logs & reports and the programme of audits during 2022/23.

Jennifer Devine
Head of Wiltshire Pension Fund

Report Author: Richard Bullen, Fund Governance & Performance Manager

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

Appendix 1 – SWAP Audit – March 2022 actions log

Appendix 2 – SWAP Pension Payroll Reconciliation Audit Report (Part II

Appendix 3 – TPR self-assessment actions log

This page is intentionally left blank

Appendix 1:

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

No	Priority score	Issue	Recommendation	Agreed management action	Agreed management timescale	Est. Progress	Progress at 12 September 2022
1	2	New Enrolments	<p>1 new joiner spreadsheet received from an employer outside of i-Connect had not been saved in the SharePoint repository. Another 2 were entered into the Altair system after the expected SLA deadline.</p> <p>12 new joiner enrolments were sent activation keys and new joiner letters after the expected SLA deadline</p> <p>Reconciliations should be signed off by the Employer Services and Systems Manager</p> <p>Reconciliations could be time-consuming, taking up to 2 weeks to complete</p>	<p>We will remind staff to ensure new joiner spreadsheets are saved in the SharePoint repository.</p> <p>We will monitor the timeliness of the distribution of new joiner letters and activation keys and take further action if this is not improved.</p> <p>We will ensure reconciliations are appropriately signed off. We will also review the reconciliation process itself to see if efficiency improvements can be made.</p>	31 May 2022 Revised 31 Mar 2023	90%	<p>Spreadsheet storage</p> <ol style="list-style-type: none"> 1) All staff have been reminded to consistently save spreadsheets in the appropriate place. 2) The new pensioner reconciliation process is now being signed off, as recommended, by the Employer Services and Systems Manager. 3) The possibility of evidencing the consistent saving of spreadsheets & sign-off via an exceptions report was considered as not viable. Note: It is anticipated that this process will be superseded with the full introduction of i-Connect, but in the interim Managers will make periodic checks. <p>New Joiner process</p> <ol style="list-style-type: none"> 4) The starter process has been updated. 5) Evidence of completion of the new joiner process was provided via the CIPFA KPI table and submitted to Board/Committee and a new report is being developed by officers to facilitate this. Managers will now monitor compliance and report to the Board/Committee on an exception's basis. <p>Pensioner reconciliation</p> <ol style="list-style-type: none"> 6) The new pensioner reconciliation process has been altered to speed it up and now takes 1-2 days. This process will not be necessary once an integrated payroll system is in place, so no further action is planned. 7) A reconciliation with control totals is taking place. Enhancements to this process are being added to improve the quality of reporting. The creation of workflows will track this work.
2	2	Contributions	Finalise the process which states the contribution rates each employer should pay and develop a mechanism to ensure the correct rates are	We will ensure the employer contribution rates schedule is finalised and procedures are put in place to make sure it is well controlled going forward.	31 May 2022 Revised 31 Dec 2022	80%	<p>Employer contribution rates</p> <ol style="list-style-type: none"> 1) A mechanism is in place to ensure the correct contribution rates are shared amongst all relevant team members. The mechanism will be documented into a procedure and an agreed

			<p>recorded and controlled going forward</p> <p>No clear ownership within the Fund for resolving contributions issues</p>	<p>We will discuss roles and responsibilities with the team to ensure there is clear ownership with raising and resolving issues.</p>			<p>accurate schedule will be adopted in conjunction with Actuarial updates. New employers will be added to the bottom of this schedule.</p> <p>Resolving issues</p> <p>2) A process for resolving issues has been agreed as part of the review of the Administration Strategy. The appendix covering the escalation policy, clearly sets out the roles and responsibilities of each party.</p>
3	2	Lumpsum Payments	<p><u>Death Payments:</u> Supporting information letters & final payment authorisations issued after the SLA deadline A death grant decision form not on file & 1 payment sign off processed by the same person involved in the calculation</p> <p><u>Transfers Out:</u> Letters of calculation were generated after the SLA deadline & letters of calculation were not peer reviewed</p> <p><u>Retirements:</u> Members were contacted after the SLA deadline & payments were not followed up in a timely manner when documents had not been received from the member. In addition, payments were authorised by the same person involved in producing the actual calculation or peer reviewing it. My Wiltshire Portal - Form filled out and returned to the</p>	<p>We will monitor the timeliness of processing lumpsum payments and take further action if this is not improved.</p> <p>We will remind staff of the importance of saving necessary documentation to support transactions on members files.</p> <p>We will review the payments approval process and structure to ensure payments are always approved independently by someone who has not been involved in calculating the payment.</p> <p>We will investigate the bug in the My Wiltshire Portal which is preventing members from submitting documents and ensure any forms received from members via email are signed.</p> <p>We will advise staff which date should be used when processing retirement</p>	31 October 2022	80%	<p>Saving documentation</p> <p>1) All staff have been reminded to save all required supporting documentation. Note: To be added to the Risk Register to act as an ongoing reminder to staff.</p> <p>Timeliness</p> <p>2) SLA/KPI deadlines has been identified in the Business Plan and various actions are underway to make improvements. Weekly KPI reporting has been introduced.</p> <p>Independent payment approval</p> <p>3) We have reviewed the approval process and advised staff to not peer review and authorise the same case. Key policies have also been signed-off to support this approach. Note: It is recognised that the introduction of the immediate payments' module will resolve any monitoring constraints.</p> <p>4) A new workflow has been created to monitor the spot checking of work, including the possibility of a RAG report to highlight the quality of peer review.</p> <p>My Wiltshire Pension</p> <p>5) The issue with the My Wiltshire Pension portal has been resolved. Further improvements are planned over the next few months.</p>

			Fund via email, unsigned, however the payment was still processed. Plus, bank details will soon be auto populated to the Altair database, but this is not yet in place. It isn't clear what date should be used for retirement calculations, the retirement date, or the date payable.	payments and update process notes accordingly			
4	2	Transfers into the Fund	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.	We will carry out a reconciliation to identify transfers in that have been processed in the SAP system but not in Altair. We will ensure Altair is updated with any missing liabilities and embed the new process to monitor transfers in are accurately processed going forward.	31 May 2022 Revised 31 Dec 2022	25%	Transfer-in allocations to Altair 1) Quarterly financial reconciliations are carried out and reported to the Local Pension Board and Committee. (£3.9m outstanding at 31 July 2) A new process has been developed and has been communicated to the relevant team members. 3) Workflows exist to track the completion of the administration. To discuss priorities with the Member Services Manager.
	2	Amendments	Name change Name changes did not have a marriage certificate saved on the file to evidence the name change. Nomination change Nomination changes were processed after the expected SLA deadline. Address change Address changes were processed after the expected SLA deadline. Target notifications occasionally not saved on the members file as evidence.	We will remind staff of the importance of saving evidence to support any changes made in Altair. We will monitor the timeliness of processing amendments and take further action if this is not improved.	31 October 2022	90%	Saving documentation 1) All staff have been reminded to save all required supporting documentation. Levels of spot checking will be increased to ensure that the quality of record keeping is maintained. Timeliness 2) Staff deployed to high priority casework. As this is classed as low priority casework which Members can complete themselves through a 'self-serve' arrangement adherence to SLA timeframes are currently less stringent. 3) A review of the Administration Strategy has been undertaken to reflect the Members 'self-serve' arrangement.
6	1	Monitoring	Workflow backlog tasks go back to 2013, see further details under finding H below.	We will review the process of distributing tasks to team members and ensure there is	31 July 2022 Revised 31 Dec 2022	60%	Work monitoring & distribution 1) Altair's new Insights reporting tool will be used to monitor work (Termed the Surrey Report). With

			<p>The Fund was unable to quantify how much work was in the backlog or clarify if the status of tasks was correct. This makes managing deadlines difficult and prevents the Fund from producing forward looking KPIs.</p> <p>A monthly performance dashboard needs to be finalised and updates should be reported to the Pensions Committee. A one-off payments module should be purchased so BACs payment runs can be directly produced out of the Altair system. In our previous reports we have raised actions to carry out a full reconciliation between Altair and SAP, this has not been done.</p> <p>No quality assurance over the Fund's processing is conducted by management to ensure work is carried out correctly.</p> <p>The Fund maintains its own operating budget. Some services are provided by the Council and then recharged to the fund. However, the Fund does not receive underlying data from the Council to substantiate the amounts recharged.</p>	<p>a robust process to monitor SLAs and team capacity / backlog. KPIs will be reported to the Pensions Committee regularly.</p> <p>We will finalise the monthly performance dashboard and report updates to the Pensions Committee regularly.</p> <p>We will carry out a full reconciliation between Altair and SAP and ensure this is done on a regular basis.</p> <p>We will consider if the one-off payments module in Altair should be purchased.</p> <p>We will review and embed the formal quality assurance process to help ensure work is carried out by the team correctly.</p> <p>We will liaise with the Council to obtain underlying data to support the amounts recharged to the Fund by the Council yearly.</p>			<p>work allocation managed via an auto-allocation tool and relevant line managers who will spot check work & prioritise, based on the Insights reporting. Weekly reviews will take place to focus on SLAs however, the process is expected to take time to bed in.</p> <ol style="list-style-type: none"> 2) Officers have internally developed IWAS, a process designed to link Insights report results with workflows, with a view to prioritising casework. 3) Necessary "house-keeping" is taking place, however further work is still required to cleanse historic issues, particularly the incorrect setting up of workflows. A summary of outstanding cleaning is to be reported. 4) Insights (the Surrey Report) will act as the basis of a dashboard and be reported to Committee/Staff on a regular basis. <p>Payment's module</p> <ol style="list-style-type: none"> 5) A one-off payments module has been purchased. Officers are waiting for Heywood's to implement system. Access to Paygate is still required, with IT needing to complete the licencing requirements. <p>Altair/SAP Reconciliations</p> <ol style="list-style-type: none"> 6) A full reconciliation has been completed; however numerous variances were identified. Work continues to reduce the number of variances between the databases. <p>Council recharge and SLAs</p> <ol style="list-style-type: none"> 7) The Council has provided an initial proposal to determine the level of the recharge and associated service. The fee suggested is c£600k. Progress on this work is reported quarterly to the Local Pension Board and Committee. 8) Discussion is ongoing concerning the service for the fee.
7	2	Projects	There is not a formal project plan, issues or risk log for the	We will review the project methodology used to manage	31 July 2022 Revised	80%	Project methodology

			<p>i-Connect Enrolments project and further work could be done to proactively bring the project to a close</p> <p>The Pensions Payroll Reconciliation project Gantt chart does not include task statuses, so project slippages are unclear. Meeting actions are not formally captured, and progress reports not produced or communicated to the Pensions Committee</p>	<p>the Funds projects and implement changes to help improve oversight and efficiency.</p> <p>We will consider ways to proactively progress the i-Connect project, for example employer site visits.</p>	31 Dec 2022		<p>1) Officers have reviewed the way these projects are managed and made several minor alterations.</p> <p>i-Connect onboarding</p> <p>2) i-Connect continues to be proactively managed to maximise onboarding, including escalating matters with employers. This goal also forms part of the Business Plan.</p> <p>3) Officers have reviewed the remaining employers who have not onboard by year-end (Mar-22) and have determined a tailored approach for each employer. This is also being dealt with through the revised Administration Strategy.</p> <p>4) A project plan to complete i-Connect onboarding has been developed and actively managed by Fund officers. Whilst constraints concerning completion remain with the employers themselves, Fund officer propose to actively manage employers in overcoming those constraints.</p>
8 Page 103	1	Operational Backlog	<p>Aggregations</p> <p>The Fund has accumulated processing backlogs for aggregations, clearing it remains an ongoing issue. Updates are reported to the Committee but an improvement plan to help clear the back log has not been drafted</p> <p>Frozen refunds</p> <p>If a member leaves the scheme in the vesting period they can be entitled to a refund of their contributions. Where a member doesn't opt to be refunded their fund remains as a frozen refund The backlog of frozen refunds now amounting to circa 2 million pounds and dating back to 1974.</p> <p>Retired members</p>	<p>We will review the backlog of aggregations, frozen refunds and retired members and take necessary steps to ensure this is progressed where possible.</p> <p>We will develop controls to monitor backlog in these areas going forward and report updates to the Pensions Committee regularly.</p> <p>We will review the data stored for status 3 members and determine a way to remove any personal data which is no longer necessary.</p>	31 May 2022 Revised 31 Mar 2023	60%	<p>Aggregations</p> <p>1) It was agreed to outsource casework (prior to 31 March) as part of the Business Plan, A tender process and subsequent appointment has been completed. Arrangements to commence the project are now taking place.</p> <p>Frozen Refunds</p> <p>2) A working group is managing this area. Where members have reached or are about to reach 5 years (the timeframe by which they must take the refund and can no longer transfer out), officers are writing to members with a view to concluding those refunds.</p> <p>3) Officers will also send out a reminder communication for less than 5-year cases. However, during this timeframe the member is entitled to seek to transfer out in this timeframe (and it is often financially beneficial for them to do so), and therefore no further action is possible</p> <p>4) Some of the oldest cases are unlikely to reach a resolution due to difficulties in tracing the member (or because they may have died in the meantime) in which case the refund will be unable to be paid.</p> <p>Retired members</p>

			<p>There are 107 members on the Altair system who are over 75 years old and therefore have reached an age that their pension must be paid. The Fund are currently looking at the ones overdue and determining the next steps required.</p> <p><u>Status 3 members</u></p> <p>Exit-No liability members still have personal member data recorded in the Altair system. This can be a breach of data protection regulations. In the Funds Data Retention Policy, it is stipulated that members' personal data should be minimised after 7 years of leaving the Fund and deleted after 15 years. There are 4652 member files where the information should be minimised and 14809 member files which should be deleted.</p>			<p>5) Officers are working through these cases and contacting all members concerned.</p> <p>6) Workflows called RET75ACT (for actives reaching 75) and DEFPAY75 (for deferreds) have been created to monitor progress more easily.</p> <p>Status 3 cases</p> <p>7) Officers have reviewed its Data Retention Policy and will propose a revised policy is implemented which would result in fewer deletions. In the meantime, officers have processed minimising and deleting of records where it is safe.</p> <p>8) Consultation on the final draft of the policy is yet to be concluded.</p>	
9	2	System Access Review Follow Up	<p>The Fund carried out a systems access review and several actions were raised. Progress against the actions raised had occurred apart from one. Issue 1.6 of the report remains outstanding, this states that the Fund should create a schedule of software licenses used by the Fund.</p>	<p>We will create a schedule of software licenses for systems used within the Fund. Going forward the results of the annual access review will be reported to the Head of Service</p>	31 May 2022	<p>100%</p>	<p>Schedule of software licenses</p> <p>1) Officers have contacted the auditor stating that the schedule already exists (within IT), and no further work is required.</p> <p>2) Going forward it is considered that the Fund's cyber security review will clarify roles and responsibilities, including the wider remit of system access reporting.</p>

Appendix 1:

Table 1 – TPR self-assessment March 2022 - Progress against outstanding internal review findings*:

No	Priority score	Issue	Recommendation	Management actions	Agreed management timescale	Est. Progress	Progress at 14 October 2022
1	Not stated	Review the of Fund's tPR breach policy	To update the Fund's tPR breach policy and processes in a manner agreeable to all stakeholders To ensure that the updated policy is consistent with the Regulator's new code of practice	1) To agree and establish an evidential basis for identifying "material significance". 2) To agree and establish the escalation steps on identification of a "materially significant" breach, which is agreeable to stakeholders and consistent with the spirit of the Regulator's code of practice 3) To approve an updated policy on issuance of the new code of practice	30 April 2023	60%	A draft breach policy has been prepared. However, Fund officers are waiting for final publication of new code of practice before it can be finalised. This is now expected in 2023, hence the agreed management timescale set. As part of this exercise, feedback is being sought on the definition of "material significance" in circa 25 different scenarios. Based on officer agreement of the interpretation of each definition, the existing escalation process will be enhanced and incorporated into the draft breach policy.
2	Not stated	Contract Management reviews	To address low regularity of contract management reviews of the Fund's service providers, both externally and internally	1) To prepare an action plan in which all managers undertake regular reviews of key service providers in their area to monitor that service providers performance, against the services they have agreed to provide. Plus, record and report that performance. 2) For assigned managers to actively contribute towards the preparation of service provider appointments and re-tenders	31 December 2022	50%	Contract Management meetings have been held by officers to agree the framework for the completion of regular contract management reviews. A first draft of a Fund procurement & contract management policy has been prepared, designed to integrate with the Council's procurement department processes. Feedback was received on the first draft on 12 October and a second draft is currently being prepared. A contract management schedule is also being updated. Managers have been allocated to lead on the monitoring of performance for each Fund service provider.
3	Not stated	Departmental System access control reporting	To evidence the review of staff access to Pension Fund systems and to clearly highlight the different	1) To assist the transparency of the Fund's security arrangements, reporting requirements	31 December 2022	40%	Whilst system access controls are in place within the department, an overarching policy and reporting framework is yet to be implemented, which will give

			<p>responsibilities the WC ICT Dept, Heywood's and the Dept. staff have, in connection with the completion of those responsibilities</p> <p>In particular:</p> <p>a) The activities set out in the "Personal Data Security" procedure, namely**</p>	<p>should be introduced into the Fund system access controls policy</p> <p>2) To draft the reporting framework which will be reviewed</p>		<p>visibility to the co-ordination and monitoring of the tasks being completed and when.</p> <p>The delay in progressing the drafting of this policy and reporting framework is primarily due to prioritisation and resource allocation within the department. However, this self-assessment seeks to enable the monitoring of this action's completion.</p>
--	--	--	---	---	--	--

*Findings are only those which were different to the SWAP Audit March 2022

**

5.1 – Annual review of licences

5.4 – Business Continuity & Disaster Recovery Plan

5.6 – Staff Declaration of Interests form

5.9 – Database (Altair) access level rights for all WPF staff

5.10 – Access by staff to Altair outside of the Pension Dept.

5.12 – Record the authorisation levels for Fund staff (Financial)

5.16 – Where required, keyholders that maintain access to the cabinets & safes

5.20 – List of authorised WPF staff to transfer data to Hymans Robertson & Heywood's

5.7 – Maintenance of a central control schedule of all the above

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

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
27 October 2022

WILTSHIRE PENSION FUND RISK REGISTER

Purpose of the Report

1. The purpose of this report is to update the Board in relation to changes to the Fund's existing Risk Register (Appendix 1).
2. The report also introduces the newly designed risk register. The aim of which is to be more operationally embedded, whilst retaining a strategic capability to mitigate non-operational risks to the Fund.

Background

3. The Committee's current Risk Register was approved in July 2019, with the aim of making it a more dynamic document, maintained by officers, and focused on highlighting to the Committee the key risks on a quarterly basis. These risks were defined as:
 - New risks:
 - Risks which have changed or been re-categorised in the last quarter:
 - Risks which are rated red: and
 - Risks which were agreed to be monitored by officers only.
4. Under the Committee's 2019 instruction the risk assessments were to become more evidence based too.
5. However, the move to a more dynamic framework meant that an increased number of risks started to be recorded, leading to a development in the risk register which was seen as over complicated and not easy to manage. As a result, it was agreed to design a new risk register aimed at being operationally focused, whilst retaining the strategic capability to mitigate any non-operational risks.
6. Whilst still in a concept stage the new risk register design will be unveiled at this Board meeting and presented to members. Officers will begin trials on the new design over the next 3 months, running it in parallel with the existing risk register, with a view to the existing risk register being stood down in the early part of 2023. Whilst the new risk register will be primarily maintained by officers, this presentation will allow members an opportunity to comment on the new design prior to its full adoption.
7. Members are reminded that whilst the new risk register is primarily maintained by officers, ultimate responsibility for the management of the Fund and any risks it may be exposed to remain with the Pension Fund's Committee.

Key Considerations for the Board / Risk Assessment

8. Members are reminded that the existing risk register measures risks based on the interaction between the likelihood of occurrence (likelihood) and the potential impact of that occurrence (impact), using the Council's standard "4x4" approach and producing a risk status of Red, Amber, or Green (RAG). However, under the new design a "Yes" or

“No” operationally embedded approach to risk scoring has been added to the Council’s adopted standard.

9. In effect, a monthly, quarterly, or annual review is completed by officers in relation to each activity undertaken and whether it has been completed. These activities carry a risk weighting relative to their wider relationship to all other risks identified by the Fund’s management and warning flag is recorded where an activity has not been fulfilled. Using a similar RAG rating formula to that stated in paragraph 8 the Compliance, Risk & Operational Controls (CROC) Group will then review the initial RAG ratings generated by each activity and determine whether the overall risk rating has been correctly assessed. These moderated ratings then feed into one of the 20 risks submitted to the Local Pension Board and Committee for their consideration.
10. To accompany the CROC Group’s assessment, a note will be included in the final column of the new risk register highlighting the key factors involved in that risk’s assessment. Additionally, the CROC Group will also assess any strategic risks relating to any external or non-operational activities impacting the Fund. These will also be included in one of the 20 risks submitted to members.
11. Regarding the assessment of risks using the existing risk register, which will remain operational until the new register is fully adopted, the risks assessed are set out in paragraphs 12 to 15.
12. During the last quarter the only “new risk” to be identified was:
 - **PEN062: Failure to consider the implications on the Fund of the Cost-of-Living crisis and the geopolitical energy situation:** (Amber) Due to the war in Ukraine and the global economy emerging from the Covid-19 pandemic, a surge in inflation has occurred across the UK and the world. As a result, the cost-of-living crisis and concerns around energy stability may lead to a number of unanticipated outcomes.

This has already been approved by the Pension Fund Committee at their meeting on 6 October.

13. The evidence-based review of the register identified the following risks had changed or need to be recategorized.
 - **PEN018: Failure to set in place appropriate Cyber Security measures:** (Red to Amber) Following the presentation by Aon Consulting at the Committee meeting in October, several recommendations concerning Wiltshire Council’s cyber security arrangements were made. However, it was noted that the Council had a reasonable level of cyber & hygiene maturity and consequently it is recommended that this risk rating is reduced. It was felt that Committee members were reassured, noting that a further response would be received from Wiltshire Council ICT Department at their meeting in December.
 - **PEN037: Failure to implement a strategy to address the administration backlogs:** (From Red to Amber) Good progress has been made against the findings of the SWAP audit report published in March 2022. Implementation of the administration backlog strategy in line with the Fund’s business plan has taken place with the appointment of 3rd party service provider. Monitoring the clearing of the backlog over the next 12 months can now take place, accompanied by the introduction of an improvement plan by officers.
 - **PEN054: Failure of Brunel to maintain an effective operating model for Private Market Investment Portfolio's:** (From Green to Amber) A recent

departure from the Private Equity team has left Brunel without cover, for a second time in Private Markets. Officers will monitor BPP in relation to any appointments, as well as how they manage this team. Move from Closed to Ongoing.

14. Risks remaining “red”, high risk:

- **PEN022: Rectification of records with GMP and non GMP issues – Time-consuming, costly & may causes reputational damage:** (Red) Potentially incorrect liabilities being paid by the Fund because of GMP and other pension component values missing, incorrectly recorded, or incorrectly valued. Consequently, progress with the Pensioner Payroll Database reconciliation project may impact on the Fund’s liabilities and its reputation. It is anticipated that the recent outsourcing of this work may reduce this risk moving forward.
- **PEN042: Significant retrospective legislation changes related to the McCloud case:** (Red) Following the release of the Government’s consultation document in July 2020 analysis of the Scheme’s members who may be affected was undertaken. Indications suggest that potentially c27k members may be affected, as well as increasing the work on several supplementary administrative tasks. The impact actuarially speaking is likely to be minimal. Final regulation is expected by October 2023 and officers have put in place a project plan to gather the data required to fulfil the regulations. Members requested that it be kept as a red risk until the administrative impact is completely clear.
- **PEN048: The transition of the pooling of LGPS assets with BPP fails to deliver the projected savings:** (Red) Progress and updates should continue to be regularly reported to Committee. An independent audit was conducted in 2021 and has been presented to the Board & Committee for consideration. A further audit has been commissioned for 2022.

15. It is recommended that the following risk is moved from Horizon to Dormant/Closed.

- **PEN044: Change to valuation cycle:** (Green) This is based on the evidence that no activity has occurred on this subject since DLUHC’s consultation document in May 2019.

Financial Implications

16. No direct implications.

Legal Implications

17. There are no known implications from the proposals.

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

19. There are no known implications currently.

Proposals

20. The Board is asked to note the attached Risk Register and recommend the changes/actions made by officers in points 12 to 15 to the Committee.

JENNIFER DEVINE
Head of Wiltshire Pension Fund

Report Author: Richard Bullen, Fund Governance & Performance Manager

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

Ref.	Risk	Cause	Impact	Primary Risk Category (CIPFA)	Risk Owner	Level of risk (Inherent)	Impact	Likelihood	Inherent risk score	Controls in place to manage the risk	Impact	Likelihood	Residual risk score	Further Actions necessary to manage the risk	Level of risk (Residual)	Direction of Travel	Risk Action Owner	Date for completion of action
Horizon Risks																		
PEN062	Failure to consider the implications on the Fund of the Cost of Living crisis and the geopolitical energy situation.	Due to the war in Ukraine and the global economy emerging from the Covid-19 pandemic, a surge in inflation has occurred across the UK and the world.	It is anticipated that the cost of living crisis and concerns around energy stability may lead to the following potential outcomes: 1) Member behaviour e.g. opting out of the Scheme 2) Staffing issues such as recruitment and absenteeism 3) Service disruption due to power cuts 4) Impacts on employers such as insolvency, maintaining contributions payments & delays in new joiners starting caused by delays in auto-enrolment changes 5) Impacts on the Fund's investment strategy and performance & 6) Service continuity issues from the Fund's providers.	GOVERNANCE	Jennifer Devine	Medium	2	3	6	A review of the Fund's Emergency Response arrangements will take place by managers. The Fund will also monitor industry wide responses to the situation as winter develops.	1	1	1		Low	→	Jennifer Devine	Apr-23
PEN056	Failure to implement the findings of the Goodwin vs the UK case in relation to discrimination which will affect public service pension schemes on the grounds of sexual orientation	Following a male to female trans-sexual post operative procedure the claimant stated that her human rights had been infringed when she was still treated as a man for National Insurance contributions purposes, as she continued to make payments after the age at which a woman would have ceased payments, thus causing harassment. A second similar claimant stated she was unable to obtain work as she was unable to provide her birth certificate revealing her gender history.	There is no remedy proposed yet, although some auditors are pressing for an allowance to be included in 2020 IAS19/FRS102 reports. Whilst the funding costs are expected to be small, this will be a further administration and communication burden to address.	ADMINISTRATION	Andy Cunningham	Low	1	1	1	The implementation of risk controls will be introduced on communication of remedies.	1	1	1		Low	→	Andy Cunningham	N/A
PEN050	Failure to comply with TPR's anticipated new Single Code of Practice Statement	The new requirements for pension scheme governance came into force on 13 January 2019 as part of the transcription of the IORP II Directive into UK law. The new EU Directive covers the activities and supervision of institutions for occupational retirement provision (IORP)	Consequently the TPR is simplifying its codes of practice as part of its 'clearer, quicker, tougher' campaign and in response to new requirements for scheme governance, the Occupational Pension Schemes (Governance) (Amendment) Regulations 2018. Codes combined notably relate to 9, 13, 14 & 15.	GOVERNANCE	Richard Bullen	Low	2	2	4	It is anticipated that early focus will be on the codes that are most affected by the new regulations, starting with internal controls & effective governance. Trustees will need to be able to demonstrate that they have an effective system of governance within 12 months of its publication	3	1	3	None, until the Single Code of Practice Statement is released which not anticipated until Summer 2022.	Low	→	Richard Bullen	N/A
PEN044	Change to valuation cycle	The Government is consulting on changing the fund valuation cycle. The next valuation will be in 2022 but it is unclear when the next one will follow.		GOVERNANCE	Andy Cunningham	Low	1	3	3	Officers will respond to the consultation stating they are not in favour of such a change	1	3	3		Low	↓	Andy Cunningham	N/A
Page 119 PEN042	Significant retrospective legislation changes related to the McCloud case	An age discrimination case taken to Court by a group of firefighters and Judiciary employees	Increased contribution rates for employers and high levels of administration time and complication.	ADMINISTRATION	Andy Cunningham	High	3	4	12	None - Whilst it now appears almost certain that a change will take place, it is still unclear exactly what the change will be, its magnitude and how the Fund can mitigate it. It is noted that the Valuation results have made no allowance for the consequences of the McCloud case, primarily due to the prudence applied to the investment return expectations of 75%, but also due to the implementation of actuarial guidance.	2	4	8	a) On actuarial guidance it is anticipated that whilst a review will be required the financial impact may be minimal as in most cases the underpin check for a member's benefits will not bite. b) Following the release of the Government's consultation document in July analysis of the Scheme's members who may be affected has been undertaken. Early indications suggest that c27k members from all status types will need to be reviewed, however cases where the underpin bites continues to be considerably less. Supplementary impacts such as the Annual Allowance, transfers & dependent benefits will also need to be considered, as well as changes to the Fund's internal controls to ensure that cases are reviewed as the liability falls due & that those which have been reviewed are marked accordingly.	Medium	→	Andy Cunningham	N/A
PEN039	The Fund's inability to implement the reforms associated with the Good Governance Project	SAB has requested a review of governance structures for the LGPS using a criteria of four possible governance models which might help funds to deliver good governance for their employers and members. A final consultation report is due in July 2019	Poor governance has a reputational risk impact, leading to poor service for Fund stakeholders, a lack of clarity of roles & responsibilities and potential conflicts of interest emerging	GOVERNANCE	Andy Cunningham	Low	2	2	4	Officers have contributed feedback to the consultation exercise in May 2019 and taken part in various discussions. This has helped officers gain an understanding of the likely direction of travel and help ensure the Fund is aligned and prepared (for example by making certain adjustments to the terms of reference).	2	2	4	Officer to introduce a statement of Fund principles, beliefs & precedents.	Low	→	Richard Bullen	N/A
Dynamic Risks																		
PEN060	Failure to complete the review into potential conflicts of interest between the Fund and its Administering Authority	Wiltshire Council is experiencing a period of immense strain on its services, exacerbated by limited central government funding and the pandemic. In response to this strain it has undertaken a review of its services and formulated a strategy of restructure	Areas of potential conflict include 1) Senior AA officers not recognising that they may be conflicted when taking a decision 2) Not ensuring the AA has in place protocols to manage a conflict of interest with its Pension Fund 3) Not ring fencing the services paid for by the Fund from when wider AA policy changes occur, such as staff re-deployments 4) Not quantifying the corporate recharge, or that financial distribution between service areas & introducing SLAs to enable performance measurements of the AA services procured 5) Not enabling the Fund greater freedom relating to best value procurement and employment 6) Viewing the Pension Fund as an equal partner concerning its own requirements & 7) Not embracing changes to improve Fund governance published by outside bodies such as SAB	GOVERNANCE	Andy Brown	Medium	3	2	6	The Committee & the Board should seek to identify and address potential conflicts of interest with the Committee being willing to actively manage situations with the AA where it considers that the membership of the Fund, or the Fund itself is not being appropriately served	1	1	1	Engagement in connection with the scoping of services is seen as a priority by the Committee, along with linking the services provided to the corporate recharge fee requested by the Administering Authority.	Low	↑	Andy Brown	On-going

PEN059	Service disruption is created during the implementation of the Council's Evolve Programme - Pension Payroll software	Wiltshire Council intends to introduce a replacement for SAP. The intended procurement process is due to be completed by September 2021 & the implementation by April 2023.	SAPs replacement could have a significant impact on the Fund's ability to pay its pensioners, particularly where the project management of the de-implementation and implementation are not synchronised	GOVERNANCE	Andy Brown	Medium	3	2	6	As part of the Fund's oversight of its IT services, it is recommended that the Committee request periodic strategic updates during the course of 2022 from the Fund's s151 Officer to be able to assess the level of risk & whether any mitigations need to be identified.	1	1	1	Auditors to be involved to oversee the controls being put in place concerning non-pension payroll transfers of software, notably Accounts Payable & general accounting practices. The project plan should be discussed with the Auditor. Evolve risks remain for the Fund in all aspects of the Evolve Programme.	Low	→	Andy Brown	Apr-23
PEN058	Service disruption is created during the implementation of the Council's Evolve Programme - Non Pension Payroll software	Wiltshire Council intends to introduce a replacement for SAP. The intended procurement process is due to be completed by September 2021 & the implementation by December 2022	SAPs replacement will impact on multiple services areas provided by the Council to the Fund. For the Fund's non-pension payroll functions this will most notably include HR, AP & IT services. However, it could effect all service relationships the Fund has with the Council.	GOVERNANCE	Andy Brown	Low	1	1	1	As part of the Fund's oversight of its IT services, it is recommended that the Committee request periodic strategic updates during the course of 2022 from the Fund's s151 Officer to be able to assess the level of risk & whether any mitigations need to be identified.	1	1	1	Auditors to be involved to oversee the controls being put in place concerning non-pension payroll transfers of software, notably Accounts Payable & general accounting practices. The project plan should be discussed with the Auditor. Evolve risks remain for the Fund in all aspects of the Evolve Programme.	Low	→	Andy Brown	Apr-23
PEN053	Failure to implement Fund's Data Retention Strategy	Poorly implemented strategies agreed by the Board & Committee to ensure that the retention of data is properly executed in respect of both the Fund & Scheme Employers may occur.	A failure to adhere to the strategy could potentially breach GDPR compliance & create service issue in the event of data being inadvertently minimised or deleted.	ADMINISTRATION	Mark Anderson	Low	1	3	3	Heywood (Altair Database manager) to introduce a tool to minimise & delete records. Includes an export function to identify records managed via this process which can be reported on. This can be cross referenced against the membership statistics if required.	1	2	2		Low	→	Mark Anderson	N/A
PEN045	GMP legislative changes	The Government has been planning to make a number of changes to way that GMPs work which brings about certain risks. In particular, changes to the indexation approach (which have been repeatedly delayed) and equalisation between males and females.	Both sets of plans could increase scheme costs and cause material amounts of additional administrative work.	ADMINISTRATION	Andy Cunningham	Low	2	2	4	HMRC undertook a consultation in the last quarter of 2020 requesting responses by 30 December 2020. The WPF along with many other organisations responded to that consultation and on publication of the results the Fund will seek guidance from its professional advisers in respect of both its equalisation & indexation responsibilities on the next steps it should take.	2	2	4	None	Low	→	Andy Cunningham	N/A
PEN041	The Fund's inability to implement a strategy to ensure Climate Change considerations are integral to its investment strategy	Climate change is a key environmental risk which could have a material financial impact on the Fund's returns, and as such needs to be considered, managed and monitored as part of the Committee's fiduciary duty, and to protect the investment returns of the Fund.	Failure to embed climate change considerations in the investment strategy could cause a negative impact on investment returns over the long term.	FINANCIAL MARKETS & PRODUCTS	Jennifer Devine	Medium	3	2	6	The Committee is engaged in ongoing work to help determine the most appropriate direction of travel, with expert consultancy support. Significant progress has been made so far, with the introduction of a climate change policy, amendments to the investment strategy, a flight path to enable change and a considerable amount of training and development of members by professional advisers. Work is also being done within the Brunel pool to address this risk.	2	2	4	Additional resource continues to be required, likely by the way of specialist consultancy support.	Low	↓	Jennifer Devine	On-going
PEN038	The Fund's inability to implement the DWP's Dashboard within a notified timescale.	Late communication by the DWP to specify their requirements for the Fund to comply with this new nationwide Dashboard. Potential for unexpected implementation costs and/or the Fund being unable to meet the reporting requirements.	Non-compliance would lead to a reputational risk for the Fund. A statutory requirement to contribute may also be created.	ADMINISTRATION	Andy Cunningham	Low	1	2	2	Senior officers to keep themselves apprised of developments and seek more detailed information as the project develops.	1	2	2	None	Low	→	Mark Anderson	N/A
PEN037	Failure to implement a strategy to address the administration backlogs	Failure of effectively administration the scheme could result in incorrect payments, inefficiencies in the process, failure to meet disclosure timeframes, complaints and inadequate oversight over the fund.	Poor administration resulting in incorrect payments and can lead to reputational risk issues. The mitigation of this risk is contingent on the mitigation of other risks such as PEN034 & PEN036	ADMINISTRATION	Andy Cunningham	Medium	3	3	9	The implementation of PEN034 & PEN036 along with addressing the internal auditors comments in their 2018/19 Key Controls report should mitigate this risk. As part of the 2022/2023 budget approval, the outsourcing of the backlog to help mitigate this risk was agreed	3	2	6	1) Employer training to be enhanced to assist the provision of information to officers & efficient management of backlogs. Improving peer review policy to enhance they way work is checked. 2) Good progress has been made against the findings of the SWAP audit report published in March 2022. Implementation of the administration backlog strategy in line with the Fund's business plan has taken place with the appointment of 3rd party service provider. Monitoring the clearing of the backlog over the next 12 months can now take place, accompanied by the introduction of an improvement plan by officers	Medium	↓	Betty Chiripanura	On-going
PEN034	Failure to implement Lean process review	Low KPI performance has been identified, particularly in relation to the disclosure requirements, as a result of inefficient processes and insufficient training and support.	An end to end processing review of all repeatable processes with the key objectives of improving the customer experience and identifying and realising efficiencies. Semi-automated work allocation is required to target key items of casework more quickly	ADMINISTRATION	Andy Cunningham	Medium	3	2	6	As at April 2022, work continues to be ongoing in relation to completion of the lean processing review. This has taken longer than expected due to the considerable amount of change management, which has caused additional reviews.	3	1	3	Officer training to be enhanced to assist with the efficient processing practices. Officers have introduced a 2nd line of review strategy, where experienced officers conduct internal audits at a technical level, not just at a process level.	Low	→	Samantha Paines	On-going
PEN022	The rectification of records with both GMP and non GMP issues is time-consuming, costly & causes reputational damage.	From 1 April 2016, State Second Pension ceases and HMRC no longer provides GMP data on members to Funds. The Fund is looking to complete the reconciliation of its pensioner payroll to include GMP as well as all other data differences.	If records for members are inaccurate there is the potential for incorrect liabilities being paid by the Fund.	ADMINISTRATION	Andy Cunningham	High	3	4	12	Large project is still ongoing and software from Heywood's is being used to process amendments to Altair on bulk. Progress was delayed due to the Fund trying to engage with Government to agree on a nationwide approach and in order to undertake further analysis of the problems identified.	2	4	8	A common approach between south-west Funds has been reached with feedback from SAB. Several papers were submitted to the Committee setting out the situation and outlining a proposed strategy. A regular update is being provided to Committee concerning member record reconciliation.	Medium	→	Mark Anderson	u/k
PEN021	Ineffective implementation of the Public Sector Exit Cap	The Treasury is consulting on draft regulations to introduce a cap of £95,000 on exit payments in the public sector, in response to concerns about the number of exit payments that exceed or come close to £100,000 and the need to ensure they represent value for money. This will include changes to LGPS regulations. Introduction of exit cap will require an additional burden on the administration team as it is likely to effect all redundancy calculations. Funds are often given little time to implement changes which brings about this risk.	Changes need to be communicated to individuals and employers and systems adapted once the revised regulations have been approved. LGPS Fund's could be in breach of the legislation in they are logistically unable to implement the cost cap mechanism once introduced. Engagement with the relevant public service HR dept's in relation to the implementation of the Exit will be essential.	LEGISLATIVE	Andy Cunningham	Low	2	1	2	The consultation is due to be completed on 9th November. Key risk controls should include: 1) Fund officers should ensure that relevant HR officers understand the implications of the Cap. 2) Review the Compensatory Regulations after they've been re-written and LGPS Regulations too as a priority 3) Ensure Fund officers understand the new regulations & draft proforma to manually calculate options, prior to the delivery of automated calculation routines 4) Consider any TUPE transfer implications 5) Liaise with HR department concerning potential redundancy exercises in 2021 & 6) Undertake a review of Fund's documentation to include disclaimers	2	3	6	Legislation was introduced concerning the Exit Cap at the end of 2020, however this legislation is now in conflict with the LGPS regulations. Guidance is being sought to resolve these conflicts. A further review of resources may still be needed following a review of the final details & feedback from HR departments.	Medium	→	Andy Cunningham	N/A

PEN018	Failure to set in place appropriate Cyber Security measures	Over reliance by Fund is potentially being placed on its Administering Authority's IT security arrangements & that of its key software database providers without proper scrutiny/reporting of their security arrangements	Impact is significant concerning the operational effectiveness of the Fund, notably in relation to the data held and the ability to calculate and process member benefits	ADMINISTRATION	Andy Cunningham	Medium	3	3	9				4	1	4	Following the presentation by Aon Consulting at the Committee meeting in October, several recommendations concerning Wiltshire Council's cyber security arrangements were made. However, it was noted that the Council had a reasonable level of cyber & hygiene maturity and consequently it is recommended that this risk rating is reduced. It was felt that Committee members were reassured, noting that a further response would be received from Wiltshire Council ICT Department at their meeting in December	Low	↓	Andy Cunningham	N/A
--------	---	--	---	----------------	-----------------	--------	---	---	---	--	--	--	---	---	---	---	-----	---	-----------------	-----

Ongoing Risks

PEN061	Failure of internal auditors to conduct audits commissioned by the Committee in accordance with an agreed terms of reference	The Committee & Board must ensure that audits they commission are being executed as originally prescribed in terms of their scope, quality and timeliness. Both groups need to satisfy themselves that all audits are being carried out on a best value basis, by internal auditors appropriately skilled to conduct those audits and that any signing off of audits are not being unduly delayed	Commissioned audits which are delayed, whether they be financial, procedural, compliance or otherwise driven can carry significant risk to the integrity of the Fund. New processes require robust review by suitably skilled internal auditors and 3rd party delays whether arising from the audit partnerships themselves, or secondary approvals can create a consequential impact on the operational effectiveness of the Fund. Both the Committee & the Board require robust independent assurance to ensure that their oversight can remain comprehensive	ACCOUNTING & AUDITING	Jennifer Devine	Low	2	2	4				1	1	1	As part of the Fund's oversight of its IT services, it is recommended that the Committee request periodic strategic updates during the course of 2022 from the Fund's s151 Officer to be able to assess the level of risk & whether any mitigations need to be identified.	Low	↓	Andy Brown	Oct-22
PEN055	Failure of the Brunel Pension Partnership to properly address shareholders concerns via the governance review	Governance arrangements set in place at the outset of Brunel are due for review and it is vitally important that Wiltshire and all shareholders are satisfied with the breadth and depth of the review, and the resulting changes.	With the Wiltshire Pension Fund & other stakeholders being required to invest significant sums of money with BPP, robust governance arrangements are vital to ensure that shareholders are able to take assurance over the running of the partnership	GOVERNANCE	Andy Brown	Medium	3	2	6				3	2	6	Brunel's governance review is ongoing. Wiltshire has actively engaged with Brunel, by sending a letter on behalf of Committee members, to make Wiltshire's expectations clear, and also via the Head of Pension Fund Investments' input at a client group level.	Medium	→	Andy Brown	N/A
PEN054	Failure of Brunel to maintain an effective operating model for Private Market Investment Portfolio's	The ineffective team structure puts at risk the deployment of WPF investment into Private Markets. Recent departure from the Private Equity team has left Brunel without cover, for a second time in Private Markets. Brunel are proposing a new operating model relying on support from an external company to cover Private Equity deployment and monitor existing investments. This proposal requires an investment of £200m into two of their PE funds as a waiver of fee's for carrying out this service. No competitive process undertaken to appoint the manager.	Inability for WPF to meet its strategic asset allocation and risk / return targets. Assurance is required that investments are being made in line with expectations & being managed properly. Conflict of interest for the appointed manager allocating significant capital to their own funds.	FINANCIAL MARKETS & PRODUCTS	Jennifer Devine	Medium	3	2	6				2	2	4	Officers are actively engaged on the Brunel Sub groups to challenge the decisions being made. Quarterly performance meetings with Brunel team to monitor progress.	Low	↑	Jennifer Devine	N/A
PEN052	COVID-19	COVID-19 is an infectious global virus which WHO has classed as a pandemic. The UK could be taking similar actions to other countries bad affected by this virus such as China & Italy which will cause significant business continuity issues to the pension fund	In a worst case scenario the Council's officers & service provider offices will be closed making remote working essential but difficult. In addition, it is expected that up to 20% of people will be off sick & needing to self-isolate causing service issues. Consequently issues around staffing, investment returns, employers supplying data, management of employer covenants, support from suppliers & contractors are all likely to be factors in the management of the Fund.	GOVERNANCE	Andy Cunningham/ Jenny Devine	Low	2	2	4				2	2	4	The Council's/Fund's Business Continuity Plan will need to be activated. Regular communication with key services & service providers should be maintained. Fund officers have already taken a series of steps to ensure ongoing service & are giving consideration to the daily government updates & Council policy in the taking of those decisions. 01/02/2022 - With Govt. rules relating to the pandemic being relaxed and the majority of the population vaccinated, risks to the operation of the Fund caused by the pandemic are considered reduced. Monitoring will continue, however there appears to be no immediate risk to ongoing service.	Low	↓	Andy Brown/ Andy Cunningham/ Jenny Devine	N/A
PEN048	The transition to pooling of LGPS assets with BPP fails to deliver the projected savings	The Fund needs to pool its LGPS assets with other Funds using the Brunel Pensions Partnership.	Poor implementation could be costly in terms of unanticipated costs and/or savings less than projected.	INVESTMENT PERFORMANCE & RISK	Jennifer Devine	High	4	3	12				3	3	9	The Fund is working with Brunel Pension Partnership on pooling arrangements. Progress and updates regularly reported to Committee. The Fund's passive portfolios have been pooled with significant fee savings, but a budget increase is also currently being proposed. The final position is still uncertain.	Medium	→	Jennifer Devine	On-going
PEN043	Administration disruption and employer cost pressures cause by the Cost Cap review	The cost cap floor has been breached meaning the Scheme rules need to be adjusted.	<u>Administration:</u> Some impact on administration processes and communications - unknown at the moment as the details have not been finalised. <u>Cost:</u> Higher costs for employers	ADMINISTRATION	Andy Cunningham	Low	2	2	4				2	4	8	None until further information is available. Note: this is unlikely to happen until the McCloud case changes are finalised, as McCloud will already increase costs in itself.	Medium	↓	Andy Cunningham	N/A
PEN036	Failure to implement a Dashboard of KPIs for regular monitoring	Difficulties in extracting the required data from the workflow section of the administration system. Improve the range of Key Performance Indicators (KPIs) produced for the Committee and Local Pension Board to help provide transparency and clearer oversight & management of administration performance.	Failure to implement a dashboard of comparable benchmarks, will be counter to the Pension Regulator's requirements on factors such as data quality measures	ADMINISTRATION	Andy Cunningham	Low	1	2	2				3	2	6	Officers have implemented a suite of KPIs to be utilised at different levels. Namely, at a Statutory level, for the Committee & the Board, for use between Employers & the Fund & at management level for use at an operational level within the Pension's dept. The introduction of a new PAS document will enhance the flow of KPI information to members. Further work is required to introduce a suite of customer service based KPIs.	Medium	→	Mark Anderson	On-going
PEN035	Failure to maintain the Pension Administration Strategy as an effective strategy document.	The Pension Administration Strategy has not been reviewed since 2019.	To improve the administration performance of the Fund and of its participating employers. If this does not improve the Fund will be in breach of compliance requirements laid down by the Regulator.	ADMINISTRATION	Andy Cunningham	Low	2	1	2				2	1	2	A new Pension Administration Strategy has been approved in December 2019. It will relate to the Fund's business plan. A management dashboard is being developed in addition to the Committee & Board monitoring to ensure that the requirements of the PAS are executed effectively	Low	→	Denise Robinson	31/03/22
PEN033	Failure to manage AVC providers	The Fund is a Data Controller with four AVC providers under management who operate to a system of policies & endorsements rather than service provider contracts. Consequently, there is a risk due to the mismatch between Fund responsibility & control in relation to the assets under management.	Failure of a AVC provider can lead to issues of reputational risk to the Fund, as well as being exposed to adverse governance & financial implications.	ACCOUNTING & AUDITING	Jennifer Devine	Low	2	2	4				2	1	2	A minimum of annual service review reviews have been implemented with all AVC providers, managed by the Investment & Accounting team. The review will cover customer service & investment performance.	Low	→	Jennifer Devine	On-going

PEN030	Failure to procure & contract manage service providers appropriately	GDPR adherence, the migration of Investment Managers to BPP & external service providers all form part of the existing Contract Management strategy. Many undertaken in conjunction with the AA's Procurement dept. In addition, with approximately 1/3 of services provided by the AA, good & complete governance would require contract reviews the Fund's internal services too.	A lack of a contract management framework, including a complete suite of documents by which to measure performance against will create an inability to manage both internal & external service providers. In addition, it will limit the updating of service scopes so that the Fund's requirements remain consistent with new legislation & regulations. This will lead to increased costs & risks to the Fund.	PROCUREMENT & RELATIONSHIP MANAGEMENT	Andy Cunningham	Medium	2	3	6	A contract management framework has been developed by officers to anticipate the review of Fund contracts as they fall due. Fund officers have also attended Contract Management training provided by the Council's Procurement Department.	3	1	3	To ensure that a comprehensive best value service is being provided to the Fund the contract management framework needs to be extended to cover regular reviews of internal service providers to the Fund. Such an extension will allow suitable measurement of performance against the corporate re-charge levied by the Fund's AA.	Low	→	Richard Bullen	On-going
PEN028	Failure to introduce new administration software effectively	Implementation of new software including i-connect, payment instruction automation and a new member website. All to be completed during 2021/2022.	Delay in the payment of member benefit, poorer data quality, sub-standard communication arrangements with members & employers & slower delivery times leading to a more costly service	ADMINISTRATION	Andy Cunningham	Low	2	2	4	Individual project plan have been prepared for each implementation of software, including their GDPR implications, with individual project issue logs and risk registers. A bespoke Project team has also been established within the pension's dept. who initiate formal handovers to officers on completion of the new implementation. i-Connect, which will have the largest impact, is partially delivered with around a third of active members onboarded.	2	1	2	SQL capability to be developed within team to enhancing reporting & verify effective implementation. Nova Sail will also be introduced to leverage & optimise the software capability employed by the Fund.	Low	→	Samantha Paines	On-going
PEN026	A lack of effectiveness of Committee meeting due to the impact of MiFID II Regulations	MiFID 2 investment regulations from Jan 2018 will classify LGPS Funds as "retail" investors. They will need to opt up to professional status	If Wiltshire Pension Fund is unable to maintain "professional" status it will limit the range of investments available and may lead to the forced sale of assets.	INVESTMENT PERFORMANCE & RISK	Jennifer Devine	Medium	3	2	6	Wiltshire Fund is now being treated as a Professional Client, having followed due process. Maintenance of the Fund's Professional Client status will require on-going compliance with the requirements including competence	2	2	4	Guidance received from officers & the Independent Adviser to the Fund has mitigated the impact of MiFID II. Officers implemented a self-assessment return completed by members concerning their competence to maintain "professional client status". A member training strategy for 2020/21 includes MiFID II related training	Low	→	Jennifer Devine	On-going
PEN025	Further academisation of Schools, the possibility of MAT breakups and cross fund movements.	Potential for further schools to convert to academy status, MATs to breakdown	Additional governance and administration risk. If all schools were to convert then the number of employers in the Fund could jump from 180 to between 400 and 500.	GOVERNANCE	Andy Cunningham	Medium	2	3	6	Regular communications with schools to understand their intentions. Revised cessation policy aims to address some of the risks relating to MAT breakups.	2	2	4	The Fund is monitoring the SAB review of academies roles in the LGPS and will take actions (e.g. respond to consultations) as necessary to try to mitigate this risk further.	Low	→	Andy Cunningham	N/A
PEN023	Further resources of officers and Members to meet the expansion of business items	The recent expansion of business items resulting from continued consultations, pooling of assets, and additional governance requirements.	It is increasingly difficult for officers to thoroughly consider issues and to deliver concise agenda papers covering all the relevant issues, while members are faced with larger report packs trying to cover the pertinent details.	GOVERNANCE	Andy Cunningham	Medium	3	2	6	More use of web links within the Committee papers to reduce the size of the packs. The adequacy of officers resources to support the Fund's 3 committees, the on-going pooling agenda and the additional complexities arising from regulatory scheme changes is still being monitored through work planning and appraisals. Staff training to be aligned & all training to be provided in a consistent way.	1	2	2	Staff realignment due in May 2020 to target staff resources to changing work priorities. The 2020/21 business plan approved a recruitment options to address the business need.	Low	→	Ellen Ghey	On-going
PEN017a	A lack of knowledge and expertise on the Pension Fund Committee	Lack of structured training and continuous self assessment of skills gap to ensure knowledge levels are adequate to carry out roles to the best of their ability	Bad decisions made may be made in relation to any of the areas on this register, but particularly in relation to investments. There is also a requirement for Funds to 'Comply or Explain' within their Annual Report on the skills knowledge of members of the Committee	GOVERNANCE	Andy Cunningham	Medium	2	3	6	Members are given induction Training when they join the Committee, as well as subsequent opportunities to attend courses/seminars and specialist training at Committee ahead of key decisions. There is a Members' Training Plan and Governance Policy. Further training and advice can be called on from our consultants, independent advisors and investment managers too.	2	1	2	The results of the external knowledge assessment were presented to the Board on 11 Nov 2021 & the Committee on 16 Dec 2021. Based on the assessment a new 4 year training strategy was agreed and a training policy. Pensions is a complex subject, so the training needs of the Committee will need to be continually reviewed. Generally both Committee & Board members are taking a more active approach to training and requesting structured training in key areas.	Low	→	Richard Bullen	On-going
PEN017b	A lack of Committee Member compliance with all regulations	Lack of Member willingness or awareness to be compliant with new or existing regulations leading to breaches of legislation and reportable offences	Over reliance on officers & advisers to ensure compliance leading to a lack of oversight challenge	GOVERNANCE	Andy Cunningham	Medium	2	3	6	Member attendance at conferences & seminars enables independent information sources. Update the Look forward plan to include the introduction of an annual audit plan to ensure the fund's compliance requirements are implemented & the results of the audit reported to Committee	2	1	2	None	Low	→	Richard Bullen	On-going
PEN016	A lack of effectiveness in respect of the Fund's Treasury Management Services	The Fund's treasury function is now segregated from Wiltshire Council. This includes the investment of surplus cash in money markets.	Exposure to counterparty risk with cash held with external deposit holders could impact of Funding level of the Fund	INVESTMENT PERFORMANCE & RISK	Jennifer Devine	Low	3	1	3	The Pension Fund will review an updated Treasury Management Strategy annually. The Fund has reviewed the Treasury Management Agreement and the Committee approved a new strategy in April 2022.	2	1	2	The Council uses Sector's credit worthiness service using ratings from three rating agencies to provide a score. Surplus cash is transferred to the Custodian at month end ensuring cash balances are minimal. A minimum of annual updates by the Council need to be presented to the Committee	Low	→	Jennifer Devine	N/A
PEN015	Failure to collect payments from ceasing employers	When an employer no longer has any active members a cessation valuation is triggered and a payment is required if a funding deficit exists to meet future liabilities. The impact of COVID-19 on financial markets means the likelihood is currently increased.	Failure to collect cessation payments means the cost of funding future liabilities will fall against the Wiltshire Pension Fund	ACTUARIAL METHOD	Andy Cunningham	Low	2	2	4	The Pension Fund Committee approved a revised cessation policy on 26 March 2020 to address regulatory changes made in March 2020 (backdated to May 2018). Furthermore, all new admitted bodies require a guarantor to join the Fund which means that a stable Scheme Employer is required to act as the ultimate guarantor. Due to the current impact on COVID-19 situation on investment returns, we are currently encouraging employers to delay cessation crystallisation events where possible to avoid crystallise a large deficit.	2	1	2	A new employer cessation policy was approved in March 2020, however since then further guidance has been published nationally setting out Fund discretionary payment plans already introduced by Wiltshire. It should be noted that whatever determination the Fund makes there is a risk it will be open to challenge. In summary the Fund needs to amend our FSS & consider how this should work best and communicate out to employers accordingly. Furthermore, with regards to the spreading of exit payments & deferred debt agreements officers need to consider what changes to the existing cessation policy (sections 7 and 9) are needed for the Fund to be compliant	Low	→	Andy Cunningham	On-going
PEN013	Failure to communicate properly with stakeholders	Lack of clear communications policy and action, particularly with employers and scheme members.	Scheme Members are not aware of the rights and privileges of being in the scheme and may make bad decisions as a result. Employers are not aware of the regulations, the procedures, etc, and so the data flow from them is poor.	GOVERNANCE	Andy Cunningham	Low	2	2	4	The Fund has a Communications Manager and Employer Relationship Manager posts dedicated to these areas full-time, including keeping the website up-to-date, which is a key communications resource. The Fund also has a Communications Policy.	2	1	2	None	Low	→	Denise Robinson/Samantha Paines	N/A
PEN012	Over-reliance on key officers	The specialist nature of the work means that there are inevitably relatively experts in investments and the local authority pension regulations	If someone leaves or becomes ill, a large knowledge gap could be left behind.	GOVERNANCE	Andy Cunningham	Medium	3	2	6	Key people in the team are seeking to transfer specialist knowledge to colleagues by documenting procedures and notes. In the event of a knowledge gap, however, we can call on our external consultants and independent advisors for help in the short-term.	2	1	2	None - the risk will reduce once the existing team increases its level of knowledge and experience through greater time in their roles. A knowledge hub is being developed within the Fund and the LGA may create a practitioners bible which would work as a reference document for officers. Following the Accounting & Investment team restructure a key person risk has emerged in relation to supporting the Head of Pension Fund Investments.	Low	↑	Andy Cunningham/Jennifer Devine	On-going
PEN011	Lack of expertise of Pension Fund Officers and Service Director, Finance	Lack of training, continuous professional development and continuous self assessment of skills gap to ensure knowledge levels are adequate to carry out roles to the best of their ability.	Bad decisions may be made in relation to any of the areas on this register, but particularly in relation to investments. Risk of being unable to fulfil statutory obligations and/or maintain key financial controls.	GOVERNANCE	Jennifer Devine	Medium	3	3	9	Officers ensure that they are trained and up-to-date in the key areas through attendance at relevant courses and seminars, reading, discussions with consultants and peers, etc. Formulated annual Training Plans relevant to officers are also reviewed against the CIPFA Knowledge & Skills Framework to ensure adequate expertise exists. A Fund knowledge hub is being developed.	2	3	6	The Director of Finance & Procurement is now filled on a permanent basis and other senior officer roles in the Pension Fund are now filled by permanent staff for a significant period of time. Officer training to be enhanced to assist knowledge & understanding.	Medium	↑	Andy Cunningham/Jennifer Devine/Corporate Directors	On-going
PEN010	Failure to keep pension records up-to-date and accurate	Poor or non-existent notification to us by employers and members of new starters, changes, leavers, etc.	Incorrect records held, leading to incorrect estimates being issued to members and incorrect pensions potentially being paid.	GOVERNANCE	Andy Cunningham	Medium	3	3	9	Data & systems Team constantly working to improve data quality, data validation checks carried out through external partners (e.g. the Fund's actuaries and tracing agencies), pro-active checks done through national fraud initiative and the Fund's Data Improvement Plan.	3	1	3	The Fund is currently addressing new data issues identified by a review of the tPR two key data standards and other data reviews while ensuring data is of high quality is an on-going responsibility.	Low	→	Mark Anderson	On-going

PEN009	Failure to comply with Data Protection Legislation (GDPR & Data Protection Act 2018)	Poor procedures for data transfer to partner organisations, poor security of system, poor data retention, disposal, backup and recovery policies and procedures.	Poor data, lost or compromised, fines from the Information Commissioner, reputational risk of failure to meet Data Protection legislation.	LEGISLATIVE	Andy Cunningham	Medium	3	2	6	Compliance with Wiltshire Council's Data Protection & IT Policies. Annual Data Protection training given to the team. On-going cleansing of data undertaken by Systems Team. The Fund has produced a new suite of procedures and controls following the introduction of GDPR.	2	1	2	Further reviews and changes in relation to the GDPR. First internal audit (Key Controls - April 2019) identified a lack of clarity in relation to the Fund's Data Retention strategy, where no justification for retaining personal data can be made, notably Exit No-liability records. Data Cleaning must be carried out. Officers to agree with IG Data Cleaning approach. The 2nd internal audit identified the need for improvements to the Fund's DPIA arrangements.	Low	↑	Mark Anderson	On-going
PEN008	Failure to comply with LGPS and other regulations	Lack of technical expertise / staff resources to research regulations, IT systems not kept up-to-date with legislation, etc	Wrong pension payments made or estimates given. Investment in disallowed investment vehicles or failure to comply with governance standards. Effect: Unhappy customers, tribunals, Ombudsman rulings, fines, adverse audit reports, etc	ADMINISTRATION	Andy Cunningham	Low	2	2	4	*Sufficient staffing, training and regulatory updates. *Competent software provider and external consultants. *Technical & Compliance post reviews process and procedures and maintains training programme for the team. *KPIs against statutory standards *Imbedding checks and controls into all processes. *Audits & internal reviews to maintain best practice	2	2	4	Review of ABS requirements to ensure on-line delivery is compliant with disclosure requirements	Low	→	Luke Webster/ Betty Chiripanura	N/A
PEN007b	Significant rises in employer contributions for non-secure employers due to poor/negative investment returns	Poor economic conditions, wrong investment strategy, poor selection of investment managers, poor consideration of all financial & non-financial risks including ESG issues.	Poor/negative investment returns, leading to increased employer contribution rates	FINANCIAL MARKETS & PRODUCTS	Jennifer Devine	Low	2	2	4	Use of expert consultants in the selection of investment strategy and investment managers, regular monitoring of investment managers (1/4ly), regular reviews of investment strategy (annually). Monthly review of % of Fund held in each mandate. Also a flight path strategy implemented to take off risk as funding levels improve. Fund member of LAPFF & uses PIRC to proxy vote on shares in line with agreed policy for ESG issues. Compliance with Stewardship code.	2	2	4	A risk based framework is now in place to review employers long term financial stability. This informs the policy for stepping in contribution rates to assist in affordability issues where requested by an employer. It will be continuously reviewed, as part of the updating of the Investment Strategy Statement. Query over covenant reviews following expiry of PWC contract.	Low	→	Jennifer Devine	On-going
PEN007a	Significant rises in employer contributions for secure employers due to poor/negative investment returns	Poor economic conditions, wrong investment strategy, poor selection of investment managers, poor consideration of all financial & non-financial risks including ESG issues.	Poor/negative investment returns, leading to increased employer contribution rates	INVESTMENT PERFORMANCE & RISK	Jennifer Devine	Low	2	1	2	Use of expert consultants in the selection of investment strategy and investment managers, regular monitoring of investment managers (1/4ly), regular reviews of investment strategy (annually). Monthly review of % of Fund held in each mandate. Also a flight path strategy implemented to take off risk as funding levels improve. Fund member of LAPFF & uses PIRC to proxy vote on shares in line with agreed policy for ESG issues. Compliance with Stewardship code.	2	1	2	The implementation of the Stabilisation Policy limits increases for secure employers.	Low	→	Jennifer Devine	On-going
PEN006b	Significant rises in employer contributions for non-secure employers due to increases in liabilities	Scheme liabilities increase disproportionately as a result of increased longevity, falling bond yields, slack employer policies, etc. The current price of gilts lead to a worsening Funding Position.	Employer contribution rates become unacceptable, causing upward pressure on Council Tax and employers' costs.	ACTUARIAL METHOD	Andy Cunningham	Low	2	2	4	As above	2	2	4	As above	Low	→	Andy Cunningham	On-going
PEN006a	Significant rises in employer contributions for secure employers due to increases in liabilities	Scheme liabilities increase disproportionately as a result of increased longevity, falling bond yields, slack employer policies, etc. The current price of gilts lead to a worsening Funding Position.	Employer contribution rates become unacceptable, causing upward pressure on Council Tax and employers' costs.	ACTUARIAL METHOD	Andy Cunningham	Low	2	2	4	Longevity and bond yields are generally beyond the control of the Fund as are the values of the liabilities in general. However, the Fund has started the 2019 Triennial Valuation process and it is concurrently reviewing its investment strategy and implementing separate employer investment strategies. Furthermore, the Fund and each employer must have a Discretions Policy in place to help control discretionary costs (e.g. early retirements, augmented service, etc).	2	2	4	None	Low	→	Andy Cunningham	On-going
PEN005	Loss of funds through fraud or misappropriation	Fraud or misappropriation of funds by an employer, agent or contractor	Financial loss to the Fund	ACCOUNTING & AUDITING	Jennifer Devine	Medium	4	2	8	Internal Audit regularly test that appropriate controls are in place and working. Regulatory control reports from investment managers, custodian, etc, are also reviewed by audit. Due Diligence is carried out whenever a new manager is appointed. Reliance is also placed in FCA registration.	4	1	4		Low	→	Jennifer Devine	On-going
PEN002	Failure to collect and account for contributions from employers and employees on time	Non-availability of SAP systems, key staff, error, omission, failure of employers' financial systems, failure to communicate with employers effectively. LGPS 2014	Adverse audit opinion for failure to collect contributions by 19th of month, potential delays to employers' FRS17 year-end accounting reports and to the Fund's own year-end accounts.	ACCOUNTING & AUDITING	Jennifer Devine	Medium	3	2	6	Robust maintenance and update of Altair and SAP systems, sufficient staff cover arrangements, sufficient staff training and QA checking of work. Officers regularly work with employers to ensure they understand their responsibilities to pay by 19th of the month. The Breaches framework now require the Fund to log material late payments.	2	2	4	The 2022 SWAP internal audit report highlighted a Priority 2 risk requesting officers ensure that a review of the member contribution processes raised in their report are undertaken promptly & to future-proof those processes to ensure appropriate efficiencies are made	Low	→	Jennifer Devine	On-going

This page is intentionally left blank

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD

27 October 2022

Employer Compliance & Performance

Purpose of the Report

1. To update the Board on the officer strategy in relation to the monitoring of employer compliance and performance, which in turn will ensure that the Board can fulfil its core function on this matter, as set out in its own terms of reference.

Background

2. In January 2019 the Board assessed its achievements against its core functions, as outlined in paragraphs 80 & 81 of its own terms of reference. A terms of reference which follows the national standards contained in guidance issued by the national LGPS Scheme Advisory Board.
3. The assessment for the period 2015 & 2018 showed that in the majority of areas the Board was compliant with its core functions and sub-tasks, although it acknowledged that there were certain areas of non-compliance, notably in relation to the Board's ability to review individual employer performance, largely due to a lack of data available to it.
4. Under paragraph 80 there are three key areas the Board should consider in relation to employer compliance and performance. These are:
 - a) The compliance of scheme employers with their duties under the Regulations and Relevant Legislation:
 - b) Reviewing scheme members and employers' communications as required by the Regulations and Relevant Legislation: and
 - c) The complete and proper exercise of employer and administering authority discretions.
5. Since 2019 officers have sought to develop the controls and data arrangements required to ensure that a comprehensive set of employer performance measures are in place. These include the continued development of the Pension Administration Strategy and its associated documents, such as the employer charging policy, the introduction of i-Connect and the new Employer Contribution and Data Working Group which monitors contribution payments against the data received, as well as the correct rates at which employers should pay.
6. Currently, the Board's available information is provided via the quarterly Administration KPIs and the Key Financial Controls reports, which will be further supported by the proposed Fund KPI reporting template. However, a comprehensive record of employer compliance and performance has remained outstanding.

Considerations for the Board

7. To remedy this situation officers, propose to communicate with the Fund's scheme employers with the roll out of an employer scorecard from the beginning of next year. The scorecard will be rolled out in phases and its aim is to notify each individual employer on

a Red, Amber or Green (RAG) basis how they fair in relation to their compliance and performance requirements. The proposed phases are:

- a) i-Connect performance and employer contact information (see draft design in Appendix 1)
- b) Non-i-Connect processing (This covers KPI information like leaver processing drawn from the Fund's administration database): and
- c) Employer documentation.

8. It should be noted that this scorecard is still in a developmental stage, however with time and development it is anticipated that it will give the Board the visibility it core function requires. Officers will keep the Board apprised of the development of this scorecard as it is rolled out during the course of 2023.

Environmental Impact of the Proposal

9. Not applicable.

Financial Considerations & Risk Assessment

10. There are no financial considerations.

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. To note the progress made by officers in fulfilling the Board's core function of overseeing employer compliance and performance.

JENNIFER DEVINE
Head of Wiltshire Pension Fund

Report Author: Richard Bullen, Fund Governance & Performance Manager

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

Appendix 1
PHASE 1 – Draft Design



Dear Emp name

To help us administer your employees' pensions accurately and efficiently we continuously perform internal data quality checks. We thought you may find it beneficial to see the results of these checks so are delighted to be introducing employer report cards which will initially be circulated every quarter.

Are your contact details up to date?

Please complete [contact details form](#) if any of the below contacts are out of date , this will ensure we are communicating with the correct people within your organisation.

contact 1@xyz.com
contact2@xyz.com
contact 3@xyz.com

i-Connect data

Month	Aug	Sept	Oct
Contribution rate check	incorrect		
Submission date	On Time		
Date monies received check	OK		
Monies received check	underpayment		

Regards
Wiltshire Pension Fund
Tel: 01225 713 613
Email: pensionenquiries@wiltshire.gov.uk
Web: www.wiltshirepensionfund.org.uk
County Hall, Bythesea Road, Trowbridge, BA14 8JN

This page is intentionally left blank

LOCAL PENSION BOARD - WORK PLAN 2022-23

Meeting:	LPB Term of Reference item	Description of scope as defined by the LPB ToR	05/05/22	18/08/22	27/10/22	01/02/23	No expected review in 2022/23	May-23	Guidance comments
GOVERNANCE - Board Specific									
Comments									
Election of Vice Chair	42	Appointments made as defined in the Board's Term of Reference				✓			Annual appointment between Member & Employer Reps. Member reps to be appointed in odd years
Board Annual Report	85	Recommendation under the legislation	✓					✓	Draft submission to the Board for their approval
Board Budget setting	78	Review & recommend to the Committee the budgetary requirements for the Board during the next Scheme year				✓			Review in conjunction with the Look Forward plan in order to anticipate future costs
Review Board's Terms of Reference (if and as required)	81g	Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness and efficient operation and governance of the Fund.				✓			This review should be in conjunction with the Committee ToR review to ensure continuity. Lasted reviewed in July 2020. With the ISC meetings discontinued and the Good Governance review and new Single Code of Practice published, a review in 2022/23 is anticipated.
Effective System of Governance (ORA document)	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 prepare on publication of tPR Single Code of Practice
Board Annual Training Plan Update (To include Member training policy)	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.				✓			To be completed each Scheme year for subsequent inclusion in the Board's Annual Report & the Fund's AR&A. Officer training strategy attached too.
Member Training review	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.	✓			✓		✓	To receive a six monthly update of both Committee and Board member training.
Effectiveness review	81g	Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness and efficient operation and governance of the Fund.				✓			3 year plan last raised with the Board on 12/12/2018. The LPB should also compare itself against its own core functions as set out in its ToR. Last completed on 24/01/2019
Training Item relevant to agenda	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.	✓	✓	✓	✓		✓	To be consistent with Member's training & development strategy

Code of Conduct & Conflicts of Interest Policy	80d	Review such documentation as is required by the Regulations including the Single Code of Practice and Good Governance Review					✓		3 year plan last approved on 15/10/2020. Annual reviews should be undertaken by Democratic Services in each Q4
Review Actions from previous meetings	n/a	Maintained by officers to enable Members manage their responsibilities	✓	✓	✓	✓		✓	Address primarily during pre-meeting planning meeting
Forward Work Plan Review	87	Maintained by officers to enable Members manage their responsibilities	✓	✓	✓	✓		✓	Officers to update the next Scheme year's plan in time for the new Scheme year. Annual reviews to therefore be undertaken in Q2
GOVERNANCE - Fund Specific									Comments
Review of Risk Register	81e	Review the risk register as it relates to the scheme manager function of the Administering Authority	✓	✓	✓	✓		✓	Quarterly review. Recommendations are made to the Committee, via LPB minutes. Redesign register on publication of code of practice
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.	✓	✓	✓	✓		✓	Amongst other purposes Members should use the minutes to identify risks which can be added to the register
Review Governance Compliance Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓			4 year plan last approved on 30/03/2021.
Review Fund Training Programme	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.				✓			Complete 4 year training plan last approved on 16/12/2021. Annual reviews undertaken in Q4 each year.
Review all Fund Declarations of Interest	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.			✓				2 year plan last approved on 12/12/2020. Annual reviews should be undertaken by Democratic Services in each Q4
tPR Code of Practice 14/record keeping compliance survey results	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.	✓					✓	Annual exercise of Self-assessment by officers & reviewed by Members. Every other year the self-assessment will be independently audited. Scope to form part of the single tPR Code of Practice
Review Fund Scheme of sub-Delegations and internal controls. This should consider the Fund's internal escalation strategy	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 2022/23 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. Plus the Procurement framework by which it is done
Monitor Internal Audit Report	81d	Monitor internal and external audit reports		✓		✓			Audit recommendations actioned
Monitor External Audit Report	81d	Monitor internal and external audit reports		✓		✓			Audit recommendations actioned
Input to Annual External Audit Plan	n/a	Recommend to Committee the audit scope & timetable to be commissioned in the next Scheme year			✓				Committee to liaise with the Audit Committee concerning the scope of Council's AR&A's audit
Input to Annual Internal Audit Plan	n/a	Recommend to Committee the audit scope & timetable to be commissioned in the next Scheme year			✓				Committee to liaise with the Audit Committee concerning the scope of SWAP's audit
GOVERNANCE - Fund Plans, policies & strategies									Comments
Review Business Plan	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓			3 year plan last approved on 05/04/2022. Interim review due on 23/03/2023
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.	✓						3 year plan last approved on 17/12/2019
Review Communication strategy	80e	Review scheme members and employers communications as required by the Regulations and Relevant Legislation					Not expected		3 year plan last approved on 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.						✓	All 3 year plans Data Improvement last approved on 30/09/2021. Data Protection Policy and Data Retention Policy last approved on 13/02/2020
Review Admin Charging Policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.	✓						2 year plan last approved on 17/12/2019
Review Admin Authority Discretions	80j	Review the complete and proper exercise of employer and administering authority discretions					Not expected		3 year plan last approved in 30/03/2021
Review Cessations policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.					Not expected		3 year plan last approved in 17/12/2020
Review Funding Strategy Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓			3 year plan last approved on 17/12/2019. Next Fund Valuation 31/03/2022
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.					Not expected		Last approved on 05/04/2022. Annually - Consider TCFD requirements as part of the process

Review Investment Strategy Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓			3 year plan last approved on 25/11/2021 (Ensure inclusion of MiFID II arrangements)
Review Fund "Responsible Investment Strategy"	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓			To be reviewed in conjunction with the Investment Strategy Statement. To cover Climate Change Statement. 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 Internal Audit Reports	80k	Review the outcome of internal and external audit reports		✓		✓			Three Reports in 2022/23 - Report 1: Brunel Cost Savings, Report 2: Key Financial Controls, Report 3: Payroll Reconciliation.
Review External Audit Report	80k	Review the outcome of internal and external audit reports		✓	✓				Three Reports in 2022/23 - Report 1: AR&A's - Published by 1st December, Report 2: Cyber Security, Report 3: Good Governance Review. Recommendations to feed into the commissioning of the 2023/24 audit plan
Employer Admissions Policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.						Not expected	3 year plan last approved in 16/07/2020
Staff & Employer Training Policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓			Both every 3 years. Staff plan last approved in 14/11/2019 & Employer plan last approved in 06/08/2020
ADMINISTRATION									Comments
Review Fund fraud risk prevention and mitigation measures	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.						✓	Completed every 2 years and will be an update of the Fund's NFI & Certificate of Existence exercises. Last reviewed April 2020. To include Whistleblowing policy in 2022
Review Fund website contents/resilience	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.		✓					Also cover Cyber Security reporting on an annual basis. Cyber security last reviewed 16/12/2021
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 an complaint & IDPR cases, including a review of the Fund's procedures	80f, 80g & 80h	Monitor complaints and performance on the administration and governance of the scheme & review the Internal Dispute Resolution Process & Pensions Ombudsman cases	✓					✓	Covered in Low Volume Performance Report.

Review of Data Security & Business Recovery	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.			✓		✓	Report set out the arrangements in place & when they were last tested. BCP last reviewed 26/03/2020. Sept. 21 Interim GDPR document updates 18/08/2022
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. Establish Report Cards

FUNDING & INVESTMENTS								Comments
----------------------------------	--	--	--	--	--	--	--	-----------------

Review Triennial Valuation Process	n/a	Consider how the whole valuation exercise was executed & what recommendations may be made to improve the process next time				✓		Next valuation currently due 31/03/2022
Review Triennial Valuation Results	81f	Review the outcome of actuarial reporting and valuations				✓		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 05/04/2022)
Cost transparency of BPP, Managers & the Custodian	81c	Monitor investment costs including custodian and transaction costs.		✓				To be presented in conjunction final Annual Report & Accounts
Review Investment performance against Fund's benchmarking criteria	81a	Monitor performance of administration, governance and investments against key performance targets and indicators				✓		To be presented in conjunction final Annual Report & Accounts

Total number of Agenda Items:	14	17	16	30	16
--------------------------------------	-----------	-----------	-----------	-----------	-----------

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

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