

AGENDA

Meeting: Local Pension Board
Place: The Usher Suite, Trowbridge Civic Centre, St Stephen's Place,
Trowbridge BA14 8AH
Date: Thursday 15 March 2018
Time: 2.00 pm

Please direct any enquiries on this Agenda to Libby Johnstone, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718214 or email libby.johnstone@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:

David Bowater
Cllr Richard Britton
Lynda Croft
Sarah Holbrook

Mike Pankiewicz (Vice-Chairman)
Howard Pearce (Chairman)
Barry Reed

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Public Participation

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

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

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

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

PART 1

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

1 **Welcome** **2:00pm**

To welcome those present and note any changes to the membership of the Board.

2 **Apologies**

To receive any apologies for absence.

3 **Minutes** (*Pages 7 - 22*)

To confirm as a true and correct record the minutes of the previous meeting held on 18 October 2018.

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

4 **Declarations of Interest**

To receive any declarations of disclosable interest.

Board Members' Registers of Interest are available [here](#), members are reminded to review their Rol on a regular basis and report any changes to Democratic Services.

5 **Chairman's Announcements**

To receive any announcements through the Chairman.

6 **Public Participation and Councillors Questions**

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 **8 March 2018** 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.

7 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee** *(Pages 23 - 30)*

To consider the Part 1 (public) minutes, and any recommendations arising, from the Wiltshire Pension Fund Committee held on 23 November 2017, and to receive a verbal update from matters discussed at the Pension Fund Committee meeting held on 15 March 2018.

8 **Training Item: WPF Annual Reporting Requirements** *(Pages 31 - 36)*

The Head of Pensions Administration and Relations will present a training session providing an overview of Wiltshire Pension Fund's annual reporting requirements.

9 **Annual Business Plan Update** *(Pages 37 - 46)*

An update from the Head of Pensions Administration and Relations on the progress of implementing items on the Annual Business Plan.

10 **Local Pension Board Budget** *(Pages 47 - 48)*

A report to outline the proposed revised LPB Budget which will be approved as part of the Wiltshire Pension Committee meeting in the morning.

11 **Scheme Legal, Regulatory and Fund update** *(Pages 49 - 56)*

A report provides an update on the latest Scheme, Legal, Regulatory and Fund developments for the Board's information.

12 **Pension Fund Risk Register** *(Pages 57 - 64)*

A report presents the current Risk Register for the Wiltshire Pension Fund for review by the Board.

13 **Administration Key Performance Indicators** *(Pages 65 - 70)*

A report presents the Fund's administration Key Performance Indicators for consideration.

14 **Review of the LPB Code of Conduct and Conflict of Interest Policy** (Pages 71 - 86)

A report proposing a renewal of the above policy is presented for the Board to consider.

15 **Governance Compliance Statement** (Pages 87 - 94)

A report presents the current Governance Compliance Statement for comment, prior to consideration by the Wiltshire Pension Fund Committee.

16 **How did the Board do?**

The Chairman will lead a discussion on how the meeting went and request feedback on how the Board could be developed, and for members to feedback any relevant updates.

17 **Urgent items**

Any other items of business which, in the opinion of the Chairman, should be considered as a matter of urgency. Urgent items of a confidential nature may be considered under Part II of this agenda.

18 **Date of next meeting and Forward Plan**

The next meeting of the Board will be held on 18 April 2018 other future dates can be found [here](#).

19 **Exclusion of the Public**

To consider passing the following resolution:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Numbers 20-22 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

PART II

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

20 **Brunel Pension Partnership Update**

A verbal update on the progress of the Brunel Pension Partnership implementation will be provided by the Interim Investment

Manager.

21 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee and Investment Sub Committee** *(Pages 95 - 110)*

To consider the Part 2 (Confidential) minutes, and any recommendations arising, from the Wiltshire Pension Fund Committee and Investment Sub Committee meetings held on 23 November 2017 and 21 February 2018. A verbal update of the Wiltshire Pension Fund Committee meeting held on 15 March 2018 will also be provided.

The minutes of the recent meeting of Brunel Oversight Board are also attached to this agenda.

22 **Minutes** *(Pages 111 - 120)*

To confirm the Part 2 (confidential) minutes of the meeting held on 18 October 2017.

LOCAL PENSION BOARD

PART 1 MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 18 OCTOBER 2017 AT THE KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN.

Present:

David Bowater, Lynda Croft, Sarah Holbrook, Mike Pankiewicz (Vice-Chairman) and Howard Pearce (Chairman)

Also Present:

Peter Riedel and Michael Hudson (Treasurer)

55 Membership

There were no changes to the membership of the Board.

56 Attendance of non-members of the Board

Peter Riedel (Hymans Robertson) was in attendance.

57 Apologies

Apologies for absence were received from Barry Reed and Cllr Richard Britton.

58 Minutes

Members reviewed the minutes of the previous meeting and the Board's action log. The Chairman requested the deadline for action 4.7 be changed to January 2018 as the Governance Compliance Statement would be reviewed at this point. It was also requested action 7.20 requiring a benchmarking exercise against training completed by other funds to be put against a deadline of July 2018.

Resolved:

To confirm the minutes of the meeting held on 13 July 2017.

To amend deadlines on the Action Log as follows:

- **3.5 deadline changed to June 2018**
- **4.7 deadline changed to January 2018**
- **7.20 deadline changed to July 2018**

59 Declarations of Interest

David Anthony, Head of Pensions, declared for transparency purposes in respect of agenda item 22 he was to leave the Wiltshire Pension Fund at the end of November to take up a position at Brunel Pension Partnership.

The Chairman reminded members to review their Register of Interest and professional bio on the Fund's website.

Resolved:

That members review their Register of Interest and professional bio.

60 Chairman's Announcements

The Chairman reminded members the Fund's Investment Away Day was to be held on 1 November, and also a Brunel Pension Partnership Engagement Day had been organised for 15 November. Members were also encouraged to inform officers of attendance at training events so this could be included in their training record.

A question was raised as to whether it was appropriate for school and/or college governors to attend training events provided to those employers, in response to which the Head of Pensions advised he would explore individual training requirements with the specific employers concerned.

61 Public Participation and Councillors Questions

There were no members of the public present.

62 Minutes, Key Decisions, and Annual Report of the Wiltshire Pension Fund Committee

The minutes of the Wiltshire Pension Fund Committee meeting held on 27 September were circulated to members, alongside the Fund's Annual Report.

Resolved:

To note the minutes and key decisions of the Wiltshire Pension Fund Committee meeting held on 27 September and the Fund's Annual Report 2016-17.

63 **Training Item: Fraud Prevention and Mitigation**

Pete Riedel provided an overview of fraud prevention within the LGPS and Wiltshire Pension Fund. It was explained that whilst there could be genuine mistakes from both members and the Fund in respect of data provided, measures were in place to try and prevent fraud. Key focus of fraud prevention was on: cyber-fraud, fraud by scheme members, and fraud committed by employees working for the Fund. On a national level, the National Fraud Initiative encouraged members to submit accurate information to the Fund, particularly in relation to the death of a member or dependant. Within the Fund itself the Governance Compliance Statement, Scheme of Delegation, Breaches of the law policy, Mortality screening, internal controls, Overpayments policy, Contribution Framework, Risk Register, Administration Strategy and both internal and external audit worked to mitigate fraud. The impact of the forthcoming General Data Protection Regulations in May 2018 was discussed, and it was understood the Fund was working with the Council's Information Governance team to establish measures the Fund should take to prepare for the new regulations.

Following questions, it was confirmed the Fund safeguarded against fraudulent investments by employing an external auditor and custodian to check on investments held. Similar arrangements would also be in place for Brunel Pension Partnership. It was noted scheme members were at risk of being tricked into transferring out of the Fund and making poor investments by rogue companies, the Fund warned members against transferring out of the Fund, however was not able to stop them. In respect of employer members in the Fund, it was noted they had a requirement to ensure accurate employee records were submitted to the Fund.

The Board thanked Pete Riedel and David Anthony for the presentation and noted that robust procedures were in place to mitigate fraud.

Resolved:

To note the training on Fraud prevention and mitigation.

To note the fraud detection and prevention safeguards currently utilised by the Fund and highlighted within the report

64 **Scheme Legal, Regulatory and Fund update**

A report provided an update on the latest Scheme, Legal, Regulatory and Fund developments for the Board. Two items which were categorised as high risk were the implementation of the General Data Protection Regulations in May 2018 and the Markets in Financial Instruments Directive II. In preparation for the GDPR the Fund was developing a project plan to ensure its data controller and data processor practices were compliant with the new regulations and was

sharing best practice with other funds to ensure its practice was pension-specific. In response to MiFid II the Fund was in the process of opting up to 'professional' investor status and had sent letters to its investment managers.

The Chairman advised the Scheme Advisory Board survey on the operation of Local Pension Boards had received a low response, therefore the deadline had been extended. The survey results were now expected in December.

Resolved:

To note the Scheme, Legal, Regulatory and Fund update and changes highlighted within the report.

65 Risk Register Update

A report presented the Risk Register of the Wiltshire Pension Fund and members noted two risks had increased since the last report: PEN009 Failure to Hold Personal Data Securely and PEN023 Resources of Officers and Members to Meet the Expansion of Business Items. PEN009 had risen from green to amber to reflect the increasing importance of prioritising resources to ensure the required changes to processes and documentation were implemented ahead of the new General Data Protection Regulations. PEN023 had risen from amber to red to reflect the risk posed by the resignation of the Head of Pensions following the departure of the Strategic Pension Manager.

In addition to these two changes, current staffing levels meant PEN011 Lack of Expertise of Pension Fund Officers, PEN012 Over-reliance on Key Officers and PEN020: Pooling of LGPS assets all remained red risk. The Head of Pensions addressed risks arising from staffing, explaining that job adverts for the Head of Pensions Administration and Head of Pensions Investments were soon to be posted and there was to be restructure in the wider team, with a net increase in two posts. The Head of Investments would then oversee the Fund's transfer of assets into Brunel Pension Partnership.

The Board noted the processes in place to prepare for the implementation of GDPR and understood the Fund was undertaking self-assessment to identify whether it would be compliant with the new regulations. The reporting currently indicated 95% of Fund data was compliant.

Resolved:

To note the Risk Register and measures being taken to mitigate risks, and report on WPF compliance with GDPR to be presented to its April 2018 meeting.

66 Administration Key Performance Indicators

A reported presented the Fund's administration Key Performance Indicators which had been developed following a commitment in the Business Plan to assist performance reporting, and also in line with the Pensions Regulator's increased focus on the governance of public service pension schemes. The KPIs identified that Active to Retirement cases had seen a fall each quarter in meeting the target timeframe due to resourcing issues. Refund of contributions had also seen a fall in terms of meeting targets, the main reason for this was that Pension Assistants had primarily focused on processing leavers to Deferred status ahead of the Annual Benefit Statement (ABS) exercise.

Officers would consider these matters as part of the review of pension team staffing to ensure a better balance of resources at the correct levels to address the targets in the KPIs. Comments from the Board included it could be useful to compare performance and costs with other funds. It was confirmed the costs were compared in the CIPFA benchmarking report, however performance comparisons were difficult to make as they were not like for like. The Chairman mentioned that inter-fund transfers were low relative to the target and this was perhaps an area to monitor in the future.

Resolved:

To note the Fund's performance against its Key Performance Indicators and that future reports would include performance against legally defined deadlines.

67 External and Internal Audit Update

A report outlined the outcome of the 2016-17 external audit, the developments in the appointment of the new external auditors, along with an update on the proposed 2017 internal audit plan. The Board understood that no issues had been identified from the KPMG external audit and the Fund's external auditor for 2017-18 was to be appointed via a national contract, although the outcome of the tender process had yet to be announced.

The Board suggested the Fund's internal audit plan include a check against the Pensions Regulator Code of Practice 14 checklist.

Resolved:

To:

a) note the attached Final Audit Report;

b) note the verbal update on the appointment of the Fund's external auditor; and

c) recommend to officers the Fund be audited against the Pensions Regulator Code of Practice 14 as part of the 2018 internal audit plan.

68 Guaranteed Minimum Pension (GMP) Project update

A report provided an update on the progress of the Fund's GMP Project reconciling members' records with those of HMRC. The process needed to be completed by December 2018 and two Data Quality Analysts had been appointed for this project. Some records were on HMRC's list but not on Wiltshire Pension Fund records and the various reasons for this were outlined in the report, for instance due to National Insurance number mismatches. Until December 2018 the Fund would be able to challenge the GMP values where it believed discrepancies were the result of HMRC errors, after this date, no further challenges would be accepted.

The Head of Pensions updated the Fund was progressing well with the project, however the reconciliation would take time due to the period needed for HMRC to respond. The Board commented it was pleased with the progress of the project. In response to questions, it was highlighted that once the December 2018 deadline had passed the Fund would be left with any mismatches of information, and therefore liabilities, it had not reconciled. Following the reconciliation project, HMRC would write to members of the LGPS to advise them of the GMP exercise, the Board members noted this could cause an increase in queries to the Fund.

The Chairman recommended that risks to the Fund as a result of the GMP reconciliations be reviewed in December 2018.

Resolved:

To note the progress of the GMP reconciliations project and request any risks arising for the Fund be reviewed in December 2018.

69 Annual Benefit Statement Publication Review

A report presented the outcome of the Annual Benefit Statement Exercise for 2017 and identified the statements had been issued ahead of the statutory deadline. The design of the statement had been simplified this year, which made it easier to circulate on time, however the new format had received a negative response from some members. The Head of Pensions however highlighted that in previous years a more glossy design of the statement had been criticised by some members as unnecessary. In the future the Fund hoped to publish the statement online, giving officers longer to prepare it and more ability to improve the design with lesser cost.

Feedback from the employer member representatives included that when the Fund had been contacted about members' ABS, the staff had been very

responsive to queries. The Chairman noted the amount of incomplete data received from employers was less than in other funds, however recommended the following year that data be reviewed and employers be contacted if they had not submitted the correct data within three years.

Resolved:

To note the report on the publication of the Annual Benefit Statement.

To request that in 2018 if employers have not submitted complete and correct data to the Fund over a three year period, they be contacted to investigate the route cause, and if there is no resolution, consideration be given to reporting them to the Pension Regulator.

70 **Employers Contributions Review**

A report updated the Board on the employer contributions monitoring process and proposed changes currently being implemented. The legal requirements of the Pensions Regulator Code of Practice No.14 in respect of contributions were outlined, and the current rates of late contributions for the Wiltshire Pension Fund were detailed. Late contributions were reducing for the Fund, and of those, most were received within the month. Officers explained the Fund required a robust internal control system in place to monitor contributions now an increasing number of employers were within the Fund. The Fund was investing more into monitoring late contributions and providing a clear process of initial warning to employers, with this escalating to a fine and reporting a breach to the Board if the matter was not resolved.

The Board was satisfied with the process the Fund had in place and encouraged the use of fines to deter late contributions.

Resolved:

To note the Fund's current employer contribution monitoring position and the revised framework being implemented.

To encourage the Fund to charge employers for late contributions in accordance with the current WPF policy.

71 **Local Pension Board Feedback on the Wiltshire Pension Fund Website**

The Head of Pensions summarised the comments received from Board members in respect of the Fund's website. Members agreed the level of information on the website was good however it was not presented in an attractive way, and a self-service portal for members would be a good development. The officer advised a self-service facility was in the Fund's Business Plan and a priority for future development. It was noted that

information on the website about the staffing structure in the Fund was now out of date.

The Board was advised that Hymans Robertson would provide and manage an off-the-shelf website which would be more attractive to members, the Fund intended to progress this as a short-term solution until a bespoke site could be developed. Members were invited to visit other Fund websites managed by Hymans and to feedback on this to inform the design of the Wiltshire site.

Resolved:

To note the comments received on the content and style of the Fund's website.

To request members visit other Fund websites managed by Hymans to feedback and inform the design of the Wiltshire site.

72 **How did the Board do?**

There were no matters to raise under this item.

73 **Urgent items**

There were no urgent items.

74 **Date of next meeting and Forward Plan**

The Chairman advised the January meeting date was likely to be rescheduled for February 2017.

75 **Exclusion of the Public**

Resolved:

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 76 – 78 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

76 **Brunel Pension Partnership Update**

The Head of Pensions provided an update on the progress of Brunel Pension Partnership.

Resolved:

To note the progress of Brunel Pension Partnership.

To request officers provide a flow chart to outline the delegated and reserved decision-making process within Brunel Pension Partnership to improve transparency.

77 Minutes and Key Decisions of the Wiltshire Pension Fund Committee and Investment Sub Committee

Resolved:

To note the Part 2 minutes and key decisions of the recent meetings of the Wiltshire Pension Fund Committee and Investment Sub Committee.

78 Minutes

The Chairman thanked David Anthony, Head of Pensions, for his service to the Board and wished him luck in his new role at Brunel Pension Partnership.

Resolved:

To thank the Head of Pensions for his service to the Wiltshire Pension Fund and the Wiltshire Local Pension Board.

To confirm the Part 2 minutes of the meeting held on 13 July 2017.

(Duration of meeting: 10.30 am - 12.30 pm)

The Officer who has produced these minutes is Libby Johnstone, of Democratic Services, direct line 01225 718214, e-mail libby.johnstone@wiltshire.gov.uk

Press enquiries to Communications, direct line (01225) 713114/713115

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Local Pension Board Action log

A full action-tracker showing complete and pending items is included to monitor progress from the last 3 Board meetings. Actions identified prior to this are include only where they remain outstanding. Actions in bold denote where the action is a formal recommendation of the Board.

	Action	Who	Deadline	Completed
	January 2016			
3.5	To recommend that officers communicate the implications of the public sector exit cap to the Fund's members once known	AC	June 2018	
3.12	To recommend that officers review the charge-out rate for the calculation of costs from persistent failure to meet targets or resolve cases to ensure it is in line with other Funds.	AC	September 2018	
	April 2016			
4.7	To endorse the Governance Compliance statement and recommend that lay membership and voting rights be reviewed following the proposed asset pooling as part of the compliance process and pooling arrangements.	AC/NW	January 2018	
	January 2017			
7.15	To request that SWAP benchmark the fund against other similar funds in a future audit report.	AC/SWAP	March 2018	
7.20	To request that a benchmarking exercise is undertaken against the training undertaken by Board members of other Funds.	LJ	July 2018	

	April 2017			
8.1	Re-classify action 3.5 in respect of the public sector exit cap to end of 2017.	LJ	July 2017	
8.2	To circulate SAB Chair's statement on investment pooling.	NW	ASAP	
8.3	To recommend that officers monitor Ministerial, national LGPS Scheme Advisory Board (SAB) and Pensions Regulator statements and include this in updates to the Board when appropriate.	AC	Ongoing	
8.4	To request that officers establish who the named Data Protection Officer is for the Wiltshire Pension Fund.	AC	May 2018	
8.5	To note that a report on data protection and quality standards would be presented to a future meeting and request this report include key risks for data management.	AC	May 2018	
8.6	To note the proposed KPIs for measuring the summary of the Fund's performance against key performance indicators and to request that statutory timeframes for administration processes are factored into the KPIs.	AC	January 2018	
8.7	To recommend that once the KPI process is established it is developed to allow comparisons to be made against other Funds and to identify the administration costs associated with each process.	AC	April 2018	
8.8	To recommend that consideration is given in the future to developing a graduate recruitment programme for the Fund.	AC/NW	April 2018	
8.9	To provide feedback from the Fund's AGM.	DA	July 2017	
8.10	To recommend the complaint form for internal disputes be amended to	DA	ASAP	

	clarify applicability in respect of spouses and co-habiting partners.			
8.11	To defer the decision on insurance indemnity to the next meeting to allow for consultation with other Funds within Brunel Pension Partnership.	DA	July 2017	
8.12	To note the Investment Strategy Statement and associated future review process in 12-18 months time in light of asset pooling.	NW	April 2018	
8.13	To note the update on the progress of Brunel Pension Partnership and request a future briefing on the fund's revised governance structures in light of asset pooling.	DA	July 2017	
	July 2017			
9.1	Officers to circulate the Pensions Regulator toolkit to Cllr Britton	CD	ASAP	
9.2	Officers to include details of the LPB as an appendix to the Governance Compliance Statement.	DA	ASAP	
9.3	Officers to reduce the MiFidII risk to amber on RAG status.	DA	ASAP	
9.4	To update actions 6.21, 6.8 and 8.12 on the action log.	LJ	October 2017	
9.5	To recommend the Fund reviews resource allocated to fulfilling its statutory requirements.	AC	Ongoing	
9.6	To recommend future SoA reports contain the details of key management personnel and wording describing the role of the Local Pension Board be amended to reflect that it provides advice and support to the administering authority.	NW	July 2018	
9.7	To recommend that resource be directed to address risks identified in the internal audit report in respect of reconciliations and data	AC	January 2018	

	management.			
9.8	To support plans for future AGMs to coincide with the publication of the Annual Report and recommend officers review the format in response to the needs of employers and scheme members.	AC/NW	September 2018	
9.9	To delegate authority to officers, in consultation with the Chairman, to amend the LPB Annual report to track tPR checklist compliance and the implementation of Board recommendations using a RAG status.	AC	ASAP	
9.10	To add additional comments to the draft SAB survey response to support more collaboration and benchmarking between Boards.	Chairman	ASAP	
9.11	Members to feedback comments on the Fund's website prior to the next meeting.	Board	October 2017	
9.12	To recommend costs transparency be factored into the Wiltshire Pension Fund and Brunel Pension Partnership manager appointment process.	NW	April 2018	
9.13	To review the timetabling and work plan of Board meetings following consideration of the SAB survey results.	AC	January 2018	
9.14	To remove the item on external audit from the Work Plan for the October meeting.	DA	October 2017	
9.15	To approve the purchase of an insurance indemnity policy for the Board for the minimum amount (£1m) at the least cost, and to review the issue in 12 months.	DA	ASAP	
9.16	Officers to include Disputes and Complaints training material in Members' Handbook.	CP	ASAP	
	October 2017			
10.1	To update the action log with the following changes: 3.1, 5.12, 6.8, 6.18, 7.14, 9.16 mark as complete	LJ	ASAP	

	7.15 deadline changed to March 18 7.20 deadline changed to July 18 8.4 and 8.5 deadline changed to May 18 9.12 deadline changed to April 18 4.7, 8.6 and 9.13 deadline changes to Jan 18 3.5 deadline changed to June 18			
10.2	Officers to progress a new website hosted by Hymans to include an FAQ page for members.	AC	ASAP	
10.3	January Local Pension Board meeting to be moved to February 2018.	LJ	ASAP	
10.4	Members to review their Register of Interest and professional bio.	Board	ASAP	
10.5	To include an audit against tPR Code of Practice 14 as part of the 2018 internal audit plan.	AC	January 2018	
10.6	To request any risks for the Fund arising from the GMP reconciliations project be reviewed once the exercise is complete.	AC	December 2018	
10.7	To request that in 2018 if employers have not submitted complete and correct data to the Fund over a three year period, they be contacted to investigate the route cause, and if there is no resolution, consideration be given to reporting them to the Pension Regulator.	AC	September 2018	
10.8	To encourage the Fund to charge employers for late contributions in accordance with the current WPF policy.	NW	March 2018	
10.9	Members to review other Fund websites hosted by Hymans and provide feedback.	Board	ASAP	
10.10	To provide a flow chart to outline the delegated and reserved decision-making process within Brunel Pension Partnership to improve transparency.	NW	December 2018	
10.11	Officers to present a report on the Fund's compliance with GDPR to the April	AC	April 2018	

	2018 meeting.			
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WILTSHIRE PENSION FUND COMMITTEE

PART 1 MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 23 NOVEMBER 2017 AT THE KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN.

Present:

Cllr Tony Deane (Chairman), Diane Hall, Cllr Simon Jacobs, Cllr Gordon King,
Cllr Christopher Newbury, Mike Pankiewicz, Linda Stuart and Cllr Roy While (Vice-Chairman)

Also Present:

Mr Jim Edney, Joanne Holden and Barry Reed

71 Membership

There were no changes to the membership of the Committee.

72 Attendance of non-members of the Committee

Catherine McFadyen (Hymans Robertson) and Barry Reed (Local Pension Board member) were in attendance.

73 Apologies for Absence

Apologies for absence were received from Cllr Whitehead and Cllr Weisinger.

74 Minutes

Resolved:

To confirm the minutes of the meeting held on 27 September 2017.

75 Declarations of Interest

The Head of Pensions declared for transparency purposes in respect of items 15 and 16 that he was soon to leave the Fund and become employed by Brunel Pension Partnership.

76 **Chairman's Announcements**

The Committee thanked the Head of Pensions for his hard work supporting the Fund and driving its strong performance over the last 8 years.

77 **Public Participation**

There were no members of the public present.

78 **Minutes and Key Decisions of the Local Pensions Board**

The Head of Pensions updated the Committee on matters considered at the last meeting of the Local Pension Board including: fraud prevention and mitigation measures, the impact of the General Data Protection Regulations (May 2018) on the Risk Register, Key Performance Indicators, the final Audit Report, GMP reconciliations, Annual Benefit Statement exercise and late employer contributions.

The Committee discussed the comments the LPB had made on the Fund's website and agreed it could be more attractive and a self-service portal for members would be a welcome improvement. A discussion on the ability of retired members to use online services was had and it was felt a telephone service should also be available. Members agreed that emails should be used to contact active members as much as possible to reduce printing costs, it was noted that pensioner members were less likely to be computer literate. The Head of Pensions advised that Hymans were to provide and operate a template website in the interim until a bespoke site could be created.

Resolved:

To note the minutes and recommendations of the Local Pension Board meeting held on 18 October 2017.

To support future plans to develop a self-service portal for members on the Fund's website and to recommend a telephone service continues to be offered for customers who are unable to make contact with the Fund online.

To recommend a system be developed requiring new active members of the scheme to opt in to hard copy letters from the Fund, with electronic communication to be the default position.

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

The Committee was presented with the latest Scheme, Legal and Regulatory update for the Fund. A key update included the Government Actuaries Department had confirmed a final report, using the 2016 valuation results, was to be published in summer 2018. In general news the Committee heard that auto-enrolment for pension schemes had been updated to an age limit of 16, down from 22 years of age.

Members questioned the impact on the fund of a CPI increase above the assumption made at the Valuation, it was explained this would increase liabilities but shouldn't have a significant impact on cashflow. The Committee was advised the Markets in Financial Instruments Directive II was now a lesser risk for the Fund which was already in the process of achieving 'professional' investor status.

Resolved:

To note the update and changes highlighted within the report.

80 **Pension Fund Risk Register**

A report on the latest risks facing the Fund was presented. Four risks had been downgraded since the last report: PEN026 Impact of MiFiD II Regulations, PEN020 Failure to collect and account for Contributions from Employers on time, PEN010 Failure to keep pension records up-to-date and accurate, PEN011 Lack of Expertise of Pension Fund Officers and Service Director. The Committee was advised a new monitoring process was in place to track and address late contributions and that resource had been provided to manage pension records. Members were updated recruitment was underway to appoint to new Investments Manager and Head of Pensions Administration and Relations roles, and an interim Head of Pensions was in place in advance of the departure of the current Head of Service.

Attention was drawn to three high risks that remained: PEN023 Resources of Officers and Members to Meet the Expansion of Business Items. PEN012 Over-reliance on key officers and PEN020 Pooling of LGPS assets. The officers advised the team had now gone through a restructure to build in future capacity and had recruited to a Systems and Data Manager role. The Chairman reminded the Committee of the importance that members continue to undertake training to keep their LGPS knowledge up-to-date.

Resolved:

To note the attached Risk Register and measures being taken to mitigate risks.

81 **Date of Next Meeting**

It was noted the next meeting was to be held on 15 March 2018.

82 **Urgent Items**

There were no urgent items.

83 **Exclusion of the Public**

Resolved:

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 84-90 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.

84 **Individual Employer Investment Strategy and Club Vita Update**

Hymans Robertson updated on the development of bespoke investment strategies for different classes of employer and the outcome of the latest Club Vita longevity review for the Fund.

Resolved:

To note the update from Hymans Robertson on the development of bespoke investment strategies for different classes of employer and the outcome of the latest Club Vita longevity review for the Fund.

85 **Brunel Pension Partnership Update**

A verbal update was provided by the Head of pensions on the progress of the implementation of the Brunel Pension Partnership.

Resolved:

To note the verbal update provided by the Head of Pensions on the progress of Brunel Pension Partnership.

86 **Brunel Pension Partnership Exercising of Shareholder Reserve Matters**

A report outlined two Specific Reserve Matter requests by the Brunel Company which required the approval of the Shareholders. The Treasurer advised he was to present the report and would ask the Head of Pensions to leave the room in the event the Committee felt it was not appropriate he stay due to his imminent

employment within Brunel. The Committee confirmed it was comfortable the Head of Pensions remain in the room in an observer capacity.

Resolved:

To agree the arrangements outlined in paragraph 5 of the report in respect of a Shareholder vote on Special Reserve Matters, namely:

a) When possible decisions will be made at the next full Committee meeting;

b) If this is not possible, a Special Meeting will be called, or the Chairman may exercise delegated authority to cast the Shareholder vote, following consultation with other members.

To agree the Reserve Matter Notice for the amendment to the Business Plan or Operating Model to authorise expenditure (paragraphs 7 to 12 of the report) and to request that, if this funding is used, a report be presented as to why this could not be sourced from savings elsewhere within the budget.

To agree the Reserve Matter Notice to amend the Remuneration Policy or adopting any new or replacement policy, as outlined in the report in respect of recognition awards and reward benefits (paragraphs 16 &17).

To agree the Reserve Matter Notice to amend the Remuneration Policy or adopting any new or replacement policy, as outlined in the report in respect of maximum Chair and NED Payments per annum (paragraph 15). To request when this matter is reviewed in 1 year this is done with a view to reducing the maximum figure, as part of this process evidence from the Remuneration Committee to justify recommendations is expected.

87 **Investment Strategy Away Day Review: Structured Equity, Liability Driven Investment & Carbon Footprinting Update**

Confidential papers outlined a recommendation from the Investment Sub-Committee which proposed an approach for the further development of Structured Equity Strategy, revised Flight Path and options to utilise Liability Driven Investments, along with a review of the approach to carbon footprinting.

Resolved:

1.

a) To note the proposed approach to Equity Protection and to delegate authority to officers, in consultation with the Chairman and Vice Chairman of the Committee, to progress discussions with advisors and agree all matters in respect of an equity protection strategy, including procurement of this product.

b) That authority be delegated to the Treasurer to allocate funding from the budget to support the provision of Equity Protection.

c) That updates on this approach are regularly provided to the Committee.

2.

a) To note the proposed approach to the Flight Path and LDI and to delegate authority to officers, in consultation with the Chairman and Vice Chairman of the Committee, and advisors to explore Flight Path and LDI options, and associated governance arrangements, to bring a final proposal to a future meeting.

b) To delegate authority to the Treasurer to allocate funding from the budget to support this.

c) That an update on this approach is provided for the next meeting of the Investment Sub Committee.

3. To note the advice on ESG and carbon footprinting and request further communication on these issues be available on the Fund's website.

4. To note the Fund's Investment Strategy Statement will be reviewed in March 2018, including in respect of ESG matters.

88 Investment Quarterly Progress Report

Confidential reports were circulated updating on the performance of the Fund's investments.

Resolved:

To note the performance of the Fund's investments and update provided by Mercers.

89 Minutes and Key Decisions of the Investment Sub Committee

The key recommendations arising from the recent Investment Sub Committee meeting were noted.

Resolved:

To note the minutes and key decisions of the Investment Sub Committee held on 8 November 2017.

90 **Minutes**

Resolved:

To confirm the Part 2 Minutes of the meeting held on 27 September 2017.

(Duration of meeting: 10.30 am - 1.30 pm)

The Officer who has produced these minutes is Libby Johnstone, of Democratic Services, direct line 01225 718214, e-mail libby.johnstone@wiltshire.gov.uk

Press enquiries to Communications, direct line (01225) 713114/713115

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WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD
15 March 2018

PENSION FUND KEY REPORTING DUTIES

Purpose of the Report

1. The purpose of this report is to outline the key reporting areas the Fund has to cover.

Background

2. As part of the Fund's service we have a number of reporting functions that are a statutory responsibility and have also taken the decision to join other LGPS Funds on some reporting functions that are designed to improve the service to the LGPS membership.
3. Reporting is split between our annual statutory obligations, less frequent obligations and in-year reporting see APPENDIX for the reports covered.

Considerations for the Board

4. The Fund has reporting requirements to the following
 - The Pension Regulator (tPR)
 - Her Majestys Revenue & Customs (HMRC)
 - Department for Work and Pensions (DWP)
 - Office for National Statistics (ONS)
 - Department of Communities and Local Government (DCLG)
 - Active and Deferred members
 - National Fraud Initiative (NFI)
 - National Insurance Database
5. Details of the reporting functions are in APPENDIX.

Conclusions

6. This information provides a brief overview of the reporting responsibilities on the Fund and the areas of reporting covered.

Environmental Impact

7. There is no environmental impact from this report.

Financial Considerations

8. There are no immediate financial considerations resulting from the reporting function although penalties can be applied for the late return of statutory reports.

Risk Assessment

9. There are no direct risks to the Fund associated with this reporting.

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

11. There are no implications at this time.

Proposals

12. The Board is requested to note the Fund's reporting responsibilities.

MICHAEL HUDSON
Treasurer to the Pension Fund

Report Author: Mark Anderson – Data & Systems Manager

APPENDIX

Annual reporting & key disclosures

Body	Report/Disclosure	Due	What is covered
The Pension Regulator (tPR)	Scheme Return	September	Return is used to compile details at Fund level. Split into five sections areas covered include: Part 1 – Scheme contact details and tracing agency details Part 2 – Scheme details, includes status, membership, governance, record keeping and data quality (including common and scheme-specific data percentages). Part 3 – Trustee (n/a/ for us) and Actuary details Part 4 – Financial information and funding level Part 5 – Employer details
Her Majesty's Revenue & Customs (HMRC)	Event Reporting	31 st January	Event reporting covers pensionable events that exceed statutory limits, there are 21 events in total but in practice not all events will occur. Some of the areas covered are: <ul style="list-style-type: none"> • Unauthorised payments; • Death lum sums in excess of 50% of the Lifetime Allowance (LTA); • Cessation of ill health pensions; • Lump sums in excess of 25% of the pot value; • Lump sums between 7.5% and 25% of the LTA; • Scheme changes and sanctions; and • Pension saving statements issued (Annual Allowance)
Office for National Statistics (ONS)	Occupational Pension Scheme Survey	October	Covers areas including: membership details, benefits provided & contributions collected.
Department of Communities and Local Government (DCLG)	SF3 return	August	A detailed spreadsheet that contains information and variance across the Fund's statement of expenditure and income. Covering membership, contributions, fund assets, staffing levels and numbers of specific events. There are crossovers between the information requested and the Fund's Annual report.

Scheme Advisory Board (SAB)	Annual report	30 th September	The Fund is required to send its Annual Report to SAB. It covers all aspects of the Fund's financial responsibilities. Including detailed figures of all incoming and outgoing transactions as well as full assets and liabilities of the Fund. Includes scheme management and governance, actuarial position and auditor opinion.
Deferred scheme member	Annual Benefit Statement	31 st August	Contains details of the deferred benefits held by the Fund on the member's behalf.
Active scheme member	Annual Benefit Statement	31 st August	Contains details of accrued pension to 31 st March covering Final Salary (if applicable) and CARE scheme benefits.
	Pension savings statement	6 th October	Statement required to be issued when savings in a pension input period exceed the allowed annual allowance figure for that year. Members may also request receipt of a statement.

Other periodic reporting

Scheme Advisory Board	Triennial Valuation	December	Report produced by the Fund's Actuary, used to determine the Scheme funding level and to detail the employer contribution and deficit levels of the three year period following the date of the report.
National Fraud Initiative (Opted in)	Fraud prevention	n/a	A two year cycle to produce files for data matching to assist in the prevention of fraud. Covers current pensioners and deferred members (optional).
South Yorkshire Pension Fund (Opted in)	LGPS National Insurance Database	n/a	Database used to assist LGPS administration to identify where members hold other LGPS records under a different administering authority to comply with legal requirements.
Her Majesty's Revenue & Customs	Accounting For Tax	Quarterly reports due 15 th May 14 th August 14 th November 14 th February	Covers seven reportable events of a pension's lifetime. Events include: <ul style="list-style-type: none"> • Short service refunds. • Annual and Lifetime Allowance charges. • Special lump sums post death. • Overseas transfer charge. • Authorised surplus payments charge (Excess of 25% limit) • De-registration charge. This report links to the annual event reporting item above.
Office For National Statistics	Income and Expenditure survey	Quarterly	Captures financial information over the quarter, covers contributions received, pension paid out, investment activity and other fund costs.
Department for Work and Pensions	CA form reporting	Monthly	Reporting surrounding contracted out events. Covers areas such as: Guaranteed Minimum Pensions, increments, revaluation, transfer, termination and change in responsibility.
	Tell Us Once service	Monthly	An extract of the funds database containing Members NI numbers to the DWP so the Fund is informed on the registering of a members death.

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WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD
15 March 2018

Wiltshire Pension Fund Business Plan 2015-18 Priorities

Purpose of the Report

1. The purpose of this report is to provide the Board with an update on the implementation of the Wiltshire Pension Fund Business Plan 2015-18.

Background

2. The Wiltshire Pension Fund Business Plan was approved by the Committee at its meeting on 25 June 2015. The detailed plan can be found at the following link [Business Plan 2015-18](#).
3. This is the annual update provided on the implementation of the Plan to Committee.

Considerations for the Board

4. The attached Appendix present the current action plan from the 2015-18 Business Plan. This plan is colour coded to reflect the priority of each action and the perceived resource risk that may delay the completion of that action. The priority and resource risks are colour coded Red (high), Amber (medium) and Green (Low). Those actions completed are shaded grey.
5. There are no action which is both a high priority and high risk in terms of resources.
6. There are two actions that are high priority with a medium resource risk. These relate to the implementation of performance reporting and covenant reviews for employer and the GMP reconciliation project. These are both partially complete with resources prioritised to ensure completion.
7. Due to recent changes in key personnel and current number of vacancies in the structure, officers have revised the target deadline for some of the outstanding activities.
8. In some cases, non urgent lower priority tasks are deferred to the next planning cycle.

Environmental Impact of the Proposal

9. Not applicable.

Financial Considerations & Risk Assessment

10. The financial implications of the Business Plan are considered in the budget set for the Fund. The main risks highlighted above are incorporated into the Fund's Risk Register where appropriate, elsewhere on this agenda.

Legal Implications

11. There are no legal implications from this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

12. There are no known implications at this time.

Reasons for Proposals

13. To provide an update of the implementation of the Wiltshire Pension Fund Business Plan.

Proposals

14. The Board is asked to note the updated position from the Business Plan.

MICHAEL HUDSON
Treasurer to the Pension Fund

Report Author: Andy Cunningham, Head of Pensions Administration and Relations

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

WILTSHIRE PENSION FUND ACTION PLAN 2015-18

Activity	Deadline	Links to Objective No.	Purpose	Priority	Resource Risk	Action Update March 2018
1 Refresh key policy documents: -Statement of Investment Pripls. - Communication Strategy - Administration Strategy - Admin Authority Directions Policy - Cessation Policy - Funding Strategy Statement - Governance Comp. Statement - Investment Strategy Statement	Annually 2015 June 2015 Sept 2015 Dec 2015 Dec 2016 Jan 2017 June 2018 Apr 2017	1	To seek Member approval and formally publish.	Medium	Low	All key policy documents have been reviewed once during the cycle but some documents are now due a second review and will be reviewed later this year.
2 Establish, train & agree work plan for the Local Pension Board	On-going from June 2015	3	To ensure the Local Pension Board becomes operational from 31 July 2015 in line with legislation.			
3 Rolling annual schedule of Pension Clinics	June 2015 onwards	6	To ensure a regular schedule of pension clinics take place every year.			
4 Review contract for Independent Governance Adviser	July 2015 July 2018 Dec 2018	3	In line with good governance contracts should be reviewed on a periodic basis and this contract has been in place for 5 years.	Low	Medium	Low priority and preference to maintain continuity of advice during period of significant change.

Activity	Deadline	Links to Objective No.	Purpose	Priority	Resource Risk	Action Update March 2018
5 Members' training: a) Specific issues b) Implement Plan c) Refresh Training Plan	As required, July 2015 Nov 2017	1 & 3	To provide training on specific issues ahead of relevant decisions by the Committee. To provide training for all Members of the Committee in line with the CIPFA Knowledge & Skills Framework as outlined in the current training plans.			
6 Gather external customers feedback on pension services & effectiveness	July 2015 onwards	8 & 6	To measure the quality and experience of the pension services being provided to see what developments are needed.			On-going.
7 Consider the Government's response to future of the LGPS consultation	Autumn 2015 onwards	10	To ensure the Fund is involved in trying to shape the future of the scheme and its implementation.			
8 Procurement & Implementation of new investment mandates resulting from Investment Review	Sept 2015 onwards	4	A number of new mandates could be required from the annual asset allocation review.			
9 Undertake overseas members existence exercise	Sept 2015	1 & 8	An audit requirement is that existence testing is carried out periodically on the membership to avoid overpayments. Separate			

Activity		Deadline	Links to Objective No.	Purpose	Priority	Resource Risk	Action Update March 2018
				exercise required for overseas pensioners.			
10	Run Annual Employer / Pensioner Meetings and other more regular road shows/seminars	Sept 2015 onwards	8 & 6	To improve communications with the Fund's members and employers organisations in line with best practice.			First AGM was held in 2017 and another is planned in 2018. Other regular road shows are on-going.
11	Implementation of regular covenant & risk review of employer bodies, including regular monitoring against the performance requirements within the Pension Administration Strategy	Sept 2015 onwards Sept 2017 Dec 2018	7	To ensure regular engagement takes place with all employers and that risks to the Fund are periodically assessed.	High	Medium	Partially complete - covenant & risk review framework has been used at the last valuation but further development of employer covenant reviews and KPIs is required.
12	Set up a formal process for monitoring the performance of the Fund's advisors	Oct 2015	3	To ensure the Fund meets best practice and complies with the Myners Principle for Performance monitoring.	Low	Medium	Low priority. Undertaken informally. This is best practice.
13	Review Pension Fund Website	Dec 2015	1, 6, 8	To ensure that the Fund's website provision has been reviewed, up-to-date, in line with best practice and serving the needs of our customers as well as possible.			A new website has been recently updated and further website developments (for example, for employers) is being developed.
14	Implement Bi-annual Performance Reporting	Dec 2015	1 & 8	To improve management information to assist with			Bi-annual performance reporting (KPIs) has

Activity	Deadline	Links to Objective No.	Purpose	Priority	Resource Risk	Action Update March 2018	
			performance monitoring and increase transparency.			been implemented and further development is planned.	
15	Review / Retender Custody Contract	Dec 2015	1 & 5	To ensure that the Fund achieves best value for money in relation to its investment custody arrangements.			
16	Develop use of social media in development of communications strategy	March 2016	6	To consider all forms of digital communications / social media that may assist in communicating with the membership.	Low	Low	Complete - Twitter account is active (Feb 2017). Other social media platforms will be considered as the industry develops.
17	Set up a formal process for monitoring the performance of the Committee	March 2016	12	To ensure the Fund meets best practice and complies with the Myners Principle for Performance monitoring.	Low	Medium	Partially complete – have reviewed ISC, looking to see if same approach used for main committee. Defer to next Business Plan
18	Retender print contract	March 2016	8 & 6	To ensure most cost-effective contract in place.			
19	Consider implementation of “flight path” liability monitoring framework	March 2016	4	To have a framework / plan in place should funding levels (i.e. gilt yields revert) improve that could reduce the future funding risk.			
20	Review potential to implement differing investment strategies for employers	March 2016	4 & 11	In light of the differing set of risks different employers in the Fund now face there is a potential need for different investment strategies when			Agreed this is preferable and this is now being developed in conjunction with our actuary.

Activity		Deadline	Links to Objective No.	Purpose	Priority	Resource Risk	Action Update March 2018
				looking at ways for employers to address deficits.			
21	Monitor the Fund's performance against the Pension Regulator's Record Keeping requirements and ensure plan in place to meet targets	March 2016 August 2018	1 & 8	To ensure the Fund has liaised with its employers, checked and cleansed its own data and have processes in place to ensure compliance, while developing the Fund's own data cleansing practices using mortality screening against governmental databases.	Medium	Medium	Re-opened as the Pension Regulator has revised its methodology which requires that further data cleansing developments are required. A plan is currently being formulated.
22	Implement changes to tax liability information for members	April 2016	1 & 8	To provide the correct information to members for the changes in the tax relief allowances and ensure the systems are able to accommodate any additional procedures from a administration perspective.			
23	Full Actuarial Valuation (Actuary)	May - Oct 2016	1 & 8	To identify the Funding Level at a whole Fund and Employer level and the associated Employer Contribution Rates.			Completed
24	Members' Handbook	May 2016 May 2017	1 & 12	To refresh the Members' Handbook for the benefit of newly elected Members of the Committee.	Low	Medium	Complete
25	Review effectiveness and work plan of Investment Sub-Committee	June 2016	4	To consider the effectiveness of the recently established ISC and its contribution to overall governance.			

Activity		Deadline	Links to Objective No.	Purpose	Priority	Resource Risk	Action Update March 2018
26	Discuss & agree Actuarial Valuation results with Committee & employers	Oct - Dec 2016	1 & 8	To have the Actuarial Valuation formally signed off by 31 December 2016 (three months ahead of statutory deadline).			Complete
27	Draft separate Financial Standards for the Pension Fund	Oct-2016	1 & 5	The Pension Fund currently uses the Wiltshire Council standards which are not always applicable.	Low	Low	Low priority and resource availability. No current material operational issue from delay.
28	Implement scheme members self-service	Dec-2016 Dec 2018	5, 6, 10	To improve the level of access for members for their benefits.	Medium	Medium	On-going – different pensions software are being reviewed (see action 31)
29	Complete GMP reconciliations project	Dec-2016 Dec 2018	1 & 8	To reconcile all the GMP members data on the pension database to ensure it matches with HMRC as HMRC are removing this support facility in 2016.	High	Medium	On-going – timescale led by HMRC responses. All data reviewed for pensioners & deferred members. Target for completion December 2018 in line with HRMC deadline.
30	Refresh Funding Strategy Statement	Jan 2017	1	To have an up-to-date Funding Strategy Statement, which is a statutory document required to set-out the longer-term view of how liabilities will be funded and the agreed level of compromise between stability and affordability of employer contributions.			

Activity		Deadline	Links to Objective No.	Purpose	Priority	Resource Risk	Action Update March 2018
31	Review / Retender Altair Pension Software contract	Jan 2017 Dec 2018	1 & 8	To ensure the Fund is achieving best value from its current contract.	Medium	Low	We are currently reviewing pension software providers and are considering whether a full tender is necessary.
32	Re-tender / drawdown from framework Actuarial Contract	Sept 2017 Sept 2018	1 & 12	To ensure that there is an up-to-date and competitive actuarial contract in place.	High	Low	Fund will use the national framework when the South West ones ends. Fund is contracted to use Hyman Robertson until end of 2018.
33	Re-tender / drawdown from framework Investment Consultancy contract	Sept 2017 Sept 2018	1 & 12	To ensure that there is an up-to-date and competitive investment consultancy contract in place.	High	Low	Fund will use the national framework when the South West ones ends. Fund is contracted to use Mercers until end of 2018.
34	Review pension payroll service	Jan 2018 Dec 2018	1 & 8	To review the potential options for pension payroll.	Medium	Low	This review is being undertaken as part of pension software review.
35	Review, retendering and implementation of the Fund's ESG arrangements	Jan 2018	1 & 4	To ensure that the Fund is complying with best practice and is achieving best value in relation to environmental, social and governance issues.	Low	Low	The Fund is currently in a strong position and this will need to be maintained when the assets are move to BPP.

Activity		Deadline	Links to Objective No.	Purpose	Priority	Resource Risk	Action Update March 2018
36	Review employers method of data submission & potential for self-service	Mar 2018 Dec 2018	6, 8, 10	To improve the quality of data submission and access to employer bodies.	Medium	Low	This review is being undertaken as part of the pension software review
37	Continue to develop a high performing team	On-going	2	To have a highly motivated staff team with the necessary professional, managerial and customer skills to provide excellent service, implement changes and have the technical detail to meet the ever increasing complexities of the scheme.	Medium	Low	Following the recruitment to the key management vacancies which currently exist, we will re-focus on team training and development needs.
38	Continually review opportunities for further collaboration with partners	On-going	12	To continue to be involved and utilise national frameworks to reduce the procurement costs of adviser services and to benefit from bulk discounts.	Medium	Medium	The Brunel Pension Partnership is currently being implemented. Other collaborative opportunities will be explored as they arise.
39	Review potential for "opportunistic" investments and 'inward' investments as they arise	On-going	4	To keep abreast of potential opportunities for the Fund.	Medium	Low	This will be done, in accordance with the Investment Strategy Statement, in conjunction with Fund's advisors.

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD
15 March 2018

Local Pension Board Budget

Purpose of the Report

1. The purpose of this report is to present a proposed Local Pension Board Budget for 2018-19 for the Board to consider and recommend to the Pension Fund Committee for inclusion in the Wiltshire Pension Fund Administration Budget 2018-19, as shown in the Appendix.
2. The Wiltshire Pension Fund Committee will consider the Fund's Administration budget at its meeting on the morning of this meeting – 15th March 2018.
3. As such any decisions of the Board which require amendment to the budget will have to be subsequently reflected in the full Wiltshire Pension Fund Administration Budget at a later date.

Background

4. To ensure good governance, budgets are required to monitor the stewardship of the Fund's expenditure and financial plans assist in mitigating risks by allocating necessary resources to develop the service. The Wiltshire Pension Fund Committee approves the Pension Fund Administration budget each year.
5. The Scheme regulations state that the operational cost of the Local Pension Board must be borne as an expense to the administering Fund's budget.
6. Therefore, the Local Pension Board's budget is approved by the Pension Fund Committee when setting its budget for the year. Should any further expenditure be required beyond this, then approval must be obtained from the Wiltshire Council Associate Director, Finance.

Main Considerations for the Board

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

Wiltshire Local Pension Board Proposed Budget 2018-19

	2016-17 Actual	2017-18 Budget	2017-18 Actual (Apr-Jan)	2017-18 Forecast	Changes	2018-19 Budget
	£	£	£	£	£	£
Independent Chair Remuneration	9,547	9,214	7,702	10,269	1,055	10,269
Independent Advisor Fees	8,500	7,000	1,705	2,557	-	7,000
Training	1,500	6,000	2,015	2,418		6,000
Printing	-	1,000	-	-	- 1,000	-
Committee Services Recharge	-	3,000	-	-	-	3,000
Travel & Subsistence & costs	-	800	-	-	-	800
Catering	-	400	87	175	- 55	345
	<u>19,547</u>	<u>27,414</u>	<u>11,509</u>	<u>15,419</u>	<u>-</u>	<u>27,414</u>

8. The overall proposed budget for 2018-19 is £27,400, a continuation of the total budget for 2017-18. Overall actual spending in 2016-17 and that projected for 2017-18 is under the budget.
9. We are proposing that for 2018-19 the training budget is kept at £6,000 again, unless the Board has further training plans it wishes to cover during the next financial year.
10. We would also propose retaining the £7,000 budget for an independent governance advice. The Terms of Reference entitles the Board to independent expert advice and this budget would allow the commissioning of an adviser for specific pieces of work. The current budget would probably allow for one review on a specific area.
11. In addition, two small changes have been proposed to ensure that the Independent Chair Remuneration budget is sufficient to meet the projected cost in 2017-18.

Environmental Impact of the Proposals

12. There are none.

Legal Implications

13. There are no known implications at this time.

Financial Considerations & Risk Assessment

14. In line with good governance practice, officers bring budget monitoring reports back to the Pension Fund Committee twice a year. In the interim, variations against budget will be monitored and if they become very significant, the Associate Director, Finance will approve variations to the budget and report these to Committee retrospectively for ratification.

Safeguarding Considerations/Public Health Implications/Equalities Impact

15. There are no known implications at this time.

Reason for Proposal

16. The recommendation of the Local Pension Board budget to the Pension Committee is in line with best practice and assists in mitigating a number of risks outlined in the Risk Register.

Proposal

17. The Board is asked to agree the draft Local Pension Budget and recommend to the Pension Fund Committee that this is included in the Fund's Administration budget for 2018-19.

MICHAEL HUDSON
Treasurer to Pension Fund

Report Author: Chris Ashton, Fund Accountant - Maternity

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

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD
15 March 2018

Scheme, Fund, Regulatory & Fund Update

Purpose of the Report

1. The purpose of this report is to highlight the latest legal, regulatory and Fund updates.

Background

2. The attached appendix outlined the current and recent scheme and regulatory changes. The purpose is to keep the Board abreast at a high level of the latest changes and developments involving the Local Government Pension Scheme.
3. The Head of Pensions Administration and Relations will provide a verbal update on these changes at this meeting for discussion with the Board.

Considerations for the Board

4. To note the discussions in relation to the latest scheme and regulatory updates as listed in the table in the appendix.

Environmental Impact of the Proposal

5. There is no known environmental impact of this proposal.

Safeguarding Considerations/Public Health Implications/Equalities Impact

6. There are no known implications at this time.

Financial Considerations & Risk Assessment

7. There is no financial consideration resulting from this proposal.

Proposals

8. The Board is asked to note the changes highlighted within this report.

MICHAEL HUDSON
Treasurer to the Pension Fund

Report Author: Andy Cunningham, Head of Pensions Administration and Relations

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

APPENDIX 1

Organisation	Subject	Link	Comments	Risk
HM Treasury	Pensions scams: consultation response	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/638844/Pension_Scams_consultation_response.pdf	(No change) On 21 August 2017, the Government published its response to its consultation on pension scams issued in December 2016. As part of this response it has confirmed it intends to bring forward legislation banning cold calling in relation to pensions (to include texts and email), when Parliamentary time allows, to consider making it harder for fraudsters to open dubious pension schemes and to limit the statutory right to transfer to some occupational pension schemes.	
	Indexation and equalisation of GMP in public service pension schemes	https://www.gov.uk/government/consultations/indexation-and-equalisation-of-gmp-in-public-service-pension-schemes	Following the Government's consultation on how to address the implications of State Pension reforms for Guaranteed Minimum Pensions (GMP) of public servants below State Pension age, on 22 January 2018 the Government decided to extend the temporary arrangements which initially came into force for the period 2016 to 2018. The temporary arrangements effectively mean that for pensioners who reach state pension age between 6 April 2016 and 5 April 2021, any GMP element of the member's pensions receive the same pension increase amounts as the non-GMP element of a member's pension. The Government has extended the temporary arrangement as it has still not decided what to do in the long-term in this area.	
	Reforms to public sector exit payments: response to the consultation	https://www.gov.uk/government/consultations/further-consultation-on-limiting-public-sector-exit-payments	This Bill has been delayed and is now expected to have its second reading debate on 11 May 2018. It was presented to Parliament on Tuesday 5 September 2017 and there was no debate. It is a Private Member's Bill, which are often not printed until close to the second reading debate. The text is not yet available.	

Organisation	Subject	Link	Comments	Risk
	Pension Increase / Revaluation for 2018	https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7g7/mm23	It has been confirmed that the CPI increase in the year to 30 September 2017 was 3% and this rate has now been confirmed as the 2018 rate of pension increase / CARE revaluation. This is above the CPI assumption made at the 2016 valuation for all LGPS funds.	II
HM Revenues & Customs	Revenue and Customs Brief 14 (2016): VAT, Deduction of VAT on pension fund management costs following Court of Justice of the European Union decision in PPG	https://www.gov.uk/government/publications/revenue-and-customs-brief-14-2016-vat-deduction-of-vat-on-pension-fund-management-costs-following-court-of-justice-of-the-european-union-decision	Changes to the reclamation of VAT on fund management costs may affect LGPS funds once pooling is in place. These changes were originally due with effect from 1st January 2017 but have now been pushed back to at least 1st January 2018. Project Brunel will be keeping an eye on how it is evolving and take appropriate advice.	
DCLG	Local government pension scheme statistics	https://www.gov.uk/government/collections/local-government-pension-scheme	This collection brings together all statistics on the local government pension scheme in England and Wales. Data for 2016/17 was published on 25 October 2017.	
	LGPS Regulations: Best Value & Fair Deal consultation	https://www.gov.uk/government/consultations/local-government-pension-scheme-regulations	DCLG has not yet published the long promised further consultation bringing into effect the revised Fair Deal principles for Best Value Authorities. It is understood officials remained hopeful that it will be published before Christmas 2017, subject to Ministerial approval, but no further update has still been published.	
	Guidance on Preparing and Maintaining an Investment Strategy Statement' (ISS)	https://www.gov.uk/government/publications/local-government-pension-scheme-guidance-on-preparing-and-maintaining-an-investment-strategy-statement	<p>Following the High Court ruling on 23rd June that elements of the Governments Statutory Guidance on preparing and maintaining an Investment Strategy Statement was unlawful the Government subsequently published updated guidance removing the offending clauses - that funds should not pursue policies that are contrary to UK foreign policy or UK defence policy.</p> <p>The Government has been given leave to appeal the High Court decision, so further updates will be given once the outcome of any appeal is known.</p>	

Organisation	Subject	Link	Comments	Risk
The Department of Work and Pensions (DWP)	Auto-enrolment changes	https://www.gov.uk/government/publications/automatic-enrolment-review-2017-maintaining-the-momentum	On the 18 December 2017, DWP published report on <i>Automatic-enrolment review 2017: maintaining the momentum</i> . The report reviews the level of success of auto-enrolment to date and confirms the intention to: lower minimum age criteria from 22 years to 18 years, apply pension contributions from the first pound of earnings but maintain an earnings trigger of £10,000. The changes are not planned until the mid-2020s and are unlikely to have a significant effect on the LGPS and the Fund.	
	Pension dashboard project	https://pensionsdashboardproject.uk/industry/about-the-pensions-dashboard-project/	During the 2016 Budget, the government made the commitment that Pension Dashboards would be created by the pensions industry, enabling everyone to view details of all their pensions together (all private, public and state pensions). DWP has now taken over from HM Treasury in leading this project and the intention is to 'go live' during 2019.	
The Pension Regulator (TPR)	Public Sector pensions website update	http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx	The Regulator dedicated public sector web pages provides a wealth of information regarding its Code of Practice 14 and public service toolkit. The toolkit which provides a foundation to effective scheme governance and administration has been updated and additional guides and checklist have been published.	
	Record Keeping Guide	http://www.thepensionsregulator.gov.uk/docs/record-keeping-quick-guide.pdf	A quick guide designed to understand why record keeping is important and steps needed to take to ensure records are complete and accurate.	
	Self-Assessment Tool for Public Service Pension Schemes	http://www.thepensionsregulator.gov.uk/docs/PS-assessment-tool.xls	The TPR toolkit for Funds to complete to check their own compliance with the Code of Practice is available for Committee and Pension Board members to use.	

Organisation	Subject	Link	Comments	Risk
Information Commissioners Office	General Data Protection Regulations (GDPR)	https://ico.org.uk/for-organisations/data-protection-reform/overview-of-the-gdpr/	<p>Comes into effect in May 2018 and replaces the Data Protection Act 1998. Introduces new obligations on data controllers. The Fund is both a data controller and a data processor and needs to ensure that it has appropriate processes in place in order to comply with the changes being introduced.</p> <p>Wiltshire Pension Fund is working closely with a group of LGPS Funds in developing project plans, template notifications and policies, together with all other necessary solutions required in order to successfully comply with GDPR by May 2018. We are also feeding the work undertaken with this group into Wiltshire Council's GDPR project team.</p>	
Government Actuaries Department (GAD)	Section 13 of the Public Services Act 2013 requires GAD to review the funding valuations and employer contribution rates across the LGPS	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/651721/GAD_E-news_issue_29_Oct_2017.pdf	In their recent newsletter GAD has confirmed the final report, using the 2016 valuation results, is expected to be published in the summer of 2018.	
Financial Conduct Authority (FCA)	CP16/29: Markets in Financial Instruments Directive II (MIFID2)	https://www.fca.org.uk/publications/consultation-papers/cp16-29-mifid-ii-implementation http://www.lgpsboard.org/index.php/schemedata/mifidii	<p>In early July, the FCA published their final policy statement on the implementation of the EU's Markets in Financial Instruments Directive II (MIFID2) from January 2018.</p> <p>On coming into force, MIFID2 re-designates local authorities as 'retail' investors from their current status as 'professional' investors.</p> <p>Guidance is being produced for LGPS funds and managers with regard to communications post Jan 2018 under MiFID II. Jeff Huston will be providing an update on progress at the LGC Investment Conference in early March 2018.</p>	

Organisation	Subject	Link	Comments	Risk
Scheme Advisory Board (SAB)	Academies' review	http://www.lgpsboard.org/index.php/structure-reform/review-of-academies	<p>SAB commission PwC to produce a report on "Options for Academies in the LGPS" commissioned and the report was published in May 2017. The report identified and highlighted problems/issues experienced by stakeholders. No recommendations were made in the report, although the potential benefits of new approaches to the management of academies within the LGPS were highlighted. The proposals were wide ranging from minor alterations to academies being grouped together in a single LGPS Fund.</p> <p>On 17 July 2017, SAB issued a consultation on LGPS academy objectives which then closed on 29 September 2017.</p> <p>Following the consultation, the SAB, on 16 November 2017, has created two work streams to take the project forward which are based on a). Administration/overall service and b). Funding.</p>	
	Investment fees - Code of Transparency	http://www.lgpsboard.org/index.php/structure-reform/cost-transparency	<p>The move toward investment fee transparency and consistency is seen by the Board as an important factor in the LGPS being perceived as a value led and innovative scheme. Transparency is also a target for the revised CIPFA accounting standard issued for inclusion in the statutory annual report and accounts and included in the government's criteria for pooling investments.</p> <p>To assist LGPS funds in obtaining the data they require in order to report costs on a transparent basis SAB has published its Code of Transparency in May 2017. The Code is voluntary and asset managers who sign up will demonstrate their commitment to transparent reporting of costs. SAB will procure a third party to monitor compliance of those who sign up.</p>	

Organisation	Subject	Link	Comments	Risk
	Tier 3 employers	http://www.lgpsboard.org/index.php/board-publications/invitation-to-bid	Covers those Fund employers with no tax raising powers or guarantee (excludes academies). SAB is keen to identify the issues and risks related to these employers' participation in the LGPS and to see if any improvements/changes can be made. There are currently two concurrent phases of work involved – collating data and identification of issues. SAB will then assess the risks to Funds and consider next steps. Aon Hewitt have been commissioned to produce a report on this area. They are currently gathering feedback from Funds (we have contributed to this).	
CIPFA	No updates have been issued by CIPFA since the last Pension Board meeting			
Wiltshire Pension Fund	Pension Administration Software review		The Fund is currently going through an informal review of its Pension Administration Software to help establish how best to use technology to meet its longer-term goals, as outlined in the business plan. We have made allowance for increased use of technology within the 2018/2019 budget.	

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WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD
15 March 2018

WILTSHIRE PENSION FUND RISK REGISTER

Purpose of the Report

1. The purpose of this report is to update the Board in relation to changes to the Fund's Risk Register (see Appendix).

Background

2. The Committee approved a Risk Register for the Wiltshire Pension Fund at its meeting on 12 May 2009. Members requested that the highlights, particularly upward/downward movements in individual risks, be reported back to the Committee on a quarterly basis.

Key Considerations for the Board / Risk Assessment

3. The significance of risks is measured by interaction of the likelihood of occurrence (likelihood) and the potential impact of such an occurrence (impact). This register uses the Council's standard "4x4" approach, which produces a risk status of Red, Amber or Green (RAG).
4. One risk has decreased since the last report in November 2017: **PEN023: Resources of Officers and Members to meet the expansion of business items:** Following appointments to the Head of Pensions Administration & Relations, Investment Manager and Fund Governance & Performance Manager, the ability of officers to satisfactorily support members should be increased although further vacancies elsewhere means some residual risk remains.
5. There remains two "red", high risks: **PEN012: Over-reliance on key officers:** The new pension restructure has been completed and vacancies are being filled. However, the Pension Fund Treasury is now leaving in May 2018 and the Strategic Pension Manager & Technical & Compliance Manager posts have only just been filled and an permanent Investment Manager has yet to be appointed. Some other key vacancies also still remain. **PEN020: Pooling of LGPS assets:** Significant amount of resource still required by officers to progress this project. The next couple of months will be particularly challenging as the fund goes through the 17/18 financial year-end, with a new Custodian and limited staff experience.
6. Work continues to mitigate where possible the risks above along with the other remaining medium risks highlighted on the risk register.

Financial Implications

7. There is a potential increase in staff costs as a result of any further staffing review that will be funded from the Wiltshire Pension Fund administration budget.

Legal Implications

8. There are no known implications from the proposals.

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

10. There are no known implications at this time.

Proposals

11. The Board is asked to note the attached Risk Register and measures being taken to mitigate risks.

MICHAEL HUDSON
Treasurer to the Pension Fund

Report Author: Andy Cunningham, Head of Pensions Administration and Relations
Unpublished documents relied upon in the production of this report: NONE

Ref.	Risk	Risk Category	Cause	Impact	Risk Owner	Controls in place to manage the risk	Current Risk Rating				Further Actions necessary to manage the risk	Risk Action Owner	Date for completion of action	Target Risk Rating				Date of Review	Direction of Travel
							Impact	Likelihood	x	Level of risk				Impact	Likelihood	x	Level of risk		
PEN001	Failure to process pension payments and lump sums on time	Benefits Administration	Non-availability of Altair pensions system, SAP payroll system, key staff, or error, omission, etc.	Retiring staff will be paid late, which may have implications for their own finances. It also has reputational risk for the Fund and a financial cost to the employers if interest has to be paid to the members.	Andy Cunningham	Maintenance and update of Altair and SAP systems, sufficient staff cover arrangements, sufficient staff training and QA checking of work. Adherence to Pension Administration Strategy and regular monitoring of performance. Documentation of processes and reconciliations.	2	2	4	Low	None	Andy Cunningham		2	2	4	Low	1 March 18	---->
PEN004	Inability to keep service going due to loss of main office, computer system or staff	Benefits Administration	Fire, bomb, flood, etc.	Temporary loss of ability to provide service	Andy Cunningham	Business Continuity Plan reviewed in Dec 2016 and in place. The team have the ability to work from home or remotely if required. The pension system is also hosted by its supplier, which reduces the risk should Wiltshire Council's IT servers fail. The Fund also operates a paperless office.	4	1	4	Low	None	Andy Cunningham		4	1	4	Low	1 March 18	---->
PEN005	Loss of funds through fraud or misappropriation	Benefits Administration	Fraud or misappropriation of funds by an employer, agent or contractor	Financial loss to the Fund	Andy Cunningham	Internal and External Audit regularly test that appropriate controls are in place and working. Regulatory control reports from investment managers, custodian, etc, are also reviewed by audit. Due Diligence is carried out whenever a new manager is appointed. Reliance is also placed in Financial Services Authority registration.	4	1	4	Low	None	Andy Cunningham		4	1	4	Low	01-Mar-18	---->
PEN014	Failure to provide the service in accordance with sound equality principles	Benefits Administration	Failure to recognise that different customers have different needs and sensitivities.	Some customers may not be able to access the service properly or may be offended and raise complaints. At worst case, this could result in a court case, etc.	Andy Cunningham	The Fund has done an Equality Risk Assessment and has an Equality Implementation Plan in place	2	1	2	Low	Review procedures / policies to ensure compliant with Wiltshire Council Trans gender policy.		Sep-17	2	1	2	Low	01-Mar-17	---->
PEN021	Ability to Implement the Public Sector Exit Cap	Benefits Administration	Introduction of exit cap will require an additional burden on the administration team as is likely to effect all redundancy calculations.	Changes need to be communicated to individuals and employers and systems adapted once the revised regulations have been approved	Andy Cunningham	Currently monitoring the progress of the current consultations and responding where appropriate. Briefings being provided to team and stakeholders. Concern that further information is still pending from Government.	2	2	4	Low	Not anticipating any change to occur quickly (2nd reading in the House of Commons is not due until 11 May 2018 before additional readings etc). Depending on the final outcomes, WPF will set up a project cover: discussions with employers and changes to employer discretions policies, benefit and systems calculations and the associate communications.	Andy Cunningham	Mar-18	1	3	3	Low	01-Mar-17	---->
PEN022	Reconciliation of GMP records	Benefits Administration	From 1 April 2016, State Second Pension ceases and HMRC no longer provides GMP data on members to Funds.	If GMP records for members are inaccurate there is the potential for incorrect liabilities being paid by the Fund.	Andy Cunningham	Large on-going project is currently in place using 2 Data Quality Analysts to assist with resources. Additional software from Heywood's to process amendments in bulk has been purchased.	2	4	8	Medium	Reconciliation project on-going. Ahead of most LGPS Funds but reliant on HMRC responses to complete the first stage of comparing Altair records to those of HMRC. Need to agree policies for tolerances with Committee prior to any rectification phase.	Mark Anderson	Jun-18	1	3	3	Low	1 Mar 2017	---->

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PEN003	Insufficient funds to meet liabilities as they fall due	Funding & Investments	Contributions from employees / employers too low, failure of investment strategy to deliver adequate returns, significant increases in longevity, etc.	Immediate cash injections would be required from the scheme employers. This shouldn't be an issue for the Fund but it looks likely that investment income might need to be used within the next 12 months.	Nick Weaver	Funding Strategy Statement, Investment Strategy, Triennial Valuations, membership of Club Vita, modelling of future cash flows.	2	2	4	Low	None	Nick Weaver	4	1	4	Low	1 Mar 18	---->
PEN006 a	Significant rises in employer contributions for secure employers due to increases in liabilities	Funding & Investments	Scheme liabilities increase disproportionately as a result of increased longevity, falling bond yields, slack employer policies, etc. The current price of gilts lead to a worsening Funding Position.	Employer contribution rates become unacceptable, causing upward pressure on Council Tax and employers' costs.	Andy Cunningham	Longevity and bond yields are generally beyond the control of the Fund although some Funds have considered buying longevity insurance through the use of SWAPS. However, the Fund and each employer must have a Discretions Policy in place to help control discretionary costs (e.g. early retirements, augmented service, etc). Quarterly monitoring in liabilities movements is undertaken providing advance warning to employers.	2	1	2	Low	The Stabilisation Policy has limited increases for secure employer. This approach has been used for the 2016 Valuation.	Andy Cunningham	2	2	4	Low	1 Mar 18	---->
PEN006 b	Significant rises in employer contributions for non-secure employers due to increases in liabilities	Funding & Investments	Scheme liabilities increase disproportionately as a result of increased longevity, falling bond yields, slack employer policies, etc. The current price of gilts lead to a worsening Funding Position.	Employer contribution rates become unacceptable, causing upward pressure on Council Tax and employers' costs.	Andy Cunningham	Longevity and bond yields are really beyond the control of the Fund although some Funds have considered buying longevity insurance through the use of SWAPS. However, the Fund and each employer must have a Discretions Policy in place to help control discretionary costs (e.g. early retirements, augmented service, etc). The Fund undertakes quarterly monitoring as stated above. The 2016 Valuation set employer rates for the 3 years from April 2017 and new employers are set employer rates based on the latest financial data and actuarial assumptions.	2	2	4	Low	The better than expected investment performance since the last Valuation has had a positive impact on funding levels.	Andy Cunningham	2	2	4	Low	1 Mar 18	---->
PEN007 a	Significant rises in employer contributions for secure employers due to poor/negative investment returns	Funding & Investments	Poor economic conditions, wrong investment strategy, poor selection of investment managers, poor consideration of all financial & non-financial risks including ESG issues.	Poor/negative investment returns, leading to increased employer contribution rates	Nick Weaver	Use of expert consultants in the selection of investment strategy and investment managers, regular monitoring of investment managers (1/4ly), regular reviews of investment strategy (annually). Monthly review of % of Fund held in each mandate. Also a flight path strategy implemented to take off risk as funding levels improve. Fund member of LAPFF & uses PIRC to proxy vote on shares in line with agreed policy for ESG issues. Compliance with Stewardship code.	2	1	2	Low	The implementation of the Stabilisation Policy limits increases for secure employers. In February 2018 Mercer recommended the Fund go to market for a single provider to manage all aspects of risk management. Further training, open to all Committee and Board members, will take place in the next couple of months, to allow a recommendation to be brought to the June meeting.	Nick Weaver	2	2	4	Low	1 Mar 18	---->

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							Impact	Likelihood	x				Level of risk	Impact	Likelihood			x
PEN007 b	Significant rises in employer contributions for non-secure employers due to poor/negative investment returns	Funding & Investments	Poor economic conditions, wrong investment strategy, poor selection of investment managers, poor consideration of all financial & non-financial risks including ESG issues.	Poor/negative investment returns, leading to increased employer contribution rates	Nick Weaver	Use of expert consultants in the selection of investment strategy and investment managers, regular monitoring of investment managers (1/4ly), regular reviews of investment strategy (annually). Monthly review of % of Fund held in each mandate. Also a flight path strategy implemented to take off risk as funding levels improve. Fund member of LAPFF & uses PIRC to proxy vote on shares in line with agreed policy for ESG issues. Compliance with Stewardship code.	2	2	4	Low	A risk based framework is now in place to review employers long term financial stability. This informs the policy for stepping in contribution rates to assist in affordability issues where requested by an employer. It will be continuously reviewed, as part of the updating of the Investment Strategy Statement.	Nick Weaver	2	2	4	Low	1 March 18	---->

PEN015	Failure to collect payments from ceasing employers	Funding & Investments	When an employer no longer has any active members a cessation valuation is triggered and a payment is required if a funding deficit exists to meet future liabilities	Failure to collect cessation payments means the cost of funding future liabilities will fall against the Wiltshire Pension Fund	Andy Cunningham	The Pension Fund Committee approved a new Cessation Policy in March 2016 to provide an updated agreed framework for recovery of payments. All new admitted bodies require a guarantor to join the Fund. It also provides additional flexibilities for the Fund dealing with employers cessation payments.	2	2	4	Low	New pension structure is now in place, allowing the new Head of Pensions Administration and Relations to spend more time with the Pension Fund Relations Manager to review existing cessations and seek to reduce the risk related to future cessations.	Andy Cunningham	Jun-18	2	1	2	Low	1 March 18	→
PEN016	Treasury Management	Funding & Investments	The Fund's treasury function is now segregated from Wiltshire Council. This includes the investment of surplus cash in money markets.	Exposure to counterparty risk with cash held with external deposit holders could impact of Funding level of the Fund	Nick Weaver	The Pension Fund will review an updated Treasury Management Strategy at the March meeting which follows the same criteria adopted by Wiltshire Council but limits individual investments with a single counterparty to £6m.	3	1	3	Low	The Council uses Sector's credit worthiness service using ratings from three rating agencies to provide a score. Surplus cash is transferred to the Custodian at month end ensuring cash balances are minimal.	Chris Ashton (then Roz Vernon following return to work)		3	1	3	Low	1 March 18	→
PEN024	Impact of EU Referendum	Funding & Investments	The impact of the EU referendum	A vote to exit the EU may produce short term volatile market movements which could impact on asset performance.	Nick Weaver	The Fund has liaised with its investment managers on the potential impact of an exit. The Fund has agreed to revert to a 50% overseas equities hedged position for the current timeframe to reflect the current weakness of sterling.	3	2	6	Medium	The markets and weightings are closely monitored as part of the "fightpath" and "rebalancing" processes. A single provider to manage all aspects of risk management, is also under consideration.	Nick Weaver	Jun-18	3	1	3	Low	1 March 18	→
PEN026	Impact of MiFid II Regulations	Funding & Investments	New MiFID 2 investment regulations from Jan 2018 will classify LGPS Funds as "retail" investors. They will need to opt up to professional status	If Wiltshire Pension Fund is unable to attain "professional" status it will limit the range of investments available and may lead to the forced sale of assets.	Nick Weaver	The Fund is awaiting national guidance as LGA discuss implications for LGPS with FCA.	2	2	4	Low	Guidance is being produced for LGPS funds and managers with regard to communications post Jan 2018 under MiFID II. Jeff Huston will be providing an update on progress at the LGC Investment Conference in early March 2018.	Nick Weaver	Jun-18	3	1	3	Low	1 March 18	→

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							Impact	Likelihood	x	Level of risk				Impact	Likelihood	x	Level of risk		
PEN002	Failure to collect and account for contributions from employers and employees on time	Regulatory & Governance	Non-availability of SAP systems, key staff, error, omission, failure of employers' financial systems, failure to communicate with employers effectively. LGPS 2014	Adverse audit opinion for failure to collect contributions by 19th of month, potential delays to employers' FRS17 year-end accounting reports and to the Fund's own year-end accounts.	Nick Weaver	Robust maintenance and update of ALTAIR and SAP systems, sufficient staff cover arrangements, sufficient staff training and QA checking of work. We constantly work with employers to ensure they understand their responsibilities to pay by 19th of the month. The Breaches framework now require the Fund to log material late payments.	2	2	4	Low	Implemented. Reconciled to the bank account every month and monitored in dedicated monthly meeting, by management. From 1 April 18 will be regularly reported to the Committee. Will also be included in the 18/19 statutory accounts.	Chris Ashton (then Roz Vernon following return to work)	Nov-18	2	2	4	Low	1 March 2018	→
PEN008	Failure to comply with LGPS and other regulations	Regulatory & Governance	Lack of technical expertise / staff resources to research regulations, IT systems not kept up-to-date with legislation, etc	Wrong pension payments made or estimates given. Investment in disallowed investment vehicles or failure to comply with governance standards. Effect: Unhappy customers, tribunals, Ombudsman rulings, fines, adverse audit reports, etc	Andy Cunningham	Sufficient staffing, training and regulatory updates. Competent software provider and external consultants. Technical & Compliance post reviews process and procedures and maintains training programme for the team. The Pension Regulator now has responsibility from 1 April 2015 for Public Sector Pension Schemes. Their code of practice includes a number of new requirements which the Fund has assessed itself against	2	2	4	Low	Work continues to ensure the Fund can comply fully with the tPR Code of Practice requirements but this may lead to areas of non-compliance in the short term. Any "material" non-compliance will be reported to the Regulator. An audit have previously reported on the Fund's compliance to Committee and this showed no material issues.	Andy Cunningham	Sep-17	2	2	4	Low	01-Mar-18	→

PEN009	Failure to hold personal data securely	Regulatory & Governance	Poor procedures for data transfer to partner organisations, poor security of system, poor data retention, disposal, backup and recovery policies and procedures.	Poor data, lost or compromised, fines from the Information Commissioner, reputational risk of failure to meet Data Protection legislation.	Andy Cunningham	Compliance with Wiltshire Council's Data Protection & IT Policies. Annual Data Protection training given to the team. On-going cleansing of data undertaken by Systems Team.	2	3	6	Medium	The Fund needs to ensure it meets with the new General Data Protection Regulations (GDPR) coming into effect in May 2018. Currently working with a number of other Funds to review implications and updating the Wiltshire Council corporate project team on position. Resources are being prioritised to avoid becoming a significant risk.	Andy Cunningham	May-18	2	1	2	Low	18 Sep 17	→
PEN010	Failure to keep pension records up-to-date and accurate	Regulatory & Governance	Poor or non-existent notification to us by employers and members of new starters, changes, leavers, etc	Incorrect records held, leading to incorrect estimates being issues to members and incorrect pensions potentially being paid.	Andy Cunningham	Systems Team constantly working to improve data quality, data validation checks carried out through external partners (e.g. the Fund's actuaries and tracing agencies), pro-active checks done through national fraud initiative.	2	2	4	Low	From 1 April 2014, the Pension Regulator will require additional checks on data. Data cleansing is taking place to address this. Fund working with Heywood's software provider to review data and prioritise improvements.	Mark Anderson	Jun-17	2	1	2	Low	18 Sep 17	→
PEN011	Lack of expertise of Pension Fund Officers and Service Director, Finance	Regulatory & Governance	Lack of training, continuous professional development and continuous self assessment of skills gap to ensure knowledge levels are adequate to carry out roles to the best of their ability	Bad decisions made may be made in relation to any of the areas on this register, but particularly in relation to investments.	Andy Cunningham	Officers ensure that they are trained and up-to-date in the key areas through attendance at relevant courses and seminars, reading, discussions with consultants and peers, etc. The Technical & Compliance Manager has formulated annual Training Plans and Relevant officers are also reviewed against the CIPFA Knowledge & Skills Framework to ensure adequate expertise exists.	3	3	9	Medium	The new pension restructure has been completed and vacancies are being filled. However, the Pension Fund Treasury is now leaving in May 2018 and the Strategic Pension Manager & Technical & Compliance Manager posts are still vacant (and are due to re-advertised and advertised respectively shortly).	Andy Cunningham	Nov-17	2	1	2	Low	18 Sep 17	→

Ref.	Risk	Risk Category	Cause	Impact	Risk Owner	Controls in place to manage the risk	Current Risk Rating				Further Actions necessary to manage the risk	Risk Action Owner	Date for completion of action	Target Risk Rating				Date of Review	Direction of Travel
							Impact	Likelihood	x	Level of risk				Impact	Likelihood	x	Level of risk		
PEN012	Over-reliance on key officers	Regulatory & Governance	The specialist nature of the work means that there are inevitably relatively experts in investments and the local authority pension regulations	If someone leaves or becomes ill, a big knowledge gap if less behind.	Andy Cunningham	Key people in the team are seeking to transfer specialist knowledge to colleagues. In the event of a knowledge gap, however, we can call on our external consultants and independent advisors for help in the short-term.	3	4	12	High	The new pension restructure has been completed and vacancies are being filled although a number of vacancies still exist (as as appointments have been internal so far). However, the Pension Fund Treasury is now leaving in May 2018 and an permanent Investment Manager has yet to be appointed.	Andy Cunningham	Jun-18	2	1	2	Low	1 March 2018	→
PEN017	Lack of expertise on Pension Fund Committee	Regulatory & Governance	Lack of structured training and continuous self assessment of skills gap to ensure knowledge levels are adequate to carry out roles to the best of their ability	Bad decisions made may be made in relation to any of the areas on this register, but particularly in relation to investments. There is also a requirement for Funds to 'Comply or Explain' within their Annual Report on the skills knowledge of members of the Committee	Andy Cunningham	Members are given Induction Training when they join the Committee, as well as subsequent opportunities to attend courses/seminars and specialist training at Committee ahead of key decisions. There is a Members' Training Plan and Governance Policy. Further training and advice can be called on from our consultants, independent advisors and investment managers too.	2	3	6	Medium	The new members training plan for 2015-17 was approved in March 2015. Induction training undertaken in May 2017. A further review of training is required and will be undertaken by the new Governance and Performance Manager.	Andy Cunningham		2	1	2	Low	18 Sep 17	→

PEN019	Establishment of Local Pension Board & Investment Sub-Committee	Regulatory & Governance	Failure for Wiltshire Council to establish a Local Pension Board, from finding suitable representatives and the officer time required to support this Board and the newly formed pension sub-committee.	Reputational risk from a national perspective and failure to adhere to legislation resulting in action by the Government or the Pension Regulator. Ineffective operation of the Investment sub-Committee leading to bad decision making.	Andy Cunningham	Local Pension Board, approved by Wiltshire Council on 24 February. Following. Recruitment has taken place and all places filled with first meeting scheduled for 16 July 2015, following induction session on 2 July 2015. These Boards will place additional demands on both Members, in particular the need to undertake training and the pension officers time in the support and provision of information.	2	2	4	Low	A review of the effectiveness of the Investment Sub-Committee was undertaken which indicates its effectiveness and positive contribution in considering investments in more detail and freeing up Pension Committee agenda time. The Local Pension Board Annual Report has shown how its been effective over the past 12 months in assisting in the effectiveness of administration of the Fund.	Andy Cunningham		1	3	3	Low	18 Sep 17	→
PEN020	Pooling of LGPS assets	Regulatory & Governance	The Fund needs to pool its LGPS assets with other Funds using the Brunel Pensions Partnership.	Poor implementation could be costly in terms of additional fees and poor investment returns.	Nick Weaver	The Fund is being proactive in exploring options with Project Brunel on the potential feasibility of setting up a pooling arrangement. Progress and updates regularly reported to Committee. The Fund approved the submission to Government in response to the consultation in July 2016. The full business case was approved by Council in February. The implementation phase now commences.	3	4	12	High	Significant amount of resource still required by officers to progress this project. The next couple of months will be particularly challenging as the fund goes through the 17/18 financial year-end, with a new Custodian and limited staff experience.	Nick Weaver	Jun-18	1	3	3	Low	1 March 18	→

Current Risk Rating

Target Risk Rating

Ref.	Risk	Risk Category	Cause	Impact	Risk Owner	Controls in place to manage the risk	Impact	Likelihood	x	Level of risk	Further Actions necessary to manage the risk	Risk Action Owner	Date for completion of action	Impact	Likelihood	x	Level of risk	Date of Review	Direction of Travel
PEN023	Resources of Officers and Members to meet the expansion of business items	Regulatory & Governance	The recent expansion of business items resulting from continued consultations, pooling of assets, and additional governance requirements.	It is increasingly more difficult for officers to thoroughly consider issues and to deliver concise agenda papers covering all the relevant issues, while members are faced with larger report packs trying to cover the pertinent details.	Andy Cunningham	More use of web links within the Committee papers to reduce the size of the packs. The adequacy of officers resources to support the Fund's 3 committees, the on-going pooling agenda and the additional complexities arising from regulatory scheme changes will need to be monitored through work planning and appraisals.	3	3	9	Medium	Following appointments to the Head of Pensions Administration, Investment Manager and Fund Governance & Performance Manager, the ability of officers to satisfactorily support members should be increased although further vacancies elsewhere means some residual risk remains.	Andy Cunningham	Jun-18	1	2	2	Low	1 March 18	↓
PEN025	Academisation of Schools	Regulatory & Governance	Potential for large number of schools to convert to academy status.	Additional governance and administration risk. If all schools were to convert then the number of employers in the Fund could jump from 170 to between 400 and 500.	Andy Cunningham	Regular communications with schools to understand their intentions. Questionnaires recently sent to Schools.	2	3	6	Medium	PWC report issued on academies, identifies the issues but no recommendations. Fund is reviewing how academies are dealt with when MATs break-up and the additional governance involved but we will wait for the outcome of the SAB review before making any	Denise Robinson		1	1	1	Low	1 March 2017	→
PEN013	Failure to communicate properly with stakeholders	Communication	Lack of clear communications policy and action, particularly with employers and scheme members.	Scheme Members are not aware of the rights and privileges of being in the scheme and may make bad decisions as a result. Employers are not aware of the regulations, the procedures, etc, and so the data flow from them is poor.	Andy Cunningham	The Fund has a Communications Manager and Employer Relationship Manager posts dedicated to these areas full-time, including keeping the website up-to-date, which is a key communications resource. The Fund also has a Communications Policy.	2	2	4	Low	Although the Fund Communications Manager post is currently vacant, the key roles are currently being covered by other officers. Both Employer and Members newsletters are sent out during March / April. Employer forums are held in April and September with an AGM being planned in June. The Fund now has a Twitter account. Annual Benefit Statement sent to members by 31 August.	Denise Robinson		1	1	1	Low	1 March 2018	→

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WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD
15 March 2018

PENSION FUND KEY PERFORMANCE INDICATORS

Purpose of the Report

1. The purpose of this report is to present the Fund's performance against its key performance indicators (KPIs) in relation to the administration of benefits.

Background

2. As part of the Fund's 2015/18 Business Plan, the Fund has a commitment to introduce bi-annual performance reporting of KPIs in order to improve management information, assist with performance monitoring and increase transparency of the administration performance. This objective fits in with our overriding objectives to ensure the effective management and governance of the Fund and to provide an effective, customer friendly benefits administration service.
3. This commitment is also in line with the Pensions Regulator's increased focus on governance of public service pension schemes resulting from the extension of its remit to cover public service pension schemes via the Public Service Pension Act 2013 and the resulting *Code of Practice 14 - Governance and administration of public service pension scheme* which sets out the wide-ranging governance requirements the Regulator expects to see adhered to.
4. At its meeting on 23 March 2017, the Committee agreed a set of KPIs that the Fund would be measured against which are now attached to this report.

Considerations for the Board

5. The following KPIs are reported on and shown on the attached APPENDIX for 2017-18 Quarter 3 along with a trend analysis for the previous 3 quarters:
 - Putting benefits into payment on retirement from active status;
 - Commencing payment of benefits for deferred members;
 - Provision of retirement estimates;
 - Provision of deferred benefit statements to members who leave before 55;
 - Processing of transfer payments into and out of the Fund;
 - Provision of cash equivalent values in cases of divorce;
 - Processing of refunds of contributions;
 - Processing of inter-LGPS Fund transfers; and
 - Payment of death grants and applicable survivor's pensions.
6. The data is subdivided into the time taken to complete each task into different tranches (0 to 5 days, 6 to 10 days, etc.), as well as setting out those instances where performance was outside of the statutory time limits. This information allows the Fund to look at trends and to provide a better understanding of any potential issues impacting the day-to-day administration of the Fund.

7. Separately the Fund is currently developing its reporting capability to provide splits between employer and Fund performance and also to provide comparisons against statutory disclosure timelines and the Fund's administration strategy.

Conclusions

8. This information provides short term analysis on the Fund's performance against key administrative tasks. As time passes, this will provide a greater insight into longer term trends and identify areas for improvements.
9. The **Active to retirement** metric has seen a fall each quarter in meeting the target timeframe although Q3 saw a slight recovery (see chart 1). This is related to resourcing issues at the Senior Pension Officer level, which has led to Pension Officers, who are responsible for these retirements, providing additional cover to maintain the service in **processing death cases**. Despite this, overall, the number of active retirement cases completed was at its highest level over the three quarters in Q2 (see chart 2). The resourcing issues have also had a similar impact on **transfer outs** cases where Q1 reflected a decline in the number of cases meeting the target but Q2 and Q3 saw a recovery. The increases in Q3 is partly due to the successful recruitment to the Senior Pension Officer level although ongoing training may influence the actual levels quoted.
10. The number of **Active to Retirement** cases that met the 20 days reduced due to an increase in the number of cases that required clarification from the member's employer's payroll agents. The Fund is continually striving to work with employers to highlight and address educational issues to ensure processes are seamless in providing the very best service for the member. Internal training needs to be conducted to ensure correct use of workflow when the Fund are waiting for responses from Employers and members.
11. **Refund of contributions and leavers to deferred status** has also seen a fall in terms of number of processed cases that meet targets. Although the number of completed cases has seen a significant increase in Q3, the impact of completing backlogs is reflecting in the drop in meeting targets in the short-term. Leavers to deferred cases increased from 383 cases in Q2 up to 796 cases in Q3 with the subsequent impact of a drop from 92% completed on time in Q2 to only 42% in Q3. Refunds of contributions followed a similar pattern.

Environmental Impact

12. There is no environmental impact from this report.

Financial Considerations

13. There are no immediate financial considerations resulting from the reporting of the Fund's performance against its key performance indicators.

Risk Assessment

14. There are no direct risks to the Fund associated with this reporting.

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

16. There are no implications at this time.

Proposals

17. The Board is requested to note the Fund's performance against its key performance indicators.

MICHAEL HUDSON
Treasurer to the Pension Fund

Report Author: Andy Cunningham – Head of Pensions Administration and Relations

Wiltshire Pension Fund

Benefit Administration Key Performance Indicators

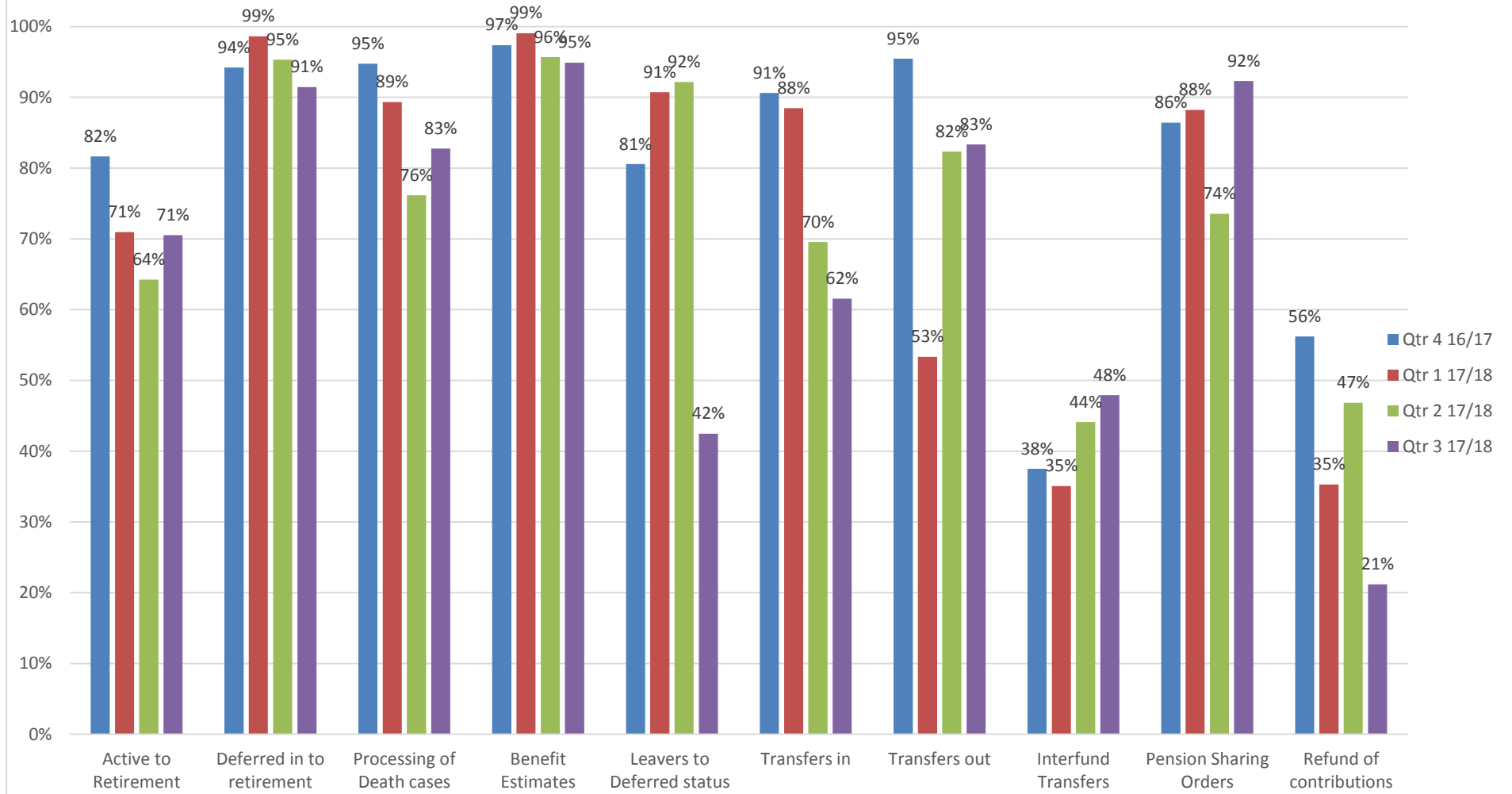
Period 01/10/2017 to 31/12/2017

Type of case	Time to complete					40 days +	Total	Timescales % on target	Timescales working days
	0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days				
Active to Retirement	33	35	25	17	23	23	156	71%	20
Deferred in to retirement	111	21	4	3	12	1	152	91%	20
Processing of Death cases	34	24	9	5	3	12	87	83%	20
Benefit Estimates	48	32	31	15	23	8	157	95%	40
Leavers to Deferred status	56	34	10	2	236	458	796	42%	40
Transfers in	0	3	5	0	0	5	13	62%	40
Transfers out	8	0	1	0	1	2	12	83%	30
Interfund Transfers	10	10	2	0	1	25	48	48%	40
Pension Sharing Orders	19	5	6	9	9	4	52	92%	30
Refund of contributions	17	17	19	23	56	227	359	21%	20
Grand Total	336	181	112	74	364	765	1832		
Percentage	18%	10%	6%	4%	20%	42%			

APPENDIX (Chart 1)

KPIs Q4 16-17 to Q3 17-18

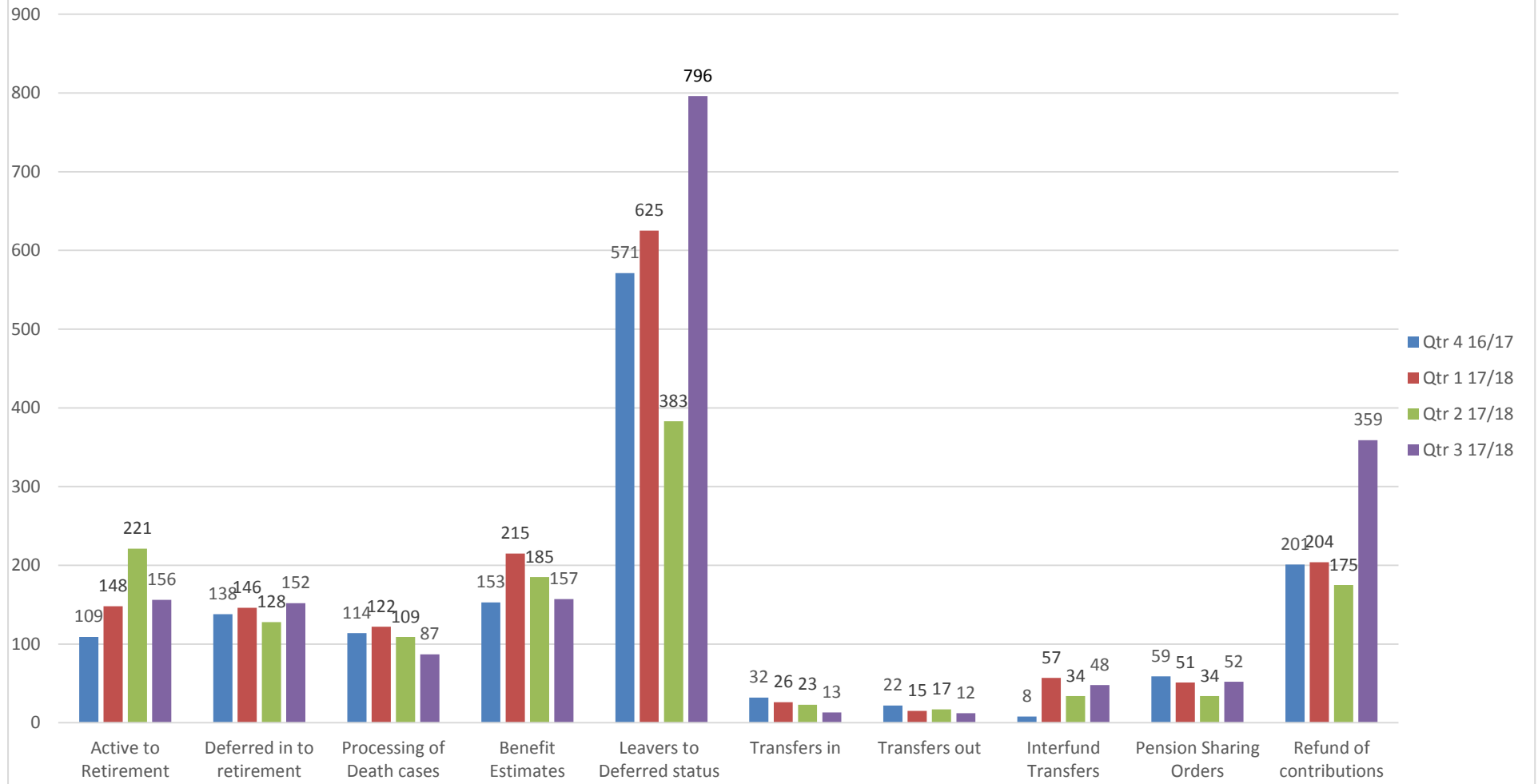
%age of cases completed within target number of days



APPENDIX (Chart 2)

KPI Totals Qtr 4 16/17 to Qtr 3 17/18

Number of cases completed during period



WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD

15 March 2018

Code of Conduct and Conflict of Interest Policy for the Local Pension Board

Purpose of the Report

1. The purpose of this report is to request the Local Pension Board (LPB) review the current Code of Conduct and Conflict of Interest Policy for the Board prior to consideration by the Wiltshire Pension Fund Committee.

Background

2. To ensure sound governance of the LPB, there are certain principles that LPB Members must follow, particularly in relation to code of conduct and conflicts of interest.
3. The Regulations, along with the Pension Regulators Code of Practice (no 14), and the Scheme Advisory Board's guidance, outline a duty on Wiltshire Council to satisfy itself that LPB Members don't have conflicts of interest on appointment or whilst they are Members of the LPB. LPB Members need to be made aware of their duties under a code of conduct.
4. To fulfil this obligation officers, with assistance from Wiltshire Council legal services and Hymans Robertson, developed a Code of Conduct and Conflicts of Interest Policy which was agreed by the Wiltshire Pension Fund Committee in December 2015.
5. Training was provided to Board members as to its purpose and application of the policy document. In essence the guidelines place a requirement on all LPB Members to act in accordance with the Seven Principles of Public Life and to notify Democratic Services of any potential conflict of interest arising as a result of their position on the Board.
6. It is stated in the Code of Conduct and Conflict of Interest Policy that the document will be reviewed at least annually by the Committee, in December 2016 the policy document was reviewed by the Committee following suggestions from the Board, and updated with regards to its references to the status of the Scheme Advisory Board. The changes are available to view [here](#).
7. The previous [report](#) to the Committee also addressed questions posed by Board members as to how the scope of the Policy Guidelines were proportionate to the statutory requirements, and the practical implications of the policy. A [benchmarking exercise](#) was undertaken comparing the Policy Guidelines to those of other Funds.

Considerations for the Board

8. The Code of Conduct and Conflict of Interest Policy states it should be reviewed and approved by the Committee at least annually. The Board is invited to consider the policy prior to this submission to the Committee.
9. There have been no material changes to the Regulations and relevant legislation since the last review of the document therefore it is not considered that material changes to the content of the document are required.

10. It is however recommended the Policy Guidelines be amended to state they will be reviewed and approved by the Committee at least every two years, or upon any material changes to the Regulations, relevant legislation and scheme guidance.
11. There is no requirement to review the policy on a yearly basis, relevant legislation and Scheme Advisory Board Guidance states such a policy should be kept 'under regular review'. It is considered the proposal above accords with this requirement.

Environmental Impact of the Proposal

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

Financial Considerations & Risk Assessment

13. There are no significant financial implications from this report.
14. The Code of Conduct and Conflict of Interest Policy Guidelines will assist in mitigating the reputational risk should an issue arise which hasn't been identified or managed.

Legal Implications

15. There are no material legal implications arising from this report. Legal Services have been consulted regarding the legislation referred to in this report.
16. The Policy Guidelines have been drafted to reflect the requirements of Wiltshire Council's constitution, legislation and the guidance of regulatory bodies including the Pension Regulator's Code of Practice No 14 and the Scheme Advisory Board guidance.
17. If the administering authority fails to ensure that each LPB member follows Policy Guidelines which fulfil the requirements of the constitution, legislation and guidance, the following risks may apply:
 - a) the LPB may actually act improperly or be perceived to have acted improperly;
 - b) there may be a challenge to the work carried out by the LPB, for instance, challenge by judicial review as a result of failure to comply with statutory obligations;
 - c) there may be intervention by the Regulator;
 - d) there may be adverse comment by the Scheme Advisory Board, and associated reputational harm.
18. Any individual LPB member who fails to follow Policy Guidelines adopted by the administering authority may be in breach of:
 - a) regulations 108(3) and (4) of the LGPS Regulations 2013; and
 - b) Protocol 2 of Wiltshire Council's constitution,

which may also lead to the risks set out at paragraph 16 above.

Safeguarding Considerations/Public Health Implications/Equalities Impact

19. There are no known implications at this time.

Reasons for Proposals

20. To ensure the LPB has an up to date policy to direct members' conduct and to address any conflicts of interest.
21. The Board has operated in accordance with this policy since December 2015 and is now well-established. It is considered an annual review of this policy is no longer required by the Administering Authority and the alternate proposal accords with statutory requirements to keep the document under regular review.

Proposals

22. The Board is requested to endorse the attached Code of Conduct and Conflict of Interest Policy Guidelines to the Wiltshire Pension Fund Committee, subject to an amendment that *these guidelines will be reviewed and approved by the Committee at least every two years, or upon any material changes to the Regulations, relevant legislation and scheme guidance.*

ANDY CUNNINGHAM
Head of Pensions Administration and Relations

Report Author: Libby Johnstone, Senior Democratic Services Officer

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

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This document is not a part of the constitution and is a policy document for the Local Pension Board.

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

Status of this document

The Terms of Reference for the Board set out:

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

Duties of the Board

7. The Board should at all times act in a reasonable manner in the conduct of its purpose. In support of this duty Board members should be subject to and abide by the code of conduct for Board members.

Conflicts of interest

54. All members of the Board must declare to the Administering Authority on appointment and at any such time as their circumstances change, any potential conflict of interest arising as a result of their position on the Board.

55. A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Board. It does not include a financial or other interest arising merely by virtue of that person being a member of the Scheme.

56. On each appointment to the Board and following any subsequent declaration of potential conflict, the Administering Authority shall ensure that any potential conflict is effectively managed in line with the internal procedures of the Administering Authority, the requirements of the 2013 Act, the requirements of the Code and the requirements of Relevant Legislation on conflict of interest for Board members.

This document contains the Committee's policy guidelines on conduct of Board members and conflicts of interest. These guidelines will be reviewed and approved by the Committee at least annually.

Objectives of this document

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

This document is not a part of the constitution and is a policy document for the Local Pension Board.

Definitions used in this document

“2011 Act”	The Localism Act 2011 (as amended from time to time)
“2013 Act”	The Public Service Pensions Act 2013 (as amended from time to time)
“Administering Authority”	The administering authority for the Fund, Wiltshire Council. The Administering Authority is the scheme manager for the purposes of the 2013 Act.
“Board”	The Wiltshire Pension Fund Local Pension Board
“Code”	The Pensions Regulator’s Code of Practice no. 14: Governance and administration of public service pension schemes (as amended from time to time)
“Committee”	The Wiltshire Pension Fund Committee
“Conflict Policy”	The conflict of interest policy of the Board set out in the Terms of Reference (as amended from time to time)
“Councillor”	An elected or co-opted member of a local authority
“Declaration of Interest Form”	The form used to declare Relevant Interests as amended from time to time, currently as attached to this document at Appendix 1
“Fund”	The Wiltshire Pension Fund within the LGPS, managed and administered by the Administering Authority
“Relevant Interest”	Any company directorship, trusteeship, other post (whether remunerated or not), financial interest or personal interest belonging to a Board member or a Board member’s spouse, civil partner or cohabitee, where such interest is likely to be affected by, or relevant to, the work of the Board.
“Register of Member Interests”	The register of member interests kept by Democratic Services to record Relevant Interests. Democratic Services is the Board Secretary for the purposes of the Terms of Reference
“Regulations”	The Local Government Pension Scheme Regulations 2013 (as amended from time to time)
“Scheme Advisory Board”	The Local Government Pension Scheme Advisory Board set up under section 7 of the 2013 Act
“SAB Guidance”	Local Government Pension Scheme (LGPS): Guidance on the creation and operation of Local Pension Boards in England and Wales

This document is not a part of the constitution and is a policy document for the Local Pension Board.

1. Code of Conduct for Board members

Government guidance on conduct of local pension board members

The Scheme Advisory Board provides advice to administering authorities and local pension boards in relation to the effective and efficient administration and management of the LGPS and their pension funds. The Scheme Advisory Board will be adopting the Shadow SAB Guidance therefore the Administering Authority and the Board should have regard to the SAB Guidance to assist with the effective and efficient administration and management of the Fund. Section 7 of the SAB Guidance deals with conduct of local pension board members.

Code of Conduct

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

The Seven Principles of Public Life are:

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

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

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

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

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

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

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

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

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

This document is not a part of the constitution and is a policy document for the Local Pension Board.

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

2. Conflict of Interest Policy Guidelines

What is a Conflict of Interest?

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

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

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

- must fulfil their legal duty to assist the Administering Authority; and
- at the same time has:
 - a separate personal interest (financial or otherwise); or
 - another responsibility in relation to that matter,

giving rise to a possible conflict with their first responsibility as a local pension board member.

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

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

Relevant Legislation

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

Regulation 108 of the Regulations states:

108 Local pension boards: conflict of interest

(1) Each administering authority must be satisfied that any person to be appointed as a member of a local pension board does not have a conflict of interest.

(2) An administering authority must be satisfied from time to time that none of the members of a local pension board has a conflict of interest.

(3) A person who is to be appointed as a member of a local pension board by an administering authority must provide that authority with such information as the authority reasonably requires for

This document is not a part of the constitution and is a policy document for the Local Pension Board.

the purposes of paragraph (1).

(4) A person who is a member of a local pension board must provide the administering authority which made the appointment with such information as that authority reasonably requires for the purposes of paragraph (2).

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

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

The Pensions Regulator's Code: Conflicts of Interest

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

Other Guidance on Conflicts of Interest

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

Policy Guidelines

1. Identifying and monitoring Conflicts of Interest

The Board must:

- identify, monitor and manage dual interests and responsibilities which are or have the potential to become actual or perceived conflicts of interest. In determining how to manage conflicts of interest the Board must comply with the 2013 Act, the Regulations, the Code and other relevant guidance from the Pensions Regulator, the Conflict Policy and these guidelines;
- ensure that conflicts of interest are considered at every Board meeting;
- ensure that a report is sent to the Administering Authority after each Board meeting and at other times upon the Administering Authority's reasonable request detailing declared interests and mitigation action taken;
- ensure that Democratic Services (the Board Secretary) is notified at the earliest opportunity of any declared interests;
- seek further advice from Democratic Services wherever the Board has any doubt about the duties set out in these guidelines;
- consider obtaining legal advice when assessing any option to prevent a potential conflict of interest becoming detrimental to the conduct or decisions of the Board.

This document is not a part of the constitution and is a policy document for the Local Pension Board.

All Board members must:

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

Democratic Services (the Board Secretary) will:

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

The Administering Authority must:

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

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- keep this document under regular review.

2. Managing Conflicts of Interest

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

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

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

3. Perceived Conflicts of Interest

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

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

4. Confidential Information

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

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

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

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

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

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

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5. Adviser and Officer Conflicts

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

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

6. Examples of conflicts of interest

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

Example 1

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

Example 2

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

Example 3

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

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

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

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

Appendix 1: Declaration of Interest Form

I,

a member of the Wiltshire Pension Fund Local Pension Board (the "Board") give notice that I, and to the best of my knowledge my spouse, civil partner, person with whom I live as husband or wife, or person with whom I live with as a civil partner have the following Relevant Interests as defined in the Committee's conflict of interest policy guidelines (Please state none where appropriate)

1. Employment, office, trade, profession or vocation

You should disclose any employment, office (e.g. director or trustee), trade, profession or vocation carried on whether or not for profit or gain, including the name and address of the employer/appointor.

Member

Spouse/Civil Partner/Cohabitee

2. Contracts

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

Member

Spouse/Civil Partner/Cohabitee

2. Securities

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

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the total issued share capital, or one hundredth of the total issued share capital of any class of shares issued.

Member

Spouse/Civil Partner/Cohabitee

3. Disclosure of Gifts and Hospitality

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

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

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

Member

Spouse/Civil Partner/Cohabitee

5. Changes to Registered Interests

I understand that I must notify the Board Secretary at the earliest opportunity of any changes

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or additions to my Relevant Interests.

Signed:

Board Member

Date:

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Review of Wiltshire Pension Fund Governance Compliance Statement

Purpose of the Report

1. The purpose of this report is for Members to review the Governance Compliance Statement for the Wiltshire Pension Fund.

Background

2. Under the Regulation 55 of the Local Government Pension Scheme (Administration) Regulations 2013, Local Government Pension Funds are required to set out a written statement outlining the delegations for the administration of the Fund and to keep this under review. The link to the Regulation 55 is below:

<http://www.legislation.gov.uk/uksi/2013/2356/regulation/55/made>

3. This latest version of the Governance Compliance Statement was approved by the Pension Fund Committee on 17 March 2015.
4. The Governance Compliance Statement was last reviewed by the Local Pension Board on 7 April 2016 and where it was resolved to: *“To endorse the statement and recommend that lay membership and voting rights be reviewed following the proposed asset pooling as part of the compliance process and pooling arrangements”*.

Key Considerations for the Board

5. This document sets out whether Wiltshire Council delegates its functions, or part of its functions under these Regulations to a committee, a sub-committee or an officer of the authority and if so the terms, structure and operational procedures of the delegation including the frequency of any committee or sub-committee meetings.
6. It also needs to outline whether such a committee or sub-committee includes representatives of Scheme employers or members, and if so, whether those representatives have voting rights.
7. The attached Governance Compliance Statement is largely self-explanatory and is attached for Members' review. It is largely a factual statement, and shows the Fund is compliant with the principles of best practice guidance issued by DCLG.
8. Within its role of securing compliance, the Board is recommended to review this statement and to consider recommending any changes to the Pension Fund Committee, in particularly in light of the establishment of this Board.

Financial Considerations & Risk Assessment

9. There are no financial implications of this Policy.
10. The review of the strategy ensures the Fund is mitigating *PEN008: Failure to comply with LGPS and other regulations with stakeholders* as shown in the Risk Register elsewhere on this agenda.

Legal Implications and Environmental Impact of the Proposal

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

12. There are no known implications at this time.

Reasons for Proposals

13. There is a legal requirement under the Local Government Pension Scheme Regulations for a policy and its best practice to refresh this on a regular basis. The review of this statement by the Board is part of the role with regard securing compliance with the Regulations.

Proposals

14. The Board is asked to review the Government Compliance Statement.

MICHAEL HUDSON
Treasurer to the Pension Fund

Report Author: Andy Cunningham, Head of Pensions Administration and Relations

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

Wiltshire Pension Fund Governance Compliance Statement

AREA	PRINCIPLE	LEVEL OF COMPLIANCE	REASON FOR NON-COMPLIANCE
A) Structure	a) The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	<p>FULL – The Council’s constitution (Part 3, para 2.5) says that the Committee will “exercise the functions of the Council as Administering Authority under the Local Government Superannuation Act and Regulations and deal with all matters relating thereto”. The Wiltshire Pension Fund Committee has the power to “...make decisions on matters of significant policy...” (Part 3B, para 4).</p>	N/A
	b) That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	<p>FULL – There are two voting representatives from Swindon Borough Council, two voting representatives from Admitted Bodies and 2 UNISON Observers (representing active, deferred and pensioner members), all of whom are members of the main committee.</p> <p>There is an Investment Sub-Committee (ISC) to deal with the on-going monitoring of investment managers, appointment of new managers, review any emerging investment opportunities and to consider and determine opportunistic investments to the value of 5% of the Fund’s total assets. This consists of 4 voting members, namely the Chairman, Vice-Chairman, one Wiltshire Council elected member from the main committee and one co-opted member of the main committee. All</p>	N/A

AREA	PRINCIPLE	LEVEL OF COMPLIANCE	REASON FOR NON-COMPLIANCE
		members of the main committee may be an observer.	
	c) That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	FULL – All minutes of meetings and decisions taken by the ISC are reported back to the next main committee meeting.	N/A
	d) That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	FULL – At least 4 members of the ISC sit on the main committee.	N/A
B) Representation	<p>a) That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:</p> <ul style="list-style-type: none"> i. employing authorities (including non-scheme employers, eg, admitted bodies); ii. scheme members (including deferred and pensioner scheme members); iii. independent professional observers; and 	<p>FULL – four representatives in total, two from Swindon Borough and two from Admitted Bodies. The non-elected members will hold their office for a maximum of 4 years before a re-election process needs to take place.</p> <p>FULL – two representatives from UNISON, who represent active, deferred and pensioner members</p> <p>FULL – Our Independent Pension Adviser, who attends all meetings, fulfils this role and feeds back any observations to the Chief Finance Officer and/or Head of Pensions</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>

AREA	PRINCIPLE	LEVEL OF COMPLIANCE	REASON FOR NON-COMPLIANCE
	<p>iv. expert advisors (on an ad-hoc basis).</p> <p>b) That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights.</p>	<p>FULL – Mercers (the Fund’s Investment Consultant) and Hymans Robertson (the Fund’s Actuary) attends all meetings where expert advice is required</p> <p>FULL – All members of the Committee are given equal access to papers, meetings and training and are able to fully participate in debates.</p>	N/A
C) Selection and Role of Lay Members	<p>a) That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.</p> <p>b) That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.</p>	<p>FULL – Full Induction Training and Governance is given and each member is given a Members’ Handbook outlining their responsibilities amongst other information.</p> <p>FULL – this is a standard part of committee procedure.</p>	N/A
D) Voting	<p>a) The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.</p>	<p>FULL – The Committee has afforded each of its members voting rights, except the UNISON Observers who represent members. Being a statutory pension scheme, the local committee has very little influence over benefits and the members are fully protected by statute. Therefore, there is very little that scheme members (or their representatives) can influence on the committee that has any direct impact upon them.</p>	N/A

AREA	PRINCIPLE	LEVEL OF COMPLIANCE	REASON FOR NON-COMPLIANCE
		Further, giving voting rights to the observers would mean increasing the size of the Committee, because the Administering Authority must legally be able to maintain a majority.	
E) Training/Facility Time/Expenses	a) That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.	FULL – There is a Members’ Training Plan which is updated regularly and fully implemented. All members (including observers) have full access to all training opportunities and are allowed to claim all reasonable expenses.	N/A
	b) That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	FULL – see Members Training Plan	N/A
F) Meetings - Frequency	a) That an administering authority’s main committee or committees meet at least quarterly.	FULL – The Committee meets four times per year, plus ad-hoc for special issues (eg. valuation, tenders)	N/A
	b) That an administering authority’s secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	FULL – The ISC meets two times per year, with a potential two further meetings scheduled should they be required.	N/A
	c) That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	FULL – From 1 April 2015, Wiltshire Council in its role of Administering Authority will establish a Local Pension Board. This will consist of 6 voting members (3 employer and 3 member representatives) along with a non-voting independent chair. The purpose of this Board is to review and ensure the Wiltshire Pension Fund	N/A

AREA	PRINCIPLE	LEVEL OF COMPLIANCE	REASON FOR NON-COMPLIANCE
		secures compliance with the Scheme regulations and all other relevant legislations.	
G) Access	a) That subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	FULL – All members of the Committee (including non voting and substitute members) receive all the papers for every meeting, including the confidential ones	N/A
H) Scope	a) That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	FULL – All matters in relation to the Fund, whether Benefits, Governance, Investments, Communications, Employers, Financial, etc, are covered by the governance arrangements.	N/A
I) Publicity	a) That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	FULL – the Governance Compliance Statement is available on the Wiltshire Pension Fund Website and in the Wiltshire Pension Fund Annual Report. This statement is approved by the main committee which is held as a meeting open to public participation	N/A

12 March 2015

Wiltshire Pension Fund Committee

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