

AGENDA

Meeting: Local Pension Board

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

Date: Wednesday 22 May 2024

Time: 10.00 am

Please direct any enquiries on this Agenda to Stuart Figini of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718221 or email stuart.figini@wiltshire.gov.uk

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

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

Membership:

Mark Spilsbury (Chairman)
Marlene Corbey
Laura Fisher
James Nicholson

Mike Pankiewicz
Karl Read
George Simmonds (Vice-
Chairman)

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

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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 Attendance of non-members of the Board

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

3 Apologies

To receive any apologies for absence.

4 Minutes and Action Tracking (Pages 7 - 20)

To confirm as a true and correct record the minutes of the previous meeting held on 13 February 2023.

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

5 Declarations of Interest

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

6 Chairman's Announcements

To receive an announcement through the Chairman on the following:

- LPB Insurance Renewed

7 Public Participation

The Board welcomes contributions from members of the public.

Statements

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

Questions

Those wishing to ask questions are required to give notice of any such questions in writing to the officer named above (acting on behalf of the Corporate Director), no later than 5pm on 15 May 2024 in order to be guaranteed a written response prior to the

meeting. Any question received between the above deadline, and no later than 5pm two clear working days before the meeting, may only receive a verbal response at the meeting.

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

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

8 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee** (Pages 21 - 38)

To consider the Part I (public) minutes of the Wiltshire Pension Fund Committees held on 29 February 2024 and 28 March 2024.

9 **Headlines & Monitoring (HAM) Report** (Pages 39 - 92) **10:15**

A report for the Board's ongoing oversight of:

- Scheme, Regulatory, Legal and Fund Update
- Risk Register
- TPR General Code of Practice update
- Business Plan update
- Administration KPI update – 1 January 2024 to 31 March 2024
 - a) McCloud and Dashboard update
- Audit update 2024/25
 - a) SWAP Audit KPI actions.
- Training Plan 2024/25

10 **Key Financial Controls (Budget outturn 2023/24)** (Pages 93 - 98) **10:35**

An update by the Investment and Accounting Team Lead concerning the operational accounting arrangements. To include a Corporate Recharge update and briefing on the Annual Report & Accounts timetable and change of external auditor.

11 **Low Volume Performance Report** (Pages 99 - 116) **10:45**

To receive a report from the Fund Governance Manager.

12 **Draft LPB Annual Report 2023/24** (Pages 117 - 138) **10:55**

The Local Pension Board is asked to approve the contents of its

annual report for the preceding year.

13 **Integrated Payroll System Update** (Pages 139 - 144) **11:05**

The Pension Administration Lead will present a “integrated payroll system” update following transfer of the fund to Oracle.

14 **Responsible Investment update** (Pages 145 - 148) **11:15**

An update by the Investment and Accounting Team Lead concerning Responsible Investments. In addition, to present the draft Stewardship Code report.

15 **Employer Covenant Risk Policy** (Pages 149 - 156) **11:25**

The Employer Funding & Risk Lead will update the Board on the Employer Covenant Risk Policy.

16 **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.

17 **Date of Next Meeting and Forward Plan** (Pages 157 - 168) **11:40**

The next meeting of the Board will be held on 15 August 2024.

The Board to review its Scheme Year Forward Work Plan which is attached for members’ consideration.

18 **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 19-24 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

PART II

Item(s) during consideration of which it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed.

19 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee** (Pages 169 - 192) **11:45**

To consider the Part II (private) minutes of the Wiltshire Pension Fund Committee held on 29 February 2024 and 28 March 2024.

20 **Procurement update** **11:55**

The Fund Governance Manager will provide members with a verbal update on the procurement of strategic service providers.

21 **Brunel Governance Update** **12:05**

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

22 **SBC Update** **12:15**

The Employer Funding & Risk Lead will provide a verbal update to the Board concerning the submission and reconciliation of SBC contributions during 2023/24.

23 **LPB Minutes** *(Pages 193 - 208)* **12:25**

To confirm the Part II (private) minutes of the meeting held on 13 February 2024.

24 **Urgent Items**

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

Local Pension Board

MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 13 FEBRUARY 2024 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Mark Spilsbury (Chairman), Laura Fisher, James Nicholson, Mike Pankiewicz, and George Simmonds

Also Present:

Cllr Richard Britton

1 **Membership**

The Chairman began by informing Members that Karl Read had been appointed as a new Member of the Board pending ratification by Full Council during their meeting on 20 February 2024.

Nominations were then sought for a Vice-Chair for the year 2024-25. The Chairman thanked Marlene Corbey for her hard work, dedication, and time as Vice-Chair during the past two years.

Finally, the Chairman noted that he had been appointed as Chairman of the Board on a 4-year contract from April 2020 and as such, his tenure was coming to an end. However, he had agreed to continue in the role for another year in response to an invitation from officers to do so.

Following which, it was:

Resolved:

The Board elected George Simmonds as Vice-Chair of the Local Pension Board for the year 2024-25.

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

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

3 **Apologies**

Apologies for absence were received from:

- Marlene Corbey

4 **Minutes**

The Part I (public) minutes of the previous meeting of the Board held on 1 November 2023 were considered alongside the Board's Action Log. After which, it was:

Resolved:

The Board approved and signed the Part I (public) minutes of the previous meeting held on 1 November 2023 as a true and correct record.

5 **Declarations of Interest**

There were no declarations of interest from Members of the Board.

The Democratic Services Officer alongside Richard Bullen, Fund Governance Manager, updated the Board with regard to Members' Registers of Interest forms and the Code of Conduct and Conflict of Interest Policy guidelines as attached to the Agenda Pack.

It was confirmed that Registers of Interest forms for all Members of the Board were on file, with copies of such available on the public meeting page for the Local Pension Board. Members were asked to review their Registers of Interest and send any updated forms to the Democratic Services Officer if needed.

It was further confirmed that there were no changes to the existing Code of Conduct and Conflict of Interest Policy, but Members were informed that as there was a new tPR (The Pensions Regulator) General Code of Practice being introduced, there was a chance that the policy would need to be reviewed in the future.

Following which, it was:

Resolved:

The Board approved the Conflict of Interest Policy.

6 **Chairman's Announcements**

The Chairman urged those Members who hadn't completed the training needs analysis to do in order to assist with future training sessions.

Furthermore, with the introduction of the new tPR (The Pensions Regulator) General Code of Practice, Members were informed that officers had arranged a training event on the 13 March 2024 to be presented by Hymans Robertson and any Members that could attend were urged to do so.

7 **Public Participation**

There were no statements or questions submitted.

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

The Part I (public) minutes of the previous meetings of the Wiltshire Pension Fund Committee held on 23 November and 14 December 2023 were considered. Following which, it was:

Resolved:

The Board noted the Part I (public) minutes of the previous meetings of the Wiltshire Pension Fund Committee held on 23 November and 14 December 2023.

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

Jennifer Devine, Head of Wiltshire Pension Fund, presented the Headlines and Monitoring (HAM) report which provided information highlighting key issues and developments to enable the Board to fulfil its monitoring role.

The report detailed updates in the following areas:

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

Officers began by drawing attention to Paragraphs 5 and 6 of the report which detailed the significant resourcing issues being experienced by the Fund which was negatively impacting on officers' ability to deliver the Business Plan priorities, increasing strain on staff, and workloads for managers who were

required to act down. Recruitment campaigns were still ongoing, and Members were reassured that they would be updated on any progress.

Two presentations were then delivered by Nat Harrison, Employer Services Work Management Officer, and Matt Thorpe, Service Improvement Lead Analyst, with the first focussing on updating Members on the i-Connect project.

The different resources and actions that had been undertaken and introduced for employers and Fund officers were detailed, including:

- Updated online resources.
- New i-Connect user request forms.
- Publication of a new i-Connect Guide with FAQs.
- Development of an i-Connect Common Errors page.
- Further internal training and the development of a site containing all relevant training documents and updated process and procedure notes.
- Creation of a training log detailing personal training and development plans.

Further controls had been implemented such as the development of a mandatory pre-onboarding checklist, and monthly meetings on employer data and contributions. Additionally, both the Employer Data Quality Categorisation Policy and Employer Data Quality Checking Guide had been approved in January 2024 and it was confirmed that all policies and guides had been aligned.

Future projects were detailed including an i-Connect Online Return video which would set out the process for employers, and a Knowledge Test to help employers both improve their knowledge of i-Connect for internal staff training, and to ensure that those people responsible for the i-Connect submission within their organisations had a certain level of knowledge. Furthermore, officers were looking to introduce a system in which employers could manually upload documents themselves instead of emailing to officers, thus reducing processing and administration time for Fund officers.

In response to questions, it was explained that if an employer did not pass the Knowledge Test first time, officers would engage with them to improve understanding until the point of passing. It was confirmed that positive feedback had been received from employers with regard to the changes implemented and that just under 140 employers had been onboarded, with officers continuing to work with the remaining employers due to either the complexity of their organisations or resistance to the changes.

The second presentation focused on the different service improvements that had been undertaken through the Service Improvement Team (SIT) to simplify processes for members and officers. The process of identifying areas for upcoming projects was briefly detailed in which it was explained that suitable staff would be seconded from the wider team based on their strengths and

would solely focus on the work being undertaken in the SIT. Feedback from seconded staff had noted that they left with a wider understanding of the Fund's vision.

It was explained that several new bulk processes had been introduced which aimed at increasing efficiencies, ensuring accurate and up-to-date records, and creating a more fluid member journey. Examples of future projects were then detailed such as implementing a smarter communications system to work at reducing direct officer enquiries through more regular correspondence, email automation, and chatbots.

Officers then highlighted Paragraph 12 of the report which listed the main updates as result of the new tPR (The Pensions Regulator) General Code of Practice being introduced. Members were informed that as the new Code was based on the Code of Practice 14 template, the changes required would have minimal impact on the Fund. The material movements to the Risk Register that had occurred between September and December 2023 were then highlighted as per Paragraph 15 of the report, and the Chairman noted that he felt that Investment and Performance movements in the report should be considered under Agenda Items 13 and 19. Finally, officers briefly detailed Paragraphs 18 to 25 which outlined the results of the SWAP KPI and KFC Audits 2023-24.

Members queried if any contractual retenders had been affected as per the Fund Governance Risk Section. Officers acknowledged that Procurement had experienced a few challenges due to resourcing levels, however as the Fund operated through the Local Government Pension Scheme (LGPS) National Framework, retenders could be appropriately made in the assurance that they were subject to specific processes and would therefore ensure transparency and offer strong relationships with contractors.

Members highlighted an error with regard to some of the figures presented in the Administration KPI reports and sought reassurance as to their accuracy. Officers reiterated the resourcing issues being experienced but noted that the area was subject to an improvement plan and would be an area of focus during the coming months.

Officers were thanked for their presentations and hard work in the face of the challenges taking place.

Resolved:

- 1) The Board noted the Fund updates and progress against the Business Plan 2023-24 key priorities.**
- 2) The Board did not endorse the change to the Compliance and Regulations Risk Section, but recommended endorsement to the Wiltshire Pension Fund Committee for the rest of the Risk Register in Appendix 2 and the summary of the risk changes since the last**

review as a true and fair view of the risks currently being experienced by the Fund.

- 3) The Board noted the Committee's approval of the KPI audit recommendations.**
- 4) The Board endorsed the SWAP KFC audit review report in Appendix 5a and recommended the report to the Wiltshire Pension Fund Committee as a true reflection of the progress made.**

(The decision number 2 above, was made later in the meeting under Agenda Item 19)

10 **LPB Budget**

Members considered the report on the Local Pension Board budget. There being no questions or comments, it was:

Resolved:

The Board agreed the draft Local Pension Board Budget and recommended to the Wiltshire Pension Fund Committee that it was included in the Fund's Administration Budget for 2024-25.

11 **Key Financial Controls**

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

Officers highlighted Paragraphs 3 and 4 of the report which referred to the delays to the final sign offs for the full Wiltshire Council Accounts for 2019-20, 2020-21, and 2021-22. Officers emphasised that the delays were due to an issue within the Wiltshire Council figures and not in relation to the Fund's. Furthermore, officers had complied with all requests by the external auditors for further information and in line with The Pensions Regulator (TPR) requirements, had published a subsequent Events Notice in the audit report section explaining the unaudited status.

The ongoing payroll reconciliations in respect of correcting the discrepancies between the Altair pension administration system and SAP payroll records was then discussed. Officers noted that the graph under Paragraph 5 of the report showed a significant improvement in December 2023 as a result of the hard work undertaken to bulk correct cases. As such, the Fund was close to resolving all discrepancies between the payroll and Altair system.

The issues that Fund officers were encountering with regard to the Council's Evolve system since its launch in November 2023 were then detailed as per Paragraphs 7 and 8. Members were reassured that officers were working closely with the Evolve Team to overcome the issues and to ensure that statutory reports could be completed on time. As a result, officers were seeking temporary resources to assist in clearing the backlog of work and to reestablish working practices for the future, hence the increased risk register rating from medium to high for the accounting function. Members expressed concern as to the issues being experienced and queried if the reconciliations could be made if the additional resource was not acquired. Officers explained that they were facing some recruitment challenges and although the work could be completed by existing officers, it would result in increased strain on those staff.

At the end of the discussion, it was then:

Resolved:

The Board used the report to monitor progress against resolving the issues which had been identified.

12 **Employer Update**

Matt Allen, Employer Funding & Risk Lead, updated the Board on employer related activities, which included:

- 1) The Employer Scorecard
- 2) Employer Compliance – DSAs
- 3) The Employer Review – internal working practices
- 4) The Employer Forum

Each of the above activities were then discussed in order as per the report.

With regard to Employer Scorecards, Members queried how many employers were meeting their targets to which officers explained that as the scheme was still being drafted, those figures were still being calculated. Furthermore, there was an Employer Data and Contributions Working Group who met monthly and who had helped to develop the scheme and would therefore continue to monitor its progress.

Members felt that the Employer Review focussing on internal working practices was a positive step forward with regard to identifying areas for improvement, transparent reporting, and clear actions for officers to undertake. Officers were then praised in respect to the Employer Forum, and Members were keen to see higher employer attendance for the next meeting.

In response to a question, officers confirmed that the value of the London property pertaining to the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Debt Spreading Arrangement (DSA) and Legal

Charge, was approximately £20m. It was further clarified that the DSA stipulated a five-year payment plan until June 2028, and officers were confident that the full amount would be paid within this timeframe.

After which, it was:

Resolved:

The Board noted the report.

13 **Immediate Payments Update**

James Franklin, Pension Administration Lead, presented an “immediate payments” update to the Board following the transfer of the Fund payment process to Oracle.

Officers began by providing a brief background to the report as per Paragraphs 2 to 5, before moving on to explaining the issues experienced with member and supplier payments and accounting as a result of the transition to Oracle as per Paragraphs 6 to 11. Officers emphasised that Fund officers sought to liaise with the Evolve Team with regard to member communications and immediate payment loading arrangements to Oracle ahead of its launch, but due to time constraints faced by the Evolve Team, they were unable to respond to officers until 3 days before the official launch date. Despite this, as the Altair Immediate Payments and Integrated System went live on 8 December 2023, the Fund was in control of its own payments, thus reducing the risk of incorrect or duplicate payments and improving the processing time of payment tasks.

It was stressed that as the payroll system was split from the initial Oracle implementation and was planned to be launched in April 2024, officers felt that there were significant risks to the operations of the Fund during that transition which would be further exacerbated by the annual pensions increase exercise occurring at the same time. As such, officers were requesting information on timings and resource requirement from the Evolve Team to ensure adequate time to load and test data before and during the migration to minimise the risk of a second and more significant service disruption.

Members expressed concerns as to the potential impacts to the Fund during the imminent payroll integration and sought further clarity on Bullet Point B of Paragraph 6. In response, officers confirmed that the Fund was not the only affected service area during the initial transition and that senior officers within the Council were aware of the impact on the Fund. The additional administration work necessary in order to rectify the issues, and the subsequent impact on other Fund services, was discussed, with officers highlighting that as the Council were experiencing similar resourcing issues to that of the Fund, additional support from the Evolve Team would be difficult to negotiate.

Councillor Richard Britton, Chairman of the Wiltshire Pension Fund Committee (WPFC), raised his concerns on the matter and stated that he had liaised with

the Chairman of the Evolve Task Group and had requested assurance from senior Council officers that they were aware of the impact on the Fund, and of Fund requirements moving forward. Cllr Britton noted that he was not satisfied with the response received and was concerned as to the risk to the Fund if the payroll integration were to go ahead come April 2024. Members echoed Cllr Britton's concerns and unanimously agreed with the Chairman's suggestion of requesting that a senior officer attend the next meeting of the WPFC with a report outlining a response to the issues raised by Board Members.

At the conclusion of the discussion, it was then:

Resolved:

The Board recommended that the Wiltshire Pension Fund Committee agree to request that the Corporate Director (or Director) responsible for the Evolve Team arrange for a report to be produced for submission and presentation to the 28 March 2024 meeting of the Wiltshire Pension Fund Committee which provides, at least:

- **An explanation of why the upload templates and spreadsheets for the Immediate Payments system failed, and why the BACs file created for loading into Oracle was not updated for all members, leading to duplicate payments of £228,000, of which, at the time of the Board meeting, £153,000 remained outstanding.**
- **A detailed timetable, including the expected resource requirements expected to be input by Pension Fund officers, for the transfer of the Pension's payroll to the Oracle system.**
- **Details of the testing that has been completed to date and any outstanding testing due to be completed, including all input and upload processes, prior to the transfer of the Pension's payroll to the Oracle system.**
- **Details of the training, and training documentation, that has been provided to relevant Pension Officers by the EVOLVE team, and the level of on-going support available to pension officers if needed.**
- **Proposed parallel running arrangements.**
- **An update on any payrolls that have already been moved to Oracle and a "lessons learned" analysis based on any major problems that have arisen.**

- **An assessment of risk, from an IT expert, of transferring the Pension's payroll to the Oracle system in April 2024, at the same time as the pensions increase exercise.**

14 **Administering Authority Discretions Policy**

The Board considered the updated version of the Administering Authority Discretions Policy. There being no question or comments, it was:

Resolved:

The Board recommended the recent amendments to the Administering Authority Discretions Policy to the Wiltshire Pension Fund Committee.

15 **Urgent Items**

Members had a comfort break from 11.55am to 12.00pm.

Jennifer Devine, Head of Wiltshire Pension Fund, updated the Board on the results of the recent member Responsible Investment Survey ahead of a full report being published and circulated in the near future.

Members were shown breakdowns of the response rates, member engagement, and respondents' views on Environmental, Social, and Governance (ESG) considerations, specific types of companies, and the Fund's investment approach. Officers confirmed that there were a number of actions that would be undertaken as a result of the responses and members' views.

It was highlighted that following from the latest responsible investment guidance, sustainability and climate change issues were firmly established financial issues and therefore needed to be considered as part of a Fund's fiduciary duty in order to prevent potential legal challenge.

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

The date of the next ordinary meeting of the Local Pension Board was confirmed as 22 May 2024.

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

Resolved:

The Board noted the Forward Work Plan.

17 **Exclusion of the Public**

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

Resolved:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Numbers 18-24 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

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

The Part II (private) minutes of the previous meetings of the Wiltshire Pension Fund Committee held on 23 November and 14 December 2023 were considered. Following which, it was:

Resolved:

The Board noted the Part II (private) minutes of the previous meetings of the Wiltshire Pension Fund Committee held on 23 November and 14 December 2023.

19 **Brunel Governance Update**

Jennifer Devine, Head of Wiltshire Pension Fund, presented a verbal update to the Board summarising the ongoing Brunel governance arrangements.

Resolved:

The Board noted the update.

20 **KPI Improvement Plan**

Jennifer Devine, Head of Wiltshire Pension Fund, and James Franklin, Pension Administration Lead, presented the KPI Improvement Plan, which included a summary of the results of the recent Staff Engagement Survey.

Resolved:

The Board noted the update.

21 **Scheme of Sub-Delegation**

Richard Bullen, Fund Governance Manager, presented an updated version of the Scheme of Sub-Delegation for review by the Board.

Resolved:

The Board noted the changes to the Scheme of Sub-Delegation following the Fund's operational restructure.

22 **Training**

Richard Bullen, Fund Governance Manager, delivered a presentation on Pension Fund procurement and how the performance of suppliers could be monitored.

Resolved:

The Board noted the update.

23 **LBP Minutes**

The Part II (private) minutes of the previous meeting of the Board held on 1 November 2023 were considered. After which, it was:

Resolved:

The Board approved and signed the Part II (private) minutes of the previous meeting held on 1 November 2023 as a true and correct record.

24 **Urgent Items**

There were no urgent Part II items.

(Duration of meeting: 10.00 am - 1.20 pm)

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

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

Wiltshire Pension Fund Board - Actions Log		
Minute reference	Section	Meeting Action
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
89 (17/02/22)	Governance (Scheme of sub-Delegation)	To propose changes be made to the structure of delegations and controls & consider the breakdown of responsibilities outlined in the "Guidance to Delegations"
131 (18/08/22)	Governance (TPR Code of Practice)	The Board request a further update of the implementation of the new Single Code of Practice on publication of the Regulator's final guidance
150 (27/10/22)	Administration (KPI Improvement Plan)	Presentation of a KPI Improvement Plan to be submitted to the LPB meeting in February
189 (24/05/2023)	Governance - (Terms of Reference)	To review the terms of reference, in terms of ensuring that the be appointment of a Vice Chair need no longer alternate annual between a member & employer representative
10 (13/02/2024)	Governance - (Risk Register)	To recommend the Committee accept the proposed changes set out in the Report, with the exception of the Compliance & Regulation risk, which was not seen as significantly material and since the production of the report had reduced
10 (13/02/2024)	Governance - (Immediate Payments update)	To recommend to the Committee they request that the Corporate Director (or Director) for the Evolve Team prepare a report for presentation to the Committee at their March meeting (Ref: Immediate Payments & Payroll migration)
14 (13/02/2024)	Governance - (Discretions Policy)	To recommend that the Committee approve the changes to the Administering Authority Discretions Policy

Task owner	Target date for completion	Completed and reported to last meeting
RB	10/08/24	
RB	13/02/24	13/02/24
RB	13/02/24	13/02/24
JD	13/02/24	13/02/24
RB	10/08/24	
RB	28/03/24	Completed 28/03/2024
RB	29/02/24	29/02/24
RB	28/03/24	Completed 28/03/2024

Wiltshire Pension Fund Committee

MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 29 FEBRUARY 2024 AT WEST WILTSHIRE ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr George Jeans, Cllr Gordon King, Cllr Vijay Manro, Cllr Stuart Wheeler, Mike Pankiewicz and Claire Anthony

Also Present:

Cllr Nick Botterill

1 **Apologies**

Apologies for absence were received from Cllr Kevin Small and Cllr Christopher Newbury.

2 **Minutes**

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

Resolved:

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

3 **Declarations of Interest**

There were no declarations of disclosable interests.

4 **Chairman's Announcements**

There were no Chairman's Announcements.

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

The Committee reviewed the list of ongoing actions.

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

The Committee reviewed the minutes of the Local Pension Board meeting held on 13 February 2024, and it was,

Resolved:

To note the minutes of the Local Pension Board meeting on 13 February 2024.

7 Public Participation

No statements or questions were submitted.

8 Responsible Investment Update

Jennifer Devine, Head of Wiltshire Pension Fund, presented a report on the Fund quarterly responsible investment performance, including the RI Plan for 24/25 and the results of the most recent survey of the membership on investment matters.

The update included that on page 18 of the report was a road map, in which all actions had been completed or would be completed by the end of March, with credit given to the team for their work whilst carrying a vacancy. The only action which would not be done in Q1, would be the completion of the implementation of the CLOPs portfolio, but this would be done within the first quarter of the next financial year.

It was outlined that the report covered that Brunel had prepared a paper on introducing activity-based exclusions, which the Fund wanted to support Brunel in carrying out.

Reference was made to a Responsible Investment Survey, which had been carried out by the Fund in January 2024, with the results included within Appendix 1. Detail was provided that the last survey had been conducted in March 2021, and that the 2024 survey had received 2,914 total responses, an increase of 30% compared to 2021. Analysis was provided of the demographic who responded, with those aged 60-69 providing the majority of responses. An overview of the questions asked was provided as well as the responses which were received.

Attention was drawn to the new holdings tool on the website, launching soon, which listed all the companies that the Fund was invested in.

The Committee discussed the update with clarity provided by officers on the definition of a “controversial weapon”. An update was provided on the vacancy, with it stated that the Fund had attempted to hire 4-5 times with adverts placed at a junior and senior level, however no suitable applicants had been found, even after raising the offered salary. It was stated that the Fund was going to seek advice on HR on filling the vacancy.

Assurance was provided that there was not expected to be any pinch points within the investment plan with the Fund coping well and the designed plan in Appendix 2 based on what the Fund should be able to deliver.

It was questioned what the Fund would change following the survey findings, to which officers stated that communication would be a focus, with a need to make information more available. It was noted that the survey demonstrated an interest in social issues, therefore case studies on these would be published as a report. A summer workshop for young people was also being prepared to encourage that demographic to engage. It was suggested that the optimum frequency of conducting such surveys would be every three years.

A suggestion was made that the Fund could contact the local press to spread news of the positive work of the fund with the example cited of a site visit to the recently purchased solar farms.

The details of the activity-based exclusions were discussed, in particular the exclusion of controversial weapons and how far this exclusion might extend. It was suggested that the list provided by Brunel was a pragmatic approach and to refine and make the list more detailed might cause difficulty, therefore it might be sensible to examine potential investments on a case-by-case basis.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to:

- **use this report as a basis for monitoring the progress that is being made towards implementing responsible investment policy;**
- **approve that officers support Brunel in implementing the activity-based exclusions;**
- **note the progress made against the Responsible Investment Plan 2023/24 actions; and**
- **approve the Responsible Investment Plan 2024/25.**

9 **Date of Next Meeting**

The date of the next meeting was confirmed as 28 March 2024.

10 **Urgent Items**

There were no urgent items.

11 **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 12 - 19 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.

12 **Minutes**

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

Resolved:

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

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

The private minutes of the Local Pension Board meeting held on 13 February 2024 were presented for consideration, and it was,

Resolved:

To note the minutes as a true and correct record.

14 **Quarterly Investment Update**

Chris Moore, Investment and Accounting Team Lead, presented a report on the Fund quarterly investment performance.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to:

- **Use the investment reports and the update provided by officers and advisers at the meeting as a basis for monitoring the investment performance and implementation of the strategic asset allocation.**
- **Approve the proposed commitments to the Brunel Private Equity and Private Debt Cycle 4 portfolios. £80m to Private Equity and £160m to Private Debt.**

15 **Brunel Budget Proposal**

Jennifer Devine, Head of Wiltshire Pension Fund and Andy Brown, Brunel Shareholder Representative presented a report on the proposed Brunel budget for 2024/25 and informed the shareholder response.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to:

- **Approve that a new approach to the budget is requested via the shareholder forum, as set out in this report.**

16 **Brunel Shareholder Representative**

Andy Brown, Brunel Shareholder Representative for Wiltshire Pension Fund, provided a verbal update on the Fund's shareholder representative to Brunel Pension Partnership.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to:

- **Provide their formal support and endorse this new arrangement as a way forward.**

17 **Brunel Governance Update**

Jennifer Devine, Head of Wiltshire Pension Fund, provided a verbal update summarising the ongoing Brunel governance arrangements.

18 **Evolve Payroll Update and Progress Report**

James Franklin, Pension Administration Lead and Mark Briggs, Operations Manager provided an update on progress being made in the transition of the Pensioner Payroll.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to:

- **Note this update and is invited to make any comments or recommendations that it has in relation to this piece of work.**

Chairman called the meeting to a break at 11:55am and resumed the meeting at 12.05pm.

19 **MAN Group Presentation**

Shamez Alibhai and Charles Elson, MAN Group, presented on the portfolio performance and return.

(Duration of meeting: 10.00 am - 12.50 pm)

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

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Wiltshire Pension Fund Committee

MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 28 MARCH 2024 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr Kevin Small (Vice-Chairman), Cllr George Jeans, Cllr Gordon King, Cllr Vijay Manro, Cllr Stuart Wheeler and Claire Anthony

Also Present:

Cllr Nick Botterill

20 **Apologies**

Apologies for absence were received from Karl Read, Co-Optee (Local Pension Board).

The Chairman noted that Jodie Smart was in attendance of the meeting with a view to being appointed a Non-educational Employer Representative at the next meeting of Full Council.

21 **Minutes**

The minutes of the meeting held on 29 February 2024 were presented for consideration, and it was,

Resolved:

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

22 **Declarations of Interest**

There were no declarations of disclosable interests.

23 **Chairman's Announcements**

There were no Chairman's Announcements.

24 **Review of Actions Log**

The Committee reviewed the Actions Log.

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

The Committee reviewed the minutes of the Local Pension Board meeting held on 13 February 2024, and it was,

Resolved:

To note the minutes of the Local Pension Board meeting on 13 February 2024.

26 **Public Participation**

No statements or questions were submitted.

27 **Headlines and Monitoring (HAM)**

Jennifer Devine, Head of Wiltshire Pension Fund, supported by other officers, presented the Headlines and Monitoring report.

The Committee received a presentation from Nat Harrison, Acting Employer Services Work Management Officer, which provided an update on iConnect for 2024. The presentation covered the following points, including but not limited to:

- An overview of iConnect related highlights for 2024.
- Work which had been conducted to improve provision for new employers, including an online video and updates to the existing online resource guide.
- New developments for the EST Officers were outlined, including a bitesize reference library folder and personal training and development plans.
- An outline of the new controls in place was provided, including a mandatory pre-onboarding checklist for new employers.
- Strategic documents including an Employer Data Quality Categorisation Policy and Employer Data Quality Checking Guide had been approved in January 2024.
- An overview of what was coming soon was provided, including further website updates, iConnect functionalities and a 2024 Employer Forum.

The Committee discussed the presentation, with reference made to whether the Fund was reliant on employers' controls, which the Fund had no control over. Clarification was provided that there were several controls in place at the time of submission that were embedded into iConnect, allowing the system to refer to existing records for a particular member. Additionally, there were checks in place at many levels and areas, which would prompt employers to check their submissions if incorrect. It was further clarified that data submissions were checked and confirmed before being added to the system.

Reference was made to the error rate of checks, to which it was outlined that there are tolerances set and thresholds to ensure that over checking does not take place at an administration cost. Over the last 6 months the error rates of checking have decreased with much less submissions being referred back and it was expected that data is 99% correct. It was also clarified that when employers outsource payroll, it would be up to them who they delegate their

payroll to and that a lot of payment providers are those used by other funds using iConnect.

Further clarity was sought regarding how things were progressing with the onboarding process for Swindon, with it noted that there had been some teething problems, including some issues with the cancellation of payments in the accounting department and issues with previous submissions being a thousand out, which would need to be accurate to be aligned. It was assured that the team was working closely with Swindon to resolve issues with it hoped that the issues could be resolved as soon as possible.

The Committee received a presentation from Matt Thorpe, Service Improvement Lead Analyst, which provided an update on aggregations and backlog. The presentation covered the following points, including but not limited to:

- An overview of the Service Improvement team was provided, with it noted that the team often seconds other members of staff into the team on a temporary basis depending on skills.
- There was a big project to clear out old cases and clean data, which within 6 months led to the case backlog being reduced by 3,500 cases as well as being able to identify what had caused the backlog.
- Work was conducted on the letters used by the team, after it had been identified that they were complicated. Currently work is being conducted to sign off on having 32 letters rather than the 197 previously used.
- An overview of other work which had been achieved was provided, including work relating to bulk processing and automation.

The Committee discussed the presentation, with it clarified that there were currently 20 processes guides in place and that a further 4 would be required to finish the work. Detail was provided that one of the seconded members of staff had been completing a pensions degree and had expertise in linguistics and language, which therefore allowed her to head up the letters project and look at it from a member's perspective. It was noted that there was a desire for the letters to be simplified and that this would go through a comms manager to enable the letters to take a simplified form. It was clarified that though the backlogs and aggregations work had been completed, the team had not been on top of the business-as-usual work, however this would be able to be cleared in time.

The Committee received an update from Richard Bullen, Fund Governance Manager on the Risk Register, which noted that there had been three areas of change recommended by the Local Pension Board, including fund governance, investment and performance. The Fund Governance manager also provided detail on audit, with it noted that there would be a transition to a new external auditor, Grant Thornton. Regarding performance, it was noted that at the end of last year there had been increased risk through transition payments from SAP to Oracle, with a number of payments not paid or duplicated. Additionally, since February the risk regarding outsourced projects had been downgraded as this had been completed and brought back in house. A further change was that finance had been identified as an increased risk due to the migration to Oracle.

The Fund Governance Manager also provided details on the KPI audit, which had been commissioned last year and completed in December. There had been a lot of progress in this area, however as the recommendations were yet to be fully implemented, Officers requested an extension to the target date from 31 March to 30 June 2024.

An update was provided in respect of changes to the risk register for the period to 31 December. The Committee discussed the updates provided by the Fund Governance Manager, with further clarification provided that there was not a risk associated with pensions relating to the unaudited Wiltshire Council accounts and that many conversations had taken place with Deloitte and Grant Thornton regarding this area. It was hoped that there would be progress made by Deloitte to get the outstanding accounts published and signed off by 30 September 2024.

The Committee received an update from James Franklin, Pension Administration Lead on administration KPIs, with it noted that from the period of 1 December 2023 to 29 February 2024 the backlog had increased. There had been a focus for the administration team on training in office, which has occurred for every team member every Wednesday. Feedback for the training had been positive. It was outlined that the transfer to Altair payroll had improved processing times and the processing team had also welcomed two new starters with the member services team also set to welcome a new starter. As per the report in the agenda pack, the number of cases older than 2 years was now down to 101 with it hoped that these would be down to 0 by the end of the next quarter. It was noted that the team was slightly not staying on top of business-as-usual work due to the training focus however this would expect to change in the future.

The Committee discussed the update with it clarified that every member of the team has been receiving training and that this has helped existing staff to better follow processes and procedures as well as enabling better practices.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to:

- **Approve the risk register recommendations made by the Board and the officer assessment of risk as presented in the December version of the risk register.**
- **Note progress in the SWAP KPI audit update and approve an extension to the target deadline to 30 June 2024.**

28 **Business Plan 2024/27 & Budget 2024/25**

Jennifer Devine, Head of Wiltshire Pension Fund, presented the Fund's Business Plan and Budget to Committee for approval. The presentation outlined

the Business Plan for the next three years with it written to match the style of the Wiltshire Council Business Plan with aims and actions for each area and measures of success. The plan had been split with managers who had all written regarding their own areas and the plan would act as their action plan to deliver against.

The Committee discussed the Business Plan with it suggested that the word “tirelessly” be removed from page 61. Clarity was provided that the intention for the Plan was to bring the Fund together with individual managers having written their own sections. It was suggested that the Business Plan could have been more actions orientated, however it was noted that the purpose of the Business Plan was to set the strategic contextual environment for business to be conducted in. Lower-level documents such as Service Plans and Appraisals would then determine actions to be completed, with the main Business Plan acting as a strategic document.

Christopher Moore, Investment and Accounting Team Lead provided an overview of the operational budget of £4,623k, which was a decrease of 3.3% from the prior year, with the cost per member decreasing to £49 from £51. Attention was drawn to page 63 of the agenda pack, which provided a summary of the key features of the proposed 2023/24 budget as well as the estimated costs for the next 3 years. It was outlined that the key reason for the overall decrease was the ending of non-recurring projects such as the backlog and payroll reconciliation. It was stated that benchmarking had been undertaken to set the context of the budget against other LGPS funds with the proposed budget sitting within comparative funds. Additionally, the process to arrive at the proposed budget had been more inclusive of managers who would better understand the costs of the areas they were responsible for running.

The Committee discussed the proposed budget with clarity provided that each year a new proposed budget would be taken to the Committee and that continuous benchmarking would take place with the goal of providing value for money. Further attention was drawn to page 63 of the agenda, which attempted to identify reasonable assumptions.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to:

- **Approve the Business Plan 24/27, including the Committee’s foreword.**
- **Approve the Pension Fund operating budget for 2024/25 of £4.623m (0.14% of total fund value).**

Christopher Moore, Investment and Accounting Team Lead provided an update concerning the operational accounting arrangements, which included budget monitoring. Other points raised included that previously reference had been made to additional resource for the backlog, which had now had two members of staff allocated to it on a temporary basis, who had done a good job and had made progress. It was noted that there had still been issues with the Oracle system including difficulty in producing the report which would be key for the Annual Report and monitoring.

New external auditors, Grant Thornton had been on site during the week of the meeting and work had begun for them to understand the processes in place as well as building a good relationship with them. The Pensions team had demonstrated the new processes from payroll to employer contributions and had received positive feedback. It was planned that Grant Thornton would return in the summer when the final reports had been produced.

Reference was drawn to a graph within the report which demonstrated the variance between payroll and the Altair system. It was outlined that the graph showed a downwards trend from October to January and that the final stage of the reconciliation process would be the go live of the system. It was stated the team was now down to the final discrepancies and that the new payroll implementation would be a key step in resolving this.

Regarding cashflow, it was outlined that large cash movements had taken place because of the investments in the Climate Opportunities fund and that the Salami portfolio had been invaluable for holding cash.

The Committee discussed the report with it noted that the funds divested from Magellan had been received in December and had since been used to fund Wessex Gardens. Further detail was provided on the cashflow of overnight business with clarity also provided that the Pension Fund had been cashflow neutral for the past months.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to use the report to monitor progress against resolving the issues which had been identified.

30 **Stewardship Report**

Jennifer Devine, Head of Wiltshire Pension Fund, presented the draft Stewardship Report for approval by members. The report included that as the Fund was a signatory to the Financial Reporting Council's (FRC) UK Stewardship Code 2020, signatory status would have to be maintained by

submitting an annual report once a year in May, with the FRC marking the report. It was noted that some of the information which would be included within the report could not be obtained until the end of the month, such as membership demographics but the report was nearing completion. It was outlined that there were 12 areas to report against within the report and that a highlights magazine would be produced alongside the report to summarise important points.

The Committee discussed the report with an amendment suggested that reference to the CLOPs portfolio had been made on page 5 of the report without explaining what it was. It was also noted that a breakdown of Equality, Diversity, and Inclusion (EDI) would be completed as well as analytics of how the data was split. Further detail was provided that membership information was held on record and that staff had been asked anonymously for their data, to which they responded.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to approve that the draft report is subject to final edits and submitted to the FRC.

31 **Administering Authority Discretions Policy**

Richard Bullen, Fund Governance Manager, presented an updated version of the Administering Authority Discretions Policy for approval by members. The presentation noted that the policy had reached its three yearly review and that the Fund was afforded discretion over how the rules of Scheme operate, allowing a degree of localised decision making. The Fund summarised its approach to all these areas of discretion in an Administering Authority Discretions Policy, which was last reviewed and approved by the Committee on 31 March 2021. It was outlined that the changes to the policy were on page 155 of the agenda pack, with further clarity provided on how discretion was exercised.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to approve the recent amendments to the Administering Authority Discretions Policy.

32 **Employer Update**

Matt Allen, Employer Funding & Risk Lead presented an update on employer related activities. The update included that there had been developments in the following five areas:

1. Employer Scorecards – the aim was to produce a way to track employer performance against their responsibilities and obligations. Work was progressing well, and a draft report had been produced and was now under review, with the aim for employers to receive their scorecard each quarter. It was outlined that unfortunately the officer leading on this area was on sick leave therefore there would be a slight delay to the work.
2. Employer Compliance (Data Sharing Agreements – DSAs) – These would allow the Fund to share membership data with third party payroll providers or an outsourced HR provision. As of 15th January 2024, 78% of the these had been completed and were held by the Fund. Of the remaining 22%, 3% were in progress and 19% were awaiting a response.
3. Employer Review (Internal Working Practices) – Since Matt Allen came into post, reviews had taken place to consider how the current processes and practices could be improved. A new employer database had been created which was a single point of contact resource which contains all contractor information, where previously this had been difficult to access. Work regarding admission agreements was outlined and how new admission agreements would now be tracked via Eversheds Sutherland to enable to quicker turn around compared to previously. The TUPE Tracker and Cessation Tracker had also been overhauled to enable the Fund to track an employer from start to finish.
4. Employer Forum – On 16 November 2023, the Fund held its first face to face Employer Forum, which 30 employers attended. There was an intention to hold more in 2024 in Trowbridge, Swindon, and Salisbury. This work had however been paused due to the lead officer being on sick leave.
5. Employer Changes – An overview of employer changes was provided with reference drawn to the report for a detailed outline of the changes involving Imperial Cleaning Services Ltd, Aster, The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Diocese of Bristol MAT (DBAT).

The Committee discussed the report with it suggested that some of the cases outlined must produce a disproportionate amount of work, to which it was clarified that there was not a policy for writing stuff off and that a pragmatic and fair approach was taken to each employer change. It was clarified that the cost to establish the final position of employer changes varied and that the costs were included within the charging policy.

A question was raised regarding the ability for companies to go into administration and then set up another company and how likely it would be for the new company to be admitted into the scheme if they had the same directors. The officer provided assurance that it was his role to protect the Fund and that if there was enough security in place such a company could be admitted and that it would be the employers position to accept the risk.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to note the report and to seek from Officers such clarifications or further information as they require.

33 **Employer Covenant Risk Policy**

Matt Allen, Employer Funding & Risk Lead presented an update on the Employer Covenant Risk Policy. The update included that this was a new policy as it had been identified that the Fund had not previously had a formal policy on employer covenant risk management. Officers had worked with Fund actuaries Hymans Robertson on the drafting of the proposed Employer Covenant Risk Policy to ensure it met the needs of the Fund and its Scheme employers.

The new policy would aim to set out the Fund's approach to assessing employer covenant risks and the impact of the employer risks within the funding strategy; this would therefore enable the Fund to give a rating to each covenant and decide on the implications. It was outlined that initially employers would be rated as "high" or "low" risk, with examples of "high" risk cited as colleges, universities, town, and parish councils, with "low" risk examples including the Police, Fire Service and Academies. It was outlined that "low" risk employers would likely receive this categorisation due to their government backing and tax raising powers. Once an initial assessment was completed, further analysis would take place with key financial information requested, which could potentially mitigate risks and lower the initial rating, with these then being categorised as red, amber, and green. The policy would have the aim of setting out the intentions of the Fund and if approved would need to go to the Local Pension Board, with this aimed to be conducted by the end of the year ahead of valuation in 2025.

The Committee discussed the report with clarification provided that if a high-risk employer was to miss contributions over a long-term period this would affect their assessment. Further clarity was provided that the policy would focus future employers when joining the Fund and would contribute to the ongoing monitoring and scorecards.

It was suggested that a simplified document be sent out to Councillors, with it likely that they would experience questions regarding the implications of the policy for town and parish councils. Assurance was provided that it would be very surprising for town and parish councils to be rated as red and that a consultation had taken place with town and parishes quite happy with the draft policy. Additionally, as town and parishes would currently be pooled, the policy would have minimal impact. It was also clarified that the policy would not have an impact on employees unless the Fund decided it was a high risk and then placed the employer on a path to exit the fund.

At the conclusion of debate, it was,

Resolved:

The Committee agreed to approve the Employer Covenant Risk Policy and sought from Officers such clarifications or further information as they required.

34 **Committee Forward Work Plan**

The Committee reviewed the Forward Work Plan with it noted that now that the Business Plan had been approved, the respective items for this would be included in the next iteration of the Forward Work Plan. It was noted that the Training Plan for next year had not been brought forward yet as Member feedback was still being collected and analysed before being brought to the next meeting.

35 **Date of Next Meeting**

The date of the next meeting was confirmed as 13 June 2024.

36 **Urgent Items**

There were no urgent items.

The Chairman called the meeting to a break at 12.05pm and resumed at 12.10pm.

37 **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 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.

38 **Minutes**

The private minutes of the meeting held on 29 February 2024 were presented for consideration, and it was,

Resolved:

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

39 **Review of the Part II Minutes of the Local Pension Board**

The private minutes of the Local Pension Board meeting held on 13 February 2024 were presented for consideration, and it was,

Resolved:

To note the minutes as a true and correct record.

40 **Integrated payroll system project update**

James Franklin, Pension Administration Lead, presented a “payroll migration” update from SAP to Oracle, which included the PI exercise.

At the conclusion of debate, it was,

Resolved:

The Committee noted the information provided to them and commented that they would see the outcome of the migration.

41 **Brunel Governance update**

Andy Brown, Brunel Shareholder Representative provided a verbal update summarising the ongoing Brunel governance arrangements.

42 **Procurement update**

Richard Bullen, Fund Governance Manager provided members with a verbal update on the procurement of strategic service providers.

(Duration of meeting: 10.00 am - 12.50 pm)

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

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WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
22 May 2024

WILTSHIRE PENSION FUND HEADLINES AND MONITORING REPORT

Purpose of the Report

1. The purpose of this report is to provide the Board with information in relation to various standard issues, to enable the Board to fulfil its monitoring role.
 - a) Headlines
 - b) Scheme, Regulatory, Legal and Fund Update
 - c) TPR General Code of Practice update
 - d) Risk Register
 - e) Administration KPI update – 1 January 2024 to 31 March 2024.
 - 1) McCloud and Dashboard update
 - f) Audit update:
 - 1) SWAP Audit KPI actions 2023/24.
 - g) Training Plan 2024/25

2. This report is intended to highlight key issues and developments. Full detail is provided in the Appendices.

Report from Head of Wiltshire Pension Fund

3. This section summarises key events across the Pension Fund over the last quarter.
 - a) Investment performance for the year to Mar-24 was +8.1%, compared to a benchmark return of +9.4%. The fund value at the end of Mar-24 was just over £3.3bn.
 - b) The funding level at the end of Feb-24 was 132.7% (based on a roll-forward of the 2022 funding level).
 - c) The migration of the pensioner payroll from SAP to Oracle has now taken place (more info later on this agenda).
 - d) The actuarial contract, investment advisor contract, and investment consultant tenders are all progressing, and a verbal update will be provided at the meeting.
 - e) The new General Code has been published, and training on this important topic was arranged for the LPB and Committee in March 2024. Any feedback would be gratefully received.
 - f) The LPB members have now been added to the distribution list for our internal Fund Focus newsletter, so that interim updates can be received on a monthly basis. Please look out for this in your inbox!
 - g) The Fund's Business Plan 24/27 was approved at the Committee meeting on 28 March 2024. This included an improvement plan for the admin performance. The Business Plan also defined key measures of success for WPF. Officers are developing this into a dashboard and will share this with the Board in due course.
 - h) The Business Plan 24/27 is attached as Appendix 5. For the previous Business Plan, the LPB received updates on the key areas of focus in the HAM report. Members of the Board are invited to discuss what updates they may require on this new Business Plan – suggestions are that the dashboard mentioned above is included in the HAM report every quarter, and progress against the KPI improvement plan is shared on a 6-monthly basis.

Scheme, Regulatory and Legal Update (Appendix 1)

4. A scheme update is included in paragraph 3 of this report. Regulatory & legal updates have been provided via Hymans May 2024 Current Issues circular (Appendix 1). Key additional strategic Fund updates have been incorporated within the Fund's risk register section of this report.
5. **TPR General Code of Practice Update**
 - a) Following the Code coming into force on 27 March 2024, officers held their first strategy meeting on 3 April. Key actions from that meeting were:
 - To create a GCOP template setting out all 51 areas of the code, assigning owner(s) to each area relevant to the LGPS and then for each owner to make an initial assessment of the requirements to enable fulfilment of the code: &
 - To conduct an initial overarching gap analysis in relation to the Fund's policies and procedures
 - b) A second strategy meeting is to be held on 15 May. At the time of writing this report actions from that meeting are unknown, however the scope of the meeting is likely to consider the following factors:
 - That an action plan should be ready for presentation to the Board in time for their November 2024 meeting:
 - That the Fund will take a best practice approach and undertake its first self-assessment against the requirements of code during March 2025: &
 - That all requirements will be implemented by the Pension Regulator's deadline for implementing the new code of 31 March 2026.

Risk Register (Appendix 2)

6. The version of the risk register presented in Appendix 2 relates to the month of April 2024. The April 2024 version will be the version submitted to the Committee meeting on 11 July. The officer led CROC Group continue to process and moderate ratings of monthly manager reviews in a consistent manner in the interim period.
7. A summary table is provided below for members to be able to monitor the key changes between versions submitted to their meetings. The purpose of this summary is to assist Board members in making their recommendations to the Committee.
8. Please note that during the period between the December 2023 and April 2024 versions a couple of risk ratings fluctuated, however their ratings at the beginning and end of the periods remained the same. These risk areas are:
 - Financial Management, which started and ended the period as Amber, but during the period increased to Red due primarily to issues related to the Oracle migration: &
 - Performance, which started and ended the period as Amber, but during the period fell to Green in January due primarily to a reconfiguration of the risk register in respect of service delivery.
9. The summary of risk rating changes between December and April, since the Board last reviewed the risk register in February are:

Risk Section	Section rating change	Key notes and mitigations during the period
Fund Governance	Amber to Red	a) The key reason for the increase in this risk rating relates to the protracted procurement of the Fund's strategic procurements of actuarial and investment management consulting services. The impact caused by internal delays has placed a significant strain on Fund officers to carry out their responsibilities. Further functional delays could potentially risk the Fund's funding and investment strategy positions.
Compliance and Regulations	Amber to Green	a) A suitable candidate is being offered a role within the team as an investment analyst, which in turn will assist investment governance. b) Improvements in i-Connect processing and the collection of data on a timely basis have enabled statutory deadlines to be met.
Data Management	Amber to Green	a) The initial issues caused by the rollout of Oracle immediate payments arrangements in November 2023 have largely been overcome. b) Data management processes implemented by the Fund's employer services team have now been embedded. c) Access to information in Oracle by the Fund's Accounts team has enable better data integrity in respect of the financial movements of the Fund.
Projects	Red to Green	a) Two key projects ended in January 2024, namely the Outsourced Aggregations and Leavers backlog managed by Hymans and the Payroll Rectification exercise managed by Aon Consulting b) The internal backlog of Leavers and Aggregations was stood down, with outstanding work reincorporated into business-as-usual casework management. c) The Evolve Project to migrate the pensioner payroll from SAP to Oracle occurred in April and along with the embedding of the Altair payroll system, the risk in this area has reduced, with the SAP to Oracle migration project now being stood down. d) The remaining key projects are McCloud and the Pensions Dashboard project, both of which are being well managed.

Administration KPIs (Appendix 3)

10. Tables 1 & 2 show the admin performance over the period from 1 January 2024 to 30 March 2024. April is shown in table 2. May 2024 statistics were unavailable at the time of drafting. Unfortunately, the overall Admin KPI picture has declined over the period recover to the level we reported at the end of December 2024 in line with the first checkpoint in the KPI improvement. The backlog has increased by 313 cases since our last report. The first part of 2024 has been focused on training which has resulted in this increase. Open case volumes have increased in line with the increase in the backlog. Incoming cases are at an expected level for this time of year.

11. Table 3 provide some analysis of the open cases. Table 3 sows the number of cases older than 2 years has remained at the same level and there are no cases older than 4 years and only 3 cases older than 3 years. The graph under the table shows the difference between completed and received cases due to the focus on training and the Evolve migration unfortunately we have been unable to complete more cases than we have received. The second graph shows the continued trend of cases over SLA increasing due to the reason mentioned above.
12. We have now included a section detailing the current position onboarding employers onto iConnect. As you can see, we now have 137 employers onboarded and we expected this number to increase once the 2023/24 year end checks have been completed and the data verified in respect of the current membership.

SWAP Audit KPI 2023/24:

13. Following the Board's recommendation to the Committee in February 2024 to extend the deadline to complete the SWAP KPI audit actions by 31 March to 30 June 2024, officers can confirm that the Board's recommendation was accepted.
14. The auditor's made four recommendations. These were:
- a) To ensure that the current excel spreadsheet formula is secure and that an automated data extraction process, rather than the current manual updating arrangement is introduced to avoid errors. Additionally, that reported results are reviewed prior to circulation. **(Priority 2)**
 - b) That the process outlined above is documented **(Priority 2)**
 - c) To incorporate the changes above into the Pension Administration Strategy document **(Priority 3): &**
 - d) To continue to revise the reporting in line with member feedback **(Priority 3)**
15. Progress against the four recommendations has been made, however the recommendations are yet to be fully implemented. The progress to date includes:
- a) An automated KPI reporting tool has been adopted and is being tested. It is understood that the tool only requires a few improvements to be made. Reported results are reviewed at weekly KPI meetings **(80% Completed)**.
 - b) Recording of deleted and terminated casework between reporting is now embedded in officer processes. These figures which caused the opening and closing balance discrepancies are discussed at weekly KPI review meetings **(80% Completed)**.
 - c) The Pensions Administration Strategy document is currently under review and may need to go to consultation with the Fund's Scheme Employers. It is intended that this document will also reflect officer commitments set out in the KPI Improvement Plan and other related process guides **(50% Completed)**.
 - d) The introduction of traffic light style dots, indications against targets, clarity of text to members and the reconciliation of opening and closing balances have been introduced. Additionally, a full key of colours used in the tables is to be presented each time. These are largely implemented. **(75% Completed)**.

Training Plan 2024/25 (Appendix 4)

16. The draft training plan, consistent with the members training policy, for both the Board & Committee members for the Scheme Year 2024/25 is attached in Appendix 4. The plan has been developed using the self-assessment feedback provided by members during February 2024, as well as considering forthcoming events over the next 12 months, in particular the March 2025 triennial valuation.

17. The aim of this plan, in addition to addressing the members assessment needs, is to ensure that all members achieve and maintain a sufficient level of knowledge and understanding to be able to make appropriate decisions and carry out their roles and responsibilities as required. It is noted that whilst Board members have a statutory obligation to ensure that they maintain their knowledge & skills requirements in accordance with the Public Services Pension Act 2013, and following issuance of the Pension Regulator's new general code of practice, for Committee members to abide by the requirements the Pension Act 2004. In addition, this plan seeks to ensure that Committee members will also be able to comply with the FCA's MiFID II Regulations in relation to professional competence. The purpose of this being to maintain the Fund's classification as a "professional client".
18. Whilst training sessions at meetings have been specified over the next 12 months, the training plan is designed to be a living document to enable the substitution of topical training as it arises as well as recognise the need for flexibility by inviting members of one group to attend training organised for the other group.
19. In addition to ensuing new starters complete essential training during the first 12 months of their appointment, attendance at external events such as conferences, seminars, engagement days and forums are also encouraged.

Financial Implications

20. No direct implications.

Legal Implications

21. There are no known implications from the proposals.

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

23. There are no known implications currently.

Proposals

24. The Board is asked:
- a) to note the Fund updates;
 - b) to endorse the risk register in Appendix 2 & the summary of risk changes since the last review, as a true and fair view of the risks currently being experienced by the Fund and to recommend that endorsement to the Committee:
 - c) To note the progress concerning the KPI audit recommendations
 - d) For Board members to approve and adopt the training plan for 2024/25 for themselves and for the Board to recommend that this training plan be approved by the Pensions Committee:

JENNIFER DEVINE
Head of Wiltshire Pension Fund

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

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

Appendices:

Appendix 1 – Scheme, Legal, Regulatory and Fund updates

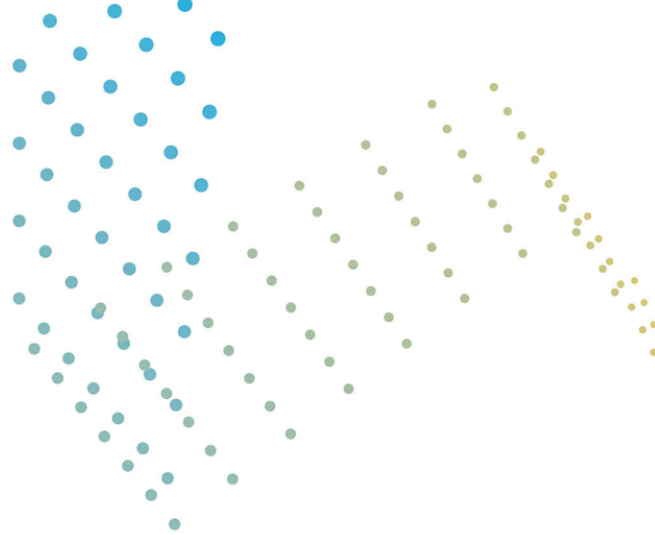
Appendix 2 – Full risk register

Appendix 3 – Administration KPIs

Appendix 4 – Training Plan 2024/25

Appendix 5 – WPF Business Plan 24/27

Current issues in the LGPS



May 2024



Richard Warden
Partner

Funding and investment strategies are interdependent – how could major economic changes since 2022 affect these as funds start planning for the next round of valuations? And amongst other things, this month we explore responsible investment and the results of the 2020 cost control valuation (please read with a damp cloth applied to your forehead...).

A new era for funding in the LGPS?

Minds in England & Wales are now turning to the 2025 valuations and the triennial review of funding and investment strategies. Rob Bilton and Iain Campbell [recently considered](#) whether the significant change in economic environment since 2022 heralds the beginning of a new LGPS funding era and what it could mean for your strategies.

Focus on RI:

A guide to natural capital

We all rely on the natural world, which is why the issues of climate change and biodiversity loss are so momentous. As mankind removes and damages natural capital without taking steps to protect or regenerate it, we jeopardise the benefits nature provides. The good news is that, as our collective focus on these issues has increased, so too have ideas – and investments – that aim to preserve nature. We've created this [short guide](#) to showcase examples of natural capital while exploring the return potential, how natural capital assists in risk management and how it can help you to create impact as an investor.

Mission statement – our ABC for a better future

We've recently [published](#) an updated Responsible Investment Mission Statement. This defines our three core pillars of activity, each of which reflects an outcome we're working towards.

- **A**chieving net zero: we help our clients understand what net zero means for them and how they can take meaningful action to align with this ambition.
- **B**eing better stewards: we help our clients create approaches to stewardship that reflect the resource they're able to commit. Where necessary, we also help them fill in the gaps. The next section below provides some hints and tips.
- **C**reating positive impact: we help our clients better understand how they can have impact, allocate capital, and exercise stewardship to create positive real-world outcomes, whilst continuing to meet their fiduciary responsibilities.

Being better stewards

Latest figures show that around 25% of the LGPS are signatories to the UK Stewardship Code. The Code has become recognised as a leading standard against which asset owners can demonstrate their stewardship credentials. In this [article](#), we set out what we've learned from helping our clients become signatories (with a 100% success rate). If you're interested in becoming a signatory, or you're a signatory already and perhaps looking to refine your approach in a few areas, please [get in touch](#).

So, tell me, how are you getting on with pooling?

And private equity, and levelling up, and investing in the UK. Starting from 2023/24, Fund annual reports will need to report on progress made in each of these areas – as well as their stewardship activity. The requirements are digested in this [60-second summary](#). It's important to reach out to your auditors, asset pool and investment managers as soon as possible to develop a plan and gather all the information that will be needed. Please reach out to your investment consultant about any areas of uncertainty.

Who wants to live forever?

In addition to providing pension funds with longevity analysis, Club Vita regularly host webinars to explore emerging trends in longevity risk. Their latest webinar series, focused on the "Risk of Living Longer", explores the impact of achieving significantly longer lifespans. How well is the risk of living longer really understood?

The webinar programme is:

- Tuesday 16 April – An introduction to the question of human longevity: how long can we go?
- Tuesday 7 May – The biology of aging
- Thursday 28 May – Cancer research
- Tuesday 18 June – Biological clocks
- Tuesday 9 July – Using AI to improve and advance healthcare

Register for future sessions [here](#). Watch recordings of historic sessions [here](#).

2020 cost control valuations – the results are in!

There was a flurry of activity last month around the long-awaited results of the 2020 cost control mechanism.

McCloud appeal fails

Firstly, the Court of Appeal [rejected](#) requests from the British Medical Association (BMA) and the Fire Brigades Union (FBU) for a second opinion on whether His Majesty's Treasury (HMT) was entitled to factor McCloud Remedy costs into the cost control mechanism. By way of background, HMT had classified the costs of the McCloud Remedy as 'member costs' and not 'employer costs'. This classification meant that BMA and FBU members of their respective public sector pension schemes would not benefit from changes (such as a reduction in their contributions or an improvement to their accrual rate) that would otherwise have arisen following the results of the 2016 cost control valuation. This should give certainty that there will be no benefit changes to public sector pension schemes because of the 2016 cost cap valuations (assuming no more legal challenges are launched...).

2020 results published

Perhaps unsurprisingly, the appeal outcome was swiftly followed by the results of the LGPS cost control valuations at 2020 in [England & Wales](#) and in [Scotland](#). In both cases, the 'core' cost cap fell significantly, by 3.2% of pay (from 14.6% to 11.4% of pay) in England & Wales and by 2.8% of pay (from 15.2% to 12.4% of pay) in Scotland, with lower underlying longevity improvement assumptions being the key reason behind the reductions. However, **no changes will be made to the benefit or employee contribution structure of either scheme**, despite the result in England & Wales breaching the 3% cost cap corridor. This is because its 'economic check', which is based on long term economic conditions and relies on the Government's SCAPE discount rate, was assessed to be a whopping 21.9% of pay (and so well above the employer cost cap of 14.6%). Now,

if you're finding all this confusing, you're not alone! An explainer about changes to the cost control mechanism, including the introduction of the economic check, was covered in our [September 2023 Current Issues](#).

It's all academic

The Education & Skills Funding Agency (ESFA) has published best practice [guidance](#) for academies in the LGPS. It includes high-level information about LGPS membership, contributions and how to engage with an LGPS fund. The guidance provides useful signposting and links to more detailed information, to help newer academies grappling with the LGPS. Particularly useful are sections that clarify differences between a fund's triennial valuation and an employer's annual accounting valuation (a common source of misunderstanding for even seasoned academies). Also included is a useful summary of the DFE Academy LGPS guarantee, with focus on outsourcing and "pass-through" arrangements.

Breaking (down) the Code

Exciting news – well over a quarter of LGPS funds are now utilising our LGPS compliance tool for the General Code of Practice! Our user-friendly self-service tool helps funds assess their compliance level easily, with a breakdown of specific actions expected by the Pensions Regulator. Features include self-assessment, instant, editable compliance reports, progress tracking, and allocation of actions for governance teams. We're also seeing many funds take up our offer of support with training for committee, board and officer groups on the General Code. If you'd like to find out more about our compliance tool, please [get in touch](#).

Keeping an eye on cashflows

The current high inflation rate, potential reductions in employer contributions, and an uncertain future inflation outlook all mean that cashflow management has quickly become a key issue for LGPS funds. Our analysis shows last month's annual pension increase of 6.7% means that over 50% of LGPS funds are now in a cashflow negative position (ie require regular income from assets to pay member benefits). Being cashflow negative itself is not unexpected (after all the assets have always been there for the purpose of paying benefits), but it does necessitate more careful cashflow management and monitoring. Our [on-demand webinar](#) provides more detail. Please speak to your Hymans consultant for updated fund-specific analysis and advice.

Continued accounting surpluses at March 2024

Having passed 31 March 2024, many local authorities and public sector bodies are knee-deep in the preparation of their annual accounts. With high corporate bond yields continuing and improved investment performance for many LGPS funds over the first quarter of the year, employers may find themselves in an improved accounting position compared to 31 March 2023. This improved position could lead to a net asset (or surplus) position which employers should consider how to disclose before finalising their accounts. For further information about accounting surpluses, or to speak to one of our accounting specialists, please [get in touch](#).

Capital markets

Q1 brief


Economic optimism and AI enthusiasm more than offset expectations of fewer rate cuts in 2024 in Q1, as equities recorded their best first quarter in five years and credit spreads fell, despite significant rises in sovereign bond yields. Check out our [review](#) of markets over the first quarter of 2024.

Spring update

Amid ongoing resilient US growth, and improving activity indicators elsewhere, the fundamental outlook for risk assets has improved, but our concerns are shifting towards valuations, which appear to have baked in a lot of good news. Read more in our Spring 2024 [Capital Markets Update](#).

Events, webinars & training

Managing risk in the LGPS



When you're managing a pension scheme with over 7 million members, risk is never far from your mind. Whether you're making investment decisions, liaising with employers about contributions, or making sure that member service is good, you're managing risk. Over the last year we delivered a series of LGPS risk management webinars focused on how and why funds should look at risk holistically. From funding risk monitoring to cash flow risk and cyber risk, we've shone a spotlight on how specific risks can be managed. We've developed a [hub page](#) so that you can refer to our risk management content at any time.

Together, stepping into the future of the LGPS conference

We have just one week to go until our conference on 16 May in Edinburgh! The event, which is for LGPS fund officers only, will have a future focus, underpinned by sharing experience, best practice and actionable outputs. You can view the conference agenda [here](#).

In brief

Inflation figures

The latest [ONS figures](#) recorded annual CPI for the year to March 2024 at 3.2%, down from 3.4% in the prior month. RPI for the same period was 4.3%.

LGPS fund audit

The FRC has issued [sanctions](#) against Grant Thornton for compliance failings in its audit of a local authority's fund for the year ended 31 March 2021. The failings included two errors that appeared in the LGPS fund's audited financial statements that formed part of the local authority's annual report (although had been corrected in the fund's own financial statements) and insufficient audit evidence to verify that the value of investments was materially accurate.

Dashboards

The Pensions Dashboards Programme (PDP) has published a [blog](#) about its connection timetable and accompanying guidance, and the DWP has issued [guidance](#) to help funds prepare an annualised version of the accrued pot value for members with certain money purchase benefits.

Climate risk

The Pensions Regulator (TPR) has published its [findings](#) from a review of climate-related disclosures across a sample of private sector schemes with more than £1 billion in assets. And on fiduciary duties around climate change, the Work and Pension Committee (WPC) has written a [letter](#) to the Pensions Minister, Paul Maynard, ahead of a series of roundtables that the Minister is planning to hold on the subject.

Public service pension increases

The House of Commons library has published a briefing [paper](#) about arrangements for annual increases of public service pensions in payment.

Public sector exit payments

A new Private Member's [Bill](#) has been put forward that might lead to HM Treasury looking again at limiting exit payments to employees of public sector bodies. Previous legislation in this area, often referred to as the '£95k exit payment' rules, was repealed.

The Pensions Regulator

TPR has [published](#) its three-year corporate plan, explaining how it will protect savers' money, help to enhance the pensions system and support innovation. Priorities include raising standards of trusteeship, data quality and admin; Value for Money and decumulation in DC schemes; and the new funding regime and emerging propositions for DB schemes. It mentions development of a framework for oversight of professional trustees and talks about some having become or becoming 'systemically important'.

Appendix

A new era for funding in the LGPS?

<https://www.hymans.co.uk/insights/research-and-publications/publication/a-new-funding-era-in-the-lgps/>

Focus on RI:

A guide to natural capital

https://www.hymans.co.uk/media/uploads/A_guide_to_natural_capital.pdf

Mission statement – our ABC for a better future

<https://www.hymans.co.uk/media/uploads/RI-MissionStatement-10042024.pdf>

Being better stewards

https://www.hymans.co.uk/media/uploads/Being_better_stewards_-_What_you_need_to_know_as_a_Stewardship_Code_signatory.pdf

So, tell me, how are you getting on with pooling?

https://www.hymans.co.uk/media/uploads/60-second_summary_-_Preparing_LGPS_funds%E2%80%99_annual_reports_-_new_investment_disclosures.pdf

Who wants to live forever?

<https://www.clubvita.net/uk/events>

<https://www.clubvita.net/uk/events/event-recordings>

2020 cost control valuations – the results are in!

McCloud appeal fails

<https://www.judiciary.uk/judgments/british-medical-association-v-his-majestys-treasury-and-another/>

2020 results published

https://assets.publishing.service.gov.uk/media/660fe1989f92ac001a516d45/LGPS_England_and_Wales_2020_Valuation_Valuation_Report.pdf

https://assets.publishing.service.gov.uk/media/66226d7811d9f57e3ba7e563/LGPS_Scotland_2020_Valuation_Valuation_Report.pdf

<https://www.hymans.co.uk/insights/research-and-publications/publication/current-issues-in-the-lgps-september-2023/>

It's all academic

<https://www.gov.uk/government/publications/academy-trust-financial-management-good-practice-guides/local-government-pension-scheme-lgps>

Keeping an eye on cashflows

<https://event.on24.com/wcc/r/4366370/2A1C3FA73A9FAA7EB4E7A03F3C23E599>

Continued accounting surpluses at March 2024

LGPSCentralAccountingTeam@hymans.co.uk

Capital markets

Q1 brief

<https://www.hymans.co.uk/insights/research-and-publications/publication/market-brief-march-2024/>

Spring update

<https://www.hymans.co.uk/insights/research-and-publications/publication/capital-markets-update-spring-2024/>

Events, webinars & training

<https://www.hymans.co.uk/managing-risk-in-the-lgps/>

https://www.hymans.co.uk/media/uploads/Hymans_Robertson_LGPS_Conference_Agenda.pdf

In brief...

<https://www.ons.gov.uk/economy/inflationandpriceindices>

<https://www.frc.org.uk/news-and-events/news/2024/04/sanctions-against-grant-thornton-uk-llp/>

<https://www.pensionsdashboardsprogramme.org.uk/2024/04/09/connection-timetable-update/>

<https://www.gov.uk/guidance/annualised-accrued-value-calculations-for-pensions-dashboards>

<https://www.thepensionsregulator.gov.uk/en/media-hub/press-releases/2024-press-releases/review-shows-how-pension-trustees-are-addressing-climate-risks-and-opportunities>

<https://committees.parliament.uk/publications/44325/documents/220225/default/>

<https://commonslibrary.parliament.uk/research-briefings/sn05434/>

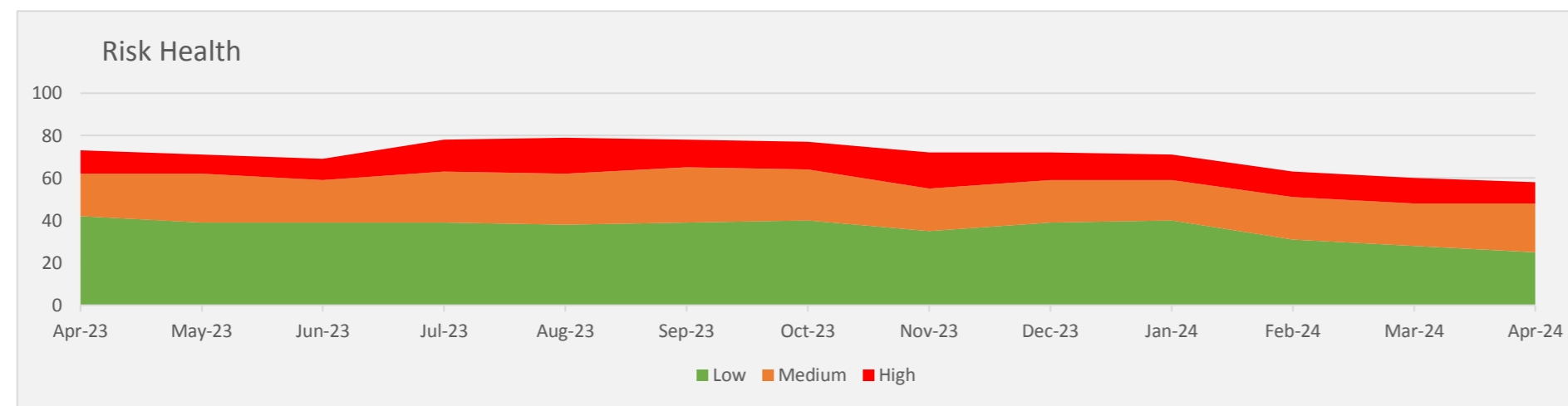
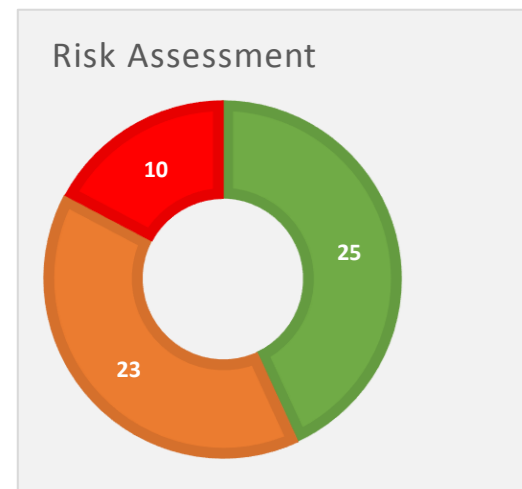
<https://publications.parliament.uk/pa/bills/cbill/58-04/0133/230133.pdf>

<https://www.thepensionsregulator.gov.uk/en/document-library/corporate-information/corporate-plans/corporate-plan-2024-27>

Committee Risk Register

Owner: Richard Bullen

Medium Overall Risk



Risk Area	Key Risks	Risk Assessment	Updates to note
Service Delivery	<p>A failure exists where levels of post and work volumes remain high creating a concern over the failure to meet the KPI targets. This includes the internal backlogs which staff are seeking to reduce.</p> <p>A failure exists where the late payment of benefits to members occurs, which in turn impacts the Fund's KPI targets.</p> <p>A failure to address casework backlogs in accordance with the KPI Improvement Plan.</p>	High	<p>Regular KPI meetings are held by management to ensure work is processed in accordance with the KPI Improvement Plan.</p> <p>A casework log has been introduced "Principals and Precedent" to record a consistent treatment of complex cases.</p> <p>Weekly KPIs are now circulated and analysed and weekly insights reports have been published to the teams which show staff productivity.</p> <p>Embedding the use of bulk processing is better supporting Fund processes and output.</p>
Financial Management	<p>Failure to maintain an accurate employer contribution rate schedule, the Fund being unable to determine if it is receiving the correct contributions, or identify ceasing employers at an early stage is a key risk</p> <p>The Fund pays incorrect pensions, lump sums and other one off payments to pensioners.</p> <p>Failure to process Treasury Management actions on a timely basis, impacting budgeting and forecasting too.</p> <p>A lack of guidance relating to covenant reviews and processes could cause a financial risk to the Fund.</p>	Medium	<p>Officers maintain an Employer Contribution and Data Management Working Group to mitigate the risk of the contribution not being paid. An update is presented to members periodically.</p> <p>Officers ensure that the contributions rates are implemented & paid by all employers, and that this requirement is maintained.</p> <p>A covenant strategy is being implemented following approval of the Covenant policy.</p> <p>Officers are working with Wiltshire Council Finance to review finance procedures and enable Fund officers to directly reconcile against the Fund's bank account.</p> <p>Officers are now able to access Oracle information to manage ledger coding & the recording of financial movements in the accounts. This has improved the Fund's ability to monitor payments on a timely basis and financial data integrity generally.</p>
Fund Governance	<p>Failure to maintain the implemented risk and control framework and embed it into departmental culture</p> <p>A failure to receive consistent independent auditing of the Fund's internal controls could lead to material risks being created.</p> <p>A failure to manage key procurements and ensure the completion of these procurements as a result of poor resources, knowledge and experience. This concern extends to the sourcing of existing contracts.</p>	High	<p>Officer training on the risk and control framework has been completed and regular meetings are held to reinforce the concept.</p> <p>Officers are working with both the procurement team and internal auditors to ensure that these strategic management issues of the Fund are fulfilled.</p>
Systems Management	<p>Failure to successfully migrate from SAP the Fund's payroll function in April 2024.</p> <p>Failure from April 2024 of the Evolve Project plan to properly embed the migrated payroll system and other fund services to Oracle and prepare for the subsequent migration of the payroll to Altair in August/September 2024.</p>	Medium	<p>The migration to the Oracle payroll database occurred in April 2024, however Fund officers continue to work with the Evolve team to manage the secondary activities associated with the migration, as well as other WC functions that could impact the Fund if not properly migrated. Implementation of the Altair payroll to mitigate risks has helped and has been successful, however the Fund remains reliant on the Council's Evolve programme to move the Fund's payroll in August/September.</p>

Investment	<p>Failure in investment performance by managers is poor or misaligned with expectations leading to risks concerning the funding level, the fulfilment of the investment strategy and poor benchmarking.</p> <p>Failure of BPP to operate effectively and ensure funds are well managed, with investments being made on a timely basis to deliver their objectives.</p> <p>Failure to maintain sufficient and appropriately skilled resource to undertake RI and stewardship strategy tasks.</p>	Medium	<p>The Fund is working with Brunel on pooling arrangements.</p> <p>The Fund is currently benefitting from net fee savings, but costs are under constant pressure to rise with high budget increases.</p> <p>Officers are working with BPP and other authorities in the partnership to update BPP's constitution.</p> <p>A new arrangement with BPP is enabling face to face visits concerning portfolio discussions</p> <p>A suitable candidate has been offered a role in the team as an investment analyst</p>
Compliance with Regulations	<p>Anticipated changes in legislation could impact the Fund adversely, specifically regarding compliance and resourcing.</p> <p>Failure to achieve statutory requirements & deadlines due to work volumes</p>	Low	<p>Regular updates to the Committee and Board enable all stakeholders to monitor any potential changes in legislations. This work is supported by adviser guidance.</p> <p>Project planning and holding of regular management meetings to ensure deadlines are achieved. Where required, meetings with Scheme Employers are also held to ensure deadlines are met, particularly where those deadlines involve 3rd party input.</p>
Performance	<p>Failure to deliver good customer service by maintaining performance in line with the KPI Improvement Plan. This includes poor operational performance, communication and implementation of new software and working practices</p> <p>Failure of Scheme Employers to perform appropriately, by providing full and accurate information of a timely basis. Which as a result requires escalation measures to be taken.</p>	Medium	<p>Weekly and Monthly meetings are held to ensure performance is maintained in line with the KPI Improvement Plan. Objectives are set to keep the plan on track. Note: Resource levels may limit progress.</p> <p>Scheme Employers are regularly monitored via the Employer Data and Contribution Working Group. Where required, the performance of underperforming employers is escalated. The revised escalation strategy is being updated within the Pension Administration Strategy document.</p>
Employer Management	<p>Failure of contacts to have inadequate knowledge, skills and experience to administer the Scheme correctly and effectively.</p> <p>Failure of contact maintenance which requires ongoing improvement.</p> <p>Failure of employers not being set up, maintained or leaving the Fund correctly. This can effect the starting position for funding, unitisation adjustments, pooling or cessation arrangements due to untimely or incorrect information.</p>	Medium	<p>The Fund offers training to employers to mitigate the risks highlighted.</p> <p>Implementation of the Stabilisation Policy provides a certain amount of increased security for employers. The Fund also works closely with its Actuarial advisers to ensure new sets up are managed correctly. In addition, officers maintain the Fund's unitisation database.</p> <p>Exercises to update employer contacts, issue scorecards, attend communication forums, review historic employer relationship issues and admission agreements are all being undertaken.</p>
Data Management	<p>Failure to meet statutory deadlines due to poor data provision from individual employers, particularly large ones. This can heavily impact the Fund's data management.</p> <p>Failure to implement and maintain internal controls particularly in relation to i-Connect. Controls & checks by employers may impact data accuracy and timeliness, noting that information is posted through both i-Connect & employer spreadsheets and can be provided late.</p>	Low	<p>To enable the i-Connect onboarding process officers have worked closely with the outstanding employers, particularly major employers to obtain outstanding data. Relevant data quality checks associated with i-Connect submissions have been implemented and also passed to accounts to enable financial checks.</p> <p>With the migration to Oracle accounting resource has also been assigned to managing this implementation.</p> <p>Assignment of responsibilities to specific officers aids the management of data.</p> <p>Where employers or their payroll providers are not providing data on a timely basis, or correctly, officers are actively contacting those organisations.</p>
Stakeholder Engagement	<p>Failure to ensure good customer service is maintained due to poor service delivery</p>	Low	<p>Feedback from members indicates a fall in customer satisfaction with the Fund's service. This has also been identified through the Low Volume Performance Report which has recorded an increase in complaints during 2023/24. Officers are reinforcing the KPI Improvement Plan as the framework by which to improve the underlying poor customer service. The key issue being the delay in the payment of member benefits.</p>
Funding	<p>No material risks are current identified in this area</p>	Low	
Resourcing	<p>Failure to appropriately resource the Fund and adequately train staff to enable the service to be delivered in a sustainable and reliable way.</p> <p>In addition, key departures leading to a loss of crucial knowledge in the team.</p> <p>Failure to maintain an approved Committee training plan could increase the risk around a lack of knowledge and understanding in key areas</p>	High	<p>Key people in the team are seeking to transfer specialist knowledge to colleagues by documenting procedures and notes. In addition, a training strategy is in place for the department. However, in the event of a knowledge gap, we can call on our external consultants and independent advisors for help in the short-term;</p> <p>Whilst key vacancies have been filled staff have also left leading to a cycle of recruitment & replacement which can effect the overall knowledge base.</p> <p>The Board/Committee are following their approved training plans and a new training plan for 2024/25 is being developed.</p>

Climate risk	Failure to manage the risks in the investment portfolios, and/or to take advantage of the investment opportunities which arise from transition to a low carbon economy could cause the Fund to suffer material negative financial impacts. Difficulty in receiving updated climate data reporting could lead to poor decision making	Medium	The Fund has a climate change policy (within the responsible investment policy), decarbonisation targets, and has assessed alignment of all portfolios. The Fund reports against the requirements of the Task Force on Climate-related Financial Disclosures (TCFD). BPP hold stock in the name of the Fund which is not in accordance with the Fund's climate change flightpath. However, the investments overall are close to the SAA. Officers continue to liaise with BPP and other Fund's in the group to ensure that the SAA of the Fund's climate change flightpath remains on track
Projects	Failure of projects to be managed effectively, the key project currently being managed is McCloud. Regular oversight is provided by the management team, Committee and Board to avoid projects failing.	Low	McCloud calculation routines have been run and its is anticipated that only about 200 potential members will be effected.
Other External Risks	No "other" risks currently identified.	Low	

Wiltshire Pension Fund Committee & Board Member Training 2024 - 2025

PENSION FUND COMMITTEE

Period	Actual Meeting Date	CIPFA Framework category	Proposed training item	By whom
Newly inducted members will receive a Member Handbook, Induction training from Officers, attend training course & be required to complete the Pension Regulator's on-line tool				
All members, in addition to the organised training set out below will be invited to attend additional internal plus external conferences, seminars & pension forums to supplement & maintain their knowledge & updates notes will also be circulated as required.				
Q2 2024	20/06/24	Accounting & Audit	Treasury Management arrangements	Officers
Q3 2024	11/07/24	Administration	An understanding of best practices in pensions administration including scheme policies and procedures relating to data, record keeping, comms & complaints, dispute & disclosure requirements	Officers
All Stakeholders event to welcome the newly appointment Actuarial Consultants, Independent Investment Management Consultants				
Q3 2024	19/09/24	Investment Governance	Understanding of the Myners principles and associated CIPFA and SOLACE guidance	External Adviser
Q4 2024	10/10/24	Actuarial method	The importance of employer covenants and their relative strengths across the fund employers	Officers
MiFID II self certification Annual self-assessment review				
Q4 2024	21/11/24	Financial Markets and Products Knowledge	An understanding of how the fund interacts with the UK & Overseas taxation system in relation to admin & investments	External Adviser
Q4 2024	12/12/24	Administration	An understanding of Additional Voluntary Contributions	Officers
Q1 2025	27/02/25	Accounting & Audit	Understanding of the range of support services, who supplies them and the nature of the performance monitoring regime	Officers
Q1 2025	20/03/25	Actuarial method	The Actuary, the formal valuation process (including the FSS and inter-valuation modelling) and the treatment of new and ceasing employers (including employer covenants)	External Adviser

LOCAL PENSION BOARD

Period	Actual Meeting Date	CIPFA Framework category	Proposed training item	By whom
Q2 2024	22/05/24	Governance	Presentation of draft training plan 2024/25	Officers
Q3 2024	15/08/24	Legal	Understanding the roles and responsibilities of DLUHC, the Pensions Regulator, the PO & SAB	Officers
Annual self-assessment review				
Q4 2024	07/11/24	Governance	Knowledge of the consultation and Communication process with Stakeholders	Officers
Q1 2025	11/02/25	Governance	Understanding how the fund monitors and manages the performance of their outsourced providers	Officers

ng Plan
Meeting Focus
the LGPS Fundamentals kit
internal training events, understanding. Technical
Investment Board members to be invited
Administration Board members to be invited
Investment Advisor &
Investment Board members to be invited
Administration Board members to be invited
Investment Board members to be invited
Administration Board members to be invited
Investment Board members to be invited
Administration Board members to be invited

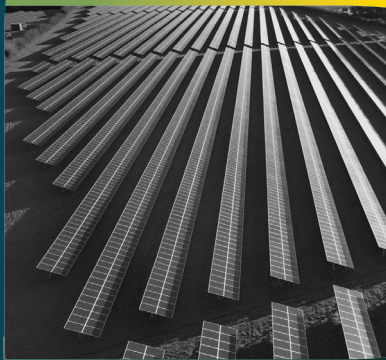
Comments
Board to approve & recommend to Committee
Committee members to be invited
Committee members to be invited
Committee members to be invited



“Our pathway to success”

BUSINESS PLAN

2024/27



BUSINESS PLAN

2024-27

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INTRODUCTION

FOREWORD FROM THE TEAM

Our team is committed to achieving our vision of delivering an outstanding service to our scheme employers and members. As a team we are passionate about pensions, and we are excited about carrying out our business plan over the next three years. We believe that what we have set out is appropriately ambitious, and we will be working with the whole team to embed the goals of this business plan within our team targets and workplans. We put our employers and members at the heart of everything we do, and we are keenly aware that membership of WPF is a huge part of our members' financial futures, as well as being a significant and important benefit offered by our employers. We aim to ensure that WPF delivers what all our stakeholders (both internal and external) need and is a pension scheme that is valued by them. We look forward to updating everyone on our progress over the next three years!



“As a team we are passionate about pensions, and we are excited about carrying out our business plan over the next three years”

WPF senior management team

FOREWORD FROM THE WILTSHIRE PENSION FUND COMMITTEE

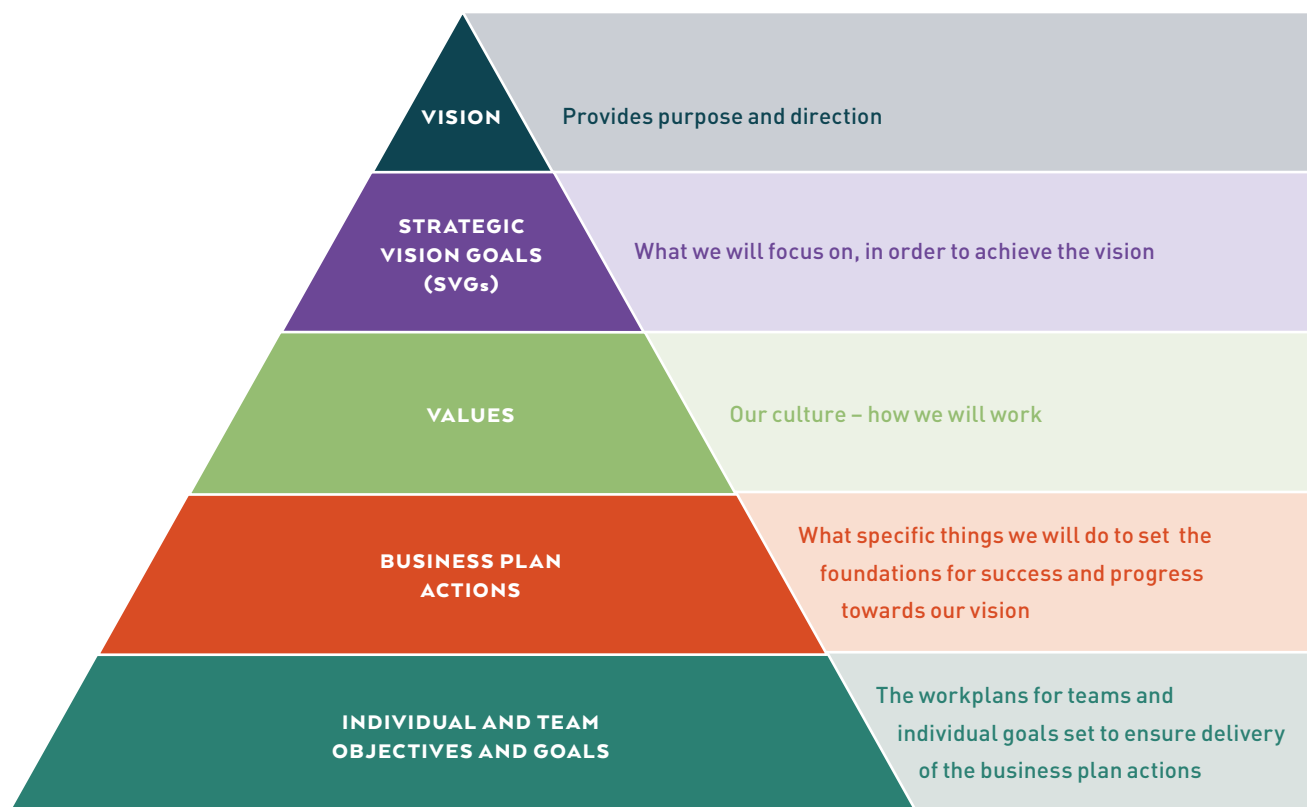
As a Committee, we have a fiduciary duty to act in the best interests of our beneficiaries, and we work to represent the interests and requirements of our valued c.180 employer organisations and >85,000 members. Over the last two years, the Committee members have demonstrated their commitment to identifying and resolving the legacy issues facing the Fund, as well as looking forward, with a goal of setting the Fund up for success into the future. We will continue to support the Fund's officers in facing the problems and delivering the required improvements. We have discussed various models for delivery of the administration service, and our vision is for a best-in-class service, delivered by a skilled and resilient in-house team. We are in full support of this 3-year plan, and believe that successful achievement of the actions set within the plan will secure a sustainable future for Wiltshire Pension Fund, and deliver value for money for our beneficiaries.

VISION AND LONG-TERM PLAN

Wiltshire Pension Fund (WPF) administers the pensions for the >85,000 members of our scheme, for our c.180 employers. It is our responsibility to ensure that the members' records are kept accurate and up to date, and that the correct benefits are paid on time. We need to responsibly manage the Fund's investments in order to ensure that we generate sufficient investment returns to help maintain the employers' contributions rates at stable and affordable levels. For our members, their pension represents a significant asset, which will help secure their financial future into retirement.

The purpose of the WPF Business Plan 2024/27 is to set out the Fund's vision, aims, actions and measures of success for the coming three years.

There is a clear thread all the way down from our vision, through our goals and values, to how we operate as a team. Our strong sense of purpose and focus ensures that all our activities are working to deliver against our vision, and ultimately to deliver better outcomes for our stakeholders.



OUR VISION

The Fund’s focus needs to be firmly set on achieving outcomes for our customers, i.e. the scheme employers and members. Everything that we do needs to keep this in mind, and decisions need to be made with an eye to the end goal of delivering an outstanding service, as set out in the Fund’s vision (right):

















Everyone’s role in the team either directly contributes to the vision, or creates the foundations and environment which make it possible. We will measure success against the vision by monitoring our progress against various service-related KPIs, targets, and actions.



STRATEGIC VISION GOALS

The vision is supported by 16 Strategic Vision Goals (SVGs), which are focussed on outcomes. The goals broadly map to outcomes for employers, members, investments, and governance, but across the team staff are encouraged to think about how their work maps to different goals.

The SVGs run through everything that we do, and the team are asked to map all activities to the SVGs, in order to promote a focus on delivering the vision. SVGs will also be used when setting goals and objectives for the teams and staff at an operational level.

 1 Stable and affordable contributions	 2 Straight-forward administration	 3 Clear service measures and responsibilities	 4 Employers are advocates for the scheme
 5 Correct pension, paid timely	 6 Accurate, up-to-date records	 7 Service administered effectively and cost-efficiently	 8 Members understand their benefits
 9 Safeguard the assets	 10 Strong, risk-adjusted returns	 11 Responsible ownership and stewardship	 12 Positive impact
 13 Robust processes, controls and risk management	 14 Widely adopted self-service solutions	 15 Transparency and information sharing	 16 Compliance and best practice

OUR CULTURE

In order to help us achieve our strategic goals, and deliver our vision, we need to adopt certain outlooks and ways of working. We aim to demonstrate the following values, and embed them firmly in our culture:



WORKING TOGETHER AS ONE FUND

We work together as One Fund, demonstrating the values of transparency, accountability, ownership, critical thinking, respect and agility



HIGH PERFORMING TEAMS

We aspire to be role models and leaders, through our commitment to develop knowledge and training



DATA DRIVEN DECISIONS

We use data to inform and evidence our decision making, and to measure our progress and successes



EFFICIENCY THROUGH TECHNOLOGY

We collaborate, and challenge our systems and processes, to create innovative solutions and drive continuous improvement



LONG TERM THINKING

We always act with the long term in mind, whether we are setting our investment strategy, planning improvements, or working towards our net zero by 2050 goal



CLEAR COMMUNICATIONS

We communicate with all our stakeholders in a clear, concise, relevant and effective way



SMARTER WORKING

We maintain focus on our core objectives, and work in a proactive and disciplined way, to promote simplicity and efficiency in everything we do

As well as having goals and objectives set which map to the SVGs, annual staff appraisals will look at ways that the values have been modelled. As part of team meetings, staff will take part in several activities to encourage them to think of their work in terms of the SVGs and values, and to fully incorporate them in the way the team works.

BACKGROUND AND CONTEXT TO THIS BUSINESS PLAN

Over the last two years, we have been investing significant time and resources into delivering an improvement journey. This work has looked at all aspects of the Fund, and we have taken steps to put in place strong foundations for improvement and address priority areas, including the following actions:

- Setting our **Vision, Strategic Goals, and Values**, and working to embed these within the team, in order to establish purpose and focus.
- **Restructuring our team**, setting ourselves up for success by implementing career-graded roles in order to encourage a motivated and skilled workforce, and creating new roles to address key areas, such as employer risk, management information, and responsible investment.
- Successfully **outsourcing significant and long-standing legacy issues**, specifically the pensioner payroll system discrepancies, and the aggregation backlog.

- Adopting an open and accountable approach, **by conducting independent reviews and working with internal audit** to identify areas where our service needs to be improved.
- Achieving the huge milestone of **launching our own integrated payments system**, in order to generate efficiencies and improve controls over payments.
- Developing and embedding a new framework for monitoring the Fund's **risks and associated controls**.

Service delivery and **People** are the Fund's greatest issues. Other areas are progressing well, specifically **Investments & Accounting, Operations, Stakeholder Engagement** and **Governance**.

We believe that we are now in a position to look ahead and plan to deliver against our objectives.

SERVICE DELIVERY



Members of our Employer Services team

SERVICE DELIVERY CONTEXT

The Fund is here to provide security and support for its >85,000 members throughout their working lives and their retirement. Our team of 25 pension professionals achieve this by ensuring that the benefits are calculated correctly and paid on time. Historically, due to resourcing and training issues the Fund has not been able to provide the level of service the members, employers, and the Fund itself expects. This has created a significant backlog of work resulting in delays in payment of benefits.

We have made significant progress towards establishing the foundations needed in order to achieve our aims as set out below. Our backlogs have reduced significantly, training plans have been developed and we now have written processes for all administration related tasks. Work on these areas will continue to help improve our standards.

A KPI Improvement Plan, with an aim of providing the level of service all stakeholders expect, has been in place since 1 January 2024 with a target completion date of 31 December 2026.

“ The Fund is here to provide security and support for its c85,000 members throughout their working lives and their retirement ”

KEY AREAS WHERE WE NEED TO IMPROVE IN ORDER TO DELIVER ARE AS FOLLOWS:

RESOURCING

We need to recruit to fill all vacancies within the team and focus on retaining our existing staff and ensuring their ongoing development. All members of staff have an individual training plan to suit their personal needs, whether they are just starting at the Fund or are long serving members of the team. With the implementation of career graded posts we are able to promote staff, build skills within the team, and improve resilience. This acts as a way of rewarding our teams and encouraging personal growth and provides motivation for the team.

Once the teams are fully trained and resourced, we will be able to stay on top of our incoming work and clear our backlogs.

PROCESS REVIEWS

We are undertaking a full process review, with a view to improve efficiencies and the standard of the work the team produces. We will look at what processes can be run in bulk to help reduce processing time as well as encouraging our members and employers to use the self-serve tools available to them online. This will enable our team to focus on non-standard tasks and allow them the time to ensure these are delivered correctly and on time.

MEMBER COMMUNICATIONS

We are planning a full review of our member communications to ensure they meet current regulations and best practice, with a focus on improving the member journey. Our communications will be clear, concise, and in a consistent format that promotes our identity and demonstrates the high standards we strive for. Member engagement is covered in more detail in the Stakeholder Engagement section of this plan.

iCONNECT

The fund has carried out a review of all iConnect procedures and has created new training materials and is now recommencing iConnect onboarding with the aim of having all employers on iConnect at the end of this three-year period. This will reduce the risk of incorrect data being provided which will ensure the Fund will be able to calculate benefits in a more timely and accurate manner. This will also make it easier for the employers to meet their statutory obligations and will be less time consuming for the employer compared to the current method of submitting data, and this will reduce the number of queries raised by the team with employers.



HIGH PERFORMING TEAMS

We aspire to be role models and leaders, through our commitment to develop knowledge and training



13

Robust processes, controls and risk management



2

Straight-forward administration



3

Clear service measures and responsibilities



5

Correct pension, paid timely



6

Accurate, up-to-date records

ADMINISTRATION POLICIES

All administration policies will be reviewed during the period of this business plan. The first being the Administration Strategy which will include updated administration KPIs. The aim of this review to simplify and clarify, which will mean any of the stakeholders will be able, at glance, understand the service we are aiming to provide. During the first six months a full project plan will be developed to show how we will achieve this aim.

WE AIM TO...

- Deliver an excellent service, as defined by the following:
 - Zero backlogs
 - Correct benefits calculated and paid on time
 - 100% of all KPIs met
 - Clear communications through all forms of media
 - Fully informed and engaged membership and employers
- Deliver against the KPI Improvement Plan.
- Have fully embedded policies, processes and procedures.
- Ensure that all employers are successfully onboarded onto iConnect and are supported to fulfil their responsibilities in submitting high quality data.
- Foster an environment where staff are highly skilled and supported by individual training plans.
- Maintain the pension administration database with improved functionality and accurate and up-to-date records.
- Have a fully embedded framework of quality management information in order to ensure standards are met.
- Continuously improve our monthly cycle of work for employer services.
- Embed clear internal controls and internal quality sampling to ensure standards are maintained and improved where possible.

WE WILL CONTINUE TO...

- Recruit to vacant roles and deliver staff training and development.
- Deliver continuous improvement of our policies, procedures and processes.
- Ensure managers are using a robust framework of management information in order to look ahead and hit our targets proactively.

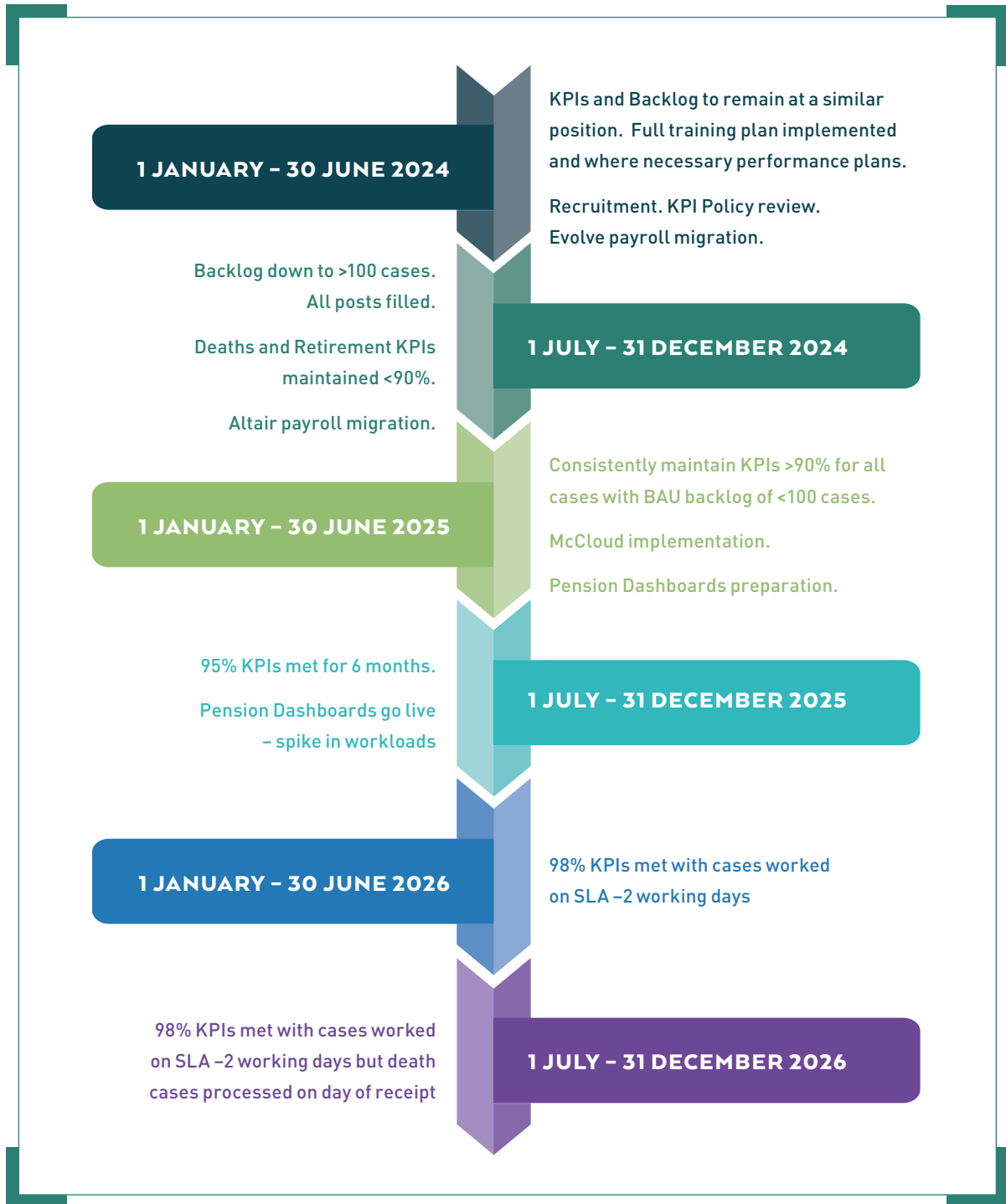
WE WILL IMPLEMENT...

- Full onboarding of all employers onto iConnect.
- Delivery of the KPI Improvement Plan.

MEASURES OF SUCCESS

- **Consistently meeting our KPIs.**
- **No backlog of work.**
- Low level of complaints regarding customer service.
- Increased member and employer satisfaction shown through our surveys.
- **Customer Service Excellence accreditation.**
- **High assurance rating from internal audit.**
- Recognition from our peers externally (other funds and professional bodies)

THE KPI IMPROVEMENT PLAN



THE PRIORITY AREAS OF FOCUS AND WHEN WE PLAN TO ACHIEVE THEM:

1 JANUARY – 30 JUNE 2024

TRAINING

Training plans have been developed for all members of staff and the focus for the first six months of 2024 is to up-skill our current staff to ensure there are no key person failures and the final aim of everyone having a working knowledge of all tasks processed on their respective teams. In addition to process training there will also be training to focus on soft skills to improve inclusivity, the Fund's culture, and the standard of customer service we provide. Our performance in this area will be shown in the KPIs being achieved and the feedback we receive from staff, members, and employers.

RECRUITMENT

We aim to complete recruitment to all vacant roles by 31 December 2024.

ADMIN STRATEGY REVIEW

A revised Admin Strategy will be implemented by 30 June 2024. This strategy will be reduced in size and the current complexities removed. Members and employers will be able to easily ascertain when they can expect to receive a response in relation to any requests raised.

EVOLVE PAYROLL MIGRATION

We will complete the project to completely align the admin system (Altair) with the payroll system, in advance of the migration of our legacy pensioner payroll from SAP to Oracle in April 2024.

1 JULY – 31 DECEMBER 2024

ADMINISTRATION BACKLOG TO LESS THAN 100 CASES

As a result of the training and recruitment work in the first half of 2024 this should lead to an increase in both capacity and efficiency and the number of outstanding administrative cases over target will be less than 100 and we will be meeting 90% of the agreed KPIs in respect of deaths and retirements. This is the minimum standard of a good service that we and our stakeholders should expect, however it is dependent on meeting the Recruitment and Training targets during the first half of 2024.

ALTAIR PAYROLL MIGRATION

This is the final stage of the payroll migration which will involve moving 19,000 pensioners from Oracle to Altair, and therefore completing the move to a fully in-house payroll. This will be our biggest priority for 2024. The preparation work leading to this will ensure a smooth transition. Oracle and Altair will run in line with no discrepancies following the Oracle go-live in April with the aim of migrating the data in July and the first pension payment made on 25 September.

1 JANUARY – 30 JUNE 2025

KPIs GREATER THAN 90% AND BACKLOGS MAINTAINED AT LESS THAN 100 CASES

Due to the payroll migration from Oracle to Altair and the projects below we do not expect a huge improvement in the backlog position during this period. However, we expect to maintain the backlog position and meet at least 90% of the KPIs during this period.

McCLOUD IMPLEMENTATION

Following the McCloud ruling and the regulations being passed the Fund is required to review all members' benefits to ensure they are compliant with these regulations. Any member who has not yet retired will receive any potential uplift at their date of retirement. This has been incorporated in members' retirements since the McCloud regulations came into effect. During the first six months of 2025 we will be paying the uplift due to pensioners, members who have transferred out and the estates of the members who have died and are affected by the McCloud judgement.

PENSIONS DASHBOARDS IMPLEMENTATION

Before the Pensions Dashboards go-live we will be testing the link between the Fund and the Dashboards to ensure the data can be shared when dashboards go live for the LGPS in September 2025. We will also need to review the data held on Altair during this time. As the backlogs will have been significantly reduced, we expect this work to be minimal but clean data is essential to minimise possible matches. Possible matches are where a person might have a benefit in the Fund but this can't be confirmed until they contact the administrator. To avoid an unmanageable spike in workloads we will be working to ensure that the data we hold is as accurate as possible.

1 JULY – 31 DECEMBER 2025

KPIs ARE MET 95% OF THE TIME FOR 6 MONTHS

There will be minimal cases in the backlog and we will be meeting 95% for all 6 months of this period.

PENSIONS DASHBOARDS GO LIVE!

Due to the increased workloads caused by the Pensions Dashboards going live we expect a large spike in workloads which we are aiming to be able to manage as well as maintaining the KPI targets set.

1 JANUARY – 30 JUNE 2026

98% OF CASES MEETING SLA

We will be consistently hitting 98% of KPIs and this will become business as usual whilst carrying a backlog of no more than 10 cases.

CASES ARE PROCESSED 2 DAYS BEFORE THEY ARE DUE

Members and employers will consistently be receiving responses to their queries 2 working days prior to the agreed service standard. This will be achieved by maintaining resourcing levels and continual development of officers. We will also increase our bulk processing and be encouraging members to use our online services.

1 JULY – 31 DECEMBER 2026

SERVICE STANDARDS AND BACKLOGS

Standards will be maintained as set out in the 6-month period above, with the addition of the below.

DEATH CASES ARE PROCESSED ON DAY OF RECEIPT.

Due the sensitive nature of these cases we will aim to respond to all death queries within 24 hours.

“ Once these targets have been met and maintained we can then be confident that we are providing an outstanding service ”

INVESTMENTS AND ACCOUNTING



Members of the investments and accounting team

INVESTMENTS CONTEXT

WPF's investment portfolios are currently valued at around £3.2bn. The ongoing funding level is around 125%. The Fund is a member of the Brunel pool, where currently around 70% of assets are held. Over the last few years, the Fund has developed its approach to responsible investment, and is now well regarded in this area, with a dedicated responsible investment policy and an established and evidence-led approach to climate risk. The Fund is a signatory of the 2020 Stewardship Code.



Recent highlights from the work of the investments team

Three speech bubble graphics containing key statistics:

- >85,000 Members
- c.180 Employers
- Fund value of £3.2bn

WE AIM TO...

- Meet our target investment return over the medium/long term.
- Achieve funding success.
- Hit our decarbonisation targets in line with our goal of net zero by 2050 across all investment portfolios.
- Be industry leaders in the area of responsible investment, with a strong reputation for our forward-looking investment approach.
- Maintain our signatory status of the Stewardship Code.
- Collaborate with other partner funds to ensure that investment pooling delivers positive outcomes.
- Demonstrate strong alignment in our approach with our scheme employers and members.

WE WILL CONTINUE TO...

- Maintain well-controlled investment administration and reporting.
- Meet all capital calls for private markets investments.
- Hold our investment managers (including Brunel) to account.
- Work to ensure that pooling delivers value for money, fee savings, competitive investment performance, strong governance, and comprehensive reporting to clients.
- Maintain stewardship activities and stakeholder engagement and communications, such as investment site visits, new stories, case studies, impact reporting, surveys etc.
- Deliver against an ambitious and forward-looking responsible investment plan.
- Report against our decarbonisation targets and our progress towards our net zero by 2050 goal.
- Implement our climate opportunities portfolio.

WE WILL IMPLEMENT...

- Refreshed climate scenario modelling, and any resulting strategy changes.
- Reporting in line with the Task Force on Nature-related Financial Disclosures.
- Reporting on our Social impacts.
- Ongoing engagement with industry bodies, participation in events, roundtables and effective stewardship.
- Ongoing progress to decarbonise all asset classes.
- A full review of our strategic asset allocation alongside the 2025 actuarial valuation.
- Retendering of our investment advisory contracts.

MEASURES OF SUCCESS

- **Ongoing funding level maintained or improved above 100%.**
- **Investment returns (over 3 and 5 year periods) of at least the target return level (as defined by the actuarial required return).**
- Investments within target ranges of the strategic asset allocation.
- Decarbonisation on track to meet our net zero by 2050 goals (as set out in our Responsible Investment Policy).
- Maintained signatory status of the Stewardship Code.
- Industry recognition.



9

Safeguard the assets



10

Strong, risk-adjusted returns



11

Responsible ownership and stewardship



12

Positive impact



1

Stable and affordable contributions



13

Robust processes, controls and risk management

ACCOUNTING CONTEXT

The accounting function is responsible for maintaining accurate and compliant financial records and publishing the annual accounts. **We account for over £100m of employer contributions from c180 employers and £100m of pension payments to over 20,000 pensioners each year.** We are responsible for overseeing the cashflow of the fund, ensuring sufficient cash is always available to meet payments. We oversee setting and monitoring the operating budget of the Fund. We are responsible for completing a range of statutory returns and the team plays an important role in implementing financial controls working with functions across the fund.

WE AIM TO...

- Publish accurate, timely and informative annual accounts, with a clean audit opinion and a high level of readership of our Annual Report.
- Maintain a resilient and well-documented process for producing accounting records, with a high rating from internal audit.
- Ensure that all contributions are received from our employers in a timely manner.
- Deliver a cost-effective service for our scheme employers and members.
- Ensure that cash is always available to meet operational payments.
- Submit statutory returns and reports in line with deadlines.
- Deliver reconciliations and controls to ensure accurate fund data.



13

Robust processes, controls and risk management



5

Correct pension, paid timely



7

Service administered effectively and cost-efficiently

WE WILL CONTINUE TO...

- Engage with other WPF departments, working closely to ensure financial controls and reports are effective and accurate.
- Collaborate with colleagues in the Employer Data and Contributions working group.
- Deliver our annual accounts in advance of the 31 May deadline.

WE WILL IMPLEMENT...

- Ongoing staff training and recruitment to enable team resilience and succession planning.
- New processes to make the most of the Oracle finance system.
- Embedding of the new key control between contribution receipts, remittances, and data files on the iConnect system.
- Improved documentation for all processes and procedures.

MEASURES OF SUCCESS

- **Unqualified audit opinion.**
- **High assurance rating from internal audit.**
- **Value for money compared to peer group, measured by cost-per-member.**
- High and increasing readership of the Annual Report.
- Cash holdings in line with treasury limits.
- At least 90% of employers paying contributions on time.
- Clean reconciliations between all systems

OPERATIONS



Members of the Operations team

OPERATIONS CONTEXT

The Operations Team was formed in November 2022 as a standalone team to address the changing landscape in the pensions industry. Staff specialise in systems, data and reporting as well as providing project management to the wider Fund. Our own integrated pensioner payroll was introduced in December 2023 and the dedicated payroll team sit outside of the main administrative function within the Operations Team, to ensure a complete segregation of duties. Wiltshire Pension Fund uses Heywood Pension Technologies to provide market-leading pensions technology and software solutions. Members of the Operations Team represent the Fund on multiple national and local user groups that promote the direction of development, particularly around the area of Member Self-Serve, which remains relatively new to the LGPS.

The Operations section of the Business Plan is split between self-serve functionality, software systems, and payroll.

SELF-SERVE FUNCTIONALITY

Members who are better-informed and more confident in making decisions about their pensions and retirement planning will achieve the best outcomes; we firmly believe that simple **self-serve functionality** can reduce the fear and complexities that act as a barrier to engagement.

Wiltshire Pension Fund strives to provide members with the opportunity to view their pension benefits online and manage their pension remotely. To achieve this, we need to provide the best possible tools using the latest technology, managed by a team that **thrives on opportunities to innovate**.

WE AIM TO...

- Provide a secure and stable pensions portal for our members.
- Enable members to make informed decisions about their pension planning using our online calculation tools.
- Offer members self-serve facilities, to instigate all processes from retirement to transferring their benefits.
- Introduce an electronic verification identification tool, improving the registration experience and reducing the number of pieces of documentation required to proceed with any retirement or transfer process.
- Give members the option to update their personal information directly.
- Provide access for Pensioners to view payslips and P60s.

WE WILL CONTINUE TO...

- Digitise and automate processes for our membership so that they can self-serve.
- Champion the use of self-serve and the My Wiltshire Pension Portal with members and continue to work with employers to direct their employees to this way of working.
- Automate simple administration functions to allow our pensions experts to work on complex cases and have the time to provide more personal support to those requiring help.
- Provide a fully working and intuitive website offering for all members and employers.

WE WILL IMPLEMENT...

- A new version of the My Wiltshire Pension Portal to provide additional, improved security and allow faster and more regular updates.
- Online verification identification to reduce the risk of fraudulent payments being made.
- A plan to review our data integrity ahead of the implementation of the Government's approved Pensions Dashboards.
- Interaction with Pensions Dashboards using an appropriate interface with a procured integrated service provider (ISP).

MEASURES OF SUCCESS

- Increasing uptake of membership to pensions portal – **My Wiltshire Pension.**
- Increasing number of processes available for self-serve.
- Increasing level of uptake in members utilising self-serve processes and decrease in emails/calls about these processes.



EFFICIENCY THROUGH TECHNOLOGY

We collaborate, and challenge our systems and processes, to create innovative solutions and drive continuous improvement



8

Members understand their benefits



14

Widely adopted self-service solutions

EFFICIENT AND EFFECTIVE SOFTWARE SYSTEMS

The administration **software systems are the heartbeat for us providing an excellent service** to both our membership enrolled in the LGPS and our employers who offer the LGPS as part of their employee package.

'A workman cannot blame his tools' is true, but we need to make sure ours are working at maximum capacity so that they do not impact the service levels we are able to provide. To ensure an efficient system we will work with our providers to develop our software in the right direction and grow our own internal testing policies to ensure they are working appropriately.

Cyber security remains a significant and evolving issue. We will continue to ensure we have the appropriate measures in place to protect ourselves and our members.

WE AIM TO...

- Provide a selection of suitable systems that allow us to give an excellent service to our administration teams.
- Maintain software systems that are fully tested and running at maximum capacity.
- Carry out regular cyber security risk assessments to identify key business objectives and ensure resources are in place to prevent potential cyber-attacks.
- Continue to make data-driven decisions with the relevant reporting in place to facilitate this.

WE WILL CONTINUE TO...

- Create our own bespoke reporting so that we can focus on making data-driven decisions.
- Work with our systems and software providers to influence the direction of future development.
- Represent the South West on the national Joint Pensions Group (JPG) to provide technical knowledge and attend systems-related national user groups.

WE WILL IMPLEMENT...

- A review of our current administration system(s) to ensure continued suitability.
- A new system testing strategy to ensure that all systems are robust when new releases are implemented.
- Full controls and documented process guides for all systems-related processes and system updates.
- A review of the cyber security policy and implementation.

MEASURES OF SUCCESS

- Minimal errors occurring throughout the year in both administration and payroll (payments) functionality.
- Documented full member journey testing and controlled user acceptance testing prior to all releases.
- A secure system with no cyber breaches.



DATA DRIVEN DECISIONS

We use data to inform and evidence our decision making, and to measure our progress and successes



2

Straight-forward administration



6

Accurate, up-to-date records



7

Service administered effectively and cost-efficiently



13

Robust processes, controls and risk management

FULLY INTEGRATED PAYROLL

Paying pensioners their **correct pension is the core of what we do** at Wiltshire Pension Fund. Having our own payroll system integrated with the administration system ensures that we make correct payments aligned with those calculated and avoid inconsistencies between systems. Integrated payroll enables us to deliver operational efficiencies whilst improving controls.

WE AIM TO...

- Pay our members the right pension at the right time.
- Provide a fully integrated payroll with all relevant controls.
- Give members a seamless move from the active portal used to project and calculate their benefits to a pension portal providing payslips and other payroll documentation.
- Maintain fully reconciled data between the pension administration and payroll databases.
- Clearly segregate between pensions administration and pensions payroll areas and implement appropriate approval policies.

WE WILL CONTINUE TO...

- Roll out the new integrated payroll to all new retirements.
- Manage all payments through our own integrated payment system, linking directly between our administration systems and general ledger.

WE WILL IMPLEMENT...

- The successful transfer of pensioners from our legacy system to our integrated payroll, including the switch to one tax reference.
- Access for pensioner and dependant members to the retirement section of our **My Wiltshire Pension** portal.
- Improved engagement around the annual pension increase exercise with pensioners and dependants to provide a better member experience.

MEASURES OF SUCCESS

- Pension payments fully reconciled each month to the administration system.
- All payments made correctly and securely.
- A smooth transition to our new integrated pension payroll.



LONG TERM THINKING

We always act with the long term in mind, whether we are setting our investment strategy, planning improvements, or working towards our net zero by 2050 goal



2

Straight-forward administration



5

Correct pension, paid timely



6

Accurate, up-to-date records



7

Service administered effectively and cost-efficiently



13

Robust processes, controls and risk management

STAKEHOLDER ENGAGEMENT



STAKEHOLDER ENGAGEMENT CONTEXT

We administer the pensions for the >85,000 members of our scheme, for our c.180 employers. For the purposes of this section of the Business Plan, we seek to address the needs of these two stakeholder groups. Internal stakeholders (i.e. the team, Committee and Local Pension Board) are dealt with in other sections of the Business Plan.

In order to do this, it is vital that employers understand their role and responsibilities under the LGPS regulations in the delivery of the administration function. The data they provide is essential to their employees' pensions being paid correctly and on time when they retire. As a Fund we are committed to supporting our scheme employers in navigating through these responsibilities, being advocates for the scheme.

“ Our customer mission is to deliver an effective service, providing our members with the tools they need to plan for their financial future ”

WE AIM TO...

- Facilitate a high level of member and employer engagement with the Fund and their LGPS pensions, through training, webinars, accessibility of information, and targeted communications.
- Ensure that members understand their benefits and employers are advocates of the scheme.
- Have a high take up level for our self-service offerings available to members and employers, such as My Wiltshire Pension, online forms, submissions and online retirements.
- Deliver clear communications, making sure information is accurate, easy to understand and accessible.
- Achieve Customer Service Excellence status, helping to ensure we are providing an effective service to our members and employers.
- Promote straight forward administration, through identification of where more efficient employer focused procedures and processes can be adopted.
- Increase awareness and understanding surrounding the 2025 Triennial Valuation, ensuring compliance and best practice for our employers.

WE WILL CONTINUE TO...

- Work as One Fund to embed the Customer Service Policy within the teams, building on our customer service standards through training and feedback gathering.
- Build on staff engagement through continued transparency and information sharing, such as through the Fund Focus and whole fund meetings.
- Make data driven decisions through the continued use of incoming data streams, helping to monitor the effectiveness of communications and creation of targeted communications.
- Promote self service solutions and tools available for members and employers.
- Support our scheme employers to understand their risks and responsibilities through straight forward administration, regular training, quarterly employer newsletters, and technical updates.
- Help members on their pension journey to understand their benefits, planning for a secure retirement, through targeted communications, webinars, and accessibility of information and resources.
- Effectively collaborate with internal and external stakeholders ensuring the service is not only administered effectively and cost efficiently, but also ensuring stable and affordable contributions for employers with the actuary during valuation.



CLEAR COMMUNICATIONS

We communicate with all our stakeholders in a clear, concise, relevant and effective way



2

Straight-forward administration



3

Clear service measures and responsibilities



4

Employers are advocates for the scheme

WE WILL IMPLEMENT...

- Improved service delivery through the exploration of digital development opportunities, such as more automation where appropriate and increased self service solutions for our members and employers.
- Improved accessibility of our website through regular external assessments.
- Customer service benchmarking through the annual Customer Service Excellence Assessment.
- Introduction and embedding of clearer service measures and responsibilities such as employer covenant reviews, ensuring compliance and best practice.
- Distribution of Employer Scorecards to help ensure accurate and up-to-date records, along with helping to identify training opportunities.

MEASURES OF SUCCESS

- **Customer Service Excellence assessment results and recommendations.**
- Customer Service KPIs (as detailed in the customer service policy).
- Increasing My Wiltshire Pension registration levels.
- Member, Employer and Pensioner engagement level monitoring: email and website data, along with webinar/ event attendance levels.
- Employer Scorecard data monitoring showing an understanding of the administration function and their responsibilities.
- 2025 Valuation completed with stable and affordable employer contributions.



5

Correct pension,
paid timely



7

Service administered
effectively and
cost-efficiently



8

Members understand
their benefits



14

Widely adopted
self-service solutions

GOVERNANCE

GOVERNANCE CONTEXT

In the last 10 years the requirements of LGPS governance have grown significantly to support the size and complexity of a Fund like WPF. New regulations and legislation have notably impacted our investment and corporate governance, leading to major changes in the Council's constitution, the Fund's internal controls, Committee/Board member effectiveness, the cycle of Committee meetings and the Fund's audit strategy and procurement arrangements, to name but a few. The publication of the Pension Regulator's new general code of practice and the anticipated publication of SAB's final guidance concerning its good governance review are likely to further increase the emphasis on Fund governance in key areas like knowledge and understanding, cyber security, business continuity plans and conflicts of interest and decision-making.

In addition, Pension & Finance Acts as well as associated legislation such as the Data Protection Act, also continue to contribute to a state of continuous change management for Fund officers in relation to the Fund's governance structures. Consequently, over the next 3 years officers anticipate not only implementation of these new initiatives, but undertaking periodic holistic reviews of the Fund's governance framework to ensure that its structures remain co-ordinated, proportionate, effective and manageable for everyone required to operate within it.

WE AIM TO...

- Be aligned with the overall direction of travel for the LGPS and the pensions industry as a whole.
- Be compliant with all relevant legislation and be prepared for any upcoming changes.
- Have fully addressed all legacy issues, setting ourselves up for success in the future.
- Encourage independent professional challenge, to develop best practice.
- Promote a compliant and accountable workforce, through thoroughly embedded policies, procedures and processes.
- Ensure that all delegations are operating compliantly and effectively through accurate and up-to-date constitutional documentation.
- Facilitate a highly effective and well-trained Local Pension Board and Committee.
- Be able to evidence a well-managed approach to conflicts of interest.
- Promote a fully integrated approach to risk management.
- Achieve high ratings from internal audit to evidence our strong control environment.

WE WILL CONTINUE TO...

- Implement the requirements of the new general code of practice and the Scheme Advisory Board (SAB)'s good governance review.
- Complete our internal controls project, co-ordinating and maintaining all of the Fund's policies, procedures, and other documentation with the Fund's documentation hierarchy.
- Actively embed our annual data minimisation and deletion exercises in line with Data Protection Act requirements.
- Encourage professional challenge not just from independent auditors and the LPB, but also 3rd party accredited bodies and SAB's anticipated Independent Governance Reviews (IGRs)
- Bring up to date the Council's constitution, Governance Compliance Statement (GCS) and other strategic documents like the Fund's Business Continuity Plan.
- Draft a Corporate SLA outlining the services provided to the Fund by the Council.
- Maintain key Fund activities including its risk management monitoring, audit strategies, & procurement & contract management arrangements.

WE WILL IMPLEMENT...

- A governance year planner to highlight the work undertaken within this practice area.
- Project plan reviews seeking to enhance operational efficiency. In particular, rationalising legacy AVC providers and the Fund's data storage arrangements.
- A strategy of internal audits which will be independently reviewed and seek to maintain external professional accreditations.
- A gap analysis and plan to ensure full compliance with the Pension Regulator's general code of practice.

MEASURES OF SUCCESS

- To successfully achieve and maintain accreditation with the Pension Administration Standards Association.
- Successful annual reviews to demonstrate tPR compliance.
- Demonstrate up to date constitutional documentation, including terms of reference and the GCS, which ensure that the Fund's strategic documents are consistent with its operational practice.
- Report project closure outcomes to the Board and Committee.
- **High assurance rating from internal audit.**



WORKING TOGETHER AS ONE FUND

We work together as One Fund, demonstrating the values of transparency, accountability, ownership, critical thinking, respect and agility



SMARTER WORKING

We maintain focus on our core objectives, and work in a proactive and disciplined way, to promote simplicity and efficiency in everything we do



13

Robust processes, controls and risk management



15

Transparency and information sharing



16

Compliance and best practice

PEOPLE



WPF team members

“ My manager lets me get on with my work and he trusts me to do a good job. He never micro-manages me, and at the same time is always available, if I have any questions or need support. He allows me to manage my own timekeeping and workload in a flexible way that suits me and the team. ”

2023 Staff Survey

THE RESULTS!

73%

Day-to-day decisions show that quality and improvement are top priority

9 OUT OF 10

Feel colleagues collaborate well together

86%

Feel colleagues are committed to doing quality work

70%

Feel part of a team!

“ Supportive Managers, with great peer training along with opportunities for career development through accredited external training. ”

WE AIM TO...

- Attract and retain a skilled and motivated workforce.
- Embed our culture, as defined by our values, thoroughly within the team.
- Promote an inclusive workplace.
- Offer our staff opportunities for career development.
- Foster an engaged and happy workforce.
- Achieve a low vacancy rate within the team.
- Be recognised as an attractive place to work.

WE WILL CONTINUE TO...

- Promote hybrid working and office attendance.
- Prioritise training and development, and encourage staff to gain new skills and build their careers.
- Engage with the team through team building days and activities at whole Fund meetings.
- Use the monthly Fund Focus newsletter as a key means of communicating news, changes, and celebrate team and individual successes.

WE WILL IMPLEMENT...

- The resourcing plan as set out in this Business Plan.
- New training resources, such as in-house customer service training, vulnerable people training, and promote ways for teams to share knowledge with each other.
- A shadowing scheme as part of team members' personal development plans.
- Mapping of career pathways within the Fund, such as via apprenticeships, to promote team resilience.

MEASURES OF SUCCESS

- Low vacancy rate.
- Low level of staff turnover.
- Several examples of progression within the team, such as professional qualifications earned and/or internal promotions.
- Low level of staff absence.
- **High (and increasing) engagement scores as measured by the annual survey.**

RESOURCING PLAN

INTRODUCTION

WPF is administered by Wiltshire Council, and the staff in the WPF team are employed under Council terms and conditions. We employ around 40 individuals within the team. Resourcing is acknowledged as a challenging area in the LGPS, and this plan aims to set out **our approach to ensuring that we have a resilient, skilled and motivated workforce.**

RESOURCING CORE PRINCIPLES

Our core principles around resourcing are as follows:



INCLUSIVE

Everyone's voice is heard, facilitating better decision-making



GROW-YOUR-OWN

We create career-development opportunities and training for all our staff to support resilience and succession planning



BEST USE OF RESOURCES

We look for ways to be more productive and efficient and make data-driven assessments of resourcing requirements



CHAMPIONING OUR CULTURE

We use every opportunity to promote our values and goals, and celebrate examples of these in action



MARKET AWARENESS

We benchmark against our peers to ensure that our pay is fair, and to support staff retention and recruitment.

We believe that following these principles will support us in achieving our aims and ensure that WPF is a place where people are proud to work.

CULTURE

As set out in the introduction to this Business Plan, our culture is defined by our values:



WORKING TOGETHER AS ONE FUND

We work together as One Fund, demonstrating the values of transparency, accountability, ownership, critical thinking, respect and agility



HIGH PERFORMING TEAMS

We aspire to be role models and leaders, through our commitment to develop knowledge and training



DATA DRIVEN DECISIONS

We use data to inform and evidence our decision making, and to measure our progress and successes



EFFICIENCY THROUGH TECHNOLOGY

We collaborate, and challenge our systems and processes, to create innovative solutions and drive continuous improvement



LONG TERM THINKING

We always act with the long term in mind, whether we are setting our investment strategy, planning improvements, or working towards our net zero by 2050 goal



CLEAR COMMUNICATIONS

We communicate with all our stakeholders in a clear, concise, relevant and effective way



SMARTER WORKING

We maintain focus on our core objectives, and work in a proactive and disciplined way, to promote simplicity and efficiency in everything we do

We ensure that the team are well aware of our values and strategic vision goals by displaying them prominently throughout our office, mapping our roles and work to the values and goals, and carrying out regular activities based around the values and goals at our whole Fund meetings.

As employees of Wiltshire Council, we also embrace the Council's Identity, which is entirely consistent with our own culture.

EQUALITY, DIVERSITY AND INCLUSION (EDI)

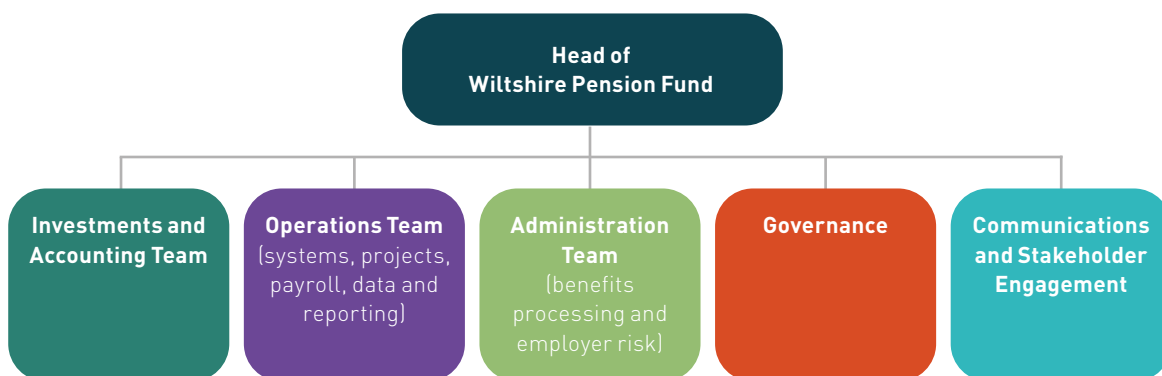
EDI is an area of huge importance for WPF. This is something that we consider at all levels, from our governance arrangements and the team through to how we deal with our members, and also as a stewardship priority for our investments.

The team have all received training on creating an inclusive workplace, and any new members of the team will also receive this training. The team have set themselves a goal to promote inclusivity, and this is something that we will continue to monitor and develop. We believe that an inclusive workplace will benefit all members of the team and promote better decision-making by incorporating a diverse range of viewpoints, as well as enabling us to provide a better service to our scheme members.

TEAM STRUCTURE

Our team structure was designed to provide career progression and ensure that there is adequate resource in priority areas. Key roles with responsibility for each area report directly to the Head of Wiltshire Pension Fund, who works exclusively on the pension fund. This supports a One Fund approach.

Where possible, the structure includes career-graded roles. Staff are able to progress up through the career grades as they learn more technical skills and professional behaviours (such as training and mentoring more junior staff). Skills learned are cumulative, so more senior staff are equipped to tackle any type of work within the team. This will lead to improved resilience.



RESILIENCE AND SUCCESSION PLANNING

One of our resourcing core principles is "Grow-your-own". We believe that by supporting people with training and development and offering opportunities for people to progress in their careers, we can build a more resilient team. Our managers are encouraged to be mindful of succession planning, and we put in place measures that encourage staff to act up and take the lead, gaining exposure to experiences such as presenting to the Pension Fund Committee, or leading on mini-projects etc.

TRAINING AND DEVELOPMENT

Pensions is a highly technical area, which is constantly evolving with new rules and regulations. Training is vital to ensure that the team are appropriately skilled and able to carry out the work, and also to provide personal development opportunities which will encourage staff retention.

We make available to the team a range of external and internal training opportunities. Staff have individual training plans which support their career goals. We support our current and aspiring managers to take part in leadership training, as well as promoting the Council's mentoring and coaching programmes.

We promote an agile way of working, and staff are encouraged to go on secondments to other areas of the team. During these secondments they can learn new skills and knowledge and take these back to their teams to share. They can also take ownership of specific projects and feel a sense of accomplishment.

TEAM BUILDING AND WAYS OF WORKING

WPF rents a dedicated office space from the Council within County Hall. We promote hybrid working, with a minimum of two days per week in the office for full time staff. This helps with building relationships across the Fund and sharing knowledge. We will continue to promote this model.

We hold monthly in-person whole Fund meetings, the purpose of which is to bring the team together to learn what different areas are doing, receive important updates, celebrate successes and take part in group activities. These provide a forum for staff to provide feedback, suggest improvements, and to discuss the values and strategic vision goals.

We carry out an annual staff engagement survey, and do a deep dive on the responses, sharing findings with the team and following up with actions.

The monthly "Fund Focus" newsletter invites contributions from all staff, and shares news, updates and successes across the whole team.

Through listening to staff and building a team spirit, we aim to encourage trust within the team, so that we can effectively collaborate and achieve better outcomes.

PRODUCTIVITY AND EFFICIENCY

We have a strong public sector ethos, and are committed to delivering value for money. We will always prioritise investigating ways that we can make the most of our existing resources before adding more posts to the team, although we will invest in additional resource if we determine that this is the best option. Ways that we will do this could include the following:

- Ensuring that all staff are appropriately trained and supported so that they are able to perform their roles effectively.
- Monitoring staff productivity using standardised metrics, so that we can identify areas where staff may need support or additional training.
- Evaluating our processes to identify efficiencies.
- Making a data-driven assessment of how many staff we need to cover our workloads.

RECRUITMENT AND PAY

Recruitment is a key challenge for WPF. There have been instances where vacancies in key roles persist after numerous rounds of recruitment. Therefore, retention is important, and the measures set out above are aiming to achieve a culture where staff are heard, valued, and empowered to develop.

We have created a "working for WPF" page on our website to showcase the benefits of working for WPF as well as staff testimonials. We make use of paid job boards and agencies where appropriate to attempt to find and attract the best candidates.

Pay can be challenging due to years of sub-inflationary wage growth in the public sector, and a widening gap with the private sector, with which we have to compete for talent. We conduct salary benchmarking exercises to ensure that we are offering suitably attractive pay, and apply market supplements where evidence exists to show that this is necessary.

CONCLUSIONS

By using all the tools, techniques, and approaches set out in this Resourcing Plan, we aim to foster a high-performing team, which is fully resourced, highly-skilled, thoroughly engaged, and motivated to work together to achieve our vision as a Fund.

MEASURES OF SUCCESS

Throughout this Business Plan, we have detailed measures of success across all areas. We have highlighted some of these measures, which we believe are the Fund's key measures of success, and which together make up an overall dashboard of health for the Pension Fund. We intend to report on these measures regularly to the Local Pension Board, Committee and team, to illustrate how we are doing. If we are successful in implementing this Business Plan, all these measures should be "green" by the end of the Business Plan's 3-year period.

- **Service delivery KPIs** should be 98% or higher, and backlogs should be <10 cases.
- **Investment performance** should be in line with the expected investment return as set out in the actuarial valuation over the longer term (3-5 year periods).
- The **funding level** should be >100% on an ongoing basis.
- We should have **Customer Service Excellence** accreditation.
- We should have unqualified accounts from external **audit**, and a rating of "reasonable" or higher from internal audit.
- Our **cost-per-member** for admin & governance costs should be below average compared to peers of a similar size.
- **Staff engagement** should be high, measured as at least 80% agreement in the annual staff engagement survey.

KEY MEASURES OF SUCCESS





“...Our Pathway to Success, aiming to deliver our vision, secure a sustainable future for Wiltshire Pension Fund, and deliver value for money for our beneficiaries.”



WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
22nd May 2024

KEY FINANCIAL CONTROLS REPORT

Purpose of the Report

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

Background

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

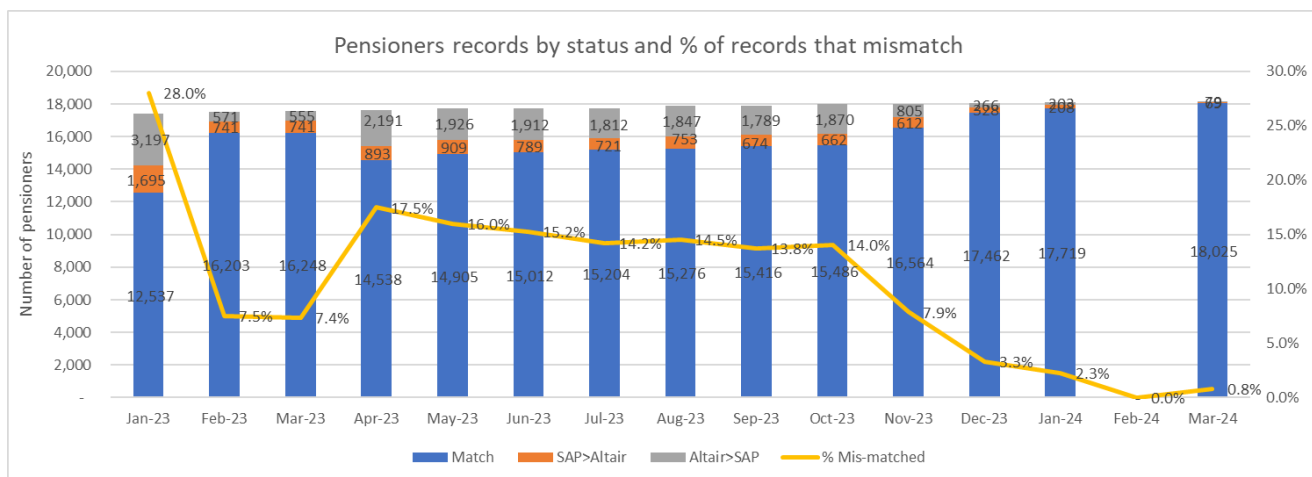
Key Considerations for the Committee / Risk Assessment / Financial Implications

Accounts and Annual Report

3. Final sign off for the full Wiltshire Council Accounts for 2019/20, 2020/21 and 2021/22 continues to be delayed, the Pension fund accounts form a part of the full Council accounts and the delay, which is due to an issue within the Wiltshire Council figures, has meant the pension fund accounts have not received their final audit opinion for inclusion in the annual report. Officers have responded to all requests by the external auditors for information for all years of accounts. To ensure we comply with The Pensions Regulator (TPR) requirement to publish the report, they are available on the website for all years with a note in the audit report section explaining the unaudited status.
4. Work is completed on the accounts and annual report for 2022/23, the external auditors commenced their work in October, however work has recently paused, we are chasing the auditors up for a progress update.
5. Work is progressing to prepare a draft set of accounts for 2023/24, many of the oracle system issues have now been overcome and the team are now working to finalise the ledger. All investment disclosures have been received from the investment managers to allow the accounts preparation. Interim audit work has been undertaken by Grant Thornton and a date will be set for them to come on site in the summer to complete the audit.

Payroll reconciliations

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



7. The chart above shows the progress made to resolve differences between the SAP payroll and Altair since January 2023. The final payroll on SAP shows a small discrepancy, this difference is fully resolved in the April 24 payroll where members payments were all based on values calculated from the Altair system. Monitoring of variances between Altair and the oracle payroll will continue until the payroll is transferred onto Altair.

Finance System

8. The new Evolve system went live in November 2023, the finance team were actively involved in training and testing for the system. Unfortunately, despite this the team are encountering significant problems with the accounting system post going live, something which has not been isolated to the pension fund team. There have been problems posting journals, the accurate accounting for payments and running the reports needed on the new system, this has been compounded by the duplicate payments issues which have added further work.
9. The accounting team have been working hard to re-establish their accounting processes and to get things up and running with support from the evolve team. Temporary resource brought into the team has enabled backlogs to be reduced and transition issues to be resolved. The team now has a draft trial balance which will allow the draft accounts figures to be produced.

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
	May-24			
1. Employer Contributions		Timely and accurate payment of employer contributions each month.	See summary performance table for full details. Almost all employers paying on time and with the correct rate. New reconciliation process established between I connect and banking	Payment issue with SBC
2. Cashflow, banking and capital calls		Maximum and minimum cash balances, private markets capital calls and distributions and treasury performance.	See summary performance table for full details.	None
3. Balance Sheet Reconciliations		All balance sheet control codes are reviewed for accuracy and outstanding issues.	All control codes have been reviewed and checked, no unexplained balances prior to Evolve implementation. Year end balance sheet balances have been reviewed and are all acceptable	Refreshing working documents for future work with Oracle system
4. Altair Checks		Check between the ledger and pension admin system (altair) that any transactions, such as payments or receipts match the admin system.	All reconciliations have been undertaken discrepancies have reduced following active engagement with the Admin team to review old cases. Evolve implementation has delayed this work, latest reconciliations are being caught up to October 23.	To catch up on outstanding months following the evolve implementation. New integrated payments process has removed the need for these checks.
5. Financial Budget Reporting		Review of year to date and forecast operating budget performance, or any unusual monthly movements on the overall fund account.	Latest forecast in line with budget however now out of date. Issues with new system have prevented effective review of the latest spend. Now data is available review will be undertaken	Get the processes up and running again following the evolve implementation.
No material concerns				
Minor issues				
Major issues				

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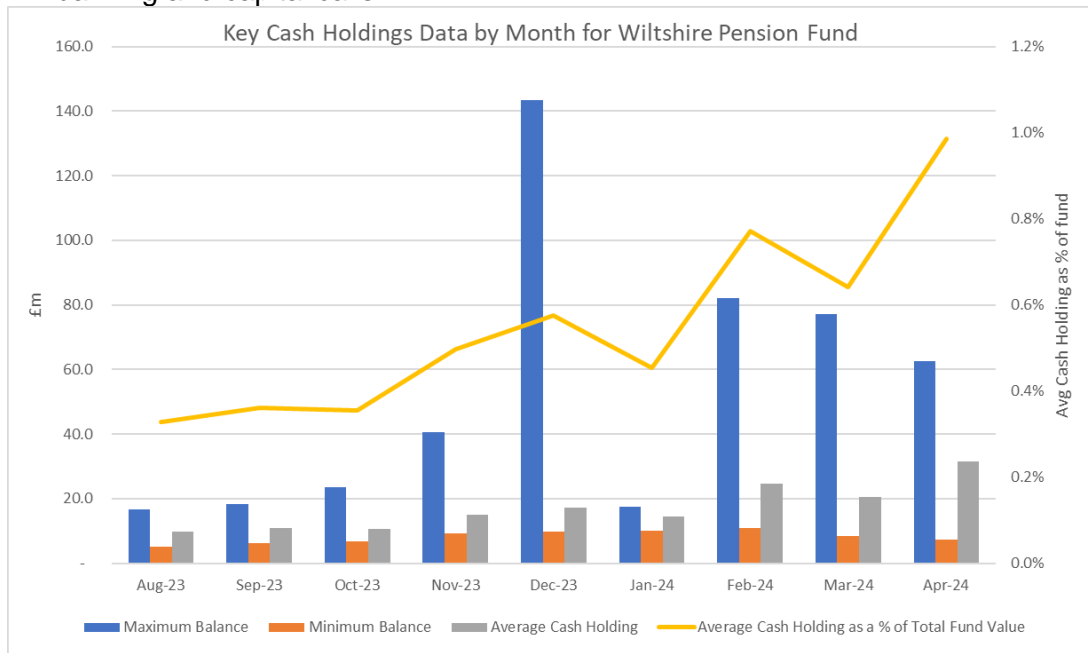
10. The following table provides further details for performance dashboard item 1. Employer contributions.

Quarter	Payroll Month	Paid contributions £000's				Average late and overdue contributions total		Number of employers payments status		
		Total Payment	On Time Payment	Late Payment	Late Payment %	Days Late Recd	Days Overdue	On time	Late	Not Received
Q1	Apr-23	35,505	34,625	881	2.5%	22.0	-	171	8	-
Q1	May-23	8,290	6,267	2,023	32.3%	37.4	-	167	12	-
Q1	Jun-23	8,298	8,286	10	0.1%	163.5	-	177	2	-
Q2	Jul-23	8,290	6,011	2,279	37.9%	27.6	-	165	12	-
Q2	Aug-23	8,234	8,218	16	0.2%	30.9	-	170	7	-
Q2	Sep-23	8,074	7,204	869	12.1%	22.1	-	170	9	-
Q3	Oct-23	8,255	7,146	1,109	15.5%	15.8	-	167	11	-
Q3	Nov-23	10,376	10,372	4	0.0%	29.5	243.3	172	4	3
Q3	Dec-23	9,969	9,964	4	0.0%	32.8	153.3	171	5	3
Q4	Jan-24	9,050	8,190	860	10.5%	18.4	84.0	168	8	3
Q4	Feb-24	9,029	8,938	91	1.0%	48.8	55.0	171	5	3
Q4	Mar-24	9,079	8,206	872	10.6%	5.5	24.0	171	4	3
Total	Q1	52,093	49,178	2,914	5.9%	74.3	-	515	22	-
Total	Q2	24,598	21,434	3,164	14.8%	26.9	-	505	28	-
Total	Q3	28,599	27,482	1,117	4.1%	26.0	132.2	510	20	6
Total	Q4	27,158	25,335	1,823	7.2%	24.2	54.3	510	17	9

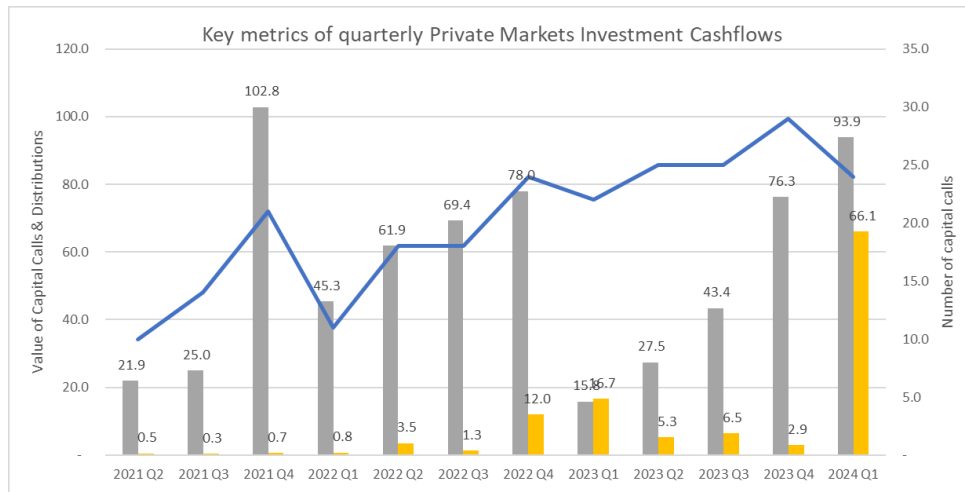
11. The majority of the late payments are received within a day or two of the deadline and all employers who have not paid are contacted immediately after the deadline day to remind them to pay. A small number of employers increase the days late received, persistently late payments or employers where we have problems are discussed in the employer data and contributions working group are appropriate actions are agreed relevant to each employer.

12. The 15 payments not received are all from contracts held by Imperial Cleaning. The company has gone into Administration and the employer relationship manager is working with this employer on the outstanding payments.

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



14. Cashflow activity for private markets capital calls have continued to be met as commitments are called. The large distribution in Q1 2024 came from a large divestment from a property fund as part of the funds rebalancing in this asset class.



Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

16. There are no known implications at this time.

Proposals

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

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

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

Appendix I

Low Volume Performance Schedule 2023-24

A) Information Commissioner Officer (Data breaches) log

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

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

ICO breach by category	Severity rating	Total members affected	No. of breaches
Personal data sent by post to the wrong address	Green	76	3
Corrupted member data from employer loaded to pension data accessed by members through MSS. Members able to see other member data.	Amber	55	1
IG's Data Loss Prevention (DLP) tool identifying personal data being sent externally by email	Green	12	1
	Amber	470	1
Personal data within an email chain inadvertently forwarded to unauthorised personnel	Green	45	1
Total Data Protection breaches recorded in 2023/24		658	7
Last Year 2 incidents were recorded.			

Note: Amber incidents are where more than 50 members are impacted by one incident. Red incidents are where more than 500 members are impacted.

Officer comment – Fund officers complete an initial risk assessment employing a formula approach, before referring incidents to the Council’s Information Governance (IG) team. In 2023/24 all incidents were classed as immaterial personal data breaches caused by human error and behaviour. On referral to IG, it was determined that no incidents would be reported to the ICO.

Regarding the two incidents were identified as Amber, in both cases resolution included additional education of the data protection requirements to the parties involved. Significant improvements have also been made concerning the completion of data sharing agreements with scheme employer who have 3rd party HR and payroll providers. This work has largely mitigated unwitting data breaches by Employer Services team staff.

B) The Pension Regulator breach log

Introduction – Where a breach is likely to be of material significance to the Regulator there is a duty to report that breach having considered the cause, effect, reaction to and wider implications of that breach. Consequently, Fund officers have a process in place to monitor, record, assess & escalate any breaches where they are determined to be significant. Clarification of the term material significance remains an ongoing process & Fund officers continue to operate to a range of self-challenges in line with the Fund’s policy to assess materiality against the Regulator’s indistinct and

subjective examples. With the introduction of the new General Code of Practice this exercise will be reviewed again.

Scheme Managers, Board members, Employers, Fund advisers & any other party with a vested interest in the Fund have a responsibility to report breaches to the Regulator, albeit the process would in practice be undertaken by the s151 officer.

tPR breach by category	Severity rating	No. of breaches
Late Payment of Future Service Contributions	Green	51
	Amber	12
Contributions not being paid in accordance with the Rates and Adjustments Certificate	Green	26
	Amber	2
Key Employer Late Payment of Future Service Contributions, provision of data and receipt of remittance breakdowns	Amber	1
Annual Report and Accounts 2022/23 not signed off within statutory deadline	Amber	1
Instance of perpetrated fraud on member record	Amber	1
Not enabling Scheme Actuary FRS102/IAS19 Reporting by the statutory deadline, due to failure to sign their letter of engagement	Amber	1
Late settlement of TFCS & refunds due to immediate payment facility migration failings. Move from SAP to Oracle.	Amber	1
Total tPR breaches recorded in 2023/24		96
Last Year 152 incidents were recorded.		

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

During 2023/24 no breaches were reported to the Regulator, and it is noted that there was a significant fall in the number of breaches recorded in relation to the late payment and correct rate of payment of contributions by employers (Almost 40%), which is also reflected in the overall fall in identified breaches since last year. The main reason for this can be attributed to the active management of scheme employers via the Fund’s Employer Data and Contributions Working Group which co-ordinates the activities of the Fund’s Employer Relationship, Accounting and Administration practice areas and delivers a unified service. Whilst a handful of scheme employers continue to submit their contributions payments late each month, this too has seen a reduction in repeat instances.

A specific amber breach was recorded in relation to Swindon Borough Council’s (SBC) ongoing failure to pay its contributions, provide data and remittances during 2023/24, and in an attempt to mitigate

the impact of these failings regular meetings were introduced by the Fund to improve the situation to a point whereby the employer could be considered for onboarding to i-Connect.

Auditors sign off on the Annual Report and Accounts continues to be an area of concern for the 2022/23 Accounts, however with national guidance anticipated and the appointment of a new external auditor there is a greater expectation that this can be resolved going forward.

In respect of the remaining breaches of law, involving a member fraud, the failure to enable the Scheme Actuary to provide statutory reporting on a timely basis and breaches caused by the late payment of lump sums and refunds (see Informal Complaints) caused by Wiltshire Council’s failure to effectively migrate its immediate payments system to Oracle, relied upon by the Fund, all are considered to be non-systemic events and unlikely to reoccur.

Whilst other notable activities of potential breach exist, such as the issuance of Annual Benefit Statements & Pension Savings Statements, the payroll reconciliation exercise & the clearance of backlogged casework, in all cases the implementation of project and improvement plans to address each activity has meant that the recording of breaches was not felt necessary when set against the performance actually achieved.

C) Freedom of Information (FOI) log

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

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

Information Provided	Date received	Completed within legal requirement	Resolution
Service Area - Investments Requests			
A request in relation to climate risk and climate scenario analysis covering the period 2020 to 2023. The scope of the request included email box searches.	19/04/2023	Yes	Exceeds appropriate limit

<p>A request for the most recent quarterly information of alternative investment portfolio records covering the Fund's private equity, debt funds, real estate funds, infrastructure funds, fund of funds and hedge funds. To include details of committed capital, invested capital, distribution, market values, Net IRRs & MOIC/TVPI.</p> <p>Note: This ongoing request began to ask for even more detail. Consequently, under Section 21, it was determined that the information could be made available to the requestor by other means</p>	28/04/2023	No	Request refused
<p>A list of the Fund's alternative investments. The information should include: The names, sizes, vintage years, invested amounts, distributions, net asset values & IRR's etc of each limited partnership the Fund owns. In addition, the information should also state the dates calculated, details of consultancy advice taken, asset bought and sold, valuations, any continuation vehicles, and any other information on secondary transactions, such as minutes of meetings.</p>	05/06/2023	Yes	Request fulfilled
<p>A request for the most recent quarterly information of alternative investment portfolio records covering the Fund's private equity, debt funds, real estate funds, infrastructure funds, fund of funds and hedge funds. To include details of committed capital, invested capital, distribution, market values, Net IRRs & MOIC/TVPI.</p> <p>Note: This ongoing request began to ask for even more detail. Consequently, under Section 21, it was determined that the information could be made available to the requestor by other means</p>	11/07/2023	Yes	Request refused
<p>To provide a list of all hedge funds and fund of hedge funds in which Wiltshire Pension Fund is an investor. The information should include, the amounts invested each month, the monthly net returns and month by month market values to 30th September 2023.</p>	23/10/2023	Yes	Information not held
<p>A request for the most recent quarterly information of alternative investment portfolio records covering the Fund's private equity, debt funds, real estate funds, infrastructure funds, fund of funds and hedge funds. To include details of committed capital, invested capital, distribution, market values, Net IRRs & MOIC/TVPI.</p>	17/11/2023	Yes	Request fulfilled

A request for quarterly cashflow reports between Q1 2020 and Q3 2023 on all private capital investments, including, but not limited to private equity, real estate, infrastructure, and private debt. The reports should include the fund name, vintage year, period covered, contributions, distributions, asset values, Net IRRs, and other measures, as well as a breakdown of the asset allocations under management.	15/01/2024	Yes	Request fulfilled
Service Area - General Requests			
A request to establish how much Council Tax in 2024/25 will go towards funding current and previously employed staff members pensions.	21/03/2024	n/a	Determination outstanding
Freedom of Information Requests in 2023/24	8		
Last Year 12 incidents were recorded.			

Note: Four requests were effectively refused, one on the basis that the information wasn't available. Three were fulfilled and one was still in progress at the end of the Scheme year.

Officer comment – The legal requirement for completing and issuing FOI requests is 20 working days. Unfortunately, in all but one case (a case which was refused) a response wasn't completed within the statutory deadline. Officers are not aware of any redactions to any parts of the information provided having occurred. All but one request during 2023/24 was investment related, with most of the requests being made by investment analytical and research organisations.

D) Subject Access Requests

Introduction – Under GDPR a Subject Access Request is a right that can be exercised by a member to receive a copy of their personal data held by the Fund in accordance with Article 15. This right was later included within the Data Protection Act 2018 under Chapter 3, paragraph 45. In summary the Fund is required to provide all member specific information to a member, or their authorised representative within 30 days, however in order to administer such requests effectively Fund officers can request clarification concerning the scope of data requested. Officers will also assess the validity of any such requests prior to their fulfilment. This additional scoping of requests enables the “clock to be stopped” in relation to the fulfilment of requests and in October 2020 the ICO disclosed additional guidance detailing how such clarifications should be managed.

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

Subject Access Requests	No.
Fulfilled with 30 days	0
Requests for extensions due to scope clarification	0
Not fulfilled with 30 days, or extended deadline	0
Total Subject Access Requests recorded in 2023/24	0
Last Year 1 SAR was recorded.	

Officer comment – During the last Scheme Year, no SARs were raised with the Fund.

E) Informal Complaints (Disgruntlement) log

Introduction – As part of the Fund’s aim to improve its service delivery it is seeking accreditation through the organisation Customer Service Excellence. Within this accreditation is the requirement to record informal complaints and apply any lessons learnt from the themes and patterns of informal complaints raised.

The updated version of the Fund’s complaints procedure defines an informal complaint, which is lower than a formal complaint, as an expression of dissatisfaction, frustration, or concern about the level of service provided, or the performance of staff, where it may have fallen below an expected standard. Whether it is justified or not, the officer responsible for that member’s case will manage the complaint, particularly if the complainant has made no request for their concern to be escalated. The officer should deal with the matter informally, seeking line management support only where required and resolve the complaint within no more than 5 working days.

Nature of Informal Complaint	Number of Cases	Average overdue delay (Days)	Resolution
Chasing for information and late payment	1	0	Resolved, in time
Data breach correction	1	0	Resolved, in time
Delay in payment of Death Grant	1	0	Resolved, in time
Delay in payment of refund (Oracle) (Ref 2)	3	0	Resolved, in time
	18	19	Not resolved in time
Delay in providing divorce information	1	0	Resolved, in time
Delay in providing TV out information (Ref 1)	3	0	Resolved, in time
	2	2	Not resolved in time
Delay in set up retirement pension	3	0	Resolved, in time
	1	16	Not resolved in time
Delay payment of AVC & TFCS (Oracle)	1	0	Resolved, in time
Delay payment of TFCS (Oracle) (Ref 3)	6	0	Resolved, in time
	6	19	Not resolved in time
Late Payment of lump sum	1	0	Resolved, in time

Pensions Payroll - data discrepancy	2	0	Resolved, in time
Retirement pack sent late, plus late payment	1	51	Not resolved in time
Transfer in information incorrect	1	0	Resolved, in time
Transfer out payment delay	5	0	Resolved, in time
Unable to register on Rpowered	1	0	Resolved, in time
Total Informal Complaints recorded in 2023/24		58	
Informal Complaints progressed to Formal Complaints		3	
Last Year 0 Informal Complaints were recorded.			

Officer comment – The recording of informal complaints commenced with effect from 1 September 2023 and during this first part year period, the Fund experienced Wiltshire Council’s migration from SAP to Oracle with effect from 13 November 2023. Whilst delays in the completion of member casework, caused by the backlog and the suspension of transfer value calculations during the summer of 2023 have contributed to these initial statistics, a significant proportion of the volume of informal complaints can be attributed to the Council’s migration of immediate payments to Oracle which impacted the operation of the Pension Fund significantly. Many of the cases not resolved with the 5-day deadline (44%) relate to that initial November/December period.

F) Formal Complaints log

Introduction – The threshold definition for a complaint to the Fund is lower than that of an IDPR. A complaint can be made by anyone whether they be a member, beneficiary, or any other person with a legitimate reason to raise a statement of dissatisfaction against the Fund. The definition of “reason” can include the Fund’s conduct, standards of service, action or lack of action which is not considered to be of an acceptable standard and will involve a degree of investigation by a senior officer. The updated Pensions Administration Strategy will stipulate that the Fund will respond to a complaint within 20 working days.

Nature of Formal Complaint	Date received	Dated resolved	Resolution
Dispute: Member complained about the reduction to his pension following the implementation of the GMP after 25 years and that he intended to report it to his Union. (Went to IDRP Stage 1 Ref 4)	16/03/2023	01/04/2023	Not Upheld
Dispute: Concerned the reduction in the member's pension following a review of their pension caused by the GMP rectification exercise.	06/03/2023	12/04/2023	Not Upheld
Dispute: Concerned the reduction in the member's pension following a review of their pension caused by the GMP rectification exercise.	23/03/2023	17/04/2023	Not Upheld

Dispute: Concerned the incorrectly quoted adjustment to the member's pension as a result of the GMP rectification exercise, in which Aon omitted to include the member's AVC pension.	31/03/2023	19/04/2023	Upheld
Dispute: Member complaint about the tax being deducted as part of her overpayment, caused by the GMP Rectification exercise.	20/04/2023	16/05/2023	Not Upheld
Dispute: Related to a letter we sent to her stating she had left. Namely a deferred statement. Matter resolved on explanation.	31/05/2023	05/06/2023	Not Upheld
Dispute: Right to request a TV had expired as it was too close to NRD	24/05/2023	13/06/2023	Not Upheld
Dispute: Pension Fund overpaid the member's Pension Add Yrs. pension due to Aon rectification project, which subsequently needed to be recovered. Member complained about income uncertainty caused by all the changes since March.	26/06/2023	28/06/2023	Not Upheld
Dispute: Member complained about the reduction to their pension following the implementation of the GMP and whether it impacted the additional pension they had been awarded.	23/06/2023	03/07/2023	Not Upheld
Dispute: Member wanted a full breakdown and details of arrears payment, which had been delayed	07/07/2023	10/07/2023	Upheld
Dispute: Following a fraud perpetrated on this member's record, the member complained. The nature of the complaint revolved around how such a fraud could have happened impacting the payment of her benefits. The delayed response was due to the ongoing investigation at the time.	16/06/2023	25/07/2023	Upheld
Dispute: Pension Fund overpaid the member's Pension Add Yrs. pension due to Aon rectification project, which subsequently needed to be recovered. Member complained about income uncertainty caused by all the changes since March.	11/07/2023	01/08/2023	Not Upheld
Dispute: Pension Fund overpaid the member's Pension Add Yrs. pension due to Aon rectification project, which subsequently needed to be recovered. Member complained about income uncertainty caused by all the changes since March.	25/07/2023	02/08/2023	Not Upheld
Dispute: Pension Fund overpaid the member's Pension Add Yrs. pension due to Aon rectification project, which subsequently needed to be recovered. Member complained about income	24/07/2023	02/08/2023	Not Upheld

uncertainty caused by all the changes since March.			
Dispute: Member complaint about changes to their pension as a result of tax code changes. Changes impacted by added years pension payment adjustment.	26/06/2023	02/08/2023	Not Upheld
Dispute: Complained amount the delay in settlement of underpayment, following the GMP rectification exercise. Complaint covered details of the amount, period of error and when the underpayment would be paid.	31/07/2023	07/08/2023	Upheld
Dispute: Member complained about the reduction to his pension following the implementation of the GMP. The complaint covered, the period of pension service on which the pension was calculated, the lawful basis of the change, the Fund's integration with the State Pension and the breakdown of payments.	04/08/2023	07/08/2023	Not Upheld
Dispute: Delay in stating benefit options as considering whether or not to opt out of scheme as early retirement approaches.	31/08/2023	04/09/2023	Upheld
Dispute: Poor communication and delays in payment of the member's lump sum on retirement.	25/08/2023	05/09/2023	Partially upheld
Dispute: No communications provided to employer concerning new contribution rates	13/09/2023	18/09/2023	Not Upheld
Dispute: Delay in the payment of benefits caused by the delay in the provision of AVC information due to poor administration of AVCs by Clerical Medical	02/09/2023	19/09/2023	Not Upheld
Dispute: Covered the time taken to provided TV out information, poor customer service and the quality of the information provided (Ref 1)	09/10/2023	16/10/2023	Partially upheld
Dispute: Delay in the payment of member's lump sum caused by the immediate payments facility during the Oracle migration escalated to a formal complaint. (Ref 3)	27/10/2023	31/10/2023	Upheld
Dispute: Covered the time taken to complete the transfer of the member's benefits, including slow due diligence checks (Went to IDRP Stage 1 Ref 5)	02/11/2023	14/11/2023	Not Upheld
Dispute: Delay in payment of refund due to the migration of the immediate payments system to Oracle. (Ref 2)	22/11/2023	08/12/2023	Not Upheld

Dispute: Miscommunication concerning the implementation of the switching on of the Rule of 85 for this member. Agreed to approach employer to approve strain cost.	24/11/2023	18/12/2023	Partially upheld
Dispute: Delay in providing information concerning dependent benefits, Aon rectification project could not reconcile the value of the member's benefits.	07/02/2024	22/02/2024	Partially upheld
Dispute: Delay in providing a full breakdown of my pension from Dec 1994 to date. To include the Transfer-in from Nationwide Pension Fund	13/01/2024	21/03/2024	Upheld
Total Complaints recorded in 2023/24			28
Formal Complaints progressed to IDRPCs			2
Last Year 8 complaints were recorded.			

Officer comment – It has been another year where the variety of complaints reflects the administrative complexity being dealt with by the Pension Fund, covering areas such as transfers-in and out, AVCs, the provision of information, retirements and even a fraud case. However, it is notable that two thirds of the formal complaints this year relate directly to completion of the payroll (GMP) rectification exercise and the Council’s migration to its Oracle system, with the former factor being the predominant force in the growth of complaints during 2023/24. This is also largely consistent with complaints not being upheld. Now that the payroll (GMP) rectification exercise has been completed it is anticipated that formal complaints should reduce during 2024/25. Where complaints have been upheld the broad theme relates to poor communication of information and customer service. On the whole the level of complaint activity remains consistent with a Fund of this size, noting that resolution target times were reduced from 25 to 20-days during this scheme year. With this in mind, its noted that 5 cases (18%) were outside the old target deadline and 8 cases (28%) fell outside of the new target deadline.

G) Internal Dispute Resolution Procedure (IDRPCs)

Introduction – The Fund has a two stage formal complaints process for eligible complainants, with IDRPC stage 1 complaints involving officers using the services of an independent external consultant & stage 2 complaints involving determinations at Corporate Director level which may include guidance from the Fund’s actuarial advisers. Resolution at each stage is required within 60 days of the submission of an IDRPC, although extensions to enable completion of a response can be requested. Where a resolution can still not be reached the complainant can take their case to the Pensions Ombudsman.

Sponsoring employers of the Fund are also required to appoint a stage 1 independent adjudicator & publish a discretionary decision-making policy to ensure fair & transparent determinations. IDRPCs raised against sponsoring employers are not included in this analysis.

Nature of IDPR	Date received	Dated resolved	Resolution
Stage 1 IDRPCs			

<p>Dispute: Basis of IDRP 1 was that the significant reduction in the value of the member's pension paid as a result of the GMP rectification exercise, was as a result of the Fund's maladministration and consequently the Fund should continue to pay the original amount. Outcome: Adjudicator found that whilst maladministration had occurred the Fund was legally required to correct the pension. A distress and inconvenience payment were awarded and accepted by the member. (Went to IDRP Stage 2 Ref 4)</p>	16/05/2023	19/06/2023	Not upheld
<p>Dispute: Basis of IDRP was that the reduction in member's pension caused by the Fund's GMP rectification exercise had impacted their personal financial situation and caused real financial hardship. Outcome: Adjudicator found that whilst the Fund's legally required changes had adversely impacted the member, they could not uphold the complaint. A distress and inconvenience payment were awarded and accepted by the member.</p>	25/07/2023	20/09/2023	Not upheld
<p>Dispute: Basis of IDRP was that the reduction in member's pension caused by the Fund's GMP rectification exercise had impacted their personal financial situation which they would be unable to replace and to provide details as to how the maladministration had occurred. Outcome: Adjudicator found that whilst the Fund's legally required changes had adversely impacted the member, they could not uphold the complaint. A distress and inconvenience payment were awarded and accepted by the member. (Went to IDRP Stage 2 in 2024/25)</p>	24/08/2023	23/10/2023	Not upheld
<p>Dispute: Basis of IDRP related to the length of time it took for WPF to complete their transfer out and that officer repeated stalled and delayed the process without explanation. Outcome: Adjudicator found that elements of the delay were outside of the Fund's control (Suspension of TV factors), however officer communication was poor. A distress and inconvenience payment were awarded and accepted by the member (Ref 5).</p>	12/12/2023	22/01/2024	Partially upheld
Stage 2 IDPRs			

<p>Dispute: Basis of IDRPs is whilst the member understood that the WPF was now paying the correct pension in accordance with the regulations and that it will not be seeking to recover any of the overpayments, the member remained dismayed at the amount of time that this error went unrecognised. In particular, that a failure in the quality of independent auditing allowed the maladministration to continue, indicating a systematic breakdown of process</p> <p>Outcome: Adequate independent audit provision in place, which had identified discrepancies in pension payments. However, the recommendations could not be implemented as WPF did not hold all the required information to correct the discrepancies (Ref 4).</p>	17/09/2023	17/11/2023	Not upheld
Total Stage 1 & 2 IDRPs recorded in 2023/24			5
IDRPs currently upheld in 2023/24 (including partially)			0
Last Year 4 IDRPs were recorded.			

Officer comment – Increased activity occurred during 2023/24 primarily due to the pension payroll rectification exercise, however the suspension of transfer value calculations during the summer of 2023 also served to increase dissatisfaction amongst the membership. No new cases were referred to the Pensions Ombudsman. All but the Stage 2 IDRPs were completed within the required timescale, which was missed by 1 day.

H) Pension Ombudsman cases

Introduction – Where a member continues to be dissatisfied with a Fund activity following a Stage 2 IDRPs determination, they can take their case to the Pensions Ombudsman. Complaints to the Pensions Ombudsman must be submitted within 3 years from the date of the original decision about which the member is complaining.

Nature of IDRPs	Date received	Dated resolved	Resolution
Pension Ombudsman cases			
<p>Dispute: A Stage 1 IDRPs case b/fwd. from 2020/21 - A member exceeded their Annual Allowance in the Scheme Year 2019/20 due to a transfer-in. As a result of administrative delays in addressing their case the member claimed that they had suffered a financial loss. Outcome: Adjudicator upheld Stage 1 IDRPs on the basis of maladministration and suggested compensation. Stage 2 was not upheld on the basis that the Fund must comply with HMRC rules, and that the adjudicator has no power to award financial compensation.</p>	04/10/2022	n/a	Stage 2 Not upheld, Pension Ombudsman determination outstanding

<p>Dispute: A TV-out request to a member was not managed correctly. Namely that the Regulator's guidance wasn't followed by WPF and wasn't highlighted to the member when it occurred in 2013. Additionally, it was noted that at the time it was not compulsory for the member to obtain financial advice and their does not constitute maladministration by the Fund. Outcome: Stage 1 and Stage 2 IDRP's not upheld as insufficient evidence to support claim. Member has taken it to the Pensions Ombudsman, but no decision received</p>	06/03/2023	n/a	Stage 2 Not upheld, Pension Ombudsman determination outstanding
<p>Dispute: Prior to retirement member received multiple contradictory retirement quotations from WPF, including their eligibility under Rule of 85. Member based his retirement on information provided, however final retirement benefits were lower. Outcome: IDRP Stage 1 & Stage 2 complaints partially upheld the member's case awarding them £1,500 distress & inconvenience payments due to maladministration Outcome: Distress payment made as insufficient notice of change was provided to member.</p>	27/10/2020	17/05/2023	Not Upheld
Total Pension Ombudsman cases recorded in 2023/24		3	
Pension Ombudsman cases resolved in 2023/24		1	
Last Year 3 PO case were outstanding.			

Officer comment – The Fund has 3 long standing cases where members have taken their complaint to the Pensions Ombudsman (PO). One was resolved in 2023/24 in favour of the Fund. The PO acknowledging the responses and redress already made by the Fund during its Stage 1 & 2 IDRP stages. The other two remain outstanding and are considered by Fund officers to be timed out complaints on which they will take no further action unless the PO indicates otherwise.

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PENSION FUND – LOW VOLUME PERFORMANCE MONITORING

Purpose of the Report

1. The purpose of this report is to update the Board on the Fund's performance measures for 2023/24 in connection with the following areas:
 - A) ICO Data Protection breach log:
 - B) tPR breach log:
 - C) Freedom of Information (FOI) log:
 - D) Subject Access Request (SAR) log:
 - E) Informal Complaints log:
 - F) Formal Complaints log:
 - G) Internal Dispute Resolution Procedures (IDRPs) log: &
 - H) Pension Ombudsman log.

Background

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

Considerations for the Board

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

Conclusions

5. In addition to the individual commentary provided in respect of each low volume performance measure set out in appendix I officers have drawn the following general conclusions on these KPI's;
 - a) **General Complaint Activity** – The report added two new sections in 2023/24 to enable clearer review of the information provided. The two additions were Informal Complaints to assist Customer Service Excellence reporting and Pension Ombudsman cases.

Overall complaint activity increased significantly during the scheme year, however in consideration of the circa 85,000 membership of the Fund the volume of recorded complaints was still within the level expected for a Fund of this size and nature. In regard to the increased recording, the key causes were as a result of the introduction of informal complaint recording, which by its nature involved lowering the threshold for identifying potential complaints, as well as improved recording methods. In addition, the execution of key projects during the year, such as the payroll rectification exercise and the payroll migration to Oracle also significantly increased the volume of complaints made. Consequently, this volume of complaints did impact response times, with a greater number falling outside of their target deadlines, however it should be noted that other than communication and service delivery issues many of the complaints raised weren't upheld. The reason being that many responses actually involved advising the correction of historic inaccuracies and communicating those historic issues appropriately.

- b) **Other General Activity** – Regarding the report's other areas of disclose concerning data, breaches of law and freedom of information requests, all saw low or decreasing levels of activity. Notable amongst these activities was the circa 40% fall in Pension Regulator's breach recording, again due to improved reporting arrangements and active scheme employer management of contribution submissions. Whilst there are also notable areas of improvement such as responding to FOI requests within 20 days and the management of Swindon Borough Council contribution submissions, these disclosures are not seen as significant.
- c) **Reporting to Committee** – As before the Board agreed that it would only recommend that this report is submitted to the Committee if it felt that a material operational need is present that would warrant the attention of the Committee. It would then only submit that part of the report requiring the Committee's attention on that exception basis only.

Environmental Impact

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

Financial Considerations

- 7) There are no immediate financial considerations.

Risk Assessment

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

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

- 10) There are no implications at this time.

Proposals

- 11) The Board is asked to note the findings of the low volume performance measures being monitored by officers on behalf of the Fund.

Jenny Devine
Head of the Wiltshire Pension Fund

Report Author: Richard Bullen – Fund Governance Manager

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WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
22 May 2024

Draft Local Pension Board Annual Report

Purpose of the Report

1. The purpose of this report is to present the draft Local Pension Board's (LPB) Annual Report.

Background

2. As part of its terms of reference the LPB is required to publish an annual report on the work of the Board which will be referenced in the Fund's own annual report. This covers the Board's activities over the past 12 months and looks forward to the proposed work plans for the forthcoming year.

Key Considerations for the Board

3. Attached is the proposed draft LPB Annual Report 2024 for consideration by Members. The report will be published as a standalone report on the Wiltshire Pension Fund website.
4. A review of the recommendations made by the Board has been made during the drafting of the report and it was noted that all recommendations made to the Pension Fund Committee and Fund officers were adopted, with the exception of a Board recommendation made on 13 February 2024. This recommendation to the Committee requested that a Corporate Director (or Director on behalf of the Evolve Team) prepare a report for presentation to the Committee at their March meeting. It was not accepted as it was noted by the Committee that it would be too late and after the Oracle testing period for any report to be presented. However, it has been noted that whilst no report was presented a Corporate Director did attend the meeting to give a verbal update.

Financial Considerations & Risk Assessment

5. The cost of the annual report is included with the LPB budget and within the Fund's administration budget.
6. The annual report is an integral part of the LPB's role in ensuring the Fund is securing compliance with the regulations and therefore forms another tool in mitigating the risks outlined on the Fund's Risk register.

Legal Implications and Environmental Impact of the Proposal

7. There are no material legal or environmental impacts of these proposals.

Safeguarding Considerations/Public Health Implications/Equalities Impact

8. There are no known implications currently.

Reasons for Proposals

9. The draft LPB annual report is an important document in the governance of the Fund and the formal reporting of the activities of the Board. Therefore, it is important the Board Members approve the document. The Report will also be used by the Wiltshire Pension Fund Committee to ensure that they have considered and taken forward all the recommendations made by the Board concerning the management of the Fund.

Proposals

10. The Board is asked to approve the attached draft LPB Annual Report subject to any amendments suggested and agreed at the meeting.

Jennifer Devine
Head of the Wiltshire Pension Fund

Report Author: Richard Bullen, Fund Governance Manager

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

Appendix 1 – LPB Annual Report 2024



Local Pension Board Annual Report

22 May 2024

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Chairman's introduction

Welcome to the Annual Report of the Local Pension Board (LPB) of Wiltshire Pension Fund (WPF). This report covers the period from 1st April 2023 to 31st March 2024 during which the LPB held four meetings. Where appropriate pictorial links are made in the report to the WPF's Vision, Goals and Values.

The focus of the LPB has been on ensuring that WPF governance complies with the Public Service Pensions Act, all of the relevant LGPS regulations, LGPS best practice guidance issued by the national LGPS Advisory Board or CIPFA, and the requirements of the Pensions Regulator (TPR).

I am pleased to say that, with the support of the officers of Wiltshire Pension Fund, the Board continued to make good progress in fulfilling its terms of reference during the 2023/24 financial year, and the LPB is again able to provide assurance that the WPF is complying with its statutory duties.

During 2023/24 the LPB undertook a wide range of work, as set out in the "Outcomes and LPB recommendations made to the Administering Authority (Pension Committee)" section of the full Pension Board Annual Report on pages 6 to 9, which provides details of the work undertaken and the recommendations made to the Pension Committee, the vast majority of which were accepted by the Committee.

During the year a number of key areas were examined in detail by the Board given their importance to the Fund and its members. These included:

- **Governance and administration.** The Board continued to highlight administration performance issues and backlogs which, unless effectively addressed, would have had a significant negative impact on the quality of the services provided to the members of the WPF. The Board recommended that a Key Performance Indicators Improvement Plan should be produced, setting out, in detail, the actions to be implemented to improve administration performance within acceptable timescales. This plan was produced during the year and was agreed by the Wiltshire Pension Committee on 14th December 2023. The Board and Committee will closely monitor the effective implementation of the actions set out in this improvement plan at their meetings during 2024/25.

During the year it was intended to undertake a review of the Funds compliance with the Pensions Regulators new general code of practice, which it was anticipated would be released in 2023. Unfortunately, this was delayed, with the new general code not being published until 27th March 2024, and hence the review of compliance against this code could not be undertaken during 2023/24.

However, whilst no formal assessment against the new general code, or the outgoing code of practice 14 was undertaken, during the year the Board has been reassured by officers that the requirements of the Public Service Pension Act 2013 have continued to be monitored, so that the Fund has remained compliant with the Pension Regulator's guidance relating to governance and administration. In providing this assurance officers have provided to the Board with regular reports demonstrating the funds adherence to the essential elements of the guidance. The Board also continued to monitor the Risk Register of the Fund at each of its meetings during the year, specifically considering proposed changes to risk ratings and/or proposed new risks or deleted risks, prior to their submission to the Wiltshire Pension Committee for approval.

- **Key financial controls operating within the Fund.** As set out in pages 11 to 12, during 2023/24 the Board regularly monitored the implementation of the agreed actions to address the recommendations made in a “limited assurance” internal audit report on key financial controls. Although a number of actions still require completion in 2024/25, the Board was satisfied that officers had made significant progress against the recommendations made by the auditors.

In order to effectively carry out the roles of the Board, and to meet the knowledge and understanding requirements of Board Members, as set out in the Public Services Pensions Act 2013, the Board has a training plan which is updated and approved annually. Details of the training plan are set out on pages 4 to 6 of this Annual Report, from which it can be seen that a wide range of different training opportunities were taken up by Board members during 2023/24.

Finally, the Pension Board can only function effectively with input from all Board members, and I would like to thank my fellow Board members for their support and commitment to their roles on the LPB during the last financial year, and I commend this report to you.

Mark Spilsbury - Independent Chair of the Wiltshire Local Pension Board.

LPB members register and declarations of interest

Role	Member	Date of Appointment	Date left Office	Number of meetings attended in 2023/24 (maximum 4)
Independent Chairman	Mark Spilsbury	01/04/2020	-	4
Employer Member Representatives	Paul Smith	25/02/2020	06/10/2023	2
	Laura Fisher	03/09/2021	-	2
	Juliet Weimar	27/10/2022	12/04/2023	0
	George Simmonds*	18/07/2023	-	4
	Karl Read	20/02/2024	-	0
Scheme Member Representative	Mike Pankiewicz	14/07/2015	-	4
	Marlene Corbey	20/10/2020	-	2
	James Nicholson*	17/10/2023	-	2

*Attendance includes being present as an observer



Biographies of the Local Pension Board Members

Independent Chairman:

Mark Spilsbury, former Head of the Gloucestershire Local Government Pension Fund & Chair of the Local Pension Board for the Cornwall Pension Fund.

Employer Member Representatives:

Karl Read, Finance Manager - Swindon Borough Council
 Laura Fisher, HR Consultant, Wiltshire Council
 George Simmonds, Councillor – Chippenham Town Council

Scheme Member Representative:

Mike Pankiewicz, Unison representative, retired member
 Marlene Corbey, Unison representative, retired member

James Nicholson, Deputy CEO, The Park Academy Trust, active member

Full biographies for all Board Members can be found here

<http://www.wiltshirepensionfund.org.uk/wiltshire-pension-fund/about-us/local-pension-board/>

The register of interests for members of the Local Pension Board can be found here

<http://cms.wiltshire.gov.uk/ieListMeetings.aspx?CId=1280&Year=0>

LPB approved training plan and members training logs

The Public Service Pensions Act 2013¹ requires that members of Local Pension Boards have an appropriate level of knowledge and understanding to carry out their role. Members must be conversant with:

- The regulations of the Local Government Pension Scheme, including historical regulations and transitional provisions, to the extent that they still affect members; and
- any document recording policy about the administration of the scheme.

Local Pension Board members must also have knowledge and understanding of:

- the law relating to pensions, and
- such other matters as may be prescribed in other legislation.

The degree of knowledge and understanding must be appropriate for the purposes of enabling the individual to properly exercise their role. The Wiltshire Pension Fund is committed to supporting members to achieve the level of knowledge and understanding they require by providing the appropriate training and assistance.

Degree of Knowledge and Understanding

Members must “be conversant with” the rules of the LGPS and the policies of the Fund i.e., a working knowledge of what is relevant to the subject under discussion. A Board member be able to identify and challenge a failure to comply with:

- the LGPS Regulations;
- other legislation relating to the governance and administration of the scheme;
- requirements imposed by the Pensions Regulator; and
- any failure to meet the requirements is set out in the new general tPR code of practice.



Areas of Knowledge and Understanding

The areas in which Local Pension Board Members would be expected to be conversant include, but are not limited to:

- Scheme approved policies.
- Risk assessment and management
- Scheme booklets and other members’ communications
- The role of Local Pension Board Members and the scheme manager (Wiltshire Pension Fund)
- Policies in relation to the exercise of discretions
- Communications with scheme members and employers
- Key policy documents on administration, funding, and investment

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

Achieving the required level of knowledge and skills

The Board members approved training programme covering the period 2021 to 2025 has been fully implemented and is designed to develop the necessary level of knowledge and skills for members. The strategy integrates with the Pension Fund Committee members training programme & aims to offer the widest opportunity for development. In line with the CIPFA 2021 training guidance the Fund approved and published its own member training policy, which can be found on the website here: https://www.wiltshirepensionfund.org.uk/media/8972/Committee-and-Board-Training-Policy/pdf/Committee__Board_Training_Policy_2021_.pdf?m=637841427951930000

The Local Pension Board's training plan can be viewed here: [link](#)

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

Date of meeting	Topics Covered	Duration (Minutes)	MS	PS	LF	JW	GS	KR	MP	MC	JN
24/05/2023	The annual administration life cycle from the Fund	20	✓	✓			✓		✓	✓	
10/08/2023	Annual Accounts & Audit Strategy	20	✓	✓	✓		✓		✓		
01/11/2023	McCloud - Background, approach and remedy	20	✓				✓		✓	✓	✓
13/02/2024	i-Connect project 2024	20	✓		✓		✓		✓		✓
13/02/2024	Administration Improvements	20	✓		✓		✓		✓		✓
13/02/2024	Responsible Investment Survey Results	20	✓		✓		✓		✓		✓
13/02/2024	KPI Improvement Plan	20	✓		✓		✓		✓		✓
13/02/2024	Staff Engagement survey	20	✓		✓		✓		✓		✓
13/02/2024	Fund Procurement	20	✓		✓		✓		✓		✓

The following were joint training sessions with the Pension Committee:

Date of meeting	Topics Covered	Duration (Minutes)	MS	PS	LF	JW	GS	KR	MP	MC	JN
14/09/2023	Global Secured Credit Fund	30							✓		
14/11/2023	Equality, Diversity & Inclusiveness	60	✓		✓					✓	
23/11/2023	Employer Covenants and the process of managing new and ceasing scheme employers	20							✓		
23/11/2023	Climate Opportunities (Cllops)	20							✓		
14/12/2023	National Fraud Initiative and Pension Payroll	20							✓		
20/03/2024	TPR General Code of Practice 2024	120	✓					✓	✓	✓	

The following was additional training opportunities undertaken by Board Members:

Date of meeting	Topics Covered	Duration (Minutes)	MS	PS	LF	JW	GS	KR	MP	MC	JN
20/09/2023	Brunel Investors Day	150			✓				✓		
16/11/2023	Employer Forum	300							✓	✓	
14/02/2024	Investment strategy - Community Housing Portfolio	20							✓		

Key:

HP – Mark Spilsbury, Independent Chair

PS – Paul Smith, Employer Representative, resigned

LF – Laura Fisher, Employer Representative

JW – Juliet Weimar, Employer Representative, resigned

GS – George Simmonds, Employer Representative, replaced Juliet Weimar

KR – Karl Read, Employer Representative, replaced Paul Smith

MP – Mike Pankiewicz, Member Representative

MC – Marlene Corbey, Member Representative

JN – James Nicholson, Member Representative

LPB workplan and outcomes

In pursuit of the Local Pension Board’s aim to assist the Administering Authority as set out in the Legal Basis section, it has set up a work plan intended to operate in conjunction with the workplan of the Fund whilst being committed to its own primary function.



To achieve this Local Pension Board’s terms of reference requires that it develops and reports to the Wiltshire Pension Fund Committee, at least annually, on its work plan for the year. Examples of the areas work it considers it will include (but are not limited to) can be found in paragraphs 80 and 81 of its terms of reference. <http://www.wiltshirepensionfund.org.uk/media/3560/terms-of-reference-local-pension-board.pdf>

Outcomes and LPB recommendations made to the Administering Authority (Pension Committee)

Decisions about the running of the Pension Fund are made by the Wiltshire Pension Fund Committee which is delegated to carry out that function by Wiltshire Council in its capacity as the Administering Authority for the Wiltshire Pension Fund.

The creation of the Local Pension Board does not change the core role of the Administering Authority nor the way it delegates its pension functions to the Pensions Committee. The role of the Local Pension Board is to oversee decisions made by the Administering Authority and to make recommendations to improve the efficient and effective administration and governance of its pension function, including funding and investments.



This year the Local Pension Board has fulfilled its role in the following ways;

Date - Ref	Area	Minute	Outcome
All meetings	Pension Committee decision making	The Local Pension Board actively scrutinises all Pension Committee papers and minutes.	Minuted in LPB minutes
24 May 2023 (Min 189)	Membership	Resolved: The Board recommended that George Simmonds be appointed to the Board as an Employer Member representative	The Board recommendation was accepted
24 May 2023 (Min 189)	Membership	Resolved: The Board recommended that Protocol 2b be updated to enable the Vice Chair’s appointment to no longer need to alternate annually between member & employer representatives	The request was accepted, but its execution will fall after March 2024

Date - Ref	Area	Minute	Outcome
24 May 2023 (Min 197)	Risk Register	Resolved: To recommend the Committee accept the proposed changes set out in the Report	The Board recommendation was accepted
24 May 2023 (Min 197)	SWAP KFC Audit Update	Resolved: To note the progress of the audit recommendations and recommend to the Committee changes to target dates to be in line with the Business Plan 2023/24 activities approved in March 2023.	The Board recommendations were accepted
24 May 2023 (Min 197)	MiFID II	Resolved: To recommend to the Committee that members better support officers concerning the Fund's MiFID II compliance obligations	The Board recommendation was accepted
24 May 2023 (Min 197)	KPI Improvement Plan	Resolved: To recommend that a KPI Improvement Plan be prepared by officers and approved by the Committee	The Board recommendation was accepted
24 May 2023 (Min 199)	Corporate SLA	Resolved: To recommend to the Committee that the drafting of a Corporate SLA be finalised, qualifying the recharge which can be approved by the Committee	The request was accepted, but publication will fall after March 2024
24 May 2023 (Min 201)	Training	Resolved: The Board noted that Committee members had requested a revised training strategy, to that recommended. This was prepared and subsequently approved by the Committee.	The Board recommendation was actioned
24 May 2023 (Min 207)	TPR Reporting	Resolved: The Board requested that a more detailed report be provided to the Committee relating to the potential reporting of a scheme employer to TPR.	The Board recommendation was accepted
10 August 2023 (Min 208)	Membership	Resolved: The Board recommended that James Nicholson be appointed to the Board and that Mike Pankiewicz be reappointed, both as Scheme Member representatives.	The Board recommendation was accepted
10 August 2023 (Min 216)	Risk Register	Resolved: To recommend the Committee accept the proposed changes set out in the Report	The Board recommendation was accepted
10 August 2023 (Min 216)	SWAP KFC Audit Update	Resolved: To note the progress of the audit recommendations and recommend that actions 1 & 10 on the actions log be paused due to material changes to the recommendations as a result of the new Business Plan 2023/24 objectives.	The Board recommendation was accepted
10 August 2023 (Min 216)	SWAP KFC Audit Update	Resolved: To recommend that a schedule of SWAP audit priorities be prepared for consideration by the Committee.	The Board recommendation was accepted
10 August 2023 (Min 216)	Staff Engagement	Resolved: To recommend to the Committee that a dedicated space be supported in County Hall to assist with staff engagement and a return to the office	The Board recommendation was accepted

Date - Ref	Area	Minute	Outcome
10 August 2023 (Min 217)	Training	Resolved: To recommend to the Committee that EDI training be completed by all members	The Board recommendation was accepted
10 August 2023 (Min 217)	EDI	Resolved: To recommend to the Committee that specific EDI wording is included in the Fund's Responsible Investment policy	The Board recommendation was accepted
10 August 2023 (Min 220)	Annual Report & Accounts	Resolved: To recommend to the Committee that if audited accounts weren't available by the statutory deadline, then unaudited accounts should be published on the Fund's website.	The Board recommendation was accepted
10 August 2023 (Min 220)	Annual Report & Accounts	Resolved: To recommend that a written response should be provided to the Committee in respect of the reasons for the reduction in long term investments by BPP.	The Board recommendation was accepted
10 August 2023 (Min 221)	Employer Policies	Resolved: To recommend to the Committee the updated Employer Cessation and New Employer policies.	The Board recommendation was accepted
10 August 2023 (Min 227)	Fraud incident	Resolved: To recommend that the Committee receive a full update concerning the incident of fraud and that a review of the internal controls mitigating incidents of fraud is completed.	The Board recommendation was accepted
10 August 2023 (Min 228)	Bond renewal	Resolved: To recommend to the Committee that a scheme employer bond should be renewed.	The Board recommendation was accepted
1 November 2023 (Min 239)	Risk Register	Resolved: To recommend the Committee accept the proposed changes set out in the Report	The Board recommendation was accepted
1 November 2023 (Min 239)	SWAP KFC Audit Update	Resolved: To note the progress of the audit recommendations and recommend to the Committee a change to the target date of action 6 of action log.	The Board recommendation was accepted
1 November 2023 (Min 239)	i-Connect onboarding	Resolved: To recommend that a report be prepared identifying the tangible results of the i-Connect onboarding exercise of scheme employers	The Board recommendation was accepted
1 November 2023 (Min 239)	Staff engagement survey	Resolved: To recommend that a report be prepared identifying the results of the staff engagement survey	The Board recommendation was accepted
1 November 2023 (Min 241)	KPI Improvement Plan	Resolved: To recommend that the KPI Improvement Plan be submitted to the Committee for their approval	The Board recommendation was accepted
1 November 2023 (Min 244)	Audit Plan 2024/25	Resolved: To recommend to the Committee the proposed audit plan 2025/25 prepared by officers. This plan also should clarify the strategic scope of the anti-fraud audit.	The Board recommendation was accepted

Date - Ref	Area	Minute	Outcome
1 November 2023 (Min 249)	Integrated Payroll System	Resolved: To provide updates to members at meetings in relation to the progress of the Council's Evolve programme and the Fund's integrated payroll system.	The Board recommendation was accepted
13 February 2024 (Min 10)	Risk Register	Resolved: To recommend the Committee accept the proposed changes set out in the Report, with the exception of the Compliance & Regulation risk, which was not seen as significantly materially.	The Board recommendation was accepted.
13 February 2024 (Min 10)	SWAP KPI Audit	Resolved: To endorse the Committee's approval of the KPI audit report recommendations	The Board recommendation was accepted
13 February 2024 (Min 10)	SWAP KFC Audit review	Resolved: To recommend that the Committee approves the KFC audit report review as a true reflection of the progress made.	The Board recommendation was accepted
13 February 2024 (Min 11)	LPB Budget	Resolved: To recommend LPB Budget 24/25 for inclusion and approval in the Fund's budget for 24/25.	The Board recommendation was accepted
13 February 2024 (Min 13)	Immediate payments update	Resolved: To recommend to the Committee they request that the Corporate Director (or Director) for the Evolve Team prepare a report for presentation to the Committee at their March meeting (Ref: Immediate Payments & Payroll migration)	The Board recommendation was not accepted. With reference to Committee minute 18 at their meeting dated 29 February the Committee noted that it would be late and after the testing period for any report to be presented.
13 February 2024 (Min 14)	Administering Authority Discretions Policy	Resolved: To recommend that the Committee approve the changes to the Administering Authority Discretions Policy	The Board recommendation was accepted

LPB Actions log

The Local Pension Board use an Actions Log to track the progress of its actions. The Actions Log forms part of the Board's minutes and is considered at every meeting.

Review of LPB compliance with the Pension Regulator's Code of Practice



One of the key responsibilities of the Local Pension Board is to assist the Administering Authority, Wiltshire Council, to ensure compliance with any requirements imposed by the Pensions Regulator in relation to the Scheme. This guidance can be viewed on the following link;

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

In last year's report the Board commented that in view of the Pension Regulator's anticipated new general code of practice in 2023, it had agreed with officers to stand down the Fund's annual review against the Code of Practice 14, in expectation of the Fund assessing itself against the new Own Risk Assessment (ORA) proposed under the draft guidance. However, the introduction of the new general code of practice has taken longer than expected and was only published on 10 January 2024, with an advertised enforcement date with effect from 27 March 2024.

In light of this delay the Board understands from officers that a review of the Fund's current internal controls and other factors impacted by the new code will now take place during 2024 and after an anticipated 6 months, officers will present an action plan to the Board on the next steps needed to ensure the Fund's compliance.

In endorsing this review the Board recognises that due to the definitions set out in the Pension Act 2004, the ORA, and the Effective System of Governance (ESOG) requirements will not be mandatory for LGPS arrangements like the Wiltshire Pension Fund. However, whilst the legislation may only require the Fund to demonstrate that it has "adequate" systems and controls in place, it will encourage officers to continue with a strategy of annual ORAs to demonstrate the Fund's compliance and foster an approach of "best practice". In taking this approach the Board will seek to reinstate annual self-assessments against the new general code with the first assessment anticipated in March 2025, well within the Regulator's full compliance of the new code by all funds outlined as 2026.

Whilst no formal self-assessment against the outgoing code of practice 14, introduced on 1 April 2015, was undertaken in 2023/24, the Board has been reassured by officers that the requirements introduced by the Public Service Pension Act 2013 have continued to be monitored so that the Fund has remained compliant with the Pension Regulator's guidance relating to governance and administration. In providing this assurance officers have provided to the Board with regular reporting throughout 2023/24 on the essential elements of the guidance. These include the:

- Maintenance of the Scheme's registration:
- Board member compliance and access to information:
- Management of conflicts of interest:
- Publication of Board information and business:
- Evaluation of risk and internal controls:
- Recording keeping of the Fund at both a strategic and operational level:
- Payment of benefits, receipt of contributions and their monitoring and management:
- Statutory communication to all stakeholders:
- Maintenance of an appropriate complaints management function: &
- Maintenance of breach reporting records.

With the introduction of annual ORA reviews, a similar model of completion is proposed to that which has been established in the past. In particular, after officers have undertaken an ORA, the self-assessment will be independently reviewed on a periodic basis and the results of any findings submitted to the Board for their consideration. Additionally, until the new assessment arrangements are well established the Board anticipates taking a prudent approach and requesting independent reviews are undertaken each year.

Internal Audit Update

During 2023/24 the Fund’s internal auditor, South-West Audit Partnership (SWAP), has continued to provide its oversight function. In January 2023 the auditor’s annual review provided a “limited assurance” rating in respect of the Fund’s Key Controls (KC), following which a programme of work was enacted to address the areas of improvement required. A review against that programme of work was again completed by SWAP in January 2024 and a record of the progress made is included in the table below.

The Board notes that as the internal auditors only undertook a review against their January 2023 audit findings and did not conduct a new full audit, no change to the to the original KC audit rating can be stated. However, the Board was satisfied that officers had made significant progress against the recommendations stated by the auditor, a determination which was also reported on by the SWAP themselves.

In addition to the to the KC audit review, SWAP was also commissioned to undertake three other audits during 2023/24. These were a Key Performance Indicator (KPI) audit and a Phase I & Phase II Payroll Migration audits. With regard to the KPI audit, SWAP was able to provide an assurance rating of “reasonable assurance” in relation to the provision of consistent statistical reporting by officers to the members of the Committee and the Board. Noting that any findings would be addressed by officers.

With regard to the Payroll Migration Phases I & II audits, the first audit was a full audit, which considered the project planning, governance, controls, and testing arrangements of the Fund’s payroll migration from Wiltshire Council’s current payroll database to their new Oracle system, as part of the Council’s Evolve programme. This audit was given a “reasonable assurance” rating by SWAP. The Phase II audit was a review and considered the process of actual migration of the payroll to the new Oracle database. Consequently, re-rating did not form part of the scope of the audit.

Where commissioned audits were solely granted by the Pensions Committee the Board notes that progress plans against any audit recommendations were implemented by officers and were able to be regularly submitted to the Board for monitoring.

Key Controls review		
Area of KC action	Key requirements	Percentage Progress Made
New Enrolments	<ul style="list-style-type: none"> • I-Connect onboarding. • Employer scorecard issuance. • Charging employers for additional administrative costs 	50%
Overpayments	<ul style="list-style-type: none"> • Resolving outstanding overpaid pensions • Monitoring aged debt • Writing off arrangements 	80%
Lumpsum payments	<ul style="list-style-type: none"> • Adhering to authority payment levels • Final letter issuance for death cases 	70%
Transfers into the Fund	<ul style="list-style-type: none"> • Allocating tv-in payments to records • Reporting on this completed casework 	95%
Amendments	<ul style="list-style-type: none"> • Recording of data to support changes. • Checking that practices are embedded 	100%
Aggregation processing and backlogs	<ul style="list-style-type: none"> • Accurate identification of the backlog • Management plan to reduce the backlog. • Regular reporting on this casework 	70%

Status 2 Members (Undecided leavers)	<ul style="list-style-type: none"> • Accurate identification of undecided leavers • Timely processing of casework • Regular reporting on this casework 	70%
Retired Members (over 75)	<ul style="list-style-type: none"> • Contacting of members over 75 • Active processing of the casework 	100%
Workflow Management	<ul style="list-style-type: none"> • To actively manage casework by priority • To implement an equivalent workflow management practice in the EST Team 	85%
KPI reporting and monitoring of Staff productivity	<ul style="list-style-type: none"> • Establish accurate KPI report and performance reporting. • Regular data quality reporting • Instigate staff productivity reporting 	70%
Quality Assurance	<ul style="list-style-type: none"> • Establishing consistent QA reviews 	90%
Pension Payroll reconciliation	<ul style="list-style-type: none"> • Resolving non-Fund payments being paid through the pension payroll 	100%
Fund Risks and controls	<ul style="list-style-type: none"> • Engaging manages in updating the risk register 	100%

In conclusion, whilst the Board has been able to monitor the majority of audit activity during the scheme year and would like to thank both the internal audit team and Fund officers for their work in progressing internal controls against the recommendations, it does feel the need to report two key considerations that have emerged in relation to internal auditing:

- Firstly, that as a result of the Fund increasing in its size and complexity, the service offering provided by the internal auditors may require the Fund to look for assurance elsewhere to cover the range of technical aspects of pension fund auditing: &
- Secondly, that where internal audit does not report to the Pensions Committee in respect of commissioned audits, an unaddressed conflict of interest may be present which will require further consideration during the 2024/25 scheme year.

External Audit Update

The pension fund accounts form a part of the full Administering Authority, Wiltshire Council accounts. Unfortunately, Wiltshire Council's final sign off of accounts has continued to be delayed for the accounting years 2019/20, 2020/21 and 2021/22, due to an issue within Wiltshire Council figures. However, the Board has noted that officers have responded to all requests by the external auditors for information for all years of accounts. Additionally, the Board has noted that the auditor was satisfied with the Fund's accounts being in good order and consequently it was felt that the Board need take no further action.

In 2022/23 the Board made several enquiries to Wiltshire Council concerning the nature of the delayed sign offs and in turn Wiltshire Council continued to report that the nature of the auditor's delay lay with the Council's accounts and not the Fund's. Due to their being no change in circumstance in 2023/24 the Board have determined that further enquiries have not been warranted.

In respect of the pension fund's annual report and accounts 2022/23 officers have again had to publish unaudited accounts on its website. The external auditor's Deloitte completed their audit work during October/November and were again satisfied with the Fund's accounts were in good order. However, in recognition of the lack of audit sign off by December the accounts have been recorded on the Fund's TPR breach log.

The Board notes that with effect from 1 April 2024 Wiltshire Council will appoint a new external auditor, Grant Thornton. At the time of writing this report the nature of that handover, relating to the lack of

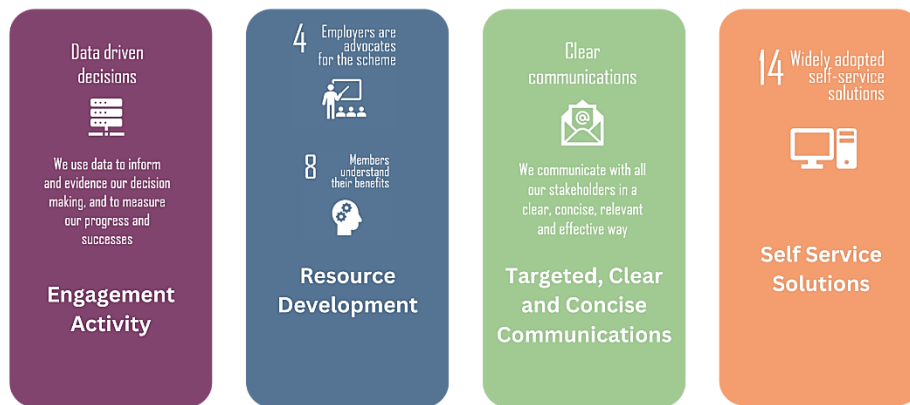
signed off accounts for several years’ remains unclear, however the Board will be making enquiries in 2024/25 concerning the handover arrangements and resolution of the outstanding sign offs.

Summary of LPB communications outlining links to the website

The Communications Strategy sets out how the Fund will engage, educate and fulfil the needs of both its >85,000 members and c.180 employers. This year we will be reviewing the strategy, ensuring it reflects the approach of the Fund for the next three years. As a Fund we need to ensure we are embracing technology to deliver clear, concise, and relevant communications in the most effective way not only to our members, but also to our employers.

“Our mission is to deliver an effective service, providing our members with the tools they need to plan for their financial future.”

We are committed to supporting our members and employers in their pension journey, last year focusing activities within the below areas:

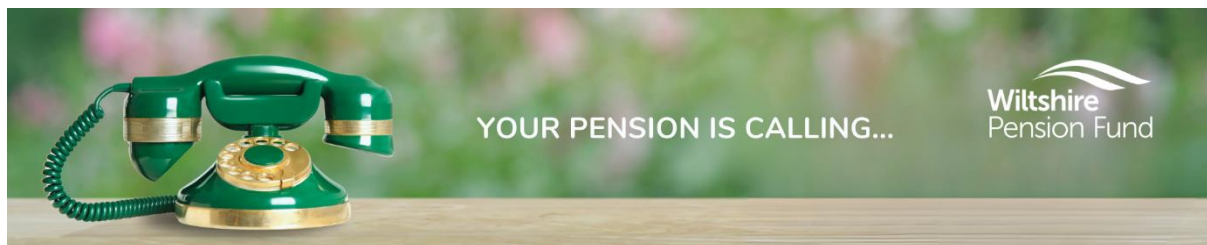


Each quarter we analyse campaign data, to monitor **engagement** within our different demographics, along with a year-on-year comparison for annual campaigns. During [Pension Awareness Week \(PAW\) 2023](#) we created five factsheets for our members, which were circulated across a week long campaign across different digital platforms. The campaign’s aim was to highlight the benefits of the LGPS to members, signpost them to tools and resources to support them in their pension journey and shine a spotlight on the positive impact their pensions are making through responsible investing.

The campaign saw an increase of 5.9% in email open rates with around **65,000 opened** out of the circa 119,000 which were sent out. Data from Google Analytics shows activity more than double across the week, on My Wiltshire Pension and wiltshirepensionfund.org.uk. Also to note is that most visits are via mobile phones, rather than other devices such as desktop or tablets. These stats show that our communications are **targeted, clear and concise** for our members, with work ongoing to ensure that through embracing technology this continues.



Throughout the year we have worked on **resource development**, increasing resources available for not only to our members, but also to our employers. A full review was done on our [Employers website](#), mapping easier navigation, helping employers find what they need more easily. A host of resources have also been created, as can be seen in the [i-Connect](#) section, in the form of videos, presentations, and guides. This helps employers self-serve as much as possible through these additional resources. We also continue to send out our employers [Quarterly Newsletter](#), filled with reminders, updates and important information to help support them as much as possible in being advocates for the scheme.



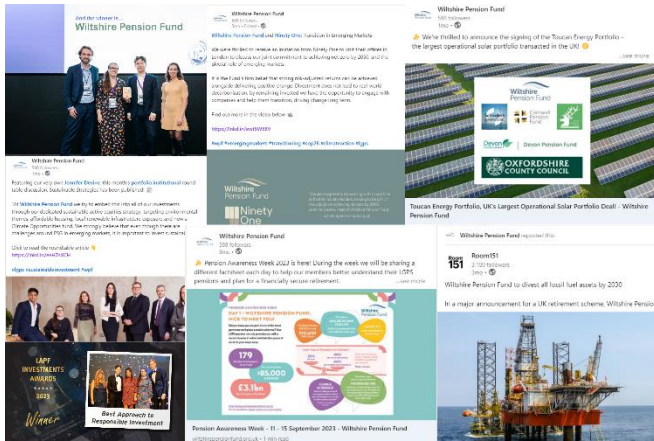
Our [member webinars](#) are also proving to be extremely successful, after a drop in interest, we changed the messaging to “Your pension is calling, pick up the phone “ we had a fantastic 160 registrations. This was an increase of 135 registrations from the previous one.

Feedback from attendees has been extremely positive:

“Clearly explained, thank you.”

“Great presentation.”

These webinars are a fantastic opportunity for our members to understand more about the fantastic pension scheme they are part of, and find out about what **self- service solutions** are available to help them plan for financial security in retirement.



As a Fund we have also been working on our vision goal of transparency and information sharing, specifically through our digital platforms such as our [news articles](#) and [linkedin page](#). By sharing our investment activities, fund news, and campaigns throughout the year, we have not only received [industry awards](#) but also gained recognition from partners and stakeholders as industry leaders for our investment and communication strategies.

This can be shown through the numerous invitations received to feature in [podcasts](#), [industry round tables](#), industry [memberships](#), and other invitation only activities such as the recruitment video being commissioned by [Boarder to Coast](#). We have also most recently received excellent commercial terms on investment fees based on our strong reputation within the industry, with investment managers viewing Wiltshire Pension Fund as a valued partner.

These digital activities have been instrumental in strengthening our reputation within the industry.

Moving forward, over the next three years as detailed in the Business Plan we have identified specific and measurable aims, improvements and continued activities to ensure we maintain and build upon Stakeholder engagement.

LPB operational costs for 2023-24 & budget for 2024-25

The cost of the Wiltshire Pension Fund Local Pension Board is part of the overall running costs of the Fund and should be seen in the context of its role in assisting with the good governance and administration of the Fund.

The budget for the Local Pension Board is approved by the Pension Fund Committee as part of the process of setting the Fund’s budget for the year. Any additional expenditure must be approved by the Wiltshire Council’s Director of Finance, s151 officer.

The budget for 2023-24 and 2024-25 can be seen below.

	2023-24 Budget £	2023-24 Actual £	2024-25 Budget £
Independent Chair Remuneration	£11,750	£0	£12,796
Consultancy Fees	£2,000	£0	£2,000
Training	£2,000	£0	£2,000
Committee Services	£3,947	£0	£4,298
Travel & Subsistence & costs	£500	£0	£500
Catering	£400	£0	£0
Insurance	£3,539	£0	£3,854
Total	£24,136	£0	£25,448

Assurance of the LPB Annual Report

It is the role of the Local Pension Board to assist Wiltshire Council as the Administering Authority for the Wiltshire Pension Fund to secure compliance with:

- The LGPS Regulations and related legislation
- The requirements of the Pensions Regulator; and
- to ensure the effective and efficient governance and administration of the Scheme

The Local Pension Board is not intended to replace existing bodies such as the Wiltshire Pension Fund Committee, nor be responsible for the auditing of the Wiltshire Pension Fund. In carrying out its role, the Local Pension Board has:

- Considered the minutes of the Pension Fund Committee
- Considered the main policies and documents of the Wiltshire Pension Fund
- Considered the Funds Business Plan, Audit Report and Risk Management Strategy
- Received assurance of the Fund's compliance with the Pension Regulator's Code of Practice, through regular officer reporting
- Received legal and regulatory updates on LGPS matters.
- Received training from external advisers and Fund officers.

The funds external auditors have reviewed the LPB annual report as part of their annual audit of the Wiltshire Pension Fund, but they do not provide any assurance over its contents.

This report is intended for the information of Wiltshire Council, the Scheme members and employers who participate in the Wiltshire Pension Fund. This report has been formally noted by the Wiltshire Pension Fund Committee at their meeting of 11th July 2024.

LPB Annual timetable 2024-25 and proposed work plans

https://www.wiltshirepensionfund.org.uk/media/6859/Local-Pension-Board-Work-Plan-2023-24/excel/Local_Pension_Board_Work_Plan_2023-24.xlsx?m=638252880507670000

Appendix 1

Legal basis of LPB and annual reporting

The Local Government Pension Scheme Regulations 2013 (“the Regulations”) established Wiltshire Council as the administering authority for the Wiltshire Pension Fund. The Regulations further require that Wiltshire Council establish a Local Pension Board for the purposes of assisting it:

- to secure compliance with the LGPS Regulations, other legislation relating to the governance and administration of the LGPS, and the requirements imposed by the Pension Regulator in relation to the LGPS; and
- to ensure the effective and efficient governance and administration of the LGPS

The functions of the Local Pension Board do not sit neatly within to local authority committees, including the Pension Fund’s Pension Committee. Importantly, it cannot be delegated to carry out the functions and responsibilities that legally pertain to the administering authority and has no decision-making authority.

The creation of a Local Pension Board does not change the way the administering authority delegates its pension functions, it serves an advisory and compliance role for the Fund. The role of the Local Pension Board is sometimes likened to that of a “critical friend”.

The Regulations require that the Local Pension Board must be constituted of at least 4 members, two of whom act for the membership and two who will act for the fund’s employers. While it is permissible for the Local Pension Board to contain “independent” members, such members are not permitted to vote. Details of how the Chair and members of the Local Pensions Board are appointed can be found in the terms of reference. <http://www.wiltshirepensionfund.org.uk/media/3560/terms-of-reference-local-pension-board.pdf>

The Wiltshire Pension Fund Local Pension Board is comprised of:

- 3 scheme member representatives, and
- 3 employer representatives, and
- 1 non-voting Independent Chair

The Regulations do permit an administering authority to combine its Local Pension Board with the pension committee to which it has delegated some or all of its decision-making responsibilities in respect of the maintenance of the fund, however the express permission of the Secretary of State for the Dept. of Levelling Up, Housing & Communities is required. Wiltshire Council has chosen not to operate a combined Local Pension Board and Pension Committee.

The Public Service Pensions Act 2013 also brought about a new role with the LGPS for The Pensions Regulator. The Regulator now oversees the good governance within all Public Service Schemes, adopting the same powers of enforcement as it does over other Schemes.

While there is no statutory obligation for the Local Pension Board to publish a report, it is recognised as best practice for the Board to report on its activities for the year and its future plans. In addition, the administering authority is required to publish a governance compliance statement which, in addition to information on the governance of the Fund, should include details of the terms, structure and operational procedures relating to its Local Pension Board.

The Board is accountable solely to the administering authority for the effective operation, reporting only to the Pension Committee on the work that it has done, typically in the form of recommendations. The scope of the Board's reports shall include:

- a) a summary of the work undertaken since the last report:
- b) the work plan for last year and the programme for the next 12 months:
- c) areas to be investigated since the last report and how they were dealt with:
- d) any risks or other areas of potential concern it wishes to raise:
- e) details of training received since the last report and planned:
- f) details of all expenses over the past 12 months and projected for next year; and
- g) details of any conflicts of interest identified and how they were dealt with.

The Governance Compliance Statement of the Wiltshire Pension Fund can be found here https://www.wiltshirepensionfund.org.uk/media/6145/Governance-compliance-statement/pdf/Governance_compliance_statement.pdf?m=637506307796670000

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WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
22 May 2024

Integrated Payroll System Update

Purpose of the Report

1. To update the Board on the integrated payroll system and an update following the Council's migration of Payroll service from SAP to Oracle.

Background

2. Wiltshire Pension Fund have held regular weekly meetings with key members of the Evolve Programme and recorded full minutes and actions.
3. The Council formally migrated to Oracle from SAP following an Evolve Programme Board Meeting on 22nd April 2024 that approved the go live based on the results of the final phase of parallel running.
4. The final parallel run for the Wiltshire Pension Fund had an accuracy of 99.5%. Of those that did not match the following breakdown was provided detailing the errors identified:

Deceased or suspended in SAP	60 records
Outside of 50p tolerance	16 records
Outside of 5p tolerance	11 records

These were all manually keyed to correct prior to payment being made.

5. Payment was successfully made on 25th April to all pensioners and dependants. Altair and Oracle are now aligned.
6. Pension payslips were uploaded to the online rPowered portal on 25th April.
7. The April 2024 payment was a pro-rated amount as the pension increase was due with effect from 8th April 2024. The final step of the migration to Oracle will see a final load with the full increased amount being applied to Oracle. This will be paid from May 2024 onwards.

Issues experienced with member payments

8. Members typically receive their payslips more than one week prior to payment date. No correspondence was issued to pensioners and dependants advising the timescales would be different in April. This resulted in a large spike of phone calls and concerned pensioners and dependants.
9. Payslips were loaded to rPowered but all pensioners and dependants opting in to receive a paper payslip did not receive until after 25th April (i.e. after the statutory deadline).
10. 10 pensioners with an injury allowance had tax deducted from this element. This will be retrospectively fixed in May 2024.
11. A number of overseas pensioners advised that their payment arrived late, but we are unable to determine if this was an issue with Western Union transferring the monies.

Migration from Oracle to our integrated Payroll System

- 12. The migration to our integrated payroll system will start following the May Payroll with a cut of the Oracle payroll data being share with Heywood Technologies.
- 13. The migration will involve parallel running our integrated payroll with Oracle payroll prior to the transition. This will not be before the August 2024 payroll run.

Environmental Impact of the Proposal

- 14. Not applicable.

Financial Considerations & Risk Assessment

- 15. Not applicable

Legal Implications

- 16. There are no material legal implications from this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

- 17. There are no known implications at this time.

Proposals

- 18. The Board is asked to note the progress concerning the Evolve migration and the Integrated Payroll System.

Jennifer Devine
Head of Wiltshire Pension Fund

Report Author: Mark Briggs, Operations Manager

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

Immediate Payments Update

Purpose of the Report

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

Background

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

Issues experienced with member payments

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

7. As a consequence of these issues many payments were further delayed, noting that only critical and complainant payments had been processed via Oracle on a manual basis, and onward via the CHAPS system. The remaining backlog of some 200 payments was finally cleared by 6 December, 3 weeks after the original go-live date, meaning that some members experienced a delay of up to 6 weeks (including the original 3-week blackout period).
8. When the most urgent payments were made via CHAPS the BACs file created for loading into Oracle was not updated for all members. This meant 47 members were paid a second time, £228,257.81 was paid in error. 8 overpayments were less than £250, these payments were written off in the line with the Fund's Overpayment policy.
9. 24 members have now paid the Fund paid and 2 members are currently returning the payments in instalments. One further member has had their overpayment £271.81 written off due the member's current financial position. £150,872.16 has been paid back. 14 members have not paid back anything, however 4 of these members have been in contact and discussions regarding repayment are ongoing., one of these members disputes the double payment and we are currently investigating this. £76,266.87 is currently outstanding.
10. The Fund has now raised invoices for 12 members, the highest being, £41,445.25 and the Council's debt recovery process will now be followed. If we don't come to a satisfactory conclusion with the 4 members, we are in dialogue with the same process will be followed.
11. We would like to discuss the options available to the Fund if we are unable to recover these overpayments once the Council's debt recovery process has been exhausted and then pass these options to the Committee for consideration.
12. If the Fund is unable to recover the overpayments the Fund could be subject to a Scheme Sanction Charge for making unauthorised payments to members. This could be up to 55% of the outstanding amount.

Environmental Impact of the Proposal

13. Not applicable.

Financial Considerations & Risk Assessment

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

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

16. There are no known implications at this time.

Proposals

17. The Board is asked to endorse the proposal to discuss the options available and pass these to Committee.

Jennifer Devine
Head of Wiltshire Pension Fund

Report Author: James Franklin, Pension Administration Lead

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

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WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
22 May 2024

RESPONSIBLE INVESTMENT UPDATE REPORT

Purpose of the Report

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

Key Considerations for the Board

Progress against recent decisions and the actions in the Responsible Investment Plan 2023/24

2. Progress against the actions in the Responsible Investment Plan 2023/24 is as follows, along with links to the completed work:

Action	Work due	Progress status	Comments
Finalise the divestment statement	Q2 23		Complete – approved by Committee and included in the RI Policy 2023 (How we do it (our approach) - Wiltshire Pension Fund)
Begin work to implement the renewable infra and climate solutions portfolio	Q2 23		Significant progress made – see below
Publish the stewardship report and mini-magazine	Q2 23		Complete - Summary - Wiltshire Pension Fund
Publish the affordable housing impact report	Q2 23		Complete - Affordable Housing Impact Report 2023 - Wiltshire Pension Fund
Research and publish the cement case study	Q2 23		Complete – included in the Climate Report and online (Climate - Wiltshire Pension Fund)
Set net zero targets relating to climate solutions, transition alignment and stewardship	Q3 23		Complete – pragmatic approach taken and included in the RI Policy 2023
Set net zero targets related to property and infrastructure	Q3 23		Complete – included in the RI Policy 2023
Review and update the RI policy	Q3 23		Complete – How we do it (our approach) - Wiltshire Pension Fund
Publish an expanded Climate Report (including TCFD reporting)	Q3 23		Complete – Climate - Wiltshire Pension Fund
Conduct an engagement activity with the scheme's younger members	Q3 23		Complete - Engaging with our younger members - Wiltshire Pension Fund
Progress the approach to net zero with the Fund's listed infrastructure manager	Q4 23		Significant progress was made, and then the Fund divested from this portfolio, closing this action
Investigate carbon offsets (as both an investment opportunity and as something used by our holdings)	Q4 23		A case study has been carried out and will be published in the Fund's Climate and Nature Report 2024
Progress the water engagement via Brunel	Q4 23		Progress was made but the Fund has now withdrawn from this engagement due to resourcing issues, closing this action
Report on progress and developments against the theme of biodiversity	Q1 24		First stage done by including a section in the RI Policy 2023, two case studies

			published into regenerative agriculture and deforestation (Regenerative agriculture - Wiltshire Pension Fund and Tasty profits - investing in chocolate - Wiltshire Pension Fund) and more will be published in the Climate and Nature Report 2024
Launch a holdings transparency tool via the Fund's website	Q1 24		Complete - A Quarterly Insight into Our Equity Holdings - Wiltshire Pension Fund
Use established industry tools to investigate the theme of health in our portfolios	Q1 24		Complete - Healthy Profits Part 1 - A check up into our exposure to the theme of health - Wiltshire Pension Fund and Healthy Profits Part 2 - identifying opportunities - Wiltshire Pension Fund

3. This evidences that good progress was made throughout the year towards advancing our approach to responsible investment. Most of the actions have been (or will be) published online, demonstrating transparency and information sharing, and providing information for stakeholders.
4. The one action which has not yet been fully completed is implementation of the Climate Opportunities (Clops) portfolio. This has been due to resourcing constraints in the investments team, meaning that work has had to be carried out in a more linear fashion rather than several workstreams at once. However, in spite of this, good progress has been made, as follows:

Asset class	Allocation	Comments
Local infrastructure	£100m allocated to Wessex Gardens	£70m already drawn down into a solar portfolio
Listed equities	Subscription pending	A manager has been selected who takes a thematic approach to investing in planetary transition
Listed/private debt	£50m allocated to 91's emerging market transition debt fund	The fund will invest in both listed and private debt, targeting impact across different time horizons
Climate tech VC	£10m allocated to World Fund	The manager invests in start-up companies who are set to deliver material carbon reduction
Nature-based	Pending	

5. Other responsible investment achievements throughout the year include the following:
 - Our COP28 campaign explained our approach to members with an informative factsheet, and was read by c.13k people.
 - The Fund won several awards, specifically the LAPF Investment Awards 2023 award for "Best Approach to Responsible Investment", and the 2023 Pensions for Purpose awards for "Best Climate Change Member Communication" and "Impact Investing Adopter Award".
 - Officers at the Fund have been invited to speak at several conferences/round tables/podcasts etc. about the Fund's approach, and there has been a lot of positive publicity for the investments in Clops.
 - A large survey of the Fund's membership was carried out on responsible investment matters, the results of which were deeply informative, and can be found here: [Responsible Investment Survey 2024- The Results! - Wiltshire Pension Fund](#)
 - The Fund maintained signatory status of the Stewardship Code 2020.

Responsible Investment Road Map for 2024/25

Q2 2024 -

Investments and strategy: Complete allocations to a nature-based fund and listed equities strategy in the Clops portfolio.

Reporting and disclosure: Publish the Stewardship Report and mini-magazine, the Affordable Housing Impact Report, and a report into our fossil fuel holdings.

Training and engagement: Research and write up case study on fashion holdings, conduct a site visit to an affordable housing development, and deliver a younger members focus group.

Q3 2024 -

Investments and strategy: Carry out climate scenario modelling. Review and update the Responsible Investment Policy.

Reporting and disclosure: Publish a Climate and Nature Report, and a Social Impact Report.

Training and engagement: Conduct an employer survey, and a case study into one of our private markets managers.

Q4 2024 -

Investments and strategy: Investigate best practice ESG integration for bank loans, and make the final affordable housing allocation.

Reporting and disclosure: Develop the transparency tool to cover fixed income holdings, and publish a case study into "levelling up" investments.

Training and engagement: Research and write up a case study into food systems. Investigate the topic of ESG as a risk management tool in private debt.

Q1 2025 -

Investments and strategy: Investigate climate targets for private markets portfolios.

Reporting and disclosure: Scope the Clops Impact Report.

Training and engagement: Research and write up a case study into a just transition.

6. The roadmap for 2024/25 as approved by the Committee is shown above. It is too early in the year to report progress against this roadmap, but work has already begun on several of the actions.

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

8. There are no known implications at this time.

Proposals

9. The Board is asked to
 - use this report as a basis for monitoring the progress that is being made towards implementing responsible investment policy;

Report Author: Jennifer Devine (Head of Wiltshire Pension Fund)

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

WILTSHIRE COUNCIL
WILTSHIRE LOCAL PENSION BOARD
22nd May 2024

Employer Covenant Risk Policy

Purpose of the Report

1. The purpose of this report is to present to Wiltshire Local Pension Fund a new policy namely the Employer Covenant Risk Policy. The Board is asked to consider and approve the proposed policy (see Appendix).

Background

2. The Fund has not had a formal policy on employer covenant risk management previously and it has been identified that this is now required.
3. The Fund's Employer Funding and Risk Lead has been working with the Fund actuaries Hymans Robertson on the drafting of the proposed Employer Covenant Risk Policy to ensure it meets the needs of the Fund and its Scheme employers.
4. Officers have consulted with Fund employers on the draft policy, with the consultation opening on 22nd February 2024 and ending on 22nd March 2024.

Considerations for the Committee

5. The Fund's new policy aims set out the Fund's approach to assessing employer covenant risks and the impact of employer risks within the funding strategy.

6. The key sections of the new policy are:

3.1 Initial employer risk categorisation – each employer will initially be assessed based on their tax-raising powers or if a government guarantee applies or not

3.2 Identifying covenant risks – the employers ability to make contributions, likelihood of exit and outcomes in an exit e.g. current deficit amount

3.3 Assessment and monitoring of risks – The Fund will carry out a risk profiling exercise, carry out further analysis of financial metrics, may seek the use of a covenant specialist and categorise employers into high, medium and low based on their covenant assessment.

3.4 Frequency of monitoring – triennially unless an employer is a high risk employer, changes in economic or regulatory environment or approaching exit whereby they will monitored more frequently.

3.5 Risk mitigations and impact on funding strategy – securities, guarantees, insurance, termination/cessation policy and contribution policy

7. The Employer Funding and Risk Lead will give a verbal update at the Board on the feedback received from employers.

8. The Employer Covenant Risk Policy was also presented to Pension Committee on 28th March 2024 and was approved subject to Local Pension Board review and approval as appropriate. Once approved, the policy would be implemented thereafter.

Environmental Impact of the Proposal

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

Financial Considerations & Risk Assessment

10. In general, the new policy proposed is aimed at reducing the risk to Fund and setting a formal covenant monitoring process in place.

Legal Implications

11. There is currently no legal requirement to produce an Employer Covenant Risk Policy, but the application of a policy reduces the risk of significant legal costs needing to be incurred upon an employer ceasing unexpectedly or failing to maintain their liabilities in the Fund.

Safeguarding Considerations/Public Health Implications/Equalities Impact

12. There are no known implications at this time.

Reasons for Proposal

13. To ensure that the has an employer covenant policy in place including outlining the approach to assessing and monitoring the employer risk.

Proposal

14. The Board is asked to approve this Employer Covenant Risk Policy, and seeks from Officers such clarifications or further information as they require.

Matt Allen
Employer Funding and Risk Lead

Report Authors: Matt Allen, Employer Funding and Risk Lead

Unpublished documents relied upon in the production of this report: Draft Employer Covenant Risk Policy (See Appendix)

Wiltshire Pension Fund

Policy on Employer Covenant Risk

Effective date of policy	
Date approved	
Next review	

1 Introduction

The purpose of this policy is to set out the administering authority's approach to assessing employer covenant risks and the impact of employer risks within the funding strategy.

1.1 Aims and objectives

The administering authority's aims and objectives related to this policy are as follows:

- To set out the framework within which the Fund seeks to identify, assess, monitor and mitigate employer risks.
- To provide employers with an outline of factors that will be considered in determining funding strategy, to ensure each employer is treated fairly and with respect to their own circumstances.

1.2 Background

The key risks to the Fund are detailed in Appendix C of the Funding Strategy Statement (FSS). Taking a holistic view on these risks is essential to meeting the Fund's objective of long term sustainability and paying member benefits. Assessing and monitoring employer covenant risk forms part of a robust integrated risk management framework.

The Pensions Regulator defines employer covenant as "*the extent of the employer's legal obligation and financial ability to support the scheme now and in the future*".

Each employer in the Fund presents a different degree of covenant risk to the Fund. If an employer defaults on its obligations to the Fund, the cost is spread amongst the remaining employers. Employer insolvency or cashflow issues can also present the Fund with potential operational or liquidity risks.

To provide protection to all stakeholders (and fairness to employers), it is important to assess and monitor covenant risks, providing mitigation where possible.

1.3 Guidance and regulatory framework

[Part 3 of Schedule 2](#) (para 6) states the requirement for an admission body to carry out *an assessment, taking account of actuarial advice, of the level of risk arising on premature termination of the provision of service or assets by reason of insolvency, winding up, or liquidation of the admission body*.

As set out in Section 5.5 of the FSS the administering authority may require the admission body to provide security, such as a guarantee from the letting employer, an indemnity or a bond.

The Pension Regulator code sets out further [guidance](#) on schemes assessing and monitoring covenant and that covenant should be considered when setting funding strategy.

2 Statement of principles

This statement of principles covers the Fund's approach to employer risk management. The Fund maintains discretion over the application of this policy, but in general:

- Employer risks will be assessed upon a new admission body joining the Fund and may require the body to provide a form of security against certain risks.
- The administering authority will seek to maintain up to date records of security and participation status (eg contract length, guarantors etc.) which may require employers to provide data on request of the administering authority.
- Employer covenant will be assessed triennially as part of the formal valuation, or more regularly depending on the nature of the employer risks or other circumstances.
- Employers may be required to provide financial or management data to support the Fund in carrying out covenant assessments.
- Where data is provided late, or not at all, the Fund may determine that the employer's covenant is weaker.
- Employer covenant may be used as a factor in determining employer funding strategy, which may result in an employer paying a higher or lower contribution rate.

3 Policy

3.1 Initial employer risk categorisation

There are various employer types that participate within the Fund from different sectors. These can be broadly categorised by those which have tax-raising powers or a government guarantee and those that do not.

Category A (lower risk)

- Local authorities including Police and Fire
- Academies (including multi-academy trusts)

Category B (higher risk)

- Colleges & Universities
- Charities
- Housing associations
- Town & Parish councils
- Contractors*

*Contractors with a guarantee from a Category A employer may be viewed as lower risk as the awarding authority would act as guarantor of last resort.

Note that the above would be an initial categorisation and subject to change following completion of the steps outlined in the remainder of section 3 of this policy.

3.2 Identifying covenant risks

The key employer covenant risks for the Fund to consider are:

1. Ability to make contributions – financial constraints leading to non-payment or underpayment of regular contributions.
2. Likelihood of exit – events leading to termination of the admission, as detailed in Section 7.1 of the FSS.
3. Outcomes in an exit – current pension deficit (on the employer's exit basis) relative to their financial strength. Other considerations include potential additional costs such as redundancy strains.

The administering authority will seek to assess and monitor these risks for each employer, and provide mitigation where possible. Although the primary concern is the default risk posed by (3), the administering authority is also concerned with risks associated with (1) and (2) to protect against other operational risks such as administration and cashflow management.

3.3 Assessment and monitoring of risks

To assess and monitor the risks identified under 3.2, the administering authority will do the following:

1. Maintain an up to date employer database, including key information on contract end dates, guarantors, and other forms of security. Employers may be asked to provide or check information is accurate at regular intervals (eg annually).
2. The administering authority will carry out a pension risk profiling exercise which focuses on quantitative pension risk metrics such as number of active employees, contract period, current deficit on exiting basis, deficit gearing (deficit vs payroll), initial risk categorisation (per 3.1). This exercise will be carried out triennially as part of the formal valuation process.
3. For any employer identified as potentially higher risk under (2), the administering authority will carry out analysis of key financial metrics (past and projected). The employer may be asked to provide data where necessary including completing a questionnaire (with information on cashflow projections, debt facilities, creditors and other financial constraints). This exercise will be carried out triennially as part of the formal valuation process.
4. The administering authority may also request that a covenant specialist carry out further analysis of specific employers or sectors to inform the covenant assessment. This work would consider both quantitative and qualitative analysis, including assessment of governance structures, management and exposure to climate related risks.
5. Based on the analysis carried out under (1-4), the administering authority will categorise employers into three risk categories, high, medium and low (or Red, Amber, Green), based on their covenant assessment.
6. Employer categorisation will be shared with employers and management will be encouraged to engage with the administering authority on the results and funding strategy implications (see Section 3.5).
7. The administering authority may change the risk categorisation after engaging with employers and/or being able to evidence stronger covenant. This could include the provision of additional information by the employer, or carrying out a full covenant assessment by a covenant specialist (depending on the circumstances the employer may be required to pay for the cost of this assessment).
8. Where financial data is provided late, or not at all, the Fund may determine that the employer's covenant is weaker.

9. Where an employer can provide any additional form of security (such as security over an asset), the administering authority may view the employer covenant to be stronger.

3.4 Frequency of monitoring

A full review of employer covenant will be carried out triennially as part of the formal valuation process. More regular updates may be required depending on circumstances, including:

- **Employer database** - will be reviewed annually to ensure the information is accurate and up to date. This will include a review of bond status and employers may be required to provide evidence that forms of indemnity remain in place and are up to date.
- **Higher risk employers** - may be asked to provide financial information via a questionnaire annually, as part of an annual review process. If there is judged to be a material change in covenant there is provision for contributions to be reviewed in line with the fund's contribution review policy (see [Wiltshire Pension Fund policies](#))
- **Employer approaching exit** - such as employers with contracts due to end before the next formal valuation, or those with few active members will be monitored more regularly. The administering authority will monitor these employers annually (or more frequently) using pension risk metrics, including monitoring the active membership and the funding position on the employer's exit basis. The administering authority will continue to engage with these employers as they approach exit to help manage the exit and ensure the employer is aware of their pension obligations and the exiting process.
- **Changes in economic or regulatory environment** – may require the administering authority to carry out ad-hoc reviews of employer covenant - recent examples include the Covid-19 pandemic or the reclassification of colleges.

3.5 Risk mitigations and impact on funding strategy

The Fund will seek to manage employer risks appropriately to protect stakeholders and ensure fairness to employers. Forms of risk management include:

- **Provision of security** – as outlined in Section 5.5 of the FSS, the administering authority will seek to obtain a form of security from bodies upon admission. Some employers may also provide security (such a charge over an asset) during their participation to evidence stronger covenant and enable more flexibility in funding strategy. As part of ongoing risk assessments, the Fund will also seek to ensure that bonds and other forms of security are up to date and maintained for the appropriate level of indemnity.
- **Guarantees** – certain employers participating in the Fund may have a guarantee from central government, a parent company or another employer within the Fund. The administering authority will seek to ensure that information relating to these guarantees is accurate and up to date. This may require employers to provide evidence such as risk sharing agreements or a copy of guarantees.
- **Insurance** (and other forms of risk transfer) - where appropriate, employers (or the Fund on behalf of employers) may also take out insurance against certain risks (such as ill health early retirements).
- **Termination policy** – employers with no guarantee will exit the Fund on the Fund's cessation basis (as described in Appendix D5 of the FSS). Where an employer is seeking to enter into a post cessation funding arrangement (such as a deferred debt arrangement), the Fund will consider the employer's covenant in agreeing to or in setting the terms of the arrangement.

- **Contribution policy** – while participating in the Fund, the administering authority will consider employer covenant when determining funding strategy and the level of employer contributions (and any flexibilities afforded).
 - **Funding target** – contributions may be set to target full funding on an employer’s cessation basis, to minimise the risk of underfunding on exit. Where a higher risk employer is approaching exit (eg few active members or approaching contract end date), the administering authority may begin to transition the funding target towards the exit basis.
 - **Time horizon** – a shorter funding time horizon may be adopted for higher risk employers when setting contributions.
 - **Likelihood of success** – a higher likelihood of success may be adopted for higher risk employers when setting contributions.
 - **Contribution flexibility** – employer covenant will be a factor when considering contribution flexibility, such as phasing of contribution increases or whether a reduction in contributions as a result of any funding surplus can be allowed. For example, employers with weaker covenant may be required to pay a minimum of the Primary Rate (cost of accruing benefits).

The administering authority will aim to provide all employers with a clear framework of how employer risk categorisation will be used in setting funding strategy, as detailed in section 2.2 of the FSS. However, the Fund has ultimate discretion over the application of this policy and associated funding strategy.

4 Related policies

The fund’s approach to setting regular employer contribution rates is set out in the Funding Strategy Statement, specifically “Section 2 – How does the fund calculate employer contributions?”.

The treatment of new employers joining the fund is set out in the in the Funding Strategy Statement, specifically “Section 5 – What happens when an employer joins the fund?”

The treatment of employers exiting the fund is set out in the in the Funding Strategy Statement, specifically “Section 7 – What happens when an employer leaves the fund?”

[Wiltshire Pension Fund policies](#)

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LOCAL PENSION BOARD - WORK PLAN 2024-25

Meeting:	LPB Term of Reference item
GOVERNANCE - Board Specific	
Election of Vice Chair	42
Board Annual Report	85
Board Budget setting	78
Review Board's Terms of Reference (if and as required)	81g
TPR General Code of Practice plan and self-assessment	80b
Board Annual Training Plan Update (To include Member training policy)	80i
Member Training review	80i
Effectiveness review	81g
Training Item relevant to agenda	80i
Code of Conduct & Conflicts of Interest Policy (Review all Fund Declarations of Interest)	80d
Review Actions from previous meetings	n/a

Forward Work Plan Review	87
GOVERNANCE - Fund Specific	
Review of Risk Register	81e
Fund update & comments on minutes of the Pension Fund Committee	80a
Review Governance Compliance Statement	80d
This should consider the Fund's internal escalation strategy and breach reporting.	80b
Scheme Legal, Regulatory & Fund update	n/a
Review service providers, both internal & external. Include advisor appointments, processes, controls & SLAs	81b
Input into and monitor External & Internal Audit Reports	80k & 81d
GOVERNANCE - Fund Plans, policies & strategies	
Review Business Plan (To include KPI Improvement Plan)	80d
Review Pension Administration Strategy	80d
Review Communication strategy	80e
TPR Breach Policy	80d

Review Compliance with FRC stewardship code	80d
Review Investment Strategy Statement	80d
Review Fund "Responsible Investment Strategy"	80d
Review the Fund's Annual Report & Accounts	80l
Review Admin Charging Policy	80d
Review Admin Authority Discretions	80j
Review Cessations policy	80d
Review Funding Strategy Statement	80d
New Employer Admissions Policy	80d
ADMINISTRATION	
Payroll migration, i-Connect & Members Self-service update	80b
Receive an annual report of an complaint & IDPR cases, including a review of the Fund's procedures	80f, 80g & 80h
Review of Cyber, Data Security & Business Recovery	80b

Review of Payroll	81a
Board KPIs to monitor	81a
Benchmark KPIs in Annual Report & Accounts information with other Funds	80f
Review of Annual Benefit Statement and Pension Saving Statement processes	81a
Strategic Project reviews	81a
Review employers compliance (data)	80c
FUNDING & INVESTMENTS	
Review Triennial Valuation Process	n/a
Review Triennial Valuation Results	81f
Brunel Governance review	81g
Pension Fund budget outturn	81c
Treasury Management Strategy	81c
Cost transparency of BPP, Managers & the Custodian	81c
Review Investment performance against Fund's benchmarking criteria	81a

Total number of Agenda Items:

Description of scope as defined by the LPB ToR	22/05/24	15/08/24	07/11/24
Appointments made as defined in the Board's Term of Reference			
Recommendation under the legislation	✓		
Review & recommend to the Committee the budgetary requirements for the Board during the next Scheme year			
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.			✓
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.			✓
Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.	✓		
Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.			
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.			
Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.	✓	✓	✓
Review such documentation as is required by the Regulations including the Single Code of Practice and Good Governance Review			
Maintained by officers to enable Members manage their responsibilities	✓	✓	✓

Maintained by officers to enable Members manage their responsibilities	✓	✓	✓
Review the risk register as it relates to the scheme manager function of the Administering Authority	✓	✓	✓
Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.	✓	✓	✓
Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.			✓
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.		✓	
A summary for Board members the latest legal, regulatory and Fund issues affecting the Pension Fund	✓	✓	✓
Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.			✓
Recommend to Committee the audit scope & timetable to be commissioned in the next Scheme year & Monitor internal and external audit reports	✓	✓	✓
Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.		✓	
Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.		✓	
Review scheme members and employers communications as required by the Regulations and Relevant Legislation			✓
Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.		✓	

Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.			
Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.		✓	
Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.		✓	
Review draft accounts and Fund annual Report		✓	
Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.			
Review the complete and proper exercise of employer and administering authority discretions			
Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.			
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Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.			
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.			✓
Monitor complaints and performance on the administration and governance of the scheme & review the Internal Dispute Resolution Process & Pensions Ombudsman cases	✓		
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.			✓

Monitor performance of administration, governance and investments against key performance targets and indicators		✓	
Monitor performance of administration, governance and investments against key performance targets and indicators	✓	✓	✓
Monitor complaints and performance on the administration and governance of the scheme			
Monitor performance of administration, governance and investments against key performance targets and indicators			✓
Monitor performance of administration, governance and investments against key performance targets and indicators			✓
Review the compliance of scheme employers with their duties under the Regulations and Relevant Legislation			✓
Consider how the whole valuation exercise will be executed & what recommendations may be made to the Committee			
Review the outcome of actuarial reporting and valuations			
Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness and efficient operation and governance of the Fund.	✓	✓	✓
Monitor investment costs including custodian and transaction costs.	✓		
Monitor investment costs including custodian and transaction costs.		✓	
Monitor investment costs including custodian and transaction costs.		✓	
Monitor performance of administration, governance and investments against key performance targets and indicators			
	13	19	19

11/02/25	No expected review in 2024/25	May '25	Guidance comments
			Comments
✓			Annual appointment
		✓	Draft submission to the Board for their approval
✓			Review in conjunction with the Look Forward plan in order to anticipate future costs
			This review should be in conjunction with the Committee's ToR review and other strategic documents to ensure continuity. Lasted reviewed in July 2020.
		✓	The self-assessment to be independently audited in 2025/26. Replaces tPR Code of Practice 14.
			To be completed each Scheme year for subsequent inclusion in the Board's Annual Report & the Fund's AR&A.
✓			To review the strategy for Committee and Board member training. Plus, consideration of the 4 year training plan last approved on 16/12/2021.
	Not expected		Four year plan last prepared for the Board in November 2022. The LPB should periodically compare itself against its own core functions.
✓		✓	Aligned with the Member's annual training plan
	Not expected		Three year review last approved February 2024. Annual reviews should be undertaken by Democratic Services in each Q4
✓		✓	Addressed primarily during pre-meeting planning meetings

✓		✓	Annual reviews to be undertaken in Q2
			Comments
✓		✓	Quarterly review. Recommendations are made to the Committee, via LPB minutes and HAM Report.
✓		✓	In addition to the Fund's operationally based risk register, Members should use the minutes to identify risks for incorporation into the register
			Five year plan last approved on 30/03/2021. To form part of the changes arising from the Good Governance review.
			Three year plan last raised with the Board on 17/02/2022. To be reviewed again in line with the General Code of Practice and SAB Good Governance Review.
✓		✓	Quarterly update by the Head of Wiltshire Pension Fund
			Committee requested the Board annually review advisors & services providers.
✓		✓	Committee to liaise with the Audit Committee concerning the scope of Council's AR&A's and SWAP audits. Ensure audit recommendations are actioned.
			Comments
✓			Business plan 24/27 approved on 28/03/2024. KPI Improvement Plan approved on 14/12/2023 6 monthly checkpoints
			3 year plan last approved on 28/07/2022
			3 year plan last approved on 16/12/2021. E-communication strategy update and customer service assessment
			Last reviewed on 17/02/2022. To review as part of new TPR GCOP requirements

✓			Last approved on 28/03/2024. Annually - Consider TCFD requirements as part of the process
			Annual review. last approved on 02/03/2023 (Ensure inclusion of MiFID II arrangements)
			To be reviewed in conjunction with the Investment Strategy Statement. To cover Climate Change Statement. To also cover topical changes on policy relating to BPP & ESG
			To ensure CIPFA compliance requirements have been applied
	Not expected		3 year plan last approved on 28/07/2022
	Not expected		3 year plan last approved in 28/03/2024
	Not expected		3 year plan last approved in 13/07/2023.
	Not expected		3 year plan last approved on 17/11/2022. Next Fund Valuation 31/03/2025
	Not expected		3 year plan last approved in 13/07/2023.
			Comments
			Present as part of a Fund digital platform update. Progress report on take up and functional developments
		✓	Covered in Low Volume Performance Report.
			Report sets out the arrangements in place & when they were last tested. Includes annual BCP review.

			Annual update on payroll administration following the PI exercise. To include reconciliations, cashflows and certificate of existence exercises
✓		✓	Quarterly Administration performance reporting. Including outsourced backlog KPIs
✓			Annual Report & Accounts must be disclosed each 1st December
			Percentage issued, action plan to issue outstanding ABSs & process improvement review
		✓	Regular updates on strategic projects, for example McCloud and the Pensions Dashboard
			Ideally incorporate with ABS review process & update on Fund's Data Improvement Plan. Statistics on Employer Report Cards
			Comments
✓			Next valuation currently due 31/03/2025
	Not expected		Verify that the FSS, ISS & Valuation results are consistent
✓			To receive an annual update on Brunel governance and operational issues
		✓	To receive a monitoring update on the Fund's actual expenditure against its budget for the previous Scheme Year
		✓	Annual review, including cashflow forecasting and preferred bank account maintenance (Last reviewed 23/03/2023)
			Annual review presented in conjunction final Annual Report & Accounts.
✓			To be presented in conjunction final Annual Report & Accounts

17		14
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