

AGENDA

Meeting: Local Pension Board
Place: [View the Online Meeting Here](#)
Date: Thursday 17 February 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.

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Membership:

Mark Spilsbury (Chairman)	Ian Jones
Paul Smith (Vice-Chairman)	Rod Lauder
Marlene Corbey	Mike Pankiewicz
Laura Fisher	

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PART 1

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

1 Membership

To note any changes to the membership of the Board.

2 Apologies

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

3 Minutes (Pages 7 - 16)

To approve and sign as a true and correct record the Part I (public) minutes of the previous meeting held on 11 November 2021.

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

4 Declarations of Interest

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

5 Chairman's Announcements

To receive any announcements through the Chairman.

6 Public Participation

The Council welcomes contributions from members of the public. During the ongoing COVID-19 situation the Council is operating revised procedures and the public are able participate in meetings online after registering with the officer named on this agenda, and in accordance with the deadlines below.

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Statements

Members of the public who wish to make a statement in relation to an item on this agenda should contact the officer named on this agenda no later than 5pm on 16 February 2022.

Statements should:

- State whom the statement is from (including if representing another
- person or organisation)

- Clearly state the key points
- Be readable in approximately 3 minutes
- Up to three speakers are allowed for each item on the agenda.

Questions

Those wishing to ask questions are required to give notice of any such questions electronically to the officer named on the front of this agenda no later than 5pm on 10 February 2022 in order to be guaranteed of a written response. In order to receive a verbal response, questions must be submitted no later than 5pm on 14 February 2022.

Please contact the officer named on the front of this agenda for further advice. Questions may be asked without notice if the Chairman decides that the matter is urgent. Details of any questions received will be circulated to members prior to the meeting and made available at the meeting and on the Council's website; they will be taken as read at the meeting

7 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee** *(Pages 17 - 36)*

To consider the Part I (public) minutes, and recommendations arising, from the last meetings of the Wiltshire Pension Fund Committee held on 25 November 2021 and 16 December 2021.

8 **Scheme, Legal, Regulatory and Fund Update** *(Pages 37 - 40)*

To consider a report providing an update on the latest Scheme, Legal, Regulatory and Fund developments for the Board's information.

9 **Training Update** *(Pages 41 - 54)*

Refresher training on the Pension Regulator's breaches of law.

10 **Business Plan 2022-25**

A verbal update on the Business Plan for 2022-25.

11 **LPB Budget 2022-23** *(Pages 55 - 56)*

To present the draft budget for the next Scheme Year to the Local Pension Board.

12 **Key Financial Controls** *(Pages 57 - 66)*

To consider an update report on the Fund's key financial controls.

13 **Key Performance Indicators (KPIs)** *(Pages 67 - 76)*

To receive a report presenting the Fund's administration Key Performance Indicators (KPIs) for review by the Board.

14 **Pensioner Payroll Database Reconciliation** *(Pages 77 - 80)*

To receive a report outlining the progress of this project.

15 **Investment Governance** *(Pages 81 - 84)*

To outline the Fund's approach to CMA compliance and the Stewardship Code 2020 reporting.

16 **Scheme of Sub-Delegation** *(Pages 85 - 112)*

To review and recommend to the Committee changes to the Scheme of Sub-Delegation.

17 **Risk Register Update** *(Pages 113 - 120)*

To receive a report presenting the Risk Register for Wiltshire Pension Fund for review by the Board.

18 **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.

19 **Date of Next Meeting and Forward Work Plan** *(Pages 121 - 132)*

To note that the next ordinary meeting of the Board will be held on 5 May 2022.

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

20 **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 21 - 23 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

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.

21 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee** *(Pages 133 - 142)*

To consider the Part II (private) minutes, and recommendations arising, from the last meetings of the Wiltshire Pension Fund Committee held on 16 December 2021.

22 **Brunel Governance Review Update**

To receive an update on the BPP governance arrangements.

Local Pension Board

MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 11 NOVEMBER 2021 AT ONLINE MEETING.

Present:

Mark Spilsbury (Chairman), Paul Smith (Vice-Chairman), Marlene Corbey,
Laura Fisher, Ian Jones, Rod Lauder and Mike Pankiewicz

Also Present:

Cllr Richard Britton, Cllr Jonathon Seed, Cllr Robert Yuill, Claire Anthony and Cllr
Vijay Manro

51 **Apologies**

There were no apologies.

It was confirmed that Laura Fischer had been formally appointed to the Board since the last meeting.

52 **Minutes and Action Tracking**

The action log and minutes of the previous meeting were considered, and it was,

Resolved:

To approve and sign the minutes of the meeting held on 24 August 2021 as a true and correct record.

53 **Declarations of Interest**

There were no declarations.

54 **Chairman's Announcements**

There were no announcements.

55 **Public Participation**

There were no questions or statements submitted.

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

The minutes of the meeting of the Wiltshire Pension Fund Committee held on 30 September 2021 and the Investment Sub-Committee meeting held on 2 September 2021 were received for comment, and it was,

Resolved:

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

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

A report was received from the Head of Pension Administration and Relations on Scheme, Legal, Regulatory and other Fund developments,

The Board noted the overseas pensioner existence exercise, and that the small number who had had their pension suspended had not contacted the Fund nor could not be found by Fund's tracing agent and are therefore assumed to be deceased

The Board also noted the update on forthcoming changes to the Fund senior management structure and other staffing matters.

At the conclusion of discussion, it was,

Resolved:

To note the Scheme, Legal, Regulatory and Fund update.

58 **Training Update**

An update on Board and Committee training was provided by the Fund Governance and Performance Manager. The Chairman noted that all Members had responded to the knowledge self-assessment which had been provided. Fund governance and investment training had been most requested.

Details were provided of the four-year training plan, with a flexible policy to guide the training of required knowledge over the period. It was also stated that the role of the Chairman of the Committee would be incorporated in the next review of the terms of reference. There was an update on the initial uptake of the online training provided by Hymans, and all Members were encouraged to complete the various modules.

The Board discussed the minimum training requirements which were proposed for Members and Senior Officers, at 6 and 12 hours respectively. It was confirmed a report on the online training would be provided six-monthly. Comments were also received on the draft documents, the importance of training on actuarial methods, the training of new committee members following

the most recent elections and the requirement for reviewing training needs on an annual basis.

At the conclusion of discussion, it was,

Resolved:

- 1) **To recommend to the Pensions Committee the approval of the new members training policy.**
- 2) **To approve and adopt the 4-year knowledge and skills framework and to recommend that the framework be adopted and approved by both the Committee and senior officers of the Fund.**
- 3) **To approve and adopt the training plan for 2022/23 and to recommend that this training plan be approved by the Committee.**
- 4) **To note the six-monthly progress report of member training in connection with the Hymans on-line learning academy.**

59 **Annual Benefit Statements (ABS) 2021 Process Review**

A report was received from the Head of Pension Administration and Relations on the Annual Benefit Statements (ABS) 2021 process review. It was stated there had been year on year improvements on the percentage of statements sent on time, with the Fund also benefitting from holding higher quality data. The report identified some remaining minor areas of improvement, which it was anticipated would take place as more employers moved onto the i-Connect, which enabled the Fund to issue statements earlier and requiring less resource.

As the shortfall to 100% of ABS production by August 2021 was very small, officers considered the percentages at a sufficiently high level to not be considered a material breach by the Pension Regulator (tPR), and therefore that it would not be necessary to report the minor shortfall as a breach.

The Board discussed the report, noting that the Fund had produced 99.5% of ABS's by 31 August 2021 and congratulating Fund officers for their work. The Board therefore supported the view this would not be considered a material breach, and it was,

Resolved:

To note the update and agree not to report the minor shortfall in statements as a tPR breach.

60 **Administration Quarterly Key Performance Indicators**

A report was received from the Head of Pension Administration and Relations on administration Key Performance Indicators. It was stated there had been a mixed performance on some measures.

The importance of the i-Connect system was highlighted, with work being undertaken with small employers to be onboarded onto the system, and also with Swindon Borough Council where some reporting difficulties had delayed continued onboarding. The Board requested additional details of the onboarding figures, with the latest figures from June 2021, with the data to be included retrospectively in future updates and to be aligned to allow for the discrepancies due to employers being onboarded and then removed again due to difficulties.

The Board also discussed backlog monitoring, and in response to queries it was stated there were often increased in refund requests and deferrals around August as those working in schools changed status, and it would be expected to reduce in the rest of the year.

At the conclusion of discussion, it was,

Resolved:

To note the update on Administration Quarterly Key Performance Indicators.

61 **Pensioner Payroll Database Reconciliation**

A report was presented by the Head of Pension Administration and Relations on the ongoing reconciliation project between the pension administration system (Altair) and the pensioner payroll system (SAP). Details were provided in the report on the number of cases with inconsistencies, actions taken and correspondence from Fund members.

It was noted that the Pension Fund Committee had approved the purchase of an integrated pensioner payroll system with a view to go live in late 2022. However, it was explained that this had been delayed by the Council until after the Evolve programme to replace SAP went live, which had been delayed until at least mid to late 2023, and quite possibly into 2024.

The Board noted the decision by the council and its S151 officer taking account of risks as set out in the report but expressed disappointment at the delay noting the importance of an integrated system to prevent future inconsistencies from occurring. Some comments expressed concern that the requirements of Fund ICT administration had not received as much focus as was appropriate.

The Board considered it necessary to request regular monitoring reports on progress with the reconciliation project and progress with an integrated system.

At the conclusion of discussion, it was therefore,

Resolved:

- 1) **To note the update on the Pensioner Payroll Data Reconciliation.**

2) To request future monitoring reports every 6 months on the reconciliation project and the move to an integrated pensioner payroll system.

*Note: A two-minute silence was held at 1100-1102 for Remembrance Day
Note: The agenda item was brought forward with agreement of the Board.*

62 **Audit Update**

A report was received presented by the Fund Governance and Performance Manager, the Head of Pension Administration and Relations and the Head of Pension Fund Investments. Details were provided on proposed commissioning of audits for forthcoming Scheme year, audit actions from 2020/21 and further progress proposed on the outstanding audits for 2021/22.

It was explained that the standard annual internal and external audits might be considered as not representing the complete range of potential audits to fulfil the oversight function of both Committee and Board, and provide independent assurance that all laws, regulations and practice by which the Fund operates had been adhered to appropriately. There were therefore proposals to focus on non-standard audits, in some cases through specialist auditors, such as relating to cyber security, statutory returns and investment governance. Specialist auditors might require additional budgeting to appoint.

It was confirmed audits had been increased as a risk on the risk register, also noting that Wiltshire Council's audits had not all been timely, which could have an impact on the Fund audit processes. It was also stated an annual audit had looked at the transfer to the Brunel pool.

The Board discussed the report and update. There were comments that specialist auditors would be appropriate given the complexity of certain areas, and whether this would mitigate the concerns raised relating to reliance on the administering authority. The Board welcomed the proposal from officers for further audits to be undertaken, noting that the cost of any such audits would be not be high particular as compared to the extent and importance of the assets managed.

After consideration the Board requested that a further non-standard audit be added to the recommendations made by officers. This audit should be entitled "*Administering Authority internal arrangements*" and its scope should cover services and conflicts in the context of the requirements of the contract management framework.

It was also requested that the Board be provided opportunity to comment on the proposed terms of reference and scope of the specialist audits and other audits at a future meeting.

At the conclusion of discussion, it was,

Resolved:

- 1) **To recommend to the Committee that they approve the scope of audits and auditors set out in paragraph 4 of the report, including the use of specialist auditors where appropriate.**
- 2) **To recommend to the Committee that within the 2022/23 budget appropriate additional provision is made for the appointment of specialist auditors in relation to ad-hoc or ongoing strategic audits.**
- 3) **To recommend to the Committee that it reaffirms the terms of reference it expects the Fund's appointed auditors to adhere to.**

63 **Business Plan Objectives 2021/22**

A report was received from the Head of Pension Fund Administration and Relations on the progress of the Fund against its listed objectives. A reformatted version of the document had been circulated ahead of the meeting.

It was stated that a higher priority had been assigned to accessibility regulations following an audit of the Fund website highlighting areas of improvement. The website provider was being informed, and a report could be brought to the Board on progress. No other major issues were identified.

It was therefore,

Resolved:

To note the update on the Business Plan Objectives 2021/22.

64 **Responsible Investment Update**

The Head of Pension Fund Investments provided an update on the Responsible Investment Strategy. The Chairman noted he had attended the Committee meeting on 30 September 2021, and that it had a detailed debate on the implementation of the strategy before approving all recommendations. Details were provided of the actions undertaken as listed in the report and noting that much further work would remain on member and employer engagement.

The Chairman considered the strategy a big step forward and congratulated officers for their work, and it was then,

Resolved:

To note the progress made against the Responsible Investment Plan 2021/22 actions.

65 **Investment Strategy Statement**

The Head of Pension Fund Investments provided an update on changes being proposed to the Investment Strategy Statement. It was stated these were minor changes as detailed in the report, mostly to reflect the approval of the Responsible Investment policy and other references which would need to be updated.

It was then,

Resolved:

- 1) **To approve the process for updating the Investment Strategy Statement (ISS);**
- 2) **To recommend to the Wiltshire Pension Fund Committee that the updated ISS be approved.**

66 **Local Pension Board Insurance**

A verbal update was received from the Fund Governance and Performance Manager regarding the insurance cover for the Local Pension Board. Details were provided of the current policy, as well as reported significant changes in the market for professional indemnity insurance.

The Board discussed the update, noting that the insurance premium at present was confirmed to be £3192.00 including VAT for a liability up to £1million. The Chairman stated he was not convinced the Board had an insurable risk as the Board did not take decisions, and there was also the possibility that with insurers withdrawing from the market and those left quoting excessive premiums the Board may not be able to continue its cover after 31 March 2022.

It was proposed to await the new quote, once received, and consider the position at that time, if the premium were increased and make a decision at that time.

67 **Risk Register Update**

A report was presented by the Fund Governance and Performance Manager, and details were provided on changes to risks facing the Fund - as listed in the report. In particular it was stated there had been some failures to manage potential conflicts of interest between Fund and the Administering Authority, manage internal services and the failure of auditors to conduct audits commissioned by the Committee in accordance with an agreed terms of reference.

The Board discussed the update and were supportive of the inclusion of the new risks or increase of existing risks as detailed above. It was suggested the Committee may wish to consider a formal letter to the council as administering authority regarding some of the concerns. It was suggested that a governance

audit could be undertaken in respect of risk PEN030 in relation to the failure to manage internal service providers appropriately.

Other issues discussed included the need to downgrade the risk regarding implementation of a strategy to ensure climate change considerations in its investment strategy, following recent actions with a responsible investment plan.

At the conclusion of discussion, it was,

Resolved:

- 1) **To note the Risk Register and to recommend the Committee accept the proposed changes as set out at paragraphs 5-7 of the report.**
- 2) **To recommend to the Committee that, following the proposed increase in the risk PEN030 from green to amber, a new audit be added to the 2022/23 audit plan, to examine the adequacy of the internal arrangements under which services are provided by the Administration Authority to the Pension Fund, in the context of the requirements of the contract management framework for external contracts.**

68 **Urgent Items**

There were no urgent items.

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

The date of the next meeting was confirmed as 17 February 2021. The meeting was intended to be held in person or testing hybrid meeting arrangements.

The Forward Work Plan of the Board was also received.

70 **Exclusion of the Public**

It was,

Resolved:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Minute Numbers 71 - 73 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.

71 **Minutes**

The Part II (Private) minutes of the Board meeting held on 24 August 2021 were considered, and the Part II (Private) minutes of the Investment Sub-Committee meeting on 2 September 2021 were received, and it was,

Resolved:

- 1) **To approve and sign the minutes of the Board meeting as a true and correct record.**
- 2) **To note the minutes of the Investment Sub-Committee.**

72 **Key Financial Controls**

A report was received relating to Key Financial Controls. Details were provided on the Fund accounts, pension payroll reconciliation, with requests for repayments expected in the first quarter of 2022, and cashflow forecasting. It was noted that most areas being monitored had seen positive progress.

At the conclusion of discussion, it was,

Resolved:

To note the issues identified within the report, and the progress made to rectify problems and develop improvements

73 **Brunel Governance Review Update**

A verbal update was received from the Head of Pension Fund Investments in relation to the Brunel Pension Partnership. Details were provided of recent reporting, and continued communication from the Fund to identify any issues relating to accuracy of information or governance concerns, which had improved since earlier in 2021.

(Duration of meeting: 10.00 am - 12.00 pm)

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Wiltshire Pension Fund Committee

MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 25 NOVEMBER 2021 AT COUNCIL CHAMBER - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr Gordon King, Cllr Vijay Manro, Cllr Christopher Newbury, Cllr Jonathon Seed, Cllr Elizabeth Threlfall, Mike Pankiewicz, Tracy Adams and Claire Anthony

Also Present:

Anthony Fletcher

58 **Apologies**

Apologies were received from Councillor Steve Heyes.

59 **Minutes**

The minutes of the meeting held on 30 September 2021 were presented for consideration, and it was,

Resolved:

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

60 **Declarations of Interest**

There were no declarations.

61 **Chairman's Announcements**

Through the Chair Andy Brown, Deputy Chief Executive, Corporate Director for Resources and S151 Officer of Wiltshire Council and Treasurer to the Pension Fund, provided an update on senior management structure changes at the council. It was confirmed that Jennifer Devine had been appointed to the new role of Head of the Pension Fund.

Members were also reminded of online training taking place on Monday 29 November 2021.

The Chairman also noted he was consulting with Committee Members on adjusting the frequency of performance reporting to a 6-month basis to avoid

overreaction to quarterly changes, with a system of alerts from officers if a change within a quarter was significant in respect of the annual or triennial performance of the Fund.

It was also proposed the Committee Members provide a view on whether to move all training and investment manager sessions to be online.

62 **Public Participation**

There were no questions or statements submitted.

63 **Responsible Investment Update and Progress Report**

The Head of the Pension Fund presented a report on Responsible Investment including progress against the Plan actions for 2021/22. Details were provided of recent actions including engagement with members regarding COP26 and any implications for responsible investment.

It was then,

Resolved:

To note the responsible investment update and progress report.

64 **Investment Strategy Statement Review**

The Head of the Pension Fund provided an update on changes being proposed to the Investment Strategy Statement. It was stated these were minor changes as detailed in the report, mostly to reflect the approval of the Responsible Investment policy and other references which would need to be updated.

The Committee briefly discussed the update, noting that references to the Investment Sub-Committee, which it had been agreed would be stood down, would also need amending within the strategy. The Local Pension Board had recommended the updated ISS be approved.

It was then,

Resolved:

To approve the updated Investment Strategy Statement.

65 **Date of Next Meeting**

The date of the next meeting was confirmed as 16 December 2021.

66 **Urgent Items**

There were no urgent items.

67 **Exclusion of the Public**

It was,

Resolved:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Minute 68 onwards because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 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.

68 **Investment Quarterly Progress Report**

Jennifer Devine, Head of the Pension Fund, presented the Investment Quarterly Progress Report.

At the conclusion of discussion, it was,

Resolved:

To authorise officers to work with Mercer to deliver the implementation of the affordable housing and renewable infrastructure portfolios, at a cost of £35k for affordable housing, and £50k for renewable infrastructure.

Note: For Minute Items 69-70 the meeting moved to the Kennet Room, County Hall. The discussion on Minute 68 took place before and after Minutes 69-70.

69 **Partners Group Infrastructure Presentation**

A presentation was received from Sarah Brewer and Sean Dryden from Partners Group in respect of Infrastructure investments.

70 **Ninety One Emerging Market Multi-Asset Presentation**

A presentation was received from Shaza Hasan and Grant Webster from Ninety-One in respect of Emerging Markets Multi-Asset Investments.

(Duration of meeting: 10.00 am - 12.35 pm)

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Wiltshire Pension Fund Committee

MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 16 DECEMBER 2021 AT COUNCIL CHAMBER - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr Steve Heyes, Cllr Gordon King, Cllr Elizabeth Threlfall, Mike Pankiewicz, Tracy Adams and Claire Anthony

71 **Apologies**

Apologies were received from Cllr Jonathan Seed.

72 **Declarations of Interest**

There were no declarations of interest.

73 **Minutes of Previous Meetings**

The Part I (Public) minutes of the meeting held on 25 November 2021 were presented for consideration, and it was,

Resolved:

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

74 **Chairman's Announcements**

The Chairman announced that Item 8 would be deferred until the next meeting.

75 **Review of actions arising from previous meeting**

There were no comments on the actions log.

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

The Committee considered the minutes and recommendations of the Local Pension Board meeting held on 11 November 2021.

The Committee suggested that as the recommendations arise throughout the meeting, they should be situated after the minutes within the agenda pack, rather than before.

It was then,

Resolved:

To note the minutes of the Local Pension Board meeting and the recommendations as set out in the report.

77 **Public Participation**

There were no questions or statements submitted.

78 **Staff Restructure**

This item was deferred to the next meeting.

79 **Triennial Valuation 2022**

Representatives from Hymans Robertson provided a detailed presentation on valuation, as well as commentary on the Employer Investment Strategy. This covered the investment return assumption and choosing a level of prudence, setting funding strategy and longer-term planning. It was noted that longer-term planning included the use of Club Vita for the prediction of life expectancy, which over the last three of four valuation cycle has been very accurate.

Life expectancy was discussed as during the last half of the 20th Century there had been a significant increase in life expectancy, which had peaked at a 3 year improvement per decade as a result of innovation, particularly in public health. It was possible that COVID could impact this improvement with people dying sooner due to the pandemic. Whether this would affect future life expectancy would need to be assessed and any effects on the scheme reported back to the Committee.

The Committee posed a range of questions to their professional advisers which included, how accurate had historic valuations been, why the issue of a strong balance sheet was important, particularly for Colleges, how assumptions were set, how the range of assumptions/scenarios was narrowed to enable practical decisions to be made and how prudence was established and was there a margin of error in assumption setting. In addition, questions were also received concerning the regulatory obligations and what data checks were undertaken.

Whilst many of these were responded to by Hymans Robertson during the meeting it was also agreed that training on assumptions setting would be useful at the next Committee meeting.

The Chairman thanked the representatives for their presentation. It was,

Resolved:

For officers to liaise with Hymans Robertson to provide further training on the setting of Valuation assumptions at the next Committee meeting.

The Chairman called a 10 minute recess from 11am to 11.10am.

Note: Minute item 79 was taken at the start of the meeting in the Kennet Room, County Hall. The meeting then moved to the Council Chamber, County Hall.

80 **Headlines and Monitoring**

At the Chairman's invitation Andy Cunningham presented a report which highlighted key issues and developments and included details from the Head of the Wiltshire Pension Fund, the Pension Administration Lead, Fund audits, the risk register, administration KPIs, scheme, legal, regulatory and Fund update and a budget update.

The Committee discussed the onboarding of employers onto i-Connect and the problems experienced, how recruitment to the vacancies was progressing and the deferred online process.

The Committee also discussed at length the proposed audit plan. As part of the discussion the Committee felt that Pension Fund officers and the Committee should be responsible for defining the scope and timings of the internal audit programme. It was agreed that the matter should be raised with Andy Brown (Corporate Director Resources, Deputy Chief Executive and s151 Officer) to investigate options and propose a new way forward

With reference to risk register: Risk PEN041 – The Fund's inability to implement a strategy to ensure Climate Change considerations were integral to its investment strategy. The Committee asked for clarity on the reasons why this red risk had been reduced to amber. In response it was stated that a lot of work had been completed, changes in policy had been made and the investment strategy rewritten. It had been a suggestion of the Board to change the status to amber. Risk PEN018 was also altered from Amber to Red. For details see minute 90 relating to Cyber security.

The Committee also asked questions regarding death benefits when the Fund was unable to contact the next of kin. In response the officer stated that there was an HMRC tax requirement to pay the benefit within 2 years or face a tax charge. However, the money remained in the Fund and the death grant would always remain available. The Fund could still pay out years later although there were tax implications at the beneficiary's marginal rate of income. It was stated that this was not a situation which occurred frequently.

At the conclusion of the debate, it was,

Resolved:

- a) To use the information in the report as a basis for monitoring the Fund's core activities.
- b) To approve the changes to the Risk Register, apart from Risk PEN018 which would increase to Red, and accept the recommendations for changes/actions made submitted by the Board.
- c) To approve for the Scheme Year 2022/23 the proposed plan of audits which were;
 - i. The standard audits of the Fund's Annual Report & Accounts, Key Financial controls, BPP Pension transfers, BPP Cost transparency and compliance against tPR Code of Practice 14; &
 - ii. Non standard audits covering the Fund's Pensioner Payroll reconciliation, Investment governance, Cyber Security, Statutory Returns and Administering Authority internal arrangements.
- d) To note that within the 2022/23 budget additional provision is made for the appointment of specialist auditors in relation to ad-hoc or on-going strategic audits; &
- e) The Committee reaffirms the terms of reference it expects the Fund's appointed auditors to adhere to.
- f) To approve that officers liaise with SWAP regarding ideal requirements and timescales.

It was stated that training requirements would be discussed under the next agenda item.

81 Training Update

Richard Bullen, the Fund Governance & Performance Manager, recommended CIPFA training. He requested approval of a new training policy, largely aligned with CIPFA guidance, but which did not include the Committee's substitute Members. The policy expected Members to take responsibility for their own training and development, however guidance could be provided to Members if specifically requested. The Chair noted the comprehensiveness of the document, but also queried the alignment of the knowledge assessment and training plan. It was clarified that the training plan was a living document over four years and would be updated if required. It was noted the Hymans Robertson report covered only one year, but the 4 year plan attempted to set out a long term training pathway, addressing gaps in knowledge and understanding over each Members entire term of office.

In response to questions the Fund Governance & Performance Manager outlined that although the training plan was generic, in practice tailored individual Member needs could be discussed separately with that Member. It was noted that the policy also included a process if Members did not maintain their training. A minimum of 6 hours per year of training was agreed to be proportionate. The training strategy was updated annually by means of self-assessment questionnaires being filled out by Members.

It was then,

Resolved:

- a) **For the Committee to approve of the new member training policy**
- b) **For the Committee to adopt and approve the 4-year knowledge & skills framework covering both members and senior officers of the Fund.**
- c) **For the Committee to approve the training plan for the Scheme Year 2022/23.**

82 **Pensioner Payroll Data Base Reconciliation**

An update was provided on the Pensioner Payroll database reconciliation project. This detailed the decision to postpone the transition to an integrated payroll system (on Altair) until after the Evolve programme was completed, around 2023/24 as opposed to 2022/23 as initially planned. The completion of case work on the reconciliation project itself was going slower than planned due to the complexity and extension of the scope of the review to cover newer pensioners and dependents.

The main impact of delaying the transition to an integrated pensioner payroll system for the Pension Fund was that they would need to work on two separate payroll systems for longer and therefore it would take longer to mitigate the inherent control and efficient issues previously presented to the Committee. It was also clarified that there would be an ongoing need to have access to SAP data post transition which could either be imported into the SAP replacement system or be held in archive (this decision would need to be made by the Evolve programme team).

In response to queries about the risk of a continuing dependence on SAP it was explained that there was a risk but not one that can be avoided completely. However, it was partly mitigated due to the current data cleanse. There would be costs related to maintaining the old system, this was an issue for pension funds because they needed more historical data for much longer time frames. Some other implications of the delay were outlined. As the control frameworks needed regarding two systems were much more complex the risk of things slipping through was increased. It also meant that it takes a longer time to gain benefits from the switch.

At the conclusion of discussion, it was,

Resolved:

To note the update.

83 **Business Plan Objectives**

An update was received on progress on the business plan objectives. Compliance with accessibility regulations was questioned and it was clarified

that when moving to a new website, checks were undertaken to ensure that it worked appropriately for phones, tablets and other devices. However, the work on accessibility was mainly about ensuring that the information was accessible to people with disabilities (rather than for personal or technological preferences).

84 **Communications Strategy**

It was outlined that the strategy aimed to modernise communications, whilst remaining flexible about traditional forms of communication. The length of the strategy was queried and this was explained as necessary for compliance but also to set out sufficient detail on the approach the Fund was taking. It was highlighted that the strategy was accepted by the Employer Strategic Focus Group.

It was then,

Resolved:

To approve the Communications strategy.

85 **Forward Work Plan**

The Committee considered the forward work plan. The members had no comments.

It was then,

Resolved:

To approve the Forward Work Programme.

86 **Date of Next Meeting**

The next ordinary meeting of the Committee would be held on 3 March 2022, to be focused on investment matters.

The next meeting focused on administration matters would be held on 31 March 2022.

87 **Urgent Items**

There were no urgent items.

88 **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 Item 19-23 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 1 & 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

89 **Minutes of the Previous Meeting**

The Part II (private) minutes of the meeting held on 25 November 2021 were presented for consideration, and it was,

Resolved:

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

90 **Fund Cyber Security and Business Continuity**

The Committee received a report that provided an update on Fund Cyber Security and Business Continuity.

It was,

Resolved:

1. **To increase the cyber security risk (PEN018) from an “Amber” risk rating to a “Red”.**
2. **To approve the Board’s recommendations to take all actions over the next 12 months to mitigate the cyber security risk as outlined below:**
 1. **Liaise with the Council’s ICT department to establish an appropriate approach to the Fund’s cyber security requirements;**
 2. **To conclude the recommendations agreed by the Committee at their meeting in September 2020, in particular;**
 - i. **To receive an ongoing annual cyber security report from Wiltshire Council’s ICT team; &**
 - ii. **To work with ICT & the Council’s Emergency Planning team concerning its IT recovery practices and ensure a beneficial outcome of any updated Business Continuity Plan;**
 3. **Compliment any guidance received from ICT by gaining approval, if required, from the sourcing of independent guidance on the results highlighted within Aon’s Cyber scorecard; &**
 4. **Focus on addressing the items recorded as “lower quartile” within the Aon’s cyber scorecard;**

5. To delegate to officers in consultation with the Chair the commissioning of an independent audit, subject to a fee cap of £35,000.
3. That officers liaise with Aquila Heywood in respect of the points in 1 to 3 within the “Recommendations for the Fund” section in Appendix 2.
4. To approve the Board’s recommendation that Wiltshire Council’s ICT function, works jointly with the Funds officers, to address key recommendations and additional comments set out in the SWAP audit, namely.
 - a. That ICT work with Fund officers to establish a common framework of compliance borders, particularly where they may be beyond ICT’s own compliance requirements, for inclusion within the report.
 - b. That ICT provide an update on progress made relating to the two areas of concern (Red) and the areas marked as (Amber) highlighted in their last cyber security SWAP audit, highlighting how these concerns might specifically impact the Pension Fund, for inclusion within the report.

That any future reporting contains:

- c. An update on the mitigation of risks.
- d. Agreed arrangements between the Fund and ICT, under which the full ICT audit reports provided by SWAP to Wiltshire Council can be accessed via a separate folder.
- e. A Wiltshire Pension Fund IT security and resilience policy which is drawn up between ICT and the Funds officers.
5. To approve the Board’s recommendation, that going forward officers provide a summary to Members of any software provider cyber security reports they receive, on an exception basis, or where a provider has not provided evidence of their cyber security resilience as required by the Fund.

91 **Key Financial Controls**

The Committee received an update outlining the operational accounting arrangements. It was,

Resolved:

To note the report and that the Committee would use the report to monitor progress against resolving the issues which had been identified, and the progress made to develop accounting and control improvements.

92 **Brunel Budget**

The Committee received a report summarising the Brunel budget proposals. It was,

Resolved:

1. To support the budget increase of 5.3%.
2. To request that officers feedback to Brunel the Committee's comments.

93 **Brunel Governance Review Update**

This item was considered under the previous item.

(Duration of meeting: 10.00 am - 1.35 pm)

The Officers who produced these minutes were Tara Shannon of Democratic Services, direct line 01225 718504, e-mail tara.shannon@wiltshire.gov.uk and Leonora Penry of Democratic Services, direct line 01225 718541, email leonora.penry@wiltshire.gov.uk

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

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Wiltshire Pension Fund Board - Actions Log

Minute reference	Section	Meeting Action	Task owner	Target date for completion	Action commentary (To include progress & secondary actions)	Completed and reported to last meeting
41 (12/07/18) (Was 12.15)	Investment (ISS)	To note the Investment Strategy Statement agreed for final publication. To recommend, upon next review of the Investment Strategy Statement by Committee, that: a) reference is made to ESG policy and that ESG policy is reviewed in light of a forthcoming government consultation paper on final salary pension schemes in respect of ESG b) an annex be included to illustrate the Fund's compliance with Regulation 7.	JD	30/06/2020 (Was October 2019)	The planned review of Investment Strategy Statement and Strategic Asset Allocation will be conducted over the coming months. Factors arising from Environmental Social Governance concerns will be addressed throughout this process of planned review. Fossil fuels policy being updated by JD	21/05/2020 - Minute 39
59 (11/10/18) (Was 13.3)	Governance (Fund Delegations and Controls)	To request the development of a formal record of Brunel, Committee and officer delegations in respect of; a) clarifying where different responsibilities should sit; b) the flow of communications between the various parties; and c) the level of decision making assigned to each party	AC	31/03/2021 (ASAP)	The ToRs for the Committee & Board & were approved on 21st July 2020. The GCS & ISC ToR are now under review. In addition, to the attachment on this minute RB drafted an officers delegation policy on 20th November 2018. BPP Governance ToR to be drafted by the end of 2020, with an interim update at the end of August. Re-dated from November 2019 in consideration of the development of BPPs own governance arrangements by December 2020.	

35 (23/05/19)	Administration (Data Reconciliation)	A sub-plan had been prepared in respect of the Payroll & Pension database reconciliation. An update on the reconciliation would be provided in six months.	AC	14/11/19	An update on this area of work was provided as part of the internal audit update. More information to be provided as part of the Fund update. General updates are provided quarterly as part of the Fund update paper.	18/02/2021 - Minute 127
54 (22/08/19)	Governance (Internal Audit Report)	The Board noted the the action plan suggested by officers addressing the areas of non-compliance within the timeframes indicated. Officers would sample test responses received from managers during further self-assessments	RB	21/05/20	See Report in 22/08/19 meeting pack folder on SharePoint. Subject to the Committee agreeing the proposed Audit Plan for 2020/21	21/05/2020 - Minute 45
Page 32 83 (14/11/19)	Administration (Communications Strategy)	To track the take up of the digital communications so that adequate monitoring can take place and communication continued with those not using digital platforms	AC	15/10/20	Email to Samantha on 18/2 to request the Fund's strategy on digital communications. For ABSs, a breakdown of digital/non-digital usage was outline in the Committee and Board papers (see 15/10/2020). In general, the take of MSS is visible in Appendix 4 of the KPIs. All members have been given the option to opt into paper communications. Board agreed to close as information is included within KPIs.	18/02/2021 - Minute 104 (Remove as an action)
83 (14/11/19)	Administration (Communications Strategy)	Information on digitalisation should be made available on all platforms to avoid issues and meet compliance	AC	15/10/20	All key correspondence already makes our approach clear. Board agreed to close as information is included within KPIs.	18/02/2021 - Minute 104 (Remove as an action)

83 (14/11/19)	Administration (Communications Strategy)	To note in the annual report that monitoring of digitalisation communications was taking place.	RB	21/05/20		21/05/2020 - Minute 37
8 (13/02/20)	Governance (MiFID II Compliance)	The Board recommended that substitute Committee members ensure that they are MiFID II compliant should they need to stand in for a member	JD	03/12/20	Substitute Committee members sitting on the ISC will need to sign the self-certification form in Q4 each year	16/07/2020 - Committee Minute 158
9 (13/02/20)	Administration (McCloud)	Officers to contact the SAB to ask for guidance on how to keep members updated on the McCloud case implications	AC	21/05/20	Communication guidance to members to be considered during August at SWAPOG	21/05/2020 - Minute 36
9 (13/02/20)	Administration (Website)	Officers to feedback on employer's reception to the new employer website at the next Board meeting	AC	21/05/20		21/05/2020 - Minute 37
Page 33 12 (13/02/20)	Governance (LPB Budget)	To propose that the Local Pension Board monitor their budget on a quarterly basis. The Local Pension Board budget monitoring will form part of the quarterly budget report which is reviewed by the Wiltshire Pension Fund Committee	RV	16/07/20	Timing of the meeting didn't enable quarterly budget monitoring. Will be undertake at 24th September Committee meeting. Board agreed to close as information is b/fwd regularly.	18/02/2021 - Minute 104 (Remove as an action)
12 (13/02/20)	Governance (LPB Budget)	Officers to approach Wiltshire Council's Insurance team to enquire about cover provided by alternative providers for LPB insurance	RB	15/10/20	RB liaising with Richard Wood. See email dated 14th September 2020. See Minute 88	15/10/20 - Minute 88
17 (13/02/20)	Governance (MiFID II Compliance Strategy)	To raise the Fund's MiFID II arrangements with BPP for their acceptance	JD	27/02/20	Minute 19 (06/08/20) It was agreed to remove the item " <i>To raise the Fund's MiFID II arrangements with BPP for their acceptance</i> ", from the actions log	06/08/2020 - Minute 71 (Remove as an action)
18 (13/02/20)	Governance (Audit Report)	Officers to liaise with Wiltshire Council's IT dept, & Heywood's concerning the essential oversight arrangements that the Fund should develop	RB	15/10/20		06/08/2020 - Minute 73

42 (21/05/20)	Governance (Risk Register)	To note the risk register and recommend the changes/actions made by officers in points 5 and 8 of their report be submitted to the Committee.	RB	16/07/20		16/07/2020 - Committee Minute 166
46 (21/05/20)	Actuarial (Valuation)	The Head of Pensions Administration and Relations to circulate a link to the final valuation report to the Board following the meeting	AC	31/05/20		Completed soon after the last meeting
64 (06/08/20)	Accounting (Audit)	To recommend to Committee that an audit into the Brunel cost savings should be included in the next financial year, 2020/21	JD	31/07/21		17/12/2020 - Committee Minute 215
73 (06/08/20)	Governance (Cyber Security)	Fund officers to work with ICT to develop an annual report for submission to the Fund's Board & Committee	RB	31/08/21	AC email dated 17/12/20 to Richard Carter	
Page 34 73 (06/08/20)	Governance (Cyber Security)	From 2021 the scope of the SWAP internal audit on GDPR is broadened to include internal controls relating to system access & request key security audits of ICT	RB	31/08/21	Key ICT audits include 1) Cyber Security framework 2) ICT Strategy	
73 (06/08/20)	Governance (Cyber Security)	To recommend that the report is submitted to the WPFC, and that a senior officer from ICT alongside the Cabinet Member for ICT, attend the Committee meeting, to give a technical briefing on the Council incident in February and the actions being taken to implement improvements in that area going forward	RB	24/09/20	1) To explain the finding of the ICT failure in February 2020 2) The decision making rationale concerning the prioritisation of the Fund's services compared with the Council as a whole, which may infer a conflict of interest in strategic planning	24/09/2020 - Committee Minute 166
85 (15/10/20)	Governance (Training)	The Board unanimously approved their own use of this training platform	RB	18/02/21	RB wrote to Hymans advising Board's decision on 21st October	17/12/2020 - Committee Minute 210
85 (15/10/20)	Governance (Training)	The Board unanimously recommended that the Committee members & their substitutes also adopt the introduction of this training platform for the next two years	RB	17/12/20	Committee accepted the Board's recommendation	17/12/2020 - Committee Minute 210

86 (15/10/20)	Administration (Discretions Policy)	Approved amendments to the Administering Authority Discretions Policy and officers plans to undertake a further review either later in 2020 or early 2021	AC	18/02/21	AC to resubmit Discretions Policy to Board after any additional amendments made. Note: The Board asked for the next update to be brought to the Board first for comments before going to the Committee for approval	18/02/2021 - Minute 111
88 (15/10/20)	Governance (Board Insurance)	The Board recommended to extend the insurance cover for one year and to seek written assurances from Wiltshire Council and to await the updated SAB advice before deciding to withdraw or extend the insurance policy. In the event that no assurance was obtained, a further review on the need for insurance would be undertaken	RB	18/02/21	To update the Board on developments since their October meeting	18/02/2021 - Minute 117
89 (15/10/20)	Governance (SWAP Audit 2020/21)	An update on any outstanding recommendations would be brought forth to the Board in February 2021 to reassure members that action was being taken	AC	18/02/21		
90 (15/10/20)	Governance (SWAP Audit 2021/22)	In the event that Audit Committee did not sign off the qualified Annual Report & Accounts 2018/19 then the Pension's Committee should request a written report outlining a resolution from the Audit Committee. This also included the 2019-20 accounts.	RB	20/05/21	To update the Board on developments since their October meeting	18/02/2021 - Minute 122
90 (15/10/20)	Governance (SWAP Audit 2021/22)	The Board recommended that Fund officers request sight of SWAP Internal audit reports from other key service areas subject to the adherence of Council protocols.	RB	19/08/21	Such reports should be provided to the Board & Committee to fulfil their oversight functions. Namely the Payroll & ICT departments	
92 (15/10/20)	Governance (Risk Register)	That the matter of Accessibility Regulations be added to the risk register	RB	17/12/20		17/12/2020 - Committee Minute 217
100 (15/10/20)	Governance (BPP Governance review)	Officers to update the Board of the outcomes of their BPP meeting	JD	18/02/21	A meeting with the CEO and Chair of Brunel had been organised and accepted for the 25 November 2020	18/02/2021 - Minute 128

104 (18/02/21)	Governance (Actions log)	In the event that the 2019-20 Annual Report and Accounts were not signed off by the Audit and Governance Committee at their next meeting on 28 April 2021, the Board should give the matter further consideration	MS	20/05/21		
110 (18/02/21)	Governance (Training)	To monitor members' training records and self-development progress on a no more than sixth-monthly basis	MS	11/11/21		
113 (18/02/21)	Governance (Business Plan)	To recommended that the planned Business Plan actions were reordered by level of service priority	AC	30/03/21		
114 (18/02/21)	Governance (Budget monitoring)	To recommended that the draft Local Pension Board budget be reduced by £2,000	AC	30/03/21		
Page 36 118 (18/02/21)	Governance (GCS)	Officers should change the Governance Compliance Statement to include external assurance in conjunction with any confirmed changes arising from the Scheme Advisory Board's Good Governance Review	RB	17/02/22		
122 (18/02/21)	Governance (Overseas pensioner existence exercise)	A further update should be provided at the next Board meeting of the outcome of the remaining non-respondes	AC	20/05/21		
127 (18/02/21)	Governance (Payroll reconciliation)	Further updates on the project to be brought to all future meetings until the situation is resolved	AC	20/05/21		

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
MHCLG	Fair Deal Consultation	https://www.gov.uk/government/consultations/local-government-pension-scheme-fair-deal-strengthening-pension-protection	No change since the last meeting	No movement on this since 2019 although we understand that changes are still planned. 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.	PEN040
	<i>Changes to the Local Valuation Cycle and the Management of Employer risk Consultation</i>	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/800321/LGPS_valuation_cycle_reform_consultation.pdf	No change since the last meeting	Scope: 1). Amendments to the local fund valuations from the current three-year (triennial) to a four-year (quadrennial) cycle. 2). A number of measures aimed at mitigating the risks of moving from triennial to quadrennial cycles. 3). Proposals for flexibility on exit payments. 4). Proposals for further policy changes to exit credits 5). Proposals for policy changes to employers required to offer LGPS Membership (allowing further education, sixth form colleges to close entry to new employees) Reform progress: The Government has introduced legislation in relation to items 3 and 4. The changes resulting from item 4 are already embedded in the Fund's cessation policy and the changes from item 3 were covered in a paper revising the Fund's cessation policy in the December 2020 committee pack. We are unaware of any further developments on the other areas.	PEN044
	Consultation: Taking action on climate risk	https://www.gov.uk/government/consultations/taking-action-on-	No change since the last meeting	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	PEN041

Organisation	Subject	Link	Status	Comments	Risk Ref
		climate-risk-improving-governance-and-reporting-by-occupational-pension-schemes-response-and-consultation-on-regulations		<p>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 wider scheme membership), transparent reporting and meaningful actions.</p>	
The Department of Work and Pensions (DWP)	Pension dashboard project	https://pensionsdashboardproject.uk/industry/about-the-pensions-dashboard-project/	No change since the last meeting	The Fund's software provide, Aquila Heywood, is part of the national working party to help deliver the Pensions Dashboard. Implementation is likely to be in 2023 and it is still unclear what the impact may be for the Fund (as well as what level of take up for this initiative may exist from the general public).	PEN038
Financial Reporting Council	Proposed revision to the UK Stewardship Code	https://www.frc.org.uk/investors/uk-stewardship-code	No change since the last meeting	<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>Officers will now review Fund compliance to the new code and begin drafting a new Statement of Compliance for review by the FRC, by 30 April 2022.</p>	
Scheme Advisory Board (SAB)	Cost cap mechanism & McCloud case		No change since the last meeting	<p>The McCloud consultation has now closed and officers still await to see the final outcome. The Fund's software provider is currently developing software solutions in anticipation of the final legislation being laid before parliament and passed as per expectations.</p> <p>As part of i-Connect onboarding, officers continue to update part-time hours histories for active staff. For other categories, there is little work officers can do until the final remedy is released and the administration software is updated.</p>	PEN042
	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	PEN056

Organisation	Subject	Link	Status	Comments	Risk Ref
				<p>discriminatory for female partners of members 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 so far been provided of the impact on the LGPS, but the DfE has started a consultation in relation to the Teacher's Pension Scheme to start the process of altering the scheme rules. It is expect 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
Fund	Various		Updated	<p>Triennial Valuation process update: In December 2021, the Committee received training and an overview of the high-level plan for the 2022 Valuation. Concurrently to this, officers have also been in liaison with the actuary to agree on the more detailed steps. The actuary will report to the Committee and each admin-based meetings in 2022 to seek agreement on key strategic steps which will then culminate in the valuation results towards the end of year (as well as to liaise with officers on a regular basis).</p>	

Organisation	Subject	Link	Status	Comments	Risk Ref
				<p>Staff restructure: The Fund's senior management structure has been revised with the main change being the movement to a single Head of Pensions role (named Head of Wiltshire Pension Fund). This new structure is now in operation.</p> <p>Cyber Security and MiFID II exercise updates: To be provided verbally at the meeting.</p>	

Breaches of Law February 2022



Contents

General Comments

- TPR – Resolving issues
- What is a breach?
- Who is responsible?
- Steps to following

The Process

- Identifying a breach
- Reasonable cause
- Materially significant
- Reporting
- Record keeping



Code 14 content - Resolving Issues

<p>Governing your scheme</p> <ul style="list-style-type: none">• Knowledge and understanding• Conflicts of interest• Publishing information about schemes	<p>Risk</p> <ul style="list-style-type: none">• Internal Controls
<p>Administration</p> <ul style="list-style-type: none">• Record-keeping• Maintaining contributions• Providing information to members	<p>Resolving Issues</p> <ul style="list-style-type: none">• Internal dispute resolution• Reporting breaches of the law

What is a breach?

“an act of breaking or failing to observe a law, agreement or code of conduct”

- In terms of the LGPS, it is a failure to:
 - Do anything required by the scheme or overriding legislation;
 - Maintain accurate records;
 - Act on any fraudulent act or omission identified;
 - Comply with policies and procedures;
 - Of an employer to pay over contributions;
 - Pay benefits accurately, or on time.



Who is responsible?

- The legal duty to report a materially significant breach falls upon:
 - Elected Members
 - Scheme Manager (Officers)
 - Pension Board
 - Scheme Employers
 - Professional Advisers
 - Third parties and others (where used)
 - Reporters must determine if a breach has occurred based on reasonable cause and not a mere suspicion
 - WPF Policy was approved in December 2015 & should be reviewed annually
 - TPR provides example scenarios and a RAG system for assessing materiality by way of:
 - cause
 - effect
 - reaction
 - wider implications
- www.tpr.gov.uk/docs/PS-reporting-breaches-examples-traffic-light-framework.pdf

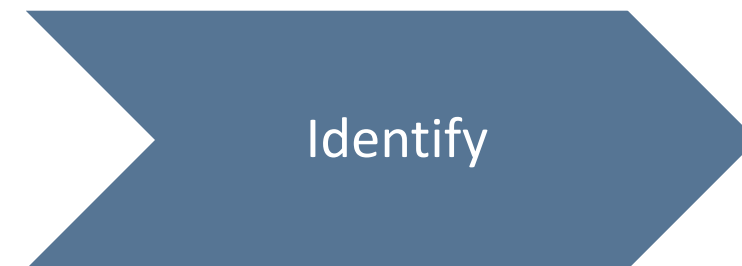


The steps to follow



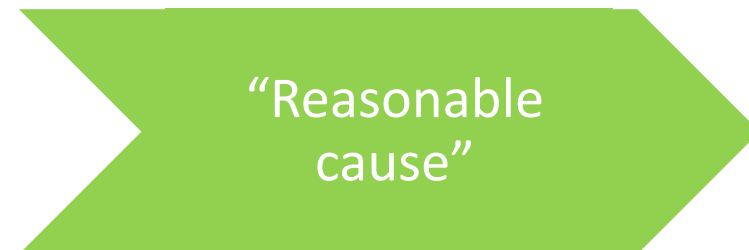
1 – Identifying a breach

- Procedures – appropriate and effective
 - Legal clarification
 - Facts around the case
 - Clear process for referral, particularly severe cases
 - Process for dealing with difficult cases
 - Timeframe for dealing with each referral
 - Freedom to raise concerns



2 – “Reasonable cause”

- Ensuring breach has actually happened
- Not acting on a suspicion or hearsay
- Robust checks
 - Officers
 - Elected members
 - Pension board
- Legal advice





WPF – TPR Breach Log

tPR Breaches Log																	
Date	Employer	Description	Cause	Effect	Reaction	Wider Implications	Cause	Effect	x	Severity	Date reported to Officers	Date reported to Elected Members	Date reported to Regulator	Mitigation actions	Target dates	Responsible Officer	Comments
							1	1	1	Green							
							3	3	9	Amber							
							4	4	16	Red							
							1	1	1	Green							
							1	1	1	Green							
							1	1	1	Green							
							1	1	1	Green							
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3 – “Materially significant”

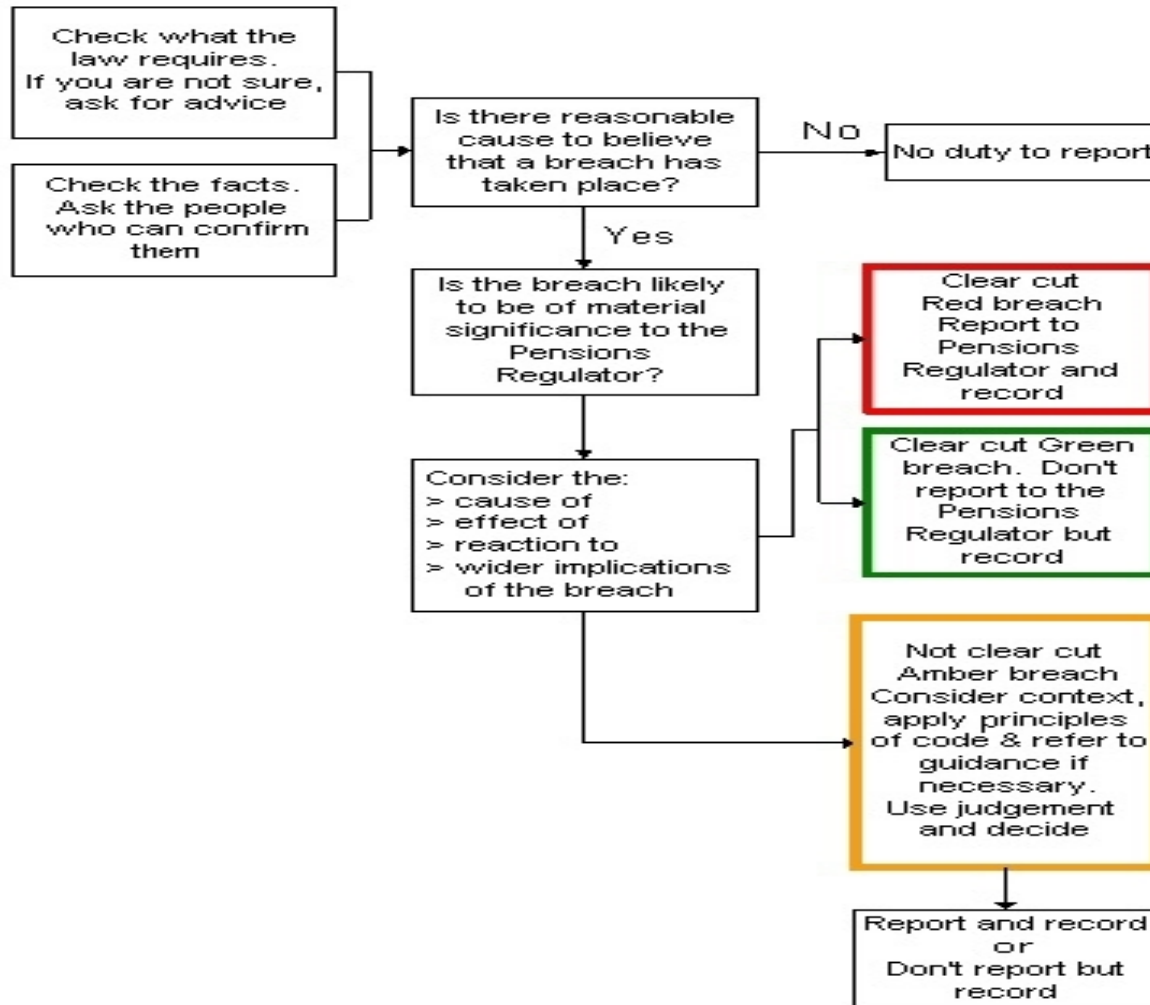
- Need to consider:
 - **Cause** – dishonesty, poor governance, incomplete/inaccurate information.
 - **Effect** – ineffective internal controls, lack of knowledge/understanding, potential for further breaches
 - **Reaction** – action taken, notification to interested parties
 - **Wider implications** – issues that make it likely breach will reoccur in future



TPR Breach Assessment Scorecard					
Nature of breach					
State the legislation which has been breached?					
Description	"Cause of" scoring				Score
Rating	1	2	3	4	Must be at least "1"
Dishonesty	No intent	No intent, but recurring	Possible intent	Intent	0
Poor Governance	No intent	No intent, but recurring	Possible intent	Intent	0
Deliberate contravention (breach of law)	No intent	No intent, but recurring	Possible intent	Intent	0
				Sub Total	0
Description	"Effect of" scoring				Score
Rating	1	2	3	4	Must be at least "1"
Ineffective controls	Little effect	Moderate effect	Significant effect	Major effect	0
Lack of K&U	Little effect	Moderate effect	Significant effect	Major effect	0
Recurrence or potential for recurrence	Little effect	Moderate effect	Significant effect	Major effect	0
				Sub Total	0
Description	"Reaction to" scoring				Score
Rating	1	2	3	4	Must be at least "1"
Effective action to resolve the breach	Prompt & full action	Fairly prompt & full action	Action taken, but slow	Little action	0
Notification to members	Prompt & full action	Fairly prompt & full action	Action taken, but slow	Little action	0
				Sub Total	0
Description	"Wider implications" scoring				Score
Rating	1	2	3	4	Must be at least "1"
Number of members affected	Little implication	Moderate implication	Significant implication	Major implication	0
Recurrence due to poor systems & controls	Little implication	Moderate implication	Significant implication	Major implication	0
A conflict of interest exist or is there a lack of K&U?	Little implication	Moderate implication	Significant implication	Major implication	0
				Sub Total	0
				Grand Total	0
Add the scored sections together to establish an initial rating					Less than 125 Between 126 & 245 246 & over

TPR Breach Implication - Impact on membership					
Number of Members	Likelihood of recurrence	Poor Governance	Poor Communication	Poor Controls	Total
Scoring	1 - 4	1 - 4	1 - 4	1 - 4	
over 5000	4	4	4	4	16
between 3000 & 5000	4	3	4	3	14
between 251 & 1000	3	3	3	3	12
between 101 & 250	3	2	3	2	10
between 50 & 100	2	2	2	2	8
up to 50	2	1	2	1	6
1	1	1	1	1	4

3 – “Materially significant” - chart



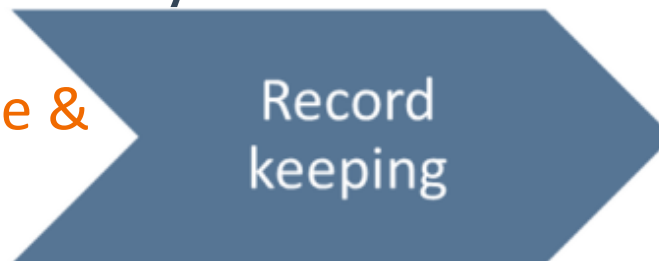
4 – Reporting

- Internally
 - Report all breaches to **Head of Pensions & Chairman of the Board**
 - Agree proposed cause of action
 - **Cooperate** with, and assist in, reporting of breaches
- Regulator
 - Materially significant only
 - In writing via **Exchange**
 - Still worth informal reporting if not sure



5 – Record keeping

- Officer responsible for recording breaches
 - **Andy Brown – Section 151 Officer**
- Officer responsible for day to day monitoring
 - **Richard Bullen – Governance & Performance Manager**
- Breaches log
 - Date, description, cause, effect, wider implications, severity, dates reported to officers/elected members/ Regulator, mitigating actions, target dates, responsible officer



WILTSHIRE PENSION FUND tPR Breach Severity Assessment Template (To be completed only where a red breach is suspected)	
Description of the breach or like breach	
Date of initial assessment	
Initial Assessor	
Initial Assessment Details (Based on tPR's decision tree and to recommend any corrective actions)	
Identify the law under which the breach has occurred	
Based on the description and stated law is reasonable present that a breach has taken place?	Yes
Is the breach likely to be materially significant to tPR?	Yes (If yes, support this view by completing the Cause of, Effect of, Reaction to & Wider implication sections below)
"Cause of" breach	
"Effect of" breach	
"Reaction to" breach	
"Wider implication of the breach"	
Head(s) of Service determination (To include the name of the officer, the date comment submitted and any corrective actions)	
Head of Wiltshire Pension Fund Comment	
Head of Section Comment	
Comments from other key contributors	
Decision to escalate to Chair of the LPB	
Initial Categorisation of breach	Not a Breach/A Breach
Potential red breach established – Consider reporting to tPR (To include the name of the officer, the date comment submitted and any corrective actions)	
Chair of the Board's comments, including Board members comments	
Details of any additional investigations	
Details of any professional advice taken	
Committee's decision and recommendation to s151 Officer (reapplying tPR decision tree)	

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WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD
17 February 2022

Local Pension Board Budget

Purpose of the Report

1. The purpose of this report is to present a proposed Local Pension Board Budget for 2022/23 for the Board to consider and recommend to the Pension Fund Committee for its inclusion alongside the full Wiltshire Pension Fund Budget 2022/23.
2. The Wiltshire Pension Fund Committee will consider the Fund's budget at its meeting on 31 March 2022.

Background

3. The Scheme regulations state that the operational cost of the Local Pension Board must be borne as an expense to the administering Fund's budget. However, for monitoring purposes officers will now present the Local Pension Board budget separately to the other budgets of the Fund in order to better reflect the lines of responsibility for each budget.
4. Therefore, the Local Pension Board's budget is approved by the Pension Fund Committee when setting its budget for the year. Should any further expenditure be required beyond this, then approval must be obtained from the Wiltshire Council Corporate Director Resources & Deputy Chief Executive.

Main Considerations for the Board

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

Local Pension Board Budget (£'s)	2021/22			2022/23 Budget
	Forecast	Budget	Variance	
Independent Chair Remuneration	10,339	10,609	270	10,672
Consultancy Services	4,000	4,000	-	2,000
Training	-	3,400	3,400	2,000
Committee Services	3,000	3,000	-	3,000
Travel & Subsistence Costs	106	1,000	894	1,000
Catering	-	400	400	400
Insurance	1,521	2,800	1,279	3,760
Total	18,965	25,209	6,244	22,832

6. 2021/22 forecast expenditure is £19k for the year which is £6k under the budget, the main variance to plan has been an underspend on training, travel and catering. The requirement to hold online meetings has limited spend on these items.
7. Insurance costs for 2021/22 are underspent as costs for only 5 months to the end of March 2022 have been incurred in this financial year, costs for the first 7 months of the year had been paid from the prior year budget.
8. The total budget proposed for 2022/23 is £23k, a reduction on the prior year budget by £2k. The two items leading to the change are lower proposed costs for consultancy and training, offset by an increase in the cost of trustee insurance.

Environmental Impact of the Proposals

9. There are none.

Legal Implications

10. There are no known implications at this time.

Financial Considerations & Risk Assessment

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

12. There are no known implications at this time.

Reason for Proposal

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

Proposal

14. The Board is asked to agree the draft Local Pension Budget and recommend to the Pension Fund Committee that this is included in the Fund's Administration budget for 2022/23.
15. It is proposed that the Local Pension Board monitor their budget on a quarterly basis. Local Pension Board budget monitoring will form part of the quarterly budget report which is reviewed by the Pension Fund Committee.

Chris Moore
Pension Fund Accounting and Investments Officer

Report Author: Chris Moore Pension Fund Accounting and Investments Officer

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

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
17 February 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. This report will be an evolving format, with the aim that it will develop into a dashboard over time.

Key Considerations for the Board / Risk Assessment / Financial Implications

Accounts and Annual Report

3. Final audit sign off of 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.
4. 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.
5. Officers have continued to monitor progress towards final publication and sign off of the Wiltshire Council Accounts through dialogue with the Council Finance team. It is currently understood that final sign off for the 2019/20 accounts is expected in March 2022. Once this has been completed audit work can be completed on the 2020/21 accounts which are planned to be signed off at the same time as the 2021/22 accounts, at the earliest in late 2022.
6. The first planning meeting for the 2021/22 accounts have been held with the Auditors (Deloitte). The scope and dates for interim work have been agreed and timescales for the final audit set out. The Fund is planning for the final accounts and annual report to be taken to the 28th July 2022 Committee meeting for sign off. To meet this publication date the auditors have agreed to accelerate their work programme.
7. Publication in July will ensure the accounts and annual report are relevant and up to date for all stakeholders. As with the 2021/22 report this would make Wiltshire one of the first funds in the UK to publish. To improve engagement with members Officers plan to produce another graphically designed one pager with relevant information engagingly presented to share with members, this was well received last year.

Payroll reconciliations

8. Work is still ongoing within the administration team to reconcile and correct discrepancies between the Altair pension admin system and SAP payroll records. A full update on work undertaken on this important project is available in a separate update.
9. The £8.25m provision made for this discrepancy was disclosed in the accounts for 2020/21 and accounted for as an extra cost in year. This represents a worst-case estimate, the final position is likely to be lower than this. Calculation of the final value requires completion of all steps by the admin team to review cases.
10. A review is underway of this provision to provide a revised figure for the 2021/22 annual accounts expected to be much lower, due to many corrections to future payments now having been made.
11. New payroll elements and accounting system codes have been established to track reconciling payment values and amounts being reclaimed. The first payments have been prepared for payment in February 2022.

Integrated Systems

12. Project Evolve is ongoing within Wiltshire Council, this will deliver a replacement to the existing SAP payroll and accounting software by December 2022. The pension team are members of implementation working groups.
13. Officers are working with the payroll and Evolve implementation teams to transfer existing pensioners to the new payroll system. At the same time Officers will prepare plans to implement an integrated payroll and one-off payments system within Altair, to initially be utilised for new pensioners.
14. Following implementation of the systems a plan will be prepared to transfer pensioners from the evolve system 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. Pensioners would be transferred in batches to the new system. More detail on these plans will be included in the business planning and future papers.

Internal Audit and Specialist Reviews

15. Internal audit work is ongoing for the 2021/22 work plan, the team have provided information and samples for reviews into the contributions collection process and treasury process.
16. At the meeting on 16 December 2021, the Committee approved a cyber security audit, to address concerns about the level of assurance in this area. Officers are in the process of obtaining a scope and quote for this review, and a verbal update will be provided at this meeting.
17. Following the recent restructure of the management of the pension fund team, the Head of Wiltshire Pension Fund has commissioned an audit into the key issues and resourcing of the admin function. This report will help to inform the business plan and budget for 2022/23. The completed report is due on 25 February 2022, therefore a verbal update will be provided at this meeting. The completed report can be circulated to Board members at a later date. The tight turnaround between the report being received and the

Committee meeting on 31 March 2022 means that it is not possible for the Board to review a draft business plan at this meeting.

Quarterly Financial Performance Dashboard

Wiltshire Pension Fund - Key Financial Controls Dashboard

Control Area	RAG	Items reviewed under this control area	Comments on Performance	Ongoing Actions
	Dec-21			
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. One small employer with an outstanding payment who has been contacted.	Work ongoing to tie together i-connect data submissions and contributions receipts to provide a single consistent record of employer information and payments.
2. Payroll	Yellow	Monthly payroll sign off process checking starters and leavers plus reconciliation of Altair to Payroll	Monthly sign off process for the payroll working as planned, number of pensioners on payroll in December 21 - 16,797. Improved monthly reconciliation of new starters and leavers each month implemented	Improvement required to the monthly Altair to SAP payroll reconciliation process to ensure ongoing accuracy of payroll payments.
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. One instance of treasury limit being exceeded to facilitate a large capital call. Low cash balance maintained to minimise cash drag on fund performance.	New treasury management policy in development for review and approval at March 22 Committee.
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, minor items being resolved prior to year end accounts process.	New process for VAT reconciliation is being implemented with the central council finance team following reconciliation which identified £300k owed to the pension fund.
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. The largest area of variance is within transfers in where £2.2m of payments received have not been recorded in the admin system.	New process to review each reconciliation discrepancy between the finance and admin teams is being established to clear historic items and stay on top of new issues. Implementation of a payments module in the admin system could eliminate the need for these time consuming reconciliations.
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.	Forecast expenditure for the fund remains on track with the operating budget, next detailed report expected at Committee in March 2022.	None
No material concerns	Green			
Minor issues outstanding	Yellow			
Major issues outstanding	Red			

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

Quarter	Payroll Month	Paid contributions £000's				Average late and overdue contributions total days		Number of employers payments status		
		Total Payment	On Time Payment	Late Payment	Late Payment %	Days Late Recd	Days Overdue	On time	Late	Not Received
Q1	Apr-21	34,641	7,625	18	0.2%	20.0	-	159	14	-
Q1	May-21	7,707	6,912	794	11.5%	18.5	-	158	15	-
Q1	Jun-21	7,613	7,606	7	0.1%	28.0	-	167	6	-
Q2	Jul-21	7,700	6,880	820	11.9%	15.1	-	163	7	-
Q2	Aug-21	7,538	6,766	772	11.4%	8.1	-	163	8	-
Q2	Sep-21	7,513	7,137	72	1.0%	9.6	-	160	13	-
Q3	Oct-21	7,610	6,912	698	10.1%	6.4	-	165	7	-
Q3	Nov-21	7,644	6,856	788	11.5%	13.5	-	161	12	-
Q3	Dec-21	7,627	7,474	153	2.0%	3.1	12.0	164	8	1
Total	Q1	49,961	22,143	819	3.7%	22.2	-	484	35	-
Total	Q2	22,750	20,783	1,664	8.0%	32.9	-	486	28	-
Total	Q3	22,881	21,242	1,639	7.7%	23.1	12.0	490	27	1

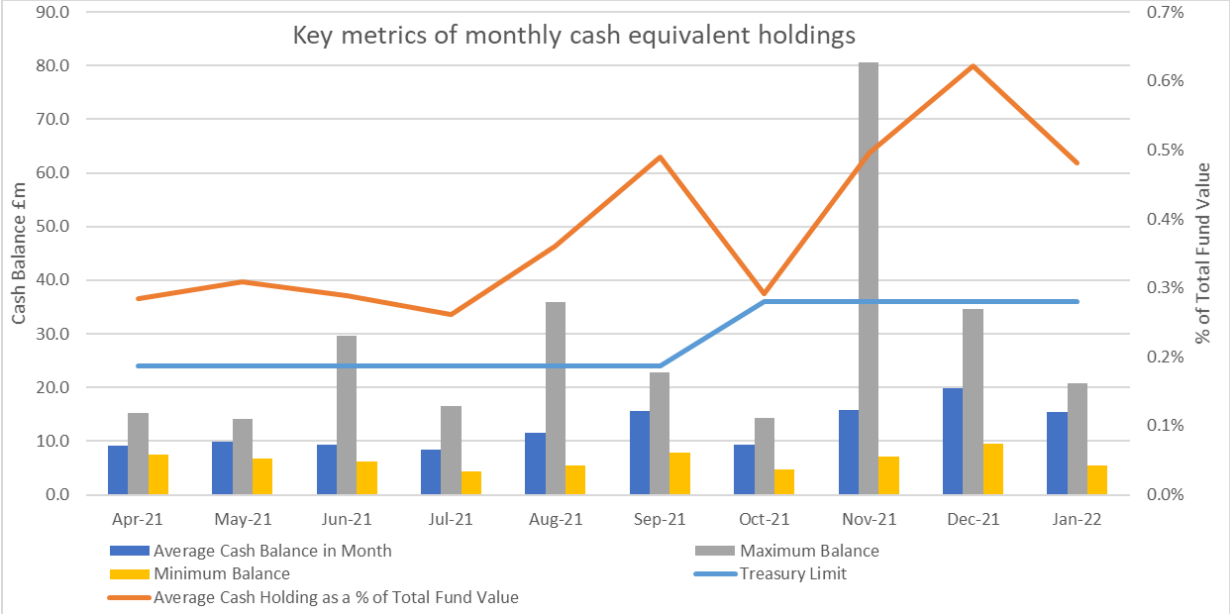
19. One payment remains outstanding as at 31st January 2022, the employer with an outstanding payment is being chased and payment is expected soon. The majority of late payments are received within a day or two of the deadline and all employers who have not paid are contacted immediately after the deadline day to remind them to pay. Persistently late payments or employers where we have problems are escalated to the employer relationship manager for resolution or further training.

20. 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 each month for 2021/22. 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.

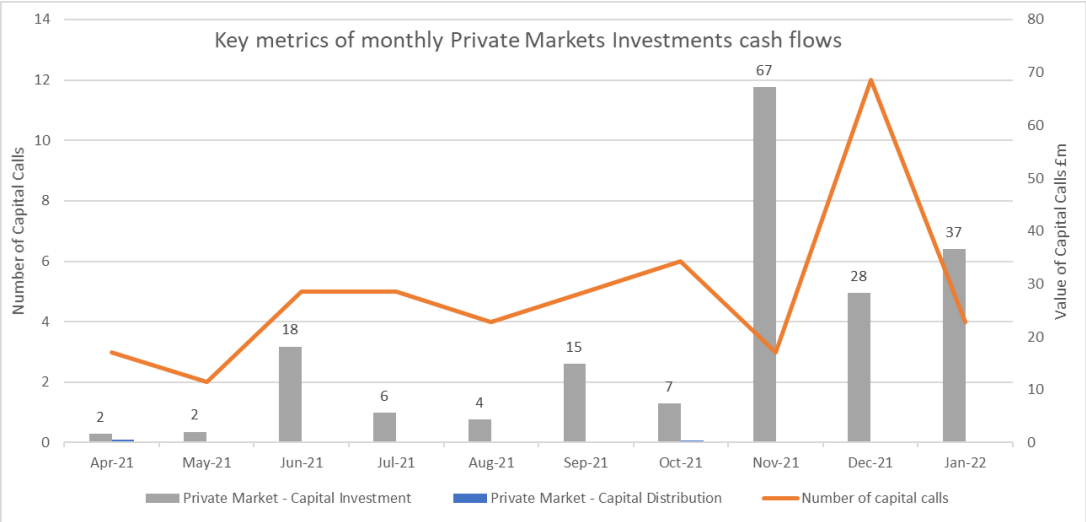
Summary Cashflow statement for Wiltshire Pension Fund													
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	
£m equivalent	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	2021/22
Opening Cash Balance	6.8	9.9	7.0	7.6	8.4	20.0	8.0	7.7	11.7	20.2	15.0	13.3	6.8
Operating Income	37.1	8.9	8.5	8.5	8.5	8.3	8.3	9.1	9.3	8.4	8.1	8.2	131.2
Operating Expenditure	(9.5)	(11.7)	(9.8)	(10.1)	(9.8)	(11.0)	(11.0)	(9.3)	(12.6)	(9.0)	(9.8)	(10.5)	(124.0)
Investing Private Market - Capital Investment	(1.7)	(2.1)	(18.2)	(5.7)	(4.4)	(14.9)	(7.4)	(67.2)	(28.3)	(36.6)	0.0	0.0	(186.4)
Investing Private Market - Capital Distribution	0.5	0.0	0.1	0.0	0.3	0.0	0.4	0.3	0.0	0.0	0.0	0.0	1.5
Investing Listed Market - Capital Withdrawal	0.0	2.0	20.0	8.0	63.0	5.6	9.3	71.1	40.0	32.0	0.0	0.0	251.0
Investing Listed Market - Capital Investment	(25.0)	0.0	0.0	0.0	(46.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(71.0)
Investing Other	1.7	(0.0)	0.0	0.1	(0.0)	0.0	0.1	0.0	0.0	0.0	0.0	0.0	1.9
Closing Cash Balance	9.9	7.0	7.6	8.4	20.0	8.0	7.7	11.7	20.2	15.0	13.3	11.1	11.1
Maximum Balance	15.3	14.1	29.7	16.6	36.0	22.8	14.4	80.6	34.6	20.8	21.0	19.3	
Minimum Balance	7.5	6.8	6.1	4.4	5.5	7.9	4.7	7.2	9.5	5.5	13.3	11.1	
Average Cash Holding	9.1	9.9	9.3	8.4	11.5	15.7	9.3	15.9	19.9	15.4	14.9	13.0	
Average Cash Holding as a % of Total Fund Value	0.3%	0.3%	0.3%	0.3%	0.4%	0.5%	0.3%	0.5%	0.6%	0.5%	0.5%	0.4%	
Number of capital calls	3	2	5	5	4	5	6	3	12	4	0	0	
Number of listed market withdrawals	0	1	1	2	3	2	3	2	5	2	0	0	
Net Cashflow from Operating	27.6	(2.8)	(1.3)	(1.6)	(1.3)	(2.7)	(2.7)	(0.3)	(3.3)	(0.6)	(1.7)	(2.2)	7.2
Net Cashflow from Investing	(24.5)	(0.1)	1.9	2.4	12.9	(9.3)	2.4	4.2	11.8	(4.6)	0.0	0.0	(2.9)

21. The fund has been holding a higher level of cash equivalent assets since the treasury limit was raised in October 2021 to ensure capital calls can be met in a timely manner. The average cash equivalent holding as a % of total fund assets remains small at around 0.5% to minimise the detrimental effect of cash drag on overall performance.

22. In the last quarter there was a single day breach of the treasury limit in November 2021 which was flagged to Committee ahead of it happening, the cash balance reached £80.6m. This was due to a single £66m capital call for the secured income portfolio. The cash was held for a single day with our custodian.



23. Cashflow activity for private markets capital calls have steadily increased over the year as commitments made to Brunel Cycle 2 portfolios (Private Debt, Private Equity, Infrastructure & Secured Income) begin to be called. December saw a record number of capital calls (12) prior to the Christmas break, with a smaller number of higher value capital calls in January, maintaining the pace of capital being deployed into the private markets portfolios.



24. Officers are working on an updated treasury management policy and strategy for ensuring sufficient liquid assets are available to facilitate the investments into the private markets portfolios. The increased treasury limit of £36m approved in September 21 has assisted the fund to hold sufficient cash to meet the calls, however this is not a sustainable long-term solution. The fund is disinvesting from other investments to provide

cash to meet the calls, this disinvestment process has a lead time which is very close to the time period available to meet the capital call, which is a contractual obligation. This increases the risk of missing the deadline which would be bad for the fund's reputation and for future access to investment opportunities. Currently cash is held in money market funds which are highly liquid but offer negligible returns. Holding cash here lowers returns for the overall fund, acting as a 'cash drag'. Other liquid options are being explored by officers to provide a suitably sized liquid source of funds to meet capital calls whilst minimising cash drag, this could include Exchange Traded Funds (ETF's).

25. Officers are working on these proposals and intend to take a revised treasury management policy to the 31st March 2022 Committee for review and approval.

Planned improvements and key items to monitor

26. 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			Work is still ongoing to complete payroll reconciliation process by the admin team. New system codes have been established to track historic under payments being made and over payments being recovered. The first payments for historic underpayment have been made and no requests for repayment of overpayments have been made yet.
Integrated systems			New plans are now being worked on to implement an integrated payroll for new pensioners and a one off payments system within Altair. Existing 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.
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.
Completeness and timeliness of invoicing			Ensuring processes are in place such that all pension strain costs, added years and FRS102 items are charged to employers in a timely manner and paid promptly. New process being implemented to ensure FRS102 invoices are raised.

Improvement / Issue	Last RAYG* rating	Current RAYG* rating	Comments
An overall review of reconciliations, and improved management information	Yellow	Yellow	Reconciliations are being reviewed and where required redesigned. Summary performance measures for each reconciliation are reviewed monthly and a new feedback process to address discrepancies will be established with the administration team.
Private markets investment transactions	Amber	Green	Inconsistent information is being received from Brunel regarding the accounting detail of the private markets drawdowns and distributions. This could affect the accuracy of data being recorded on State Street, which in turn could impact the Pension Fund's annual accounts. Examples were provided to Brunel who were able to review and correct and update their processes. Ongoing checks being undertaken by WPF of Brunel reporting via new cashflow model.
Cashflow forecasting and monitoring	Yellow	Green	New cashflow forecasting model implemented. Outcomes being used to support new treasury policy strategy.
Treasury management	Amber	Yellow	New cashflow forecasting model and private markets cash flows provide the information required to model a new solution. Options being considered and will be presented to the 31 st March 2022 Committee.
Committee reporting dashboard	Yellow	Green	Performance summary included in this report.
*RAYG = Red/Amber/Yellow/Green			
	Red		Significant concern
	Amber		Not started
	Orange		Work has commenced
	Yellow		Significant progress made
	Green		Completed/situation under control

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

28. There are no known implications at this time.

Proposals

29. 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

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1. Disclosure Requirements (CIPFA template) – Quasi-legal performance measures

Disclosure Regulations for the period 01/10/2021 to 31/12/2021

Process name		Disclosure Requirement	Current % (Last quarter %)	Change since last quarter	No. cases within Legal Timeframe
Deaths - initial letter acknowledging death		2 months	100%	+17%	87
Deaths - letter notifying amount of dependants pension		2 months	100%	+35.9%	42
Divorce quote - letter detailing cash equivalent value and other benefits		3 months	100%	0%	37
Refund - process and pay a refund		2 months	100%	+0.8%	138
Retirements - letter notifying estimate of retirement benefits		2 months	100%	+2.1%	206
Retirements - letter notifying actual retirement benefits + process and pay benefits on time	Active	2 months	98.9%	+7.3%	281
	Deferred		99.4%	-0.2%	179
Transfers in – Letter detailing transfer in quote		2 months	100%	No measure	19
Transfers out – Letter detailing transfer out quote*		2 months	87.9%*	No measure	107
Joiners - notification of date of enrolment**		2 months	79.9%**	-4.5%	653
Deferment - calculate and notify deferred benefits		2 months	98.8%	+23.8%	753

Explanatory notes

The table above is based on a template produced and updated by CIPFA for insertion within LGPS Funds annual report. It is based on what are collectively known as the 'disclosure requirements' which broadly means that the Fund is required to supply certain information to members (or their next of kin).

* **Transfers out quote and estimates:** We have included this measure as it is part of the template but members have instant access to figures through MSS too.

** **Joiners:** This measures the time taken to confirm to a member that we have set them up in the Scheme. However, it is an employer responsibility to begin the deduction of contributions with effect from the member's start date and also to inform the member of their start date.

We have also removed very low volume task as percentages are not a good measure of performance.

Performance commentary for the quarter

The table shows either 100%, or close to 100% completion, in all areas except joiners and transfer out quotes.

For joiners, some technical difficulties have persisted whilst updating processes which have led to joiners still being lower than hoped. We continue to work to resolve this issue.

For transfer out quotes, we had previously excluded these as member have self-service access but we have included again for completeness.

2. 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	99.5% (at 31/08/2021)	+2.6%

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 these 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 its 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.

Both sets of scores are reviewed annually

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 for this year has exceeded the business plan target of 99% and it follows a pattern of steady improvement since 2018 (2020: 96.9%, 2019: 95.0%, 2018: 93.9%). Due to improved systems (e.g. i-Connect) and processes, and despite additional checks being added, this has also been achieved using reduced levels of resources from previous years.

3. Internally set targets (Fund)

While the figures in appendix 1 outline the (quasi) legal requirements using a CIPFA template, and appendix 2 outlines the tPR's own metrics against which it may take action, appendix 3 outlines internally set, aspirational service level targets. The Fund's administrative performance priority is its performance against the targets in appendices 1 and 2 but the following sets of information set's out internally set targets to help met the goals of the Fund's business plan.

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.

KPI Category	Description	Target (in working days)	Complete at End of Period	% Complete Within Customer Target
Active to Retirement	Time from retirement form received to case complete less time out of office (with member/employer)	10	185	70.8% (-7.2%)
Deferred to Retirement	Time from instruction to pay out deferred benefits to case completed (less out of office time)	10	156	98.7% (+1.7%)
Processing of Death cases - Death Grant	Time from family questionnaire returned to case completed (less out of office time)	10	17	70.6%*
Processing of Death Cases - Dependant Pension	Time from family questionnaire returned to case completed (less out of office time)	10	42	81.0%*
Processing of Death cases - Notification	Time from informal notification of death until family questionnaire sent out + time to set up any follow on work (death grant/dependant pensions)	5	104	80.8%*
Refund of contributions	Time to process refund from the date of instruction from the member (less query time)	10	138	100% (+1.0%)

*There is no comparative measure as the process has changed since the last quarter to break down the process into its component parts.

b). i-Connect onboarding progress (Dec 2021)

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- as soon as possible.

	Number onboarded	Number left to onboard	Completion rate
Active members	12283	10,700 (total = 23,099)	53.2%
Employers	85	85 (total = 170)	50% (+4.7%)

The percentages are lower than previously reported as Swindon Borough Council and FS4S (a payroll provider, covering a large number of employers) joined and then left i-Connect due to reporting issues and changing payroll system. If these two organisations were added again, this would add an additional 21 employers, as they provide payroll services for other employers, and around another 25% of active members.

c). MSS (My Wiltshire Pension) take up

RECORDS	
ACTIVE	8 February 2021
Registered	8,437
Total	19,246
Percentage	43.8% (+ 1.7%)
DEFERRED	
Registered	8,081
Total	23,589
Percentage	34.3% (+ 1.0%)
TOTAL	
Registered	16,478
Total	42,835
Percentage	38.5% (+ 1.1%)

The table to the left shows the number of registered members as at 8 February 2022 (the comparison is to 1 November 2021)
Note: There are no comparative figures included for this quarter as the methodology has been updated to show figures based on persons rather records (although there is likely to be little difference).

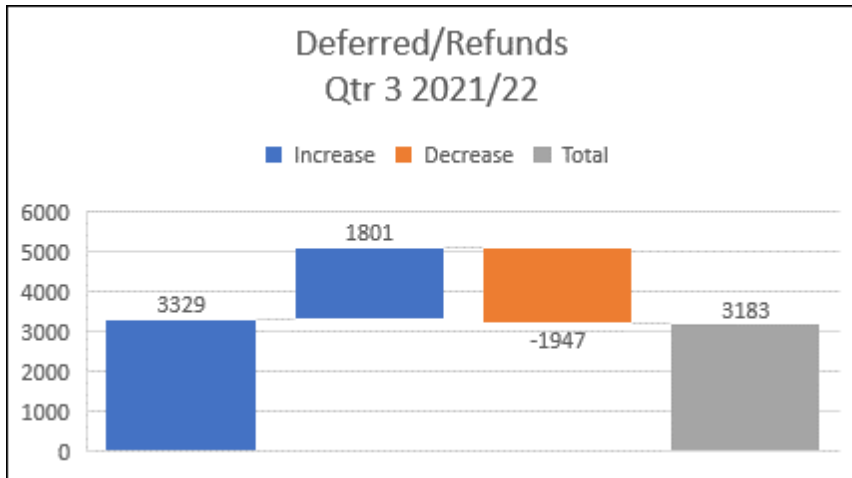
d). Backlog monitoring

Prior to making a number of process improvements to the refunds, deferreds and aggregations processes, the Fund accumulated processing backlogs in certain areas. Officers define a backlog for a process where there are more than 300 outstanding cases. Where this is the case, officers plan to ring-fence this area of work and manage the backlog area of work separately although this is not in place as at the date of this report.

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

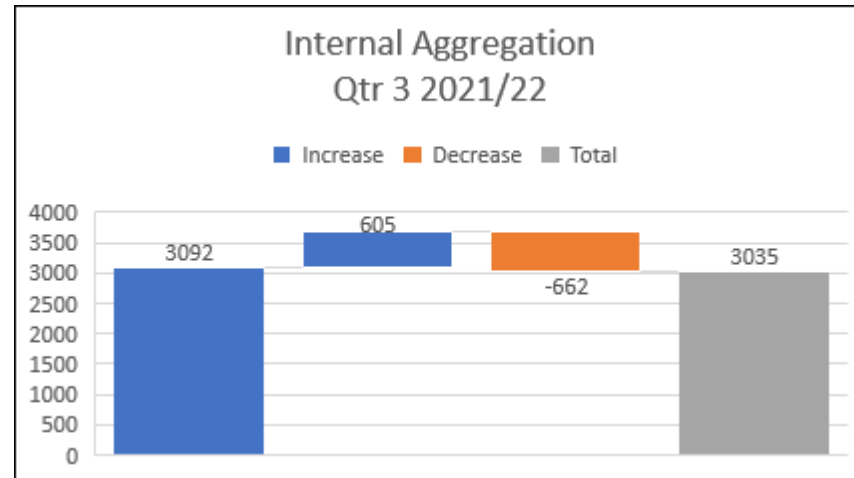
i). Deferred/Refunds

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



ii). Internal aggregation cases

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



Commentary:a). Administration Strategy KPIs – Fund

Table 1 shows the Fund is now approaching the desired performance levels of over 85% of cases meeting KPIs. With time, this table will be expanded to show lower priority case types as well.

b). & c). i-Connect and My Wiltshire Pension (MSS) onboarding

i-Connect take up amongst small employers has improved although difficulties encountered with onboarding large employers such as Swindon Borough Council, FS4S, Wiltshire Police and New College remain and officers continue to work closely with those organisations to onboard them as soon as possible. The main issue is their ability to produce the data in the format required, particularly whilst changing, or having changed, payroll system.

MSS sign-ups are broadly in line with industry-norms after successful attempts to encourage more members to sign up and these figures are unlikely to change materially in future now, although some small improvements are still evident in the last few months.

d). Backlog monitoring

Some progress has been made in both areas but only to a limited extent. Officers are looking at options for external support to make a step improvement in numbers.

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		Oct			Nov			Dec		
		On-time	Late	% on time	On-time	Late	% on time	On-time	Late	% on time
iConnect Submissions	Large (250>)	6	0	100%	5	1	83%	5	1	83%
	Medium (50-250)	13	0	100%	15	0	100%	13	0	100%
	Small (10-50)	25	0	100%	26	2	93%	25	4	86%
	X Small (<10)	31	0	100%	31	0	100%	29	8	78%
Total		75	0	100%	77	3	96%	72	13	85%

ii). Quality measures

Data quality gradings: The Fund categorises each employer into one of three quality measures depending on the quality of the returns being produced. The middle category of Silver is the starting category. Gold means good quality returns are consistently produced, Silver means that good quality returns are mostly produced by some issues and errors occur while Bronze means that there are a number of concerns with the quality of data produced which requires frequent intervention, more checks and escalation with the employer. These categories are regularly monitored internally but not reported here.

Contributions vs data comparisons: Additionally, as part of its control checks, officers undertake a cross comparison between the data and the contributions received. A failure of this check for an employer indicates that either the contribution payment or the membership data submitted was incorrect (or both are incorrect) and further investigation with the employer is required.

The current breakdown of employers against this measure is as follows:

Month		Oct				Nov				Dec			
		Incorrect, Under	Incorrect, Over	Correct	% Accuracy	Incorrect, Under	Incorrect, Over	Correct	% Accuracy	Incorrect, Under	Incorrect, Over	Correct	% Accuracy
Monies Received Contributions total Comparison	Large (250>)	3	3	0	0	1	1	4	67	1	3	2	33
	Medium (50-250)	0	0	13	100	1	0	14	93	1	1	11	85
	Small (10-50)	0	7	18	72	2	3	23	82	0	4	25	86
	X Small (<10)	3	2	26	84	1	1	29	94	3	3	31	84
Total		6	12	57	76	5	5	70	88	5	11	69	81

b). Timeliness of contributions payments

Below is a breakdown showing the timeliness of employer contribution payments (i-Connect employers only).

Month		Oct			Nov			Dec		
		On-time	Late	% on time	On-time	Late	% on time	On-time	Late	% on time
Monies Received on time	Large (250>)	0	6	0%	0	6	0.00%	6	0	100%
	Medium (50-250)	9	4	69%	11	4	73.33%	13	0	100%
	Small (10-50)	24	1	96%	27	1	96.43%	29	0	100%
	X Small (<10)	28	3	90%	30	1	96.77%	34	0	100%
Total		61	14	81%	68	12	85.00%	82	0	100%

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
17 February 2022

PENSIONER PAYROLL DATABASE RECONCILIATION PROJECT UPDATE

Purpose of the Report

1. The purpose of this report is to provide for the Board's consideration, a further update on the detailed, and ongoing reconciliation project between the pension administration system (Altair) and pensioner payroll system (SAP).

Background

2. This paper provides an update on how the situation has developed since the last quarterly meeting and the current situation on outstanding cases across each stage of this project.

Current situation

Rectification project

3. The current situation of the rectification project is as follows, for the cases in scope:

Membership type	Stage 1: GMP reconciliation with HMRC records	Stage 2: Altair consistency between initial and current pension values	Stage 3: Cross comparison between Altair/SAP at an initial individual record level review	Stage 4: Peer review complete and rectification complete/in progress
Pensioners with a state pension age before 2016	Complete	<30 cases remain	Complete	400 cases outstanding
All other pensioners	Complete	Complete	35 cases outstanding	85 cases outstanding
Dependants	Complete	69 cases outstanding	60 cases outstanding	Not started yet
Totals	Complete	c100 cases	c100 cases	c485 cases

4. The following notes provide some additional context to the numbers stated above:
 - a). Only cases where the initial analysis suggested a payment discrepancy of £5 per month or more are currently in scope. Officers are currently considering a proportionate approach for cases with discrepancies below this threshold and will present a recommendation to the next admin focussed Committee for approval.
 - b). Scheme members are given around 2 months notification of any change to their payment amounts (with some exceptions for very small differences) to allow the member

time to manage their financial circumstances and in line with national guidelines, therefore there is a delay between completing a case and the payment amounts being changed.

c). For cases where SAP is correct and Altair is incorrect, these are being prioritised behind those cases where SAP is incorrect, with the largest differences being dealt with first for all SAP payment issues. Some of the cases at stage 4 have a final conclusion that the current payment was correct.

d). Officers have received a small number of Internal Dispute Resolution Procedures (IDRPs) so far in relation to this exercise, but below initial expectations.

Considerations for the Board

4. Officers have continued to take a highly cautious approach to going through cases to try to limit the chance of errors being made as part of this review; in many cases, there is a large amount of information to review and consider to reach a final view point and hence the timeframes for the completion of this project have become relatively long and difficult to predict. It is possible that corrections could continue up to May 2022 or June 2022 but an early completion date is being targeted.
5. There are currently two members of staff working on stage 4 cases on a part-time capacity (around 1.6 FTE in total) although two other members of staff are supporting where possible. It is also estimated that there is another 2 FTE of staff being spend on completing stage 2 and stage 3 cases and in overall management of this project.
6. In addition to the completion of this project, officers are also currently identifying ways to align the set up of records across both Altair and SAP to facilitate greater ease of reconciliations, improved controls, improved PI processes and identification of issues. This work will be beneficial as preparation for an integrated payroll system as well as for the movement to the SAP replacement system.

Environmental Impact

7. There is no environmental impact from this report.

Financial Considerations

8. There are no financial considerations related to this update paper.

Risk Assessment

9. There are no new risks related to this paper.

Legal Implications

10. There are no new legal implications related to this paper.

Safeguarding Considerations/Public Health Implications/Equalities Impact

11. There are no implications at this time.

Proposals

12. Officers ask the Board to consider the information held within this paper to provide any comments or recommendations that it may have.

Jennifer Devine

Head of Wiltshire Pension Fund

Report Author: Andy Cunningham – Pensions Administration Lead

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WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
17 February 2022

INVESTMENT GOVERNANCE REPORT

Purpose of the Report

1. The purpose of this report is to highlight the significant issues in relation to the Fund's investment governance arrangements.

Key Considerations for the Board

Competition and Markets Authority (CMA) Order Compliance

2. Appendix 1 contains a detailed note on the Fund's compliance with the CMA Investment Consultancy and Fiduciary Management Market Investigation Order 2019. The actions taken in order to comply are setting objectives for the Fund's investment advisers, Mercer, and conducting an annual review against these objectives. At the current time, this second part (i.e. the review) is not yet a requirement, but has been carried out as an example of best practice.

Stewardship Code 2020

3. The Fund's Responsible Investment Plan 2021/22 set out an objective to develop plans for reporting in line with the Stewardship Code 2020. The Fund was a signatory of the previous 2012 Code. The 2020 Code is more demanding, and has an emphasis on providing examples of actions and outcomes, not just policy.
4. It is only possible to submit applications twice per year, in April and October. Officers are targeting an April submission, based on reporting to the year to 31 March 2022. The report is currently being drafted, and will be taken to the Committee meeting on 31 March 2022 for review and approval. This report will likely be quite detailed, so in order to make this important information more accessible and understandable to a non-technical audience, the Fund will also publish a short magazine version of the report at the same time.

Treasury Management

5. As covered in more detail in the KFC (Key Financial Controls) report, elsewhere on this agenda, officers are currently reviewing the Fund's treasury management arrangements. This has become necessary due to the large volume of capital calls associated with the Fund's growing private markets portfolios.
6. The approval process for the new Treasury Management Strategy will be through the Committee meeting on 31 March 2022.

Levelling Up

7. On 2 February, the UK Government published its white paper on Levelling Up, setting out the Government's plans to spread economic opportunities more equally across the UK. The plans are wide-ranging, with the intention to address six drivers of spatial disparity across "missions". The paper outlines the role of institutional investment in the Levelling Up agenda as providers of capital. Specifically for the LGPS, the paper notes the progress to date with increasing investment in infrastructure, from <£1bn in 2016 to £21bn in 2021, largely through the asset pools. As part of the proposals, individual LGPS funds will need to publish their plans to target up to 5% of their assets being invested in "local" projects.
8. The Scheme Advisory Board have responded to say "We understand that in this context local refers to UK rather than local to a particular fund and that there will be no mandation beyond the requirement to have a plan."

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

10. There are no known implications at this time.

Proposals

11. The Board is asked to:
 - Use this paper as a basis to monitor progress made and actions taken towards various investment governance issues
 - Review and endorse the process for approval of 2020 Stewardship Code reporting, and the Treasury Management Strategy
 - Note the information provided on Levelling Up

Report Author: Jennifer Devine, Head of Wiltshire Pension Fund

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

Appendix 1

CMA Order – Investment Consultant

Summary

This note sets out the internal process conducted in assessing the Wiltshire Pension Fund Investment Consultant against set objectives.

Background

1. In 2018, the Competition and Markets Authority, CMA, published its report “Investment Consultants Market Investigation Final Report” (the report).
2. In the report, the CMA decided (among other matters) that certain features of the investment consultancy market, individually and in any combination, restrict or distort competition in connection with the supply and acquisition of investment consultancy services in the UK to and by pension scheme trustees and thereby have an adverse effect on competition (AEC) in respect of investment consultancy services.
3. The CMA indicated in the report that it intended that the CMA would implement some of the remedies by an Order. This order came into force as the [“Investment Consultancy and Fiduciary Management Market Investigation Order 2019.”](#)
4. The part that impacts the LGPS is Part 7, which means that funds cannot enter into a contract to receive, or continue to receive, consultancy services unless they have set strategic objectives for their investment consultancy provider. A [Statement of compliance](#) confirming that this has been carried out was sent to the CMA by the deadline of 7 January 2022.
5. Draft DWP regulations (delayed significantly in their implementation due to Covid-19) went further by including a requirement that funds must, at least every 12 months, review the performance of their investment consultancy against these objectives.
6. However, as the final regulations have not been issued, and may not include this requirement, it should be noted that this exercise has been conducted as good practice, rather than for compliance purposes.

Introduction

7. The [Investment Consultant - Strategic Objectives](#) for Wiltshire Pension Fund were set in November 2019.
8. The objective headings were as follows:
 1. Alignment of services with Overall Objective
 2. Investment strategy objective
 3. Investment manager selection objective
 4. Implementation objective
 5. Investment Strategy Statement
 6. Monitoring objective

Process

9. The Investment Consultant's performance against these objectives was reviewed by the Accounting and Investment Officers and Head of Wiltshire Pension Fund on an individual basis, before being moderated into a scorecard summary on 24 November 2021.
10. Overall, values against each objective were high; Investment Strategy (RPI reform/gilts portfolio/new investment strategy allocations) and Investment manager selection (bank loans and infrastructure) scored very well in particular.
11. Objectives that typically form part of the triennial valuation process were difficult to score over the year without some subjectivity. Nevertheless, it was concluded that there was scope to add further value in the areas of Implementation (modelling work) and Monitoring (pools and underlying managers).

Outcome

12. The feedback above was provided informally to the Investment Consultant (Mercer) at a (MS Teams) meeting on 6 January 2022.
13. Annual reviews of Investment Consultant performance against objectives have been added to the fund governance calendar.
14. Reviews of Investment Consultant objectives will occur when there is significant change the fund Investment Strategy (typically every three years following/as part of the actuarial valuation.)
15. Annual review of the CMA requirements, and associated compliance statement, has been added to the fund governance calendar.

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD
17 February 2022

PENSION FUND – FUND DELEGATIONS & CONTROLS

Purpose of the Report

1. This report has been prepared to set out the existing documented interactions between the Committee, the Board, and the delegations to Officers.

Background

2. Section 101 of the Local Government Act 1972 enables a local authority to arrange for the discharge of its function by a committee, a sub-committee or an officer of the authority.
3. Wiltshire Council's constitution (Part 3B, paragraph 2.5) states that the Local Authority will maintain a Wiltshire Pension Fund (WPF) Committee which will:
“exercise the functions of the Council as Administering Authority under the Local Government Superannuation Act and Regulations and deal with all matters relating thereto”
Part 3B, paragraph 2.5 of the Council's constitution is also supported by Protocol 2a of the constitution which sets out the terms of reference of the Pension Fund Committee. The documented delegations of the Fund are derived from the Committee.
4. While Part 2, Article 12.1 of the Constitutions states:
“The council may engage such staff (referred to as officers) as it considers necessary to carry out its functions.”
And Part 2, Article 12.7 of the Constitution states:
“... The Corporate Director of Resources & Deputy Chief Executive (s151 Officer) will have responsibility for the administration of the financial affairs of the council including: ...the proper administration of the authority's financial affairs, including the Wiltshire Pension Fund...”
5. The Corporate Director of Resources & Deputy Chief Executive (s151 Officer) is the most senior officer responsible for pension matters.
6. Senior Officers can further delegate decisions using a scheme of sub-delegation. The Section 151 officer has used this provision and an abridged version (dated February 2022) detailing the delegations to pensions officers is attached (see Appendix 2). In practice, most strategic decision making is undertaken by the Head of the Wiltshire Pension Fund.
7. To exercise its functions the WPF Committee oversees the work of officers at a high-level through receipt of committee papers and the operation of a framework of key documents, notably the Governance Compliance Statement last updated in March 2021, but also the Fund's Business plan, Discretion's policy, Funding Strategy Statement, Investment Strategy Statement, Cessations Policy, Communications strategy & Administration strategy documents.
8. To comply with the Public Services Pensions Act 2013 and the LGPS (Governance) Regulations 2015, the Council established the Local Pension Board. The Wiltshire

Pension Fund Local Pensions Board (LPB) also has a term of reference within the Council's constitution entitled Protocol 2b and is dated July 2020.

9. Based on the framework of key documents, & terms of reference set out above, outlined in Appendix 1 is an officer produced document entitled "Guidance to delegations" which sets out the Committee's & Board's cyclical responsibilities.
10. As part of the cycle of Fund delegations & controls, the LPB can review & make recommendations in relation to the maintenance of key documents, Committee minutes & record those recommendations within the LPB's Annual Report

Considerations for the Board

11. References to the Brunel Pension Partnership (BPP) now form part of the Fund's Governance Compliance Statement and BPP have also prepared their own terms of reference, a copy of which has been passed to the Fund. However, it is recognised that the governance framework of BPP may still need further development. Part of that development will be to ensure that the governance structures between both organisations resonate well with each other.
12. The register of sub-delegations setting out the Section 151 Officer's responsibilities is a brief summary of those responsibilities. It is expected that recent changes to the Corporate Director of Resources & Deputy Chief Executive (s151 Officer) role and senior management structure, in turn may lead to changes in the Scheme of sub-delegation document. Consequently, it is expected that these changes will form part of an on-going review during 2022. This review may also give consideration to tPR's new Single Code of Practice and the Scheme Advisory Board's good governance review, both of which are due to be published this year.

Conclusions

13. Whilst a framework of Fund delegations & controls clearly operates for the WPF it is recognised that changes to the existing operating practices, may warrant changes and certain formalisations to the current delegations & controls to ensure that this document remains current.
14. Furthermore, it is noted the existing officer delegations continue to lack detail in key areas and hence rely on a mutual understanding concerning the split of roles and responsibilities between officers and between officers and the Committee.

Environmental Impact

15. There is no environmental impact from this report.

Financial Considerations

16. There are no immediate financial considerations resulting from this report.

Risk Assessment

17. There are no immediate risks resulting from this report, however risks in the longer term may present themselves should appropriate steps not be taken.

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

19. There are no implications at this time.

Proposals

20. The Board is asked to note Officer conclusions and to consider whether it would be desirable for changes to be made to the structure of delegations & controls to incorporate changes arising, namely officer titles and recommendations arising from the anticipated good governance review and single code of practice. Furthermore, consideration should also be given to the breakdown of responsibilities outlined in the "Guidance to delegations" Appendix 1. These changes should include.

- a) Where required, changes also arising from published guidance; and
- b) Ensuring that the governance arrangements of both the Fund and BPP are clearly reflected which each other, as appropriate.

JENNIFER DEVINE

Head of Wiltshire Pension Fund

Report Author: Richard Bullen – Fund Governance & Performance Manager

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Pension Fund Decision Making – Appendix 1

Fund Policies and Strategies	Committee – Admin Focus	Committee – Investment Focus	Local Pension Board	Comments
Governance Compliance Statement	✓		✓	
Business Plan	✓		✓	
Administration Discretions Policy	✓		✓	
Administration Strategy & Charge-out rates	✓		✓	
Funding Strategy Statement	✓		✓	
Investment Strategy Statement/Statement of Investment Principles (incl. Stewardship Code Statement)	✓	✓	✓	
Cessation Policy	✓			
Financials and Audit				
Financials and Audit	Committee – Admin Focus	Committee – Investment Focus	Local Pension Board	Comments
Review Fund Annual Report		✓	✓	
Review Fund Annual Accounts		✓	✓	
Review Internal and External Audit Report	✓	✓	✓	
Wiltshire Pension Fund Administration Budget	✓			Authority is delegated to the Treasurer to move funding between budget headings as required.
Local Pension Board Budget	✓		✓	To go to the LPB first and then included in the full Fund budget to go to Committee.
Treasury Management Strategy		✓		
Budget Monitoring Report/ Administration Outturn Statement		✓		
Input into Internal and External Audit Plans			✓	

Administration	Committee – Admin Focus	Committee – Investment Focus	Local Pension Board	Comments
Review Employer's Data Compliance			✓	
Fraud and Risk Prevention			✓	
Review of Fund Website	✓		✓	
Review Communications Strategy	✓		✓	
Internal Disputes Resolution and Complaints Policy	✓		✓	
Data Security/Compliance and Business Continuity	✓		✓	
GMP reconciliations project	✓		✓	
Fund Governance				
Fund Governance	Committee – Admin Focus	Committee – Investment Focus	Local Pension Board	Comments
Scheme, Legal, Regulatory and Fund update	✓		✓	
Review Fund Risk Register	✓		✓	
Review Fund Training Programme	✓		✓	
Compliance with tPR checklist			✓	
Administration Key Performance Indicators	✓		✓	
Review External advisor appoints process and controls			✓	
Review Fund delegations and internal controls			✓	
Benchmarking results	✓		✓	
Breaches Policy			✓	
Review Valuation Process			✓	
Review Ombudsman cases			✓	
Investments				
Investments	Committee – Admin Focus	Committee – Investment Focus	Local Pension Board	Comments
Investments Quarterly Performance Report	✓	✓		
Valuation update	✓		✓	

Contribution rates	✓	✓	✓	Agreed by the Committee and reported to LPB for info.
Individual Employer Investment Strategy and Club Vita update	✓			
Flight Path Strategies		✓		
Appointing an Investment Manager	✓	✓		Investment focussed Committee to lead
Terminating a Manager Contract	✓	✓		Investment focussed Committee to lead
Review of Investment Manager Performance		✓		
Other				
	Committee – Admin Focus	Committee – Investment Focus	Local Pension Board	Comments
Brunel Update	✓	✓	✓	
Brunel Reserve Matters		✓		This can be determined between meetings in consultation with all members if an urgent meeting cannot be called.
ABS Publication Update/Review	✓		✓	
AGM Feedback	✓		✓	
Board Governance				
	Committee – Admin Focus	Committee – Investment Focus	Local Pension Board	
Local Pension Board Code of Conduct and CoI Policy	✓		✓	To be reviewed by the LPB prior to decision by Committee.
Local Pension Board Annual Report			✓	To be reviewed by the LPB before inclusion in full Fund Report approved by Committee.

Committee delegations

Wiltshire Council Constitution Part 3 (2.7) Wiltshire Pension Fund Committee:

It will exercise the functions of the Council as administering authority under the Local Government Superannuation Acts & Regulations and deal with all matters relating thereto. The committee will publish meetings attendance records in an Annual Report.

The Committee's terms of reference are set out in Protocol 2a

Officers

Part 3 D (1.3) Full Council, its Committees and the Cabinet will make decisions on matters of significant policy. The Directors have express authority to take all necessary actions to implement Council, Committee and Cabinet decisions that commit resources, within agreed budgets in the case of financial resources, as necessary and appropriate.

Part 3

1.7 Without prejudice to the generality of the foregoing, the Directors shall have the power:

a. To take all lawful action consistent with overall council policy to deliver agreed strategy, plans and policy and to comply with statutory obligations within their areas of responsibility and within approved budget. This shall include, but not exhaustively:

- Invitation and acceptance of tenders
- Submission of bids for funding
- Write-off of irrecoverable debts
- Virement (within the budget framework)
- Disposal and acquisition of assets
- Service and placing of any necessary statutory or

other notices (other than those expressly reserved to Full Council, Committee or Cabinet)

- After consultation with the Solicitor to the Council, authorising the institution, defence, settlement or participation in criminal or civil proceedings in relation to any legislation which they are responsible for monitoring, enforcing or otherwise implementing on behalf of the Council;

- b. To put in place management arrangements, which define the area of responsibility of all officers under their service area.
- c. To determine staffing arrangements within approved budgets, subject to agreement on grading with the Head of Paid Service after consultation with the other Corporate Directors and conformance with Council policies and the Finance Regulations and Procedure Rules (Part 9).
- d. To take all action to recruit, appoint, develop, manage and reward employees within approved Council policies and procedures (including operation of policies for voluntary severance, early retirement, redundancy and redeployment) and relevant conditions of service.

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SCHEME OF SUB-DELEGATION – Andy Brown, Corporate Director for Resources & Deputy Chief Executive (Section 151 Officer)

The scheme of sub-delegation below shows the Council's function and the job title (or where required, name) of the officer to whom those decision-making powers and functions are delegated. Where a job title is given the delegations to all post holders of that job title. In all cases, each delegation applies to each person in direct line management of the delegate post holder or named person.

For the avoidance of doubt, the Corporate Director for Resources & Deputy Chief Executive (S151 Officer) can make decisions on behalf of the Council within their areas of responsibility provided that that decision has not been specifically reserved to Full Council, a Committee or Cabinet. The following specific functions may also be exercised by the officers specified on behalf of the Corporate Director and in the name of the Corporate Director.

This scheme authorises the Director, in consultation with the Corporate Director (or Chief Executive), to take all lawful action consistent within their areas of responsibility to deliver agreed strategy, plans and policy and to comply with statutory obligations within their areas of responsibility and within approved budget (as set out in Part 3 paragraph 1.7.1 of the Constitution).

This authorisation is effective from the date of signature of this document and replaces any former authorisation. In addition, any officer decision taken between 1st August, 2021 and today's date pursuant to a then subsisting sub delegation authorisation which, if it had been taken after this date would have fallen within this scheme of sub-delegation is hereby retroactively ratified.

In exercise of the power given to me pursuant to paragraph 1 of Part 3 Section D2 of Wiltshire Council's Constitution Scheme of Delegation to Officers (as last updated in February 2016) adopted by the Council at its meeting on 9th November 2010 or any subsequent successor constitution, I hereby authorise the officers designated in the last column of the table below to exercise on my behalf the powers set out in the first column subject to the necessary consultations and limitations specified.

	Function	Consultees	Limitations	Job Title or Name of Officer
1	Accountancy			
Page 96	The Council has a duty to raise and collect income from certain services. Where recovery of this income has been exhausted under Council procedures then the write off, of that debt should be considered in light of advice from the service and legal services. After which the debt write-off is delegated as follows:	Cabinet Relevant Executive Directors		
	Sundry		<ol style="list-style-type: none"> 1. Up to £5000 2. Up to £10000 3. Up to £50000 	<ol style="list-style-type: none"> 1. Head of Service or above 2. Head of Revenues & Benefits 3. Assistant Director - Finance (Deputy S151 Officer)
	Housing Rents		<ol style="list-style-type: none"> 1. Up to £5000 2. Up to £10000 	<ol style="list-style-type: none"> 1. Head of Housing Operations & People Service 2. Assistant Director - Finance (Deputy S151 Officer)
	Council Tax and NNDR		<ol style="list-style-type: none"> 1. Up to £200 2. Up to £2500 3. Up to £5000 4. Up to £10000 	<ol style="list-style-type: none"> 1. Revenues & Benefits Operation Managers 2. Corporate Benefits & Systems Manager/Corporate Revenue Manager 3. Head of Revenues & Benefits 4. Assistant Director - Finance (Deputy S151 Officer)
	Housing Benefits Overpayments		<ol style="list-style-type: none"> 1. Up to £100 2. Up to £1000 3. Up to £2500 4. Up to £5000 5. Up to £10000 	<ol style="list-style-type: none"> 1. Overpayment Recovery Officers & Specialists 2. Revenues & Benefits Operations Managers 3. Corporate Benefits & Systems Manager/Corporate Revenue Manager 4. Heads of Revenues & Benefits 5. Assistant Director - Finance (Deputy S151 Officer)

2	Pensions			
Page 97	<p>The Section 151 Officer also undertakes the role of the Treasurer to the Wiltshire Pension Fund. Where there are matters of conflict, the Section 151 Officer will delegate:</p> <p>a) Council decision making to the council deputy Section 151 Officer; and</p> <p>b) Fund decision making to the Relevant Pension Officer.</p>	Cabinet Pension Fund	N/A	<p>Assistant Director - Finance (Deputy S151 Officer)</p> <p>Relevant Pension Officers:</p> <ol style="list-style-type: none"> 1. Head of Pension Fund Investment: All pensions accounting and investment related matters. 2. Head of Pensions Administration & Relations: All other pension matters.
	<p>Approval to sign all admission agreements on behalf of the Fund will be delegated to the Head of Pensions Administration & Relations.</p> <p>Approval for all other Fund contracts with external providers will be delegated to the Relevant Pensions Officer.</p>			<p>Relevant Pension Officers:</p> <ol style="list-style-type: none"> 1. Head of Pension Fund Investment: All pensions accounting and investment related matters. 2. Head of Pensions Administration & Relations: All other pension matters.
	<p>Approval for all pension fund administration expenditure, including staffing related costs and procurement of services and supplies (for example software, consultancy support and advice).</p>	Pension Committee	<p>Up the expenditure limits for the subcategories of administration, investments and governance as approved within the annual Pension Fund Budget.</p>	<ol style="list-style-type: none"> 1. Head of Pension Fund Investment: All pensions accounting and investment related matters, including all investment related areas of the budget. 2. Head of Pensions Administration & Relations: All other pension matters including all administration and governance related areas of the budget.
	<p>Write off of pension overpayments</p> <p>(Note: HMRC rules do not classify any payment under £250 as being a taxable nor any overpayment following the death of pensioner where the Fund was notified for a period up to six months)</p>		<ol style="list-style-type: none"> 1. £250 2. Up to £1000 or up to six months pension overpayments relating to the death of pensioner if officers were not advised of the death 3. Up to £5000 	<ol style="list-style-type: none"> 1. Senior Pension Officers 2. Benefits Manager (Pensions) or Technical & Compliance Manager. 3. Head of Pensions Administration & Relations

3	Bank Accounts			
	The creation and deletion of bank accounts shall only be approved on the following delegation.	Relevant Cabinet Member	Cash balance, with no overdraft facility	Assistant Director - Finance (Deputy S151 Officer)
4	Grant Claim Approval			
	There are several claims requiring certification for audit. As part of this process, I delegate the certification as follows.	Corporate Director for Resources & Deputy CEO (S151 Officer)	Grants >£50,000 Grants <£50,000	Assistant Director - Finance (Deputy S151 Officer) except where specified to be S151 Officer Heads of Finance
5	Insurance			
Page 98	Decision on insurance claims up to £5,000	Service Departments for evidence Legal Services	Values over £500 to be referred to Chief Accountant	Insurance Officers
	Decision on insurance claims £5,000 to £250,000	Legal Services External Legal Advice (if required) Insurance Team Insurers	Values over £50,000 must be referred to our insurers. No limit on uninsured claims	Assistant Director - Finance (Deputy S151 Officer) Chief Accountant
6	Treasury			
	Management of the Council's resources	Full Council	Refer to Treasury Management Strategy Statement	

Information and Communications Technology (ICT)

	Function	Consultees	Limitations	Job title or Name of Officer
1	<p>The function of Information Security Management, including Cybersecurity</p> <p>Agree and authorise expenditure associated with provision and maintenance of information security measures to keep the company's data secure.</p>	Executive Directors Assistant Director of ICT Director of Finance	£100,000	Head of ICT
2	<p>The function of Data Collection and Management</p> <p>Agree and authorise expenditure associated with provision and maintenance of systems that allow the organisation to collect, store, manage and exploit data.</p>	Executive Directors Assistant Director of ICT Director of Finance	£100,000	Head of ICT
3	<p>The function of Communication</p> <p>Agree and authorise expenditure associated with provision and maintenance of ICT solutions that allows our organisation to communicate by multiple means, including phone, email, video conferencing and social media.</p>	Executive Directors Assistant Director of ICT Director of Finance	£100,000	Head of ICT
4	<p>The Function of Process Improvement</p> <p>Agree and authorise expenditure associated with improving the efficiency of operational ICT processes and IT support systems.</p>	Executive Directors Assistant Director of ICT Director of Finance	£100,000	Head of ICT
5	<p>The Function of Marketing</p> <p>Agree and authorise expenditure associated with the provision and maintenance of ICT solutions aimed at assisting marketing functions across our business. E.g. Content Creation, Online Advertising, Social media, Ecommerce, Marketing Research etc</p>	Executive Directors Assistant Director of ICT Director of Finance	£100,000	Head of ICT

6	IT Contracts Negotiate, sign and approve: New, or amended ICT related contracts up to the value of individual officer's authorised financial approval limits	Head of Procurement Assistant Director of ICT Director of Finance	Not to exceed in value the individual's authorised financial signing limit. Note: If more than one contract applies to a specific service, the combined contracts' value must not exceed authorised financial signing limit.	Head of ICT
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Commissioning and Procurement

	Function	Consultees	Limitations	Job title or Name of Officer
Recruitment				
1	Approval for new posts	HR/Finance		Reserved to the Director
2	Variation to the establishment	HR/Finance		Reserved to the Director
3	Permission to recruit	HR/Finance		Reserved to the Director
4	Agency staff	HR/Finance		Reserved to the Director
5	Action following a positive DBS	HR		Head of Service
Disciplinary Action for staff				
6	First written warning	HR		Head of Service
7	Final written warning	HR		Head of Service
8	Dismissal stage	HR/Director	All actions consistent with HR policy and guidance	Head of Service
9	Appeal	HR	All actions consistent with HR policy and guidance	Head of Service
10	Suspension	HR/Director	All actions consistent with HR policy and guidance	Head of Service
Finance				
11	Budget setting			Reserved to CLT
12	Monthly budget monitoring	Finance	All actions consistent with Finance policy and guidance	Head of Service

13	Tracking of savings in budget area	Finance	All actions consistent with Finance policy and guidance	Head of Service
14	Approval of invoices up to £250k	Finance	All actions consistent with Finance policy and guidance	Head of Service
15	Approval of invoices up to £100k	Finance	All actions consistent with Finance policy and guidance	Programme Lead
16	Approval of invoices over £250k and up to £1m	Finance	All actions consistent with Finance policy and guidance	Reserved to the Director
Commissioning				
17	Annual Service Plan	Operations		Head of Service
18	Agree SPH's annual procurement pipeline (Atamis)	SPH		Head of Service
19	Ensure SPH's contract list is up-to-date (Atamis)	SPH		Commissioning Leads
20	Authority to make a decision to go to market below below £25k (not including execution of formal contracts)	Head of Service/Operations/SPH	All actions consistent with procurement policy & guidance If budget sits with operations and not commissioning, there must be written agreement from the budget holder	Commissioning Leads
21	Authority to make a decision to go to market between £25k & £181, 301 (not including execution of formal contracts)	Finance/SPH	As above, 3 quotes must be obtained	Head of Service
22	Authority to make a decision to go to market above £181, 301 (not including execution of formal contracts)	Finance/SPH	Seek formal tenders but Public Contracts Regulations 2015 to be followed noting Light Touch Regime. Such tenders may require Cabinet agreement	Head of Service (with Senior Category Manager up to £0.5m and Head of SPH £0.5m+)

23	Procurement with the CCG	CCG/Finance/SPH	Council policy and guidance to be followed. Will require agreement of JCB and to go through necessary CCG governance	Head of Service
24	Contract award recommendation acceptance-up to £250k	SPH/Finance	All actions consistent with procurement policy & guidance	Head of Service
25	Contract award recommendation acceptance-up to £999, 999	SPH/Finance	All actions consistent with procurement policy & guidance	Reserved to Director (above to ED)
26	Contract Variation approval-up to £250k	SPH/Finance	All actions consistent with procurement policy & guidance	Head of Service
27	Contract Variation approval-up to £999, 999	SPH/Finance	All actions consistent with procurement policy & guidance	Reserved to Director (above to ED)
28	Contract Extension approval-up to £250k	SPH/Finance	All actions consistent with procurement policy & guidance	Head of Service
29	Contract Extension approval-up to £999, 999	SPH/Finance	All actions consistent with procurement policy & guidance	Reserved to Director (above to ED)
30	Raise exemption for submission to SPH-up to £250k	SPH/Finance	All actions consistent with procurement policy & guidance	Head of Service
31	Raise exemption for submission to SPH-up to £999, 999	SPH/Finance	All actions consistent with procurement policy & guidance	Reserved to Director (above to ED)

32	Specifications	SPH	Council policy and guidance must be followed. Specifications must be agreed by the relevant Operations SMT. Joint specifications with the CCG must be signed off by them	Head of Service/Director for high value and high risk
33	Annual Market Position Statement	SPH		Head of Service
Procurement				
34	Agree and authorize any procurement budget related expenditure	Relevant Cabinet Member	1. Up to £500 2. Up to £250,000	1. Senior Category Manager 2. Head of Strategic Procurement
35	To approve Sourcing Plans, Regulation 84 evaluation (procurement evaluation) reports	Corporate Director for Resources & Deputy CEO(S151 Officer) Relevant Corporate Directors of Procurement & Commissioning	1. Up to FTS (Find a TenderService) threshold 2. Over FTS threshold	1. Senior Category Manager 2. Head of Strategic Procurement in consultationwith Commercial Board
36	To sign and enter into contracts and frameworks for goods, works or services on behalf of the Council		1. Up to FTS threshold 2. Over FTS threshold up to £1,000,000	1. Category Manager 2. Senior Category Manager or Head of StrategicProcurement
37	To approve consolidated monthly invoice payments for council-wide corporate services such as Temporary Agency Staff, MDF/Printer charges, public notices, etc.		1. Up to £25,000 2. Up to £250,000 3. Approval of invoices over £250k and up to £1m	1. Senior Category Manager 2. Head of Strategic Procurement 3. Director of Procurement & Commissioning
38	To approve exemptions i.e. ordinary up to FTS and extraordinary above FTS		1. Up to FTS threshold 2. Above FTS threshold	1. Head of Strategic Procurement in consultation with Exemptions Panel 2. Corporate Director of Resources/Deputy CE or Director of Legal & Governance

Assets and Commercial Development

	Function	Consultees	Limitations	Job title or Name of Officer
1	To issue notices to quit, notices of seeking possession, notices seeking demotion and notices to end introductory tenancies			Head of Housing Revenue Account (HRA) Operations Tenancy Services Manager Senior Neighbourhood Officers Housing Income Manager Senior Income Officer
2	To review and decide upon whether a decision to end an introductory tenancy should be overturned or upheld following a request for review by a Council tenant		Review decision cannot be made by same officers who made original decision	Head of Housing Revenue Account (HRA) Operations Tenancy Services Manager Housing Income Manager
Page 104	To authorise court proceedings for matters relating to breach of tenancy or lease conditions and authorise for eviction by a bailiff where under court order for HRA property	Legal services		Head of Housing Revenue Account (HRA) Operations Tenancy Services Manager Housing Income Manager
	To authorise variations to the terms of secure tenancies under section 102 of the Housing Act 1985 and to enter into agreements under section 102(1)(a), or in the absence of any agreement under s102 to authorise the service of preliminary notices of intention to vary a secure tenancy, and notices of variation under section 103 of the Housing Act 1985.	Legal Services		Head of Housing Revenue Account (HRA) Operations Tenancy Services Manager Housing Income Manager
5	To authorise applications for assignments, successions, sub-letting and authorise demoted tenancies			Head of Housing Revenue Account (HRA) Operations Tenancy Services Manager Housing Income Manager Senior Neighbourhood Officers
6	To issue Closure Notices for up to 48 hours			Head of Housing Revenue Account (HRA) Operations Tenancy Services Manager Housing Income Manager

7	To authorise applications to buy Council dwellings under Part V (“Right to Buy”) of the Housing Act 1985 (as amended), including issuing section 123 Housing Act 1985 ‘Offer Notices’, and to authorise rectifications or variations (including the transfer of additional land) relating to dwellings sold under the right to buy.	Legal services, financial services, Strategic assets		Head of Housing Revenue Account (HRA) Operations Tenancy Services Manager Housing Income Manager
8	To grant and transfer mortgage agreements to new or additional mortgagees	Legal services, financial services, Strategic assets		Head of Housing Revenue Account (HRA) Operations Tenancy Services Manager Housing Income Manager
9	To authorise applications for the right to repair			Head of Strategic Asset Maintenance & Facilities Management Responsive Repairs Manager Senior Contracts Surveyors Repairs Surveyors Direct Services Team Leaders
10	To ensure the Council’s landlord obligations in relation to repair and maintenance of the Council’s housing stock			Head of Housing Revenue Account (HRA) Operations Contracts Manager Responsive Repairs Manager Senior Customer Support
11	To authorise the waiver or permanent release of covenants affecting former right to buy dwellings or to authorise the giving of consent (including retrospective consent) for works in breach of covenant in relation to former right to buy properties.	Legal services Estates		Head of Estates & Development Senior Estates Manager Housing Income Manager
12	To authorise the grant of licences or easements over local authority land in respect of former local authority dwellings.	Legal services Estates		Head of Estates & Development Senior Estates Manager Housing Income Manager

13	To authorise applications from tenants (including long-leasehold tenants of right to buy flats) for consent to carry out alternations or improvements (in accordance with the tenancy agreement or lease)			Head of Housing Revenue Account (HRA) Operations Head of Strategic Asset Maintenance & Facilities Management Tenancy Services Manager Contracts Manager Responsive Repairs Manager Repairs Surveyors
14	To authorise applications for warrants and injunctions to gain forced entry to any property, in the event that access is denied once all official procedures have been exhausted, in order for the Council to comply with the Gas Safety Regulations 1998 and gain entry to property where there is a welfare concern, danger to life or the structure of the building may be compromised due to fire, flood or other detrimental event	Legal services		Head of Housing Revenue Account (HRA) Operations Tenancy Services Manager Contracts Manager Responsive Repairs Manager Out of Hours Duty Officer
15	Authorise expenditure of commuted sums in line with restrictions set out in s.106 agreement	Finance officers	Restrictions in s. 106 agreement	Head of Estates and Development Residential Development Manager
15	Support Registered Provider bids for Homes England and other funding sources			Principal Development Officer
17	Submit bids for grant funding from the Homes England and other agencies on behalf of the council (where approval given by Cabinet/Capital Assets Committee)	Cabinet Member, Service Director	On specific delegation by a Director following Cabinet approval	Head of Estates and Development Residential Development Manager
18	Make recommendations for release / amendment of covenants between WC and RP partners on land relating to affordable housing regeneration schemes	Director, Legal Services, Estates	Recommendation to Director	Head of Estates & Development Residential Development Manager

19	Approve use of Right to Buy receipts, commuted sum funding and capital funding on qualifying developments including approval of associated Grant Funding Agreements with Registered Providers	Housing Assets & New Development Team, Legal Services, Finance	Within agreed budgets	Head of Estates & Development Residential Development Manager
20	Authorise contract variations in respect of Housing Related Support Contracts Authorisation to issue new contract agreement. Authorise termination of contracts. Authorisation to complete Record of Officer Decision	Strategic Procurement	Subject to Director & Member approval to award contracts.	Head of Housing Revenue Account (HRA) Operations Contracts Manager Responsive Repairs Manager
21	Authorise spend from Community Housing Fund in relation to Community Housing projects	Spatial Planning, Finance	Within agreed budgets and bidding criteria	Head of Estates & Development Residential Development Manager
22	Approve spending of RTB receipts on Re-Purchasing of RTB properties and open market purchases	Finance	In line with existing parameters (No more than 6% of RTB receipts and up to 30% of purchase price)	Head of Estates & Development Residential Development Manager
23	Authorise the re-purchase of former local authority dwellings (including those sold under the statutory right to buy under the Housing Acts 1980 and 1985 or those sold under the local authority's voluntary right to dispose (pursuant to the Housing Act 1974 etc.) and including where the Council receives an offer notice under the housing (Right of First Refusal) Regulations 2015 or any subsequent regulations	Finance Estates	Within agreed budget and in line with the process	Head of Estates & Development Residential Development Manager

24	<p>Authorise the service of notices pursuant to regulation 6 (Acceptance Notices) and regulation 7 (Rejection notices) of the Housing (Right of First Refusal) Regulation 2015 or to otherwise nominate another person to accept any offer pursuant to regulation 8 of the Housing (Right of First Refusal) Regulation 2015</p>	<p>Legal Services Estates Finance (Where appropriate)</p>		<p>Head of Estates and Development Residential Development Manager</p>
25	<p>Approve Purchase of s106 dwellings</p>	<p>Finance Legal Procurement</p>		<p>Head of Estates & Development Residential Development Manager</p>
26	<p>All day to day estate management decisions relating to the Operational Portfolio including, but not limited to, entering into new leases and licenses, serving rent review notices, termination notices, notices under the Landlord and Tenant Act 1954, or other notices as required by any lease or licence, negotiating and settling rent reviews, lease renewals, assignments, consent to sub-lets, license to carry out alternations or any other agreements or consents under any lease or licence, lease debt write off, dilapidations claims, deeds of variation, renegotiations (of lease terms) and surrenders. This includes the decision to assign and reassign services and partner organisations to various properties within the Operational Portfolio to facilitate the proper utilisation of this portfolio. All day-to-day maintenance in respect of reactive maintenance and compliance matters within the operational portfolio.</p> <p>The above actions shall be taken where they contribute to achieving and maintaining the established objectives and financial considerations for each of the categories within this part of the portfolio. Where appropriate, the Head of Estates & Development or Senior Estate Manager may give further delegations to an Estate Manager, Estates Surveyor or Assistant</p>	<p>As appropriate depending on the complexity and sensitivity of the case in hand: - Cabinet Member Local Members as defined by policy Public as required under statutory requirements Internal Service Heads as appropriate Legal Services</p>	<p>The right to approve the grant of leases under this paragraph 1 excludes leases for which a premium is payable (regardless of the length of term) or leases for a term exceeding 125 years (other than those falling within paragraph 4 below - grant of leases pursuant to the Asset Transfer Policy).</p>	<p>Head of Estates & Development Senior Estates Manager</p>

	<p>Estates Surveyor relating to the day to day estate management of the Operational Portfolio. Such delegations to be provided in writing and will not include decisions listed above.</p>			
<p>27</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 109</p>	<p>All day to day estate management decisions relating to the Investment Portfolio including, but not limited to, entering into new leases and licenses, serving rent review notices, termination notices, notices under the Landlord and Tenant Act 1954, or other notices as required by any lease or licence , negotiating and settling rent reviews, lease renewals and surrenders, assignments, consent to sub-lets, license to carry out alternations or any other agreements or consents under any lease or licence, lease debt write off, dilapidations claims, deeds of variation, renegotiations (of lease terms) and surrenders.</p> <p>The above actions shall be taken where they contribute to achieving and maintaining the established objectives and financial considerations for each of the categories within this portfolio. All day-to-day maintenance activity in respect of reactive maintenance and compliance matters where responsibility is retained by the landlord.</p> <p>Where appropriate, the Head of Estates & Development or Senior Estate Manager may give further delegations to an Estate Manager, Estates Surveyor or Assistant Estates Surveyor relating to the day-to-day estate management of the Investment Portfolio. Such delegations to be provided in writing and will not include decisions listed above.</p>	<p>As appropriate depending on the complexity and sensitivity of the case in hand: -</p> <ul style="list-style-type: none"> Cabinet Member Local Members as defined by policy Public as required under statutory requirements Internal Service Heads as appropriate Legal Services 	<p>The right to approve the grant of leases under this paragraph 1 excludes leases for which a premium is payable (regardless of the length of term) or leases for a term exceeding 125 years (other than those falling within paragraph 4 below - grant of leases pursuant to the Asset Transfer Policy).</p>	<p>Head of Estates & Development Senior Estates Manager</p>

28	Negotiating and agreeing terms for the acquisition of assets into the Operational or Investment Portfolio, and acquiring/granting of private rights of way and other wayleaves and easements	Relevant Cabinet Member Local Members as defined by policy Public as required under statutory requirements Internal Service Heads as appropriate Legal Services	Approval up to authorised signing limit as contained in the 'authorised signatory list' Asset Management Frameworks Cabinet Authority	Head of Estates & Development Senior Estates Manager
29	For de minimis value (<£15,000) transactions that accord with good estate management practice to do so to protect the Council's interest. (e.g. boundary dispute resolutions) Granting leases or licenses to town or parish councils, prior to any package transfers as part of the Service Devolution and Asset Transfer Policy. The grant of leases to third sector groups as part of the Community Asset Transfers Policy, after authority is provided. Freehold disposal of land parcels and service-based assets to Parish Council's as part of the Service Devolution and Asset Transfer Policy. Negotiating and agreeing private rights of way and other easements and wayleaves to utility companies and third parties.	Relevant Cabinet Member Local Members as defined by policy Public as required under statutory requirements Legal Services	Transaction considerations / value not to exceed capital value £15,000 Cabinet Authority	Head of Estates & Development Senior Estates Manager
30	Negotiate, sign and approve new, amend or cancel contracts up to the value approved under the individual officer's signing list for invoice payments	Strategic Procurement Unit Legal Services	Not to exceed in value the individual's authorised signing limits as contained in the 'authorised signatory list'. If more than one contract applies to a specific service, the combined contract negotiation value must not exceed authorised limit	Head of Strategic Asset Maintenance & Facilities Management Head of Estates & Development Senior Estates Manager Asset Manager (Asset Condition and Business Management) Residential Development Manager Senior Capital Build Project Managers
31	Instructing Legal Services to defend legal claims or to inform the Estates team on the strength of the council's position concerning property matter relating to 1 and 2 above	Legal Services Insurance Team Insurers		Head of Estates & Development Senior Estates Manager

32	Decide what are the appropriate terms for freehold acquisition and disposal of Assets and granting of other property interests for a premium to include appointing agents, marketing approach, what overage/claw back provisions are to be applied, what rights are to be granted and reserved, and the methods of sale, including the granting of options agreements.	Legal Services Finance		Head of Estates & Development Senior Estates Manager Strategic Projects & Development Manager
33	Decisions relating to the prioritisation of capital works and the deployment of capital maintenance spending across the investment and operational portfolio. This includes works such as, capital maintenance, minor refurbishments, extensions and demolition, and works as associated with awarded grants.	Local Members as defined by policy Public as required under statutory requirements Internal Service Heads as appropriate		Head of Strategic Asset Maintenance & Facilities Management Asset Manager (Asset Condition and Business Management)
34	Payment of invoices in line with approved RoOD and confirmation of completion of works. Approval of Contractors Payment Certificate in line with NEC or JCT contract with QS Valuation Report.			Residential Development Project Managers Residential Development Manager Head of Estates & Development Head of Strategic Asset Maintenance & Facilities Management Asset Manager (Asset Condition and Business Management) Senior Capital Build Project Managers



SIGNED: _____

Andy Brown, Corporate Director for Resources & Deputy Chief Executive (S151 Officer)

DATE: 01/02/2022

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WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
17 February 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 Risk Register (see Appendix).

Background

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

Key Considerations for the Committee / Risk Assessment

4. The significance of risks is measured by the interaction of the likelihood of occurrence (likelihood) and the potential impact of such an occurrence (impact). This register uses the Council's standard "4x4" approach, which produces a risk status of Red, Amber or Green (RAG).
5. During the last quarter no "new risks" were identified.
6. The evidence-based review of the register identified the following risk had changed or need to be recategorized;
 - **PEN043: Administration disruption and employer cost pressures cause by the Cost Cap review:** (From Amber to Green) GAD have indicated that the LGPS is in a strong financial position based on March 2019 information. GAD have made recommendations concerning the consistency of monitoring the cost pressures which will be reviewed by SAB. These include widening the cost corridor from 2% to 3% and a wider economic check on the outlook of the economy. Move from Horizon to Ongoing.
 - **PEN052: COVID-19:** (From Amber to Green) COVID-19 is an infectious global virus which WHO has classed as a pandemic in 2020. Since March 2020 significant strides have been made to the management of this pandemic with

Govt. rules now starting to be relaxed and the majority of the population vaccinated. As a result, risks to the ongoing operation of the Fund caused by the pandemic are now considered to be reduced. Officers will continue to monitor the situation, however there appears to be no immediate risk to the ongoing service the Fund provides.

- **PEN057: Failure to implement the Accessibility Regulations:** (From Amber to Green) An independent audit of the Fund's website took place in 2021 against the Accessibility Regulations and a positive outcome was received. Whilst the auditor Shaw Trust raised a small number of technical points, it is considered that the implementation of the regulations has been completed. Move from Dynamic to Closed.

7. Risks remaining “red”, high risk:

- **PEN018: Failure to set in place appropriate Cyber Security measures:** (From Amber to Red) In accordance with Committee Minute 90, dated 16 December 2021, the Fund's cyber security risk rating was increased to red until the Fund receives sufficient assurance from the Council's IT Dept. that this risk is being fully managed. Whilst measures are believed to be in place, active assurance is still required. An external consultant is to be appointed in order to provide members with an independent professional opinion on how this risk should be managed.
- **PEN022: Rectification of records with GMP issues – Time-consuming, costly & may causes reputational damage:** (From Red) Potentially incorrect liabilities being paid by the Fund as a result 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.
- **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 has been conducted in 2021 and has been presented to the Board & Committee for consideration. A further audit has been commissioned for 2022.

8. Only one risk, PEN057 on the risk register is recommended for removal from quarterly presentation to the Board. PEN057 is highlighted in paragraph 6 above.

Financial Implications

9. No direct implications.

Legal Implications

10. There are no known implications from the proposals.

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

12. There are no known implications currently.

Proposals

13. The Board is asked to note the attached Risk Register and recommend the changes/actions made by officers in points 6 to 8 to the Committee.

ANDY CUNNINGHAM
Head of Administration

Report Author: Richard Bullen, Fund Governance & Performance Manager

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

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Ref.	Risk	Cause	Impact	Primary Risk Category (CIPFA)	Secondary Risk Category (Operational)	Risk Owner	Level of risk (Inherent)	Impact	Likelihood	Inherent risk score	Controls in place to manage the risk	Impact	Likelihood	Residual risk score	Further Actions necessary to manage the risk	Level of risk (Residual)	Direction of Travel	Risk Action Owner	Date for completion of action
PEN061	Failure of 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 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 skills 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	SERVICE FUNCTION	Jennifer Devine	Medium	2	3	6	Commissioned audit plans by the Fund should not just cover the scope and content of the audit, but require auditors to submit a clear process and timescale to the Committee and the Board who can reassure themselves that audits are being carried out to the standards believe.	1	1	1		Low	↑	Jennifer Devine	On-going
PEN060	Failure to manage 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 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) Not respecting or negotiating with 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	SERVICE FUNCTION	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 re-charge 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 December 2022.	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	BUSINESS PLAN 2021/22 (Objective(s) 6)	Andy Brown	Medium	3	2	6	As part of the Fund's oversight of its Payroll, it is recommended that the Committee request periodic strategic updates during the course of 2021 & 22 from the Fund's s151 Officer to be able to assess the level of risk & whether any mitigations need to be identified. Consideration by the Fund concerning the migration of its payroll to its own separate payroll software service is being undertaken, however this may be at odds with the Council's priorities	1	1	1	The current payroll system is to be phased out and a new integrated system with the Pensions Administration database is approved & is set to be introduced. However, the Council requires the Fund to use the new payroll system which isn't necessary designed for the purpose. Auditors to be involved to oversee the reconciliations and controls to be put in place. The project plan should be discussed with the Auditor. Project management completion timelines are increasing the risk of success of this migration.	Low	→	Andy Brown	Dec-22
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	BUSINESS PLAN 2021/22 (Objective(s) 6)	Andy Brown	Low	3	1	3	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	Dec-22
PEN056	Failure to implement the findings of the Goodwin vs the UK case in relation to discrimination which will affect public service pension schemes on the grounds of sexual orientation	Following a male to female transsexual post operative procedure the claimant stated that her human rights had been infringed when she was still treated as a man for National Insurance contributions purposes, as she continued to make payments after the age at which a woman would have ceased payments, thus causing harassment. A second similar claimant stated she was unable to obtain work as she was unable to provide her birth certificate revealing her gender history.	There is no remedy proposed yet, although some auditors are pressing for an allowance to be included in 2020 IAS19/FRS102 reports. Whilst the funding costs are expected to be small, this will be a further administration and communication burden to address.	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 31)	Andy Cunningham	Low	1	1	1	The implementation of risk controls will be introduced on communication of remedies.	1	1	1		Low	→	Andy Cunningham	N/A
PEN050	Failure to comply with IPR's anticipated new Single Code of Practice Statement	The new requirements for pension scheme governance came into force on 13 January 2019 as part of the transcription of the IORP II Directive into UK law. The new EU Directive covers the activities and supervision of Institutions for occupational retirement provision (IORP)	Consequently the 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	BUSINESS PLAN 2021/22 (Objective(s) 6,31)	Richard Bullen	Low	2	2	4	It is anticipated that early focus will be on the codes that are most affected by the new regulations, starting with internal controls & effective governance. Trustees will need to be able to demonstrate that they have an effective system of governance within 12 months of its publication	3	1	3	None, until the Single Code of Practice Statement is released which not anticipated until 2021.	Low	→	Richard Bullen	N/A
PEN044	Change to valuation cycle	The Government is consulting on changing the fund valuation cycle. The next valuation will be in 2022 but it is unclear when the next one will follow.		GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Low	1	3	3	Officers will respond to the consultation stating they are not in favour of such a change	1	3	3		Low	→	Andy Cunningham	N/A
PEN043	Administration disruption and employer cost pressures cause by the Cost Cap review	The cost cap floor has been breached meaning the Scheme rules need to be adjusted.	Administration: Some impact on administration processes and communications - unknown at the moment as the details have not been finalised. Cost: Higher costs for employers	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	None until further information is available. Note: this is unlikely to happen until the McCloud case changes are finalised, as McCloud will already increase costs in itself.	2	4	8	GAD have indicated that the LGPS is in a strong financial position based on March 2019 information. GAD have made recommendations concerning consistency which will be reviewed by SAB. These include widening the cost corridor from 2% to 3% and a wider economic check on the outlook of the economy	Medium	↓	Andy Cunningham	N/A

PEN042	Significant retrospective legislation changes related to the McCloud case	An age discrimination case taken to Court by a group of firefighters and Judiciary employees	Increased contribution rates for employers and high levels of administration time and complication.	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 31)	Andy Cunningham	High	3	4	12	2	4	8	a) On actuarial guidance it is anticipated that whilst a review will be required the financial impact may be minimal as in most cases the underpin check for a member's benefits will not bite. b) Following the release of the Government's consultation document in July analysis of the Scheme's members who may be affected has been undertaken. Early indications suggest that c27k members from all status types will need to be reviewed, however cases where the underpin bites continues to be considerably less. Supplementary impacts such as the Annual Allowance, transfers & dependent benefits will also need to be considered, as well as changes to the Fund's internal controls to ensure that cases are reviewed as the liability falls due & that those which have been reviewed are marked accordingly.	Medium	→	Andy Cunningham	N/A
PEN039	The Fund's inability to implement the reforms associated with the Good Governance Project	SAB has requested a review of governance structures for the LGPS using a criteria of four possible governance models which might help funds to deliver good governance for their employers and members. A final consultation report is due in July 2019	Poor governance has a reputational risk impact, leading to poor service for Fund stakeholders, a lack of clarity of roles & responsibilities and potential conflicts of interest emerging	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 6,29,30,31)	Andy Cunningham	Low	2	2	4	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).	Low	→	Richard Bullen	N/A

Dynamic Risks

PEN057	Failure to implement the Accessibility Regulations	For the Fund to comply with the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018, the Equality Act 2010 & subject to understanding the Web Content Accessibility WCAG 2.1 guidelines which came into full force from September 2020.	Government Digital Service (GDS) monitors public sector bodies' compliance on behalf of the Minister for the Cabinet Office. If GDS decides that a public sector body has failed to publish an accessibility statement, or that the accessibility statement is incorrect, it will publish the name of that body & a copy of the decision. In addition organisations in breach of the Equality Act 2010 and the Disability Discrimination Act 1995 may be liable to investigations, unlawful act notices and court action leading to reputational damage.	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 1,23,24)	Andy Cunningham	Low	1	1	1	1	1	1	Although not strictly a Pension Fund responsibility, the Administering Authority determined that as the Pension Fund operated a separate URL in respect of the Pension Fund's website it would view it as a separate entity & therefore required the Fund to make its own compliance arrangements. Fund officers have therefore initiated a project team to implement website compliance which will include an independent audit of its website compliance. The Fund's initial accessibility meeting took place on 5th November to scope its strategy.	Low	↓	Krystie Waterhouse	N/A
PEN053	Failure to implement Fund's Data Retention Strategy	Poorly implemented strategies agreed by the Board & Committee to ensure that the retention of data is properly executed in respect of both the Fund & Scheme Employers may occur.	A failure to adhere to the strategy could potentially breach GDPR compliance & create service issue in the event of data being inadvertently minimised or deleted.	ADMINISTRATION	SERVICE FUNCTION	Mark Anderson	Low	1	2	2	1	2	2	Heywood (Altair Database manager) to introduce a tool to minimise & delete records. Includes an export function to identify records managed via this process which can be reported on. This can be cross referenced against the membership statistics if required.	Low	→	Mark Anderson	N/A
PEN047	There is uncertainty around the ability of Brunel to resource its property portfolio offering	It is intended that property assets will transfer to Brunel in late 2020.	If Brunel are not adequately resourced, this could result in the portfolio not being effectively managed, and/or costs being higher than expected.	INVESTMENT PERFORMANCE & RISK	BUSINESS PLAN 2021/22 (Objective(s) 26)	Jennifer Devine	Low	4	1	4	4	1	4	Officers are working with Brunel to ensure that the transition plan is appropriate before proceeding with this transition. Define reporting metrics for the Committee to make a decision.	Low	→	Jennifer Devine	Jun-20
PEN045	GMP legislative changes	The Government has been planning to make a number of changes to way that GMPs work which brings about certain risks. In particular, changes to the indexation approach (which have been repeatedly delayed) and equalisation between males and females.	Both sets of plans could increase scheme costs and cause material amounts of additional administrative work.	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	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.	Low	→	Andy Cunningham	N/A
PEN041	The Fund's inability to implement a strategy to ensure Climate Change considerations are integral to its investment strategy	Climate change is a key environmental risk which could have a material financial impact on the Fund's returns, and as such needs to be considered, managed and monitored as part of the Committee's fiduciary duty, and to protect the investment returns of the Fund.	Failure to embed climate change considerations in the investment strategy could cause a negative impact on investment returns over the long term.	FINANCIAL MARKETS & PRODUCTS	BUSINESS PLAN 2021/22 (Objective(s) 12,20,30)	Jennifer Devine	Medium	3	2	6	2	4	8	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.	Medium	↓	Jennifer Devine	On-going
PEN038	The Fund's inability to implement the DWP's Dashboard within a notified timescale.	Late communication by the DWP to specify their requirements for the Fund to comply with this new nationwide Dashboard. Potential for unexpected implementation costs and/or the Fund being unable to meet the reporting requirements.	Non-compliance would lead to a reputational risk for the Fund. A statutory requirement to contribute may also be created.	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Low	1	2	2	1	2	2	Senior officers to keep themselves apprised of developments and seek more detailed information as the project develops.	Low	→	Mark Anderson	N/A
PEN037	Failure to implement a strategy to address the administration backlogs	Failure to effectively administration the scheme could result in incorrect payments, inefficiencies in the process, failure to meet disclosure timeframes, complaints and inadequate oversight over the fund.	Poor administration resulting in incorrect payments and can lead to reputational risk issues. The mitigation of this risk is contingent on the mitigation of other risks such as PEN034 & PEN036	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 9,22,23,27)	Andy Cunningham	Medium	3	3	9	3	2	6	The implementation of PEN034 & PEN036 along with addressing the internal auditors comments in their 2018/19 Key Controls report should mitigate this risk. As part of the 2020/2021 budget, approval for more resource is available to help mitigate this risk although this could take time to use given the impact of COVID-19 on office based working.	Medium	→	Jennie Green	On-going
PEN034	Failure to implement Lean process review	Low KPI performance has been identified, particularly in relation to the disclosure requirements, as a result of inefficient processes and insufficient training and support.	An end to end processing review of all repeatable processes with the key objectives of improving the customer experience and identifying and realising efficiencies. Semi-automated work allocation is required to target key items of casework more quickly	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 6,9,11,13,16,23,27)	Andy Cunningham	Medium	3	2	6	3	1	3	The Fund's Project team has started a programme of work over a 2 year timeframe to review repetitive processes within the dept. As at April 2020, revised processes are in place for starters, leavers/retirees, aggregation and child pension reviews. Other processes will be looked at based on priorities with the intention of completing the reviews during 2020/2021.	Low	→	Samantha Wooster	On-going
PEN022	The rectification of records with GMP issues is time-consuming, costly & causes reputational damage.	From 1 April 2016, State Second Pension ceases and HMRC no longer provides GMP data on members to Funds. The Fund is looking to complete the reconciliation during the 2020/2021 year.	If GMP records for members are inaccurate there is the potential for incorrect liabilities being paid by the Fund.	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 8)	Andy Cunningham	High	3	4	12	2	4	8	Large project is still ongoing and software from Heywood's is being used to process amendments to Altair on bulk. Progress has been delayed due to the Fund trying to engage with Government to agree on a nationwide approach and in order to undertake further analysis of the problems identified.	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 Funds could be in breach of the legislation in they are logistically unable to implement the cost cap mechanism once introduced. Engagement with the relevant public service HR dept's in relation to the implementation of the Exit will be essential.	LEGISLATIVE	SERVICE FUNCTION	Andy Cunningham	Low	2	1	2	The consultation is due to be completed on 9th November. Key risk controls should include; 1) Fund officers should ensure that relevant HR officers understand the implications of the Cap. 2) Review the Compensatory Regulations after they've been re-written and LGPS Regulations too as a priority 3) Ensure Fund officers understand the new regulations & draft proforma to manually calculate options, prior to the delivery of automated calculation routines. 4) Consider any TUPE transfer implications 5) Liaise with HR department concerning potential redundancy exercises in 2021 & 6) Undertake a review of Fund's documentation to include disclaimers	2	3	6	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 place on its Administering Authority's IT security arrangements & that of its key software database providers without proper scrutiny/reporting of their security arrangements	Impact is significant concerning the operational effectiveness of the Fund, notably in relation to the data held and the ability to calculate and process member benefits	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 23)	Andy Cunningham	High	4	3	12	Cyber security reports to be requested on an annual basis from both Wiltshire Council's IT department & the main database manager Heywood's. Following the Committee meeting on 16/12/21 a range of recommendations were approved by the Committee due to the assurance levels received. This included the appointment of an external auditor to assess the Fund's cyber security risk	4	1	4	During 2021 Heywood's provided a suite of documents concerning their cyber security arrangements & ICT provided a report to the Committee in December.	Low	→	Andy Cunningham	N/A

Ongoing Risks

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	BUSINESS PLAN 2021/22 (Objective(s) 14)	Andy Brown	Medium	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.	3	2	6	Officers will regularly monitor the progress of the governance review and engage at all possible opportunities. Committee members will be kept informed of all developments.	Medium	→	Andy Brown	N/A
PEN052	COVID-19	COVID-19 is an infectious global virus which WHO has classed as a pandemic. The UK could be taking similar actions to other countries bad affected by this virus such as China & Italy which will cause significant business continuity issues to the pension fund	In a worst case scenario the Council's officers & service provider offices will be closed making remote working essential but difficult. In addition, it is expected that up to 20% of people will be off sick & needing to self-isolate causing service issues. Consequently issues around staffing, investment returns, employers supplying data, management of employer covenants, support from suppliers & contractors are all likely to be factors in the management of the Fund.	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham/ Jenny Devine	Low	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.	3	2	6	The series of steps have been specifically identified to manage this risk. In particular, maintaining the movement of money, communication with all stakeholders & essential operating practices; Consequently the following risks were focussed upon; Movement of money PEN001, PEN002, PEN003, PEN015 & PEN033. Communication with stakeholders PEN013, PEN030 & PEN033 & Essential operating practices PEN004, PEN010 & PEN037. A survey was also sent to Employers requesting information about their circumstances & a close monitoring of actual employer behaviour has been adopted & will continue to be in relation to their service obligations.	Medium	↓	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	BUSINESS PLAN 2021/22 (Objective(s) 3,4)	Jennifer Devine	High	4	3	12	The Fund is working with Brunel Pension Partnership on pooling arrangements. Progress and updates regularly reported to Committee. The Fund's passive portfolios have been pooled with significant fee savings, but a budget increase is also currently being proposed. The final position is still uncertain.	3	3	9	Significant amount of resource still required by officers to progress this project. On 13th February 2020 the Board recommended that a monitoring & reporting timetable being put in place concerning BPP's transition to help mitigate this risk.	Medium	→	Jennifer Devine	On-going
PEN036	Failure to implement a Dashboard of KPIs for regular monitoring	Difficulties in extracting the required data from the workflow section of the administration system. Improve the range of Key Performance Indicators (KPIs) produced for the Committee and Local Pension Board to help provide transparency and clearer oversight & management of administration performance.	Failure to implement a dashboard of comparable benchmarks, will be counter to the Pension Regulator's requirements on factors such as data quality measures	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 6,13,16,18)	Andy Cunningham	Low	1	2	2	Officers have implemented a suite of KPIs to be utilised at different levels. Namely, at a Statutory level, for the Committee & the Board, for use between Employers & the Fund & at management level for use at an operational level within the Pension's dept. The introduction of a new PAS document will enhance the flow of KPI information to members. Further work is required to introduce a suite of customer service based KPIs.	1	2	2		Low	→	Mark Anderson	On-going
PEN033	Failure to manage AVC providers	The Fund is a Data Controller with four AVC providers under management who operate to a system of policies & endorsements rather than service provider contracts. Consequently, there is a risk due to the mismatch between Fund responsibility & control in relation to the assets under management.	Failure of 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	BUSINESS PLAN 2021/22 (Objective(s) 6)	Jennifer Devine	Low	2	2	4	A minimum of annual service review reviews have been implemented with all AVC providers, managed by the Investment & Accounting team. The review will cover customer service & investment performance.	2	1	2	None.	Low	→	Jennifer Devine	On-going
PEN028	Failure to introduce new administration software effectively	Implementation of new software including I-connect, payment instruction automation and a new member website. All to be completed during 2021/2022.	Delay in the payment of member benefit, poorer data quality, sub-standard communication arrangements with members & employers & slower delivery times leading to a more costly service	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 10,21,23,32,33)	Andy Cunningham	Low	2	2	4	Individual project plan have been prepared for each implementation of software, including their GDPR implications, with individual project issue logs and risk registers. A bespoke Project team has also been established within the pension's dept. who initiate formal handovers to officers on completion of the new implementation. i-Connect, which will have the largest impact, is partially delivered with around a third of active members onboarded.	2	1	2	SQL capability to be developed within team to enhancing reporting & verify effective implementation. Nova Sail will also be introduced to leverage & optimise the software capability employed by the Fund.	Low	→	Samantha Wooster	On-going
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	BUSINESS PLAN 2021/22 (Objective(s) 28)	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	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Regular communications with schools to understand their intentions. Revised cessation policy aims to address some of the risks relating to MAT breakups.	2	2	4	The Fund is monitoring the SAB review of academies roles in the LGPS and will take actions (e.g. respond to consultations) as necessary to try to mitigate this risk further.	Low	→	Andy Cunningham	N/A
PEN017a	A lack of knowledge and expertise on the Pension Fund Committee	Lack of structured training and continuous self assessment of skills gap to ensure knowledge levels are adequate to carry out roles to the best of their ability	Bad decisions made may be made in relation to any of the areas on this register, but particularly in relation to investments. There is also a requirement for Funds to 'Comply or Explain' within their Annual Report on the skills knowledge of members of the Committee	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 17,25)	Andy Cunningham	Medium	2	3	6	Members are given Induction Training when they join the Committee, as well as subsequent opportunities to attend courses/seminars and specialist training at Committee ahead of key decisions. There is a Members' Training Plan and Governance Policy. Further training and advice can be called on from our consultants, independent advisors and investment managers too.	2	1	2	The results of the knowledge assessment was presented to 12 Dec 2018 Committee and 24 January 2019 Local Pension Board. Overall, their level of knowledge was deemed good but there were areas of improvement identified that Officers will consider when looking at future training plans. Pensions is a complex subject, so the training needs of the Committee will need to be continued reviewed. Generally both Committee & Board members are taking a more active approach to training and requesting structured training in key areas	Low	→	Richard Bullen	On-going

PEN017b	A lack of Committee Member compliance with all regulations	Lack of Member willingness or awareness to be compliant with new 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	BUSINESS PLAN 2021/22 (Objective(s) 25,31)	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	BUSINESS PLAN 2021/22 (Objective(s) 6,13)	Jennifer Devine	Low	3	1	3	The Pension Fund will review an updated Treasury Management Strategy annually which follows the same criteria adopted by Wiltshire Council but limits individual investments with a single counterparty to £6m. The Fund will also review in Treasury Management Agreement with the Council in 2019.	2	1	2	The Council uses Sector's credit worthiness service using ratings from three rating agencies to provide a score. Surplus cash is transferred to the Custodian at month end ensuring cash balances are minimal. A minimum of annual updates by the Council need to be presented to the ISC	Low	→	Jennifer Devine	N/A
PEN015	Failure to collect payments from ceasing employers	When an employer no longer has any active members a cessation valuation is triggered and a payment is required if a funding deficit exists to meet future liabilities. The impact of COVID-19 on financial markets means the likelihood is currently increased.	Failure to collect cessation payments means the cost of funding future liabilities will fall against the Wiltshire Pension Fund	ACTUARIAL METHOD	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	The Pension Fund Committee approved a revised cessation policy on 26 March 2020 to address regulatory changes made in March 2020 (backdated to May 2018). Furthermore, all new admitted bodies require a guarantor to join the Fund which means that a stable Scheme Employer is required to act as the ultimate guarantor. Due to the current impact on COVID-19 situation on investment returns, we are currently encouraging employers to delay cessation crystallisation events where possible to avoid crystallise a large deficit.	2	1	2	A new employer cessation policy was approved in March 2020, however since then further guidance has been published nationally setting out Fund discretionary payment plans already introduced by Wiltshire. It should be noted that whatever determination the Fund makes there is a risk it will be open to challenge. In summary the Fund needs to amend our FSS & consider how this should work best and communicate out to employers accordingly. Furthermore, with regards to the spreading of exit payments & deferred debt agreements officers need to consider what changes to the existing cessation policy (sections 7 and 9) are needed for the Fund to be compliant	Low	→	Andy Cunningham	On-going
PEN013	Failure to communicate properly with stakeholders	Lack of clear communications policy and action, particularly with employers and scheme members.	Scheme Members are not aware of the rights and privileges of being in the scheme and may make bad decisions as a result. Employers are not aware of the regulations, the procedures, etc, and so the data flow from them is poor.	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 24,29)	Andy Cunningham	Low	2	2	4	The Fund has a Communications Manager and Employer Relationship Manager posts dedicated to these areas full-time, including keeping the website up-to-date, which is a key communications resource. The Fund also has a Communications Policy.	2	1	2	None	Low	→	Denise Robinson/ Samantha Wooster	N/A
PEN010	Failure to keep pension records up-to-date and accurate	Poor or non-existent notification to us by employers and members of new starters, changes, leavers, etc. Early indications suggest the likelihood is increased due to the impacts of COVID-19 on employers and Fund officers.	Incorrect records held, leading to incorrect estimates being issues to members and incorrect pensions potentially being paid.	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 6,7,8,9)	Andy Cunningham	Medium	3	3	9	Data & systems Team constantly working to improve data quality, data validation checks carried out through external partners (e.g. the Fund's actuaries and tracing agencies), proactive checks done through national fraud initiative and the Fund's Data Improvement Plan.	3	1	3	The Fund is currently addressing new data issues identified by a review of the 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	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Compliance with Wiltshire Council's Data Protection & IT Policies. Annual Data Protection training given to the team. On-going cleansing of data undertaken by Systems Team. The Fund has produced a new suite of procedures and controls following the introduction of GDPR.	2	1	2	Further reviews and changes in relation to the GDPR. First internal audit (Key Controls - April 2019) identified a lack of clarity in relation to the Fund's Data Retention strategy, where no justification for retaining personal data can be made, notably Exit No-liability records. Data Cleaning must be carried out. Officers to agree with IG Data Cleaning approach. The 2nd internal audit identified the need for improvements to the Fund's DPIA arrangements.	Low	→	Mark Anderson	On-going
PEN008	Failure to comply with LGPS and other regulations	Lack of technical expertise / staff resources to research regulations, IT systems not kept up-to-date with legislation, etc	Wrong pension payments made or estimates given. Investment in disallowed investment vehicles or failure to comply with governance standards. Effect: Unhappy customers, tribunals, Ombudsman rulings, fines, adverse audit reports, etc	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 5,6,7,8,9,10,12,13,24,31)	Andy Cunningham	Low	2	2	4	*Sufficient staffing, training and regulatory updates. *Competent software provider and external consultants. *Technical & Compliance post reviews process and procedures and maintains training programme for the team. *KPIs against statutory standards *Imbedding checks and controls into all processes. *Audits & internal reviews to maintain best practice	2	2	4	Review of ABS requirements to ensure on-line delivery is compliant with disclosure requirements	Low	→	Luke Webster/ Jennie Green	N/A
PEN007b	Significant rises in employer contributions for non-secure employers due to poor/negative investment returns	Poor economic conditions, wrong investment strategy, poor selection of investment managers, poor consideration of all financial & non-financial risks including ESG issues.	Poor/negative investment returns, leading to increased employer contribution rates	FINANCIAL MARKETS & PRODUCTS	BUSINESS PLAN 2021/22 (Objective(s) 15)	Jennifer Devine	Low	2	2	4	Use of expert consultants in the selection of investment strategy and investment managers, regular monitoring of investment managers (1/4ly), regular reviews of investment strategy (annually). Monthly review of % of Fund held in each mandate. Also a flight path strategy implemented to take off risk as funding levels improve. Fund member of LAPFF & uses PIRC to proxy vote on shares in line with agreed policy for ESG issues. Compliance with Stewardship code.	2	2	4	A risk based framework is now in place to review employers long term financial stability. This informs the policy for stepping in contribution rates to assist in affordability issues where requested by an employer. It will be continuously reviewed, as part of the updating of the Investment Strategy Statement. Query over covenant reviews following expiry of PWC contract.	Low	→	Jennifer Devine	On-going
PEN007a	Significant rises in employer contributions for secure employers due to poor/negative investment returns	Poor economic conditions, wrong investment strategy, poor selection of investment managers, poor consideration of all financial & non-financial risks including ESG issues.	Poor/negative investment returns, leading to increased employer contribution rates	INVESTMENT PERFORMANCE & RISK	SERVICE FUNCTION	Jennifer Devine	Low	2	1	2	Use of expert consultants in the selection of investment strategy and investment managers, regular monitoring of investment managers (1/4ly), regular reviews of investment strategy (annually). Monthly review of % of Fund held in each mandate. Also a flight path strategy implemented to take off risk as funding levels improve. Fund member of LAPFF & uses PIRC to proxy vote on shares in line with agreed policy for ESG issues. Compliance with Stewardship code.	2	1	2	The implementation of the Stabilisation Policy limits increases for secure employers.	Low	→	Jennifer Devine	On-going
PEN006b	Significant rises in employer contributions for non-secure employers due to increases in liabilities	Scheme liabilities increase disproportionately as a result of increased longevity, falling bond yields, slack employer policies, etc. The current price of gilts lead to a worsening Funding Position.	Employer contribution rates become unacceptable, causing upward pressure on Council Tax and employers' costs.	ACTUARIAL METHOD	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	As above	2	2	4	As above	Low	→	Andy Cunningham	On-going
PEN006a	Significant rises in employer contributions for secure employers due to increases in liabilities	Scheme liabilities increase disproportionately as a result of increased longevity, falling bond yields, slack employer policies, etc. The current price of gilts lead to a worsening Funding Position.	Employer contribution rates become unacceptable, causing upward pressure on Council Tax and employers' costs.	ACTUARIAL METHOD	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Longevity and bond yields are generally beyond the control of the Fund as are the values of the liabilities in general. However, the Fund has started the 2019 Triennial Valuation process and it is concurrently reviewing its investment strategy and implementing separate employer investment strategies. Furthermore, the Fund and each employer must have a Discretions Policy in place to help control discretionary costs (e.g. early retirements, augmented service, etc).	2	2	4	None	Low	→	Andy Cunningham	On-going
PEN005	Loss of funds through fraud or misappropriation	Fraud or misappropriation of funds by an employer, agent or contractor	Financial loss to the Fund	ACCOUNTING & AUDITING	SERVICE FUNCTION	Jennifer Devine	Low	4	1	4	Internal and External Audit regularly test that appropriate controls are in place and working. Regulatory control reports from investment managers, custodian, etc, are also reviewed by audit. Due Diligence is carried out whenever a new manager is appointed. Reliance is also placed in Financial Services Authority registration.	4	1	4	Officers completed an Anti-Money Laundering questionnaire issued by Deloitte's & returned to the Accountancy firm in January 2020. The responses will form part of the Auditor's audit strategy.	Low	→	Jennifer Devine	On-going
PEN002	Failure to collect and account for contributions from employers and employees on time	Non-availability of SAP systems, key error, omission, failure of employers' financial systems, failure to communicate with employers effectively. LGPS 2014	Adverse audit opinion for failure to collect contributions by 19th of month, potential delays to employers' FRS17 year-end accounting reports and to the Fund's own year-end accounts.	ACCOUNTING & AUDITING	BUSINESS PLAN 2021/22 (Objective(s) 2,6,7)	Jennifer Devine	Medium	3	2	6	Robust maintenance and update of Altair and SAP systems, sufficient staff cover arrangements, sufficient staff training and QA checking of work. Officers regularly work with employers to ensure they understand their responsibilities to pay by 19th of the month. The Breaches framework now require the Fund to log material late payments.	2	2	4	The 2020 SWAP internal audit report highlighted a Priority 2 risk requesting officers ensure that a review of the member contribution processes raised in their report are undertaken promptly & to future-proof those processes to ensure appropriate efficiencies are made	Low	→	Jennifer Devine	On-going

LOCAL PENSION BOARD - WORK PLAN 2021-22

Meeting:	LPB Term of Reference item	Description of scope as defined by the LPB ToR	20/05/21	24/08/21	11/11/21	17/02/22	No expected review in 2021/22	May-22	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 & ISC's ToR review to ensure continuity. Lasted reviewed in July 2020 and a 3 year cycle may be viewed as good governance.
Board Annual Training Plan Update (To include Member training policy)	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the			✓				To be completed each Scheme year for subsequent inclusion in the Board's Annual Report & the Fund's

		management and administration of the Scheme.							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
Page 122 Training Item relevant to agenda	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.	✓	✓	✓	✓		✓	To be consistent with Member's training & development strategy
Code of Conduct & Conflicts of Interest Policy	80d	Review such documentation as is required by the Regulations including the Single Code of Practice and Good Governance Review			✓				3 year plan last approved on 15/10/2020. Annual reviews should be undertaken by Democratic Services in each Q4
Effectiveness review	81g	Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness and efficient operation and governance of the Fund.			✓				3 year plan last raised with the Board on 12/12/2018. The LPB should also compare itself against its own core functions as set out in its ToR. Last completed on 24/01/2019

Review Actions from previous meetings	n/a	Maintained by officers to enable Members manage their responsibilities	✓	✓	✓	✓		✓	Address primarily during pre-meeting planning meeting
Forward Work Plan Review	87	Maintained by officers to enable Members manage their responsibilities	✓	✓	✓	✓		✓	Officers to update the next Scheme year's plan in time for the new Scheme year. Annual reviews to therefore be undertaken in Q1
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
Review Fund update & comments on minutes of PC & ISC	80a	Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.	✓	✓	✓	✓		✓	Amongst other purposes Members should use the minutes to identify risks which can be added to the register
Review Governance Compliance Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.			✓				4 year plan last approved on 30/03/2021.
Review Fund Training Programme	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and			✓				Complete 3 year training plan last approved on 12/12/2018. Annual reviews undertaken in Q4 each year.

		administration of the Scheme.							
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
Page 124 the Code of Practice record keeping compliance survey results	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.	✓					✓	Annual exercise of Self-assessment by officers & review by Members. Every other year the self-assessment will be independently audited
Review fund delegations and internal controls. Include the Fund's escalation policy	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.				✓			3 year plan last raised with the Board on 11/10/2018 (Note: To include changes arising from the new Single Code of Practice and SAB Good Governance Review)
Scheme Legal, Regulatory & Fund update	n/a	A summary for Board members the latest legal, regulatory and Fund issues affecting the Pension Fund	✓	✓	✓	✓		✓	Quarterly update by the Head of Pensions

Review external advisor appointments process/controls and internal SLAs	81b	Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.		✓					Committee requested Board annually review advisors & services providers. Plus the Procurement framework by which it is done
Monitor Internal Audit Report	81d	Monitor internal and external audit reports			✓				Audit recommendations actioned
Monitor External Audit Report	81d	Monitor internal and external audit reports			✓				Audit recommendations actioned
Input to Annual External Audit Plan	n/a	Recommend to Committee the audit scope & timetable to be commissioned in the next Scheme year			✓				Committee to liaise with the Audit Committee concerning the scope of Deloitte's audit
Input to Annual Internal Audit Plan	n/a	Recommend to Committee the audit scope & timetable to be commissioned in the next Scheme year			✓				Committee to liaise with the Audit Committee concerning the scope of SWAP's audit
GOVERNANCE - Fund Plans, policies & strategies									
Review Business Plan	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓			3 year plan last approved on 24/03/2019 Interim review 30/03/2021
Review Pension Administration Strategy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.					Not expected	✓	3 year plan last approved on 17/12/2019

Review Communication strategy	80e	Review scheme members and employers communications as required by the Regulations and Relevant Legislation					Not expected	✓	3 year plan last approved on 17/12/2019. E-communication strategy update
Review Data Improvement Plan	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.		✓					3 year plan last approved on 24/03/2019. To include a Data Retention Strategy update
Review Admin Charging Policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.						✓	2 year plan last approved on 17/12/2019
Review Admin Authority Discretions	80j	Review the complete and proper exercise of employer and administering authority discretions					Not expected		3 year plan last approved in 30/03/2021
Review Cessations policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.					Not expected		3 year plan last approved in 17/12/2020

Review Funding Strategy Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.					Not expected	✓	3 year plan last approved on 17/12/2019. Next Fund Valuation 31/03/2022
Review Compliance with FRC stewardship code (FRC replaced by the Audit, Reporting and Governance Authority (ARGA))	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.		✓					Annually - Consider TCFD requirements as part of the process
Review Investment Strategy Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.						✓	3 year plan last approved on 30/03/2021 (Ensure inclusion of MiFID II arrangements)
Review Fund "Responsible Investment Strategy"	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.						✓	To be reviewed in conjunction with the Investment Strategy Statement. To cover Climate Change Statement.
Review the Fund's Annual Report & Accounts	80l	Review draft accounts and Fund annual Report		✓					To ensure CIPFA compliance requirements have been applied

Review Internal Audit Reports	80k	Review the outcome of internal and external audit reports			✓				Three Reports in 2021/22 - Report 1 covers Pension Transfers and Brunel Cost Savings: Report 2 covers Key Financial Controls , GDPR & System and Security Access Controls: Report 3 covers Accessibility Regulations
Review External Audit Report	80k	Review the outcome of internal and external audit reports			✓				Published by 1st December. Recommendations to feed into the commissioning of the 2022/23 audit plan
Employer Admissions Policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.					Not expected		3 year plan last approved in 16/07/2020
Employer Training Policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.					Not expected		3 year plan last approved in 06/08/2020
ADMINISTRATION									Comments
Review employers compliance (data)	80c	Review the compliance of scheme employers with their duties under the Regulations and Relevant Legislation			✓				Incorporate with ABS review process & update on Fund's Data Improvement Plan.

Review Fund fraud risk prevention and mitigation measures	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.					Not expected		Completed every 2 years and will be an update of the Fund's NFI & Certificate of Existence exercises. Last reviewed April 2020. To include Whistleblowing policy in 2022
Review Fund website contents/resilience	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.		✓					To also cover Cyber Security reporting on an annual basis. Cyber security last reviewed 06/08/2020
Receive an annual report of an complaint & IDPR cases, including a review of the Fund's procedures	80f, 80g & 80h	Monitor complaints and performance on the administration and governance of the scheme & review the Internal Dispute Resolution Process & Pensions Ombudsman cases	✓					✓	Covered in Low Volume Performance Report. To consider the appointment of adjudicators by each Employer
Review Fund Communications (employers/members)	80e	Review scheme members and employers communications as required by the Regulations and Relevant Legislation		✓					To provide templates of key Fund documentation & evidence its compliance

Review of Data Security & Business Recovery	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.		✓					Report set out the arrangements in place & when they were last tested
Review GMP Rectification	81a	Monitor performance of administration, governance and investments against key performance targets and indicators	✓	✓	✓	✓		✓	Regular update concerning SAP & Altair database reconciliation. To consider migration to new payroll system.
Board KPIs to monitor	81a	Monitor performance of administration, governance and investments against key performance targets and indicators	✓	✓	✓	✓		✓	Quarterly Administration performance reporting
Benchmark KPIs in Annual Report & Accounts information with other Funds	80f	Monitor complaints and performance on the administration and governance of the scheme				✓			Annual Report & Accounts must be disclosed each 1st December
Review of Annual Benefit Statement process	81a	Monitor performance of administration, governance and investments against key performance targets and indicators			✓				Percentage issued, action plan to issue outstanding ABSs & process improvement review
FUNDING & INVESTMENTS									Comments
Review Triennial Valuation Process	n/a	Consider how the whole valuation exercise was executed & what				✓			Next valuation currently due 31/03/2022

		recommendations may be made to improve the process next time							
Review Triennial Valuation Results	81f	Review the outcome of actuarial reporting and valuations					Not expected		Verify that the FSS, ISS & Valuation results are consistent
Brunel Governance review	81g	Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness and efficient operation and governance of the Fund.	✓			✓			To receive an annual update after Brunel AGM
Pension Fund budget Return	81c	Monitor investment costs including custodian and transaction costs.	✓					✓	To receive a monitoring update on the Fund's actual expenditure against its budget for the previous Scheme Year
Treasury Management Strategy	81c	Monitor investment costs including custodian and transaction costs.	✓					✓	Annual review, including cashflow forecasting and preferred bank account maintenance
Cost transparency of BPP, Managers & the Custodian	81c	Monitor investment costs including custodian and transaction costs.				✓			To be presented in conjunction final Annual Report & Accounts
Review Investment performance against Fund's benchmarking criteria	81a	Monitor performance of administration, governance and investments against key performance targets and indicators				✓			To be presented in conjunction final Annual Report & Accounts
Total number of Agenda Items:			14	16	22	17		21	

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