

AGENDA

Meeting: Local Pension Board

Place: [Online Meeting](#)

Date: Thursday 6 August 2020

Time: 10.30 am

Please direct any enquiries on this Agenda to Ellen Ghey, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718259 or email ellen.ghey@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:

Cllr Richard Britton
Ian Jones
Rod Lauder
Mike Pankiewicz

Barry Reed
Paul Smith
Mark Spilsbury (Chairman)

Recording and Broadcasting Information

Wiltshire Council may record this meeting for live and/or subsequent broadcast on the Council's website at <http://www.wiltshire.public-i.tv> . At the start of the meeting, the Chairman will confirm if all or part of the meeting is being recorded. The images and sound recordings may also be used for training purposes within the Council.

By submitting a written statement or question for an online meeting you are consenting that you will be recorded presenting this or this may be presented by an officer during the meeting and will be available on the public record. The meeting may also be recorded by the press or members of the public.

Any person or organisation choosing to film, record or broadcast any meeting of the Council, its Cabinet or committees is responsible for any claims or other liability resulting from them so doing and by choosing to film, record or broadcast proceedings they accept that they are required to indemnify the Council, its members and officers in relation to any such claims or liabilities.

Details of the Council's Guidance on the Recording and Webcasting of Meetings is available on request. Our privacy policy can be found [here](#).

Public Participation

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

[Guidance on how to participate in this meeting online.](#)

AGENDA

Part 1

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

1 **Membership**

To note any changes to the membership of the Board.

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

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

3 **Apologies**

To receive any apologies for absence.

4 **Minutes** (*Pages 9 - 20*)

To confirm as a true and correct record the minutes of the previous meeting held on 21 May 2020.

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

5 **Declarations of Interest**

To receive any declarations of disclosable interest.

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

6 **Chairman's Announcements**

To receive any announcements through the Chairman.

7 **Public Participation and Councillors Questions**

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

[Guidance on how to participate in this meeting online.](#)

Statements

Members of the public who wish to submit a statement in relation to an item on this agenda should submit this is electronically to the officer named on this agenda **no later than 5pm on Monday 3 August.**

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

organisation), state points clearly and be readable aloud in approximately 3 minutes. Up to three speakers are allowed for each item on the agenda.

Questions

Those wishing to ask questions are required to give notice of any such questions electronically to the officer named on the front of this agenda no later than **5pm on 30 July** in order to be guaranteed of a written response. In order to receive a verbal response questions must be submitted no later than **5pm on Monday 3 August**.

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

8 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee and Investment Sub Committee** *(Pages 21 - 24)*

To consider the Part 1 (public) minutes of the Wiltshire Pension Fund Committee held on 16 July 2020 and Investment Sub Committee held on 2 July 2020.

9 **Scheme legal, regulatory and Fund update** *(Pages 25 - 30)*

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

10 **Training item** *(Pages 31 - 38)*

To consider a training item on the National Fraud Initiative and Certificate of Existence.

11 **Fund Annual Report and Accounts and Audit Update** *(Pages 39 - 40)*

A brief report by the Head of Pension Fund Investments on the progress of the audit and proposals for the approval and publication of the annual report.

12 **Internal Audit Update** *(Pages 41 - 52)*

A brief report on the pension transfers audit, and a verbal update on the progress of the 2020/21 internal audits covering Fund's internal financial controls, MiFID II & Data Protection Act 2018/GDPR compliance.

13 **Employer Training Policy** *(Pages 53 - 60)*

The Board is asked to consider the contents of the employer policy document.

14 **Fraud Risk Prevention & Mitigation Measures** *(Pages 61 - 66)*

A brief report setting out the risks experienced by the Fund & the mitigation implemented to combat fraud (focus on transfer outs).

15 **Risk Register update** (Pages 67 - 74)

To consider an update to the Risk Register.

16 **Quarterly Update on Key Performance Indicators** (Pages 75 - 86)

To consider an update on Fund KPIs.

17 **Member Effectiveness Review** (Pages 87 - 90)

An update on the progress of the Fund's terms of reference & impact on the Governance Compliance Statement & ISC.

18 **Urgent items**

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

19 **Date of next meeting and Forward Plan** (Pages 91 - 94)

The next meeting of the Board will be held on 15 October 2020 other future dates can be found [here](#).

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

20 **Exclusion of the Public**

To consider passing the following resolution:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Numbers 21 - 24 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

Part II

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

21 **Fund Data Security, Cyber Resilience & Business Continuity Planning** (Pages 95 - 148)

A paper outlining the Fund arrangements with its two key software providers & its compliance with the Regulator's guidance.

22 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee and Investment Sub-Committee** *(Pages 149 - 154)*

To consider the Part 2 (private) minutes of the meetings of the Wiltshire Pension Fund Committee held on 16 July 2020 and Investment Sub-Committee held on 2 July 2020.

23 **Brunel Pension Partnership update** *(Pages 155 - 158)*

An update on the Mercer review of the Brunel portfolios by the Head of Pension Fund Investments & commentary of BPP governance arrangements.

24 **Brunel Pension Partnership Cost Transparency** *(Pages 159 - 210)*

An update from the Head of Pension Fund Investments.

Local Pension Board

MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 21 MAY 2020 AT ONLINE MEETING.

Present:

Cllr Richard Britton, Ian Jones, Rod Lauder, Barry Reed, Paul Smith and Mark Spilsbury (Chairman)

Also Present:

Cllr Tony Deane and Cllr Gordon King

27 **Chairman's Welcome and Introductions**

The Chairman welcomed everyone to the Local Pension Board and all officers and members present were introduced.

It was noted that the meeting was being broadcast live to the public who would be able to listen to and view the meeting online until the Board entered Part II of the meeting, at which point the public would be excluded because of the likelihood that exempt information would be disclosed.

The Board agreed that Item 9 would be brought forward and discussed after Item 7.

28 **Membership**

As it was his first meeting as Independent Chairman of the Board, the Chairman gave a brief summary of his professional background.

The biographies of all Local Pension Board members can be found on the Wiltshire Council website:

<https://cms.wiltshire.gov.uk/mgCommitteeDetails.aspx?ID=1280>

29 **Apologies**

Apologies were received from Mike Pankiewicz.

30 **Minutes and action-tracking**

Resolved

To confirm as a true and correct record the Part 1 (public) minutes of the previous meeting held on 13 February 2020.

31 **Declarations of Interest**

There were no declarations of interest.

32 **Chairman's Announcements**

The Chairman reiterated the role of the Board as a non-decision making body that seeks to support the Pension Fund in being compliant with legislation and regulations.

33 **Public Participation and Councillor Questions**

There were no statements or questions from the public.

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

Resolved

To note the Part 1 (public) minutes of the Wiltshire Pension Fund Committee and the Investment Sub Committee held on 26 March 2020 and 27 February 2020.

35 **Training Plan**

The Fund Governance and Performance Manager gave a brief overview of the role of the S151 Officer and the Monitoring Officer.

The Director for Finance and Procurement (S151 Officer) gave a summary of his professional background and outlined his role in relation to Wiltshire Pension Fund, including its core responsibilities, key areas of potential conflict of interest and delegations to the Fund's leadership.

Resolved

To note the overview of the role of the S151 Officer and the Monitoring Officer.

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

The Head of Pensions Administration and Relations presented a report on the latest Scheme, Legal, Regulatory and Fund developments for the Board's information.

Regarding the Fund's response to COVID-19, it was noted that it had been largely business as usual from an operational point of view as officers had been able to work from home without any major issues. However, there were three main impacts and risks faced by Fund. Firstly, the Fund had been receiving weekly funding level updates from the actuary due to the volatility seen in

markets. The whole-fund funding level had dropped as low as 86%, although it had been more stable since then and had partially recovered to around 91.5% (30 April 2020). There was also a risk of employers failing to pay contributions or provide data as a result of the situation. The Fund had contacted employers and no significant issues had been brought forward. There had been no increase in late payments so far and the Fund already had guarantees in place for higher risk employers. The Fund had contacted major service providers, and all confirmed that they were able to remain operational and officers had not seen any change in their service availability so far.

In response to a question from the Board it was noted that the Fund followed a process whereby an immediate review of the current investment strategy is undertaken should the funding level drop by more than 20% from the latest actuarial valuation figure. However, having taken advice from the Fund's actuaries and investment consultants it was decided that no action would be taken at this time in anticipation of a longer-term recovery.

Resolved

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

37 **Communications Strategy and Digital Programme Update**

In response to a question by the Chairman, it was noted that the Fund can measure and analyse the number of page views via the employer website's statistic tool help to identify engagement levels. This allowed the Fund to see which web pages employers were viewing and whether certain pages needed to be promoted to encourage more views. However, there was no function for the Fund to see which employers engaged with which pages and how often they did so. The Fund could gauge the engagement levels of individual employers from, for example, webinar sign-up, although it is important to note that there were vast differences in scheme member levels across employers and as such engagement levels vary partly due to the employer's need. It was also noted the Fund aims to identify where low employer engagement is coupled with low quality data provision and would take action accordingly.

Resolved

To note the update.

38 **Fund Annual Report and Accounts & Audit Update**

The Head of Pension Fund Investments gave an update on the Fund's annual report and its accounts and audits.

It was noted that due to the current situation regarding COVID-19 the Fund had been given a one-month extension to get its accounts ready for audit, and that the auditors had also been given a one-month extension to carry out their work. Therefore, the deadline for having a finalised and audited accounts and annual report was the end of September rather than the end of July. Regarding last

year's accounts and annual report, it was noted that there had been a delay in this being signed off and that it would be finalised at the Audit Committee in June. This delay was due to some issues with the Council's accounts, within which the Fund's accounts were appended and as such it was only possible for the auditors to provide an audit report for the Fund once the entire Council accounts had been signed off. The Board was reassured that the delay was not due to any issues with the Fund's accounts.

An update was also given on the Fund's internal audits for 2020-21. It was noted that whilst the Pension Transfers audit for 2019-20 had continued, the Audit Committee meeting that was due to take place to approve the Fund's 2020-21 audits had been cancelled due to COVID-19 and so the process had been delayed. The four audits that were due to be undertaken were on key financial controls, data protection in relation to the Fund's compliance to GDPR, MiFID II compliance and pensions transfers to Brunel Pension Partnership. The Board was assured that it would be updated as soon as these had been completed.

Resolved

To note the update.

39 Draft Investment Strategy Statement (ISS)

The Chairman outlined the Board's responsibility to review the process undertaken in updating the Investment Strategy Statement (ISS) and its approval and in ensuring that suitably qualified and experienced investment experts had been involved in the process.

The Head of Pension Fund Investments then briefly introduced the draft ISS which had been circulated to members in advance of the meeting. The ISS had been prepared with support from the Fund's investment consultants and contained the updated strategic asset allocation, which had been approved by Committee after significant input from the Fund's actuaries and investment consultants. In response to a question from the Board, it was noted that the current investment environment could provide investment opportunities in environmentally aware sectors. Officers had had positive conversations with Brunel particularly around private markets, which the Fund had recently made several commitments to and where there were opportunities in the renewables sector. Brunel itself had been focused on its climate change policies and its responsible investment engagement as a whole and, for example, had generally sought to avoid assets such as airports, as well as expecting funds in their portfolios to manage the carbon impact of the underlying investments. These actions had boosted the resilience of Brunel's existing investments in the current environment.

In response to concerns raised over the threat to investment opportunities as a result of COVID-19 it was noted that the Fund was keen to ensure its strategy remained long-term and to wait until the markets stabilise until it engages with Mercer and reviews aspects of the strategy.

Regarding the strategic asset allocation, it was noted that a desired outcome of the strategy review was to develop a mix of asset classes which would still deliver good returns, thereby reducing the need for contribution rate rises from employers, but also bring down the overall risk of the portfolio which previously had high exposure to equities. The Fund had removed the diversified growth fund and absolute return bond fund portfolios and instead committed to private market portfolios, namely secured income, private equity, private debt and infrastructure. While this would decrease the overall liquidity of the Fund, this was being managed through a large allocation to gilts and the creation of liquid interim portfolios and as the portfolios matured they are expected to become self-funding. It was also noted that these asset classes were slow to implement, and that this was being managed through liquid market portfolios as well as engagement with Brunel to ensure it is deploying capital in an even way and building these portfolios up over time.

The Fund had also changed its allocation to low carbon passive equities. Previously, the Fund had various other passive equities portfolios, but now its investments were in a low-carbon alternative portfolio through Brunel. This gave the Fund the same returns and volatility to the broader benchmark index but had a much lower carbon footprint. It was noted that the strategic asset allocation would be fully implemented over the next few years and that this could take up to six years, due to the allocations to the private markets. In the meantime, the Fund would have interim portfolios which would be implemented on a risk-return basis.

Resolved

To approve the process regarding updating and obtaining approval for the ISS.

40 **New Employer Policy**

The Head of Pensions Administration and Relations introduced a report which aimed to outline the Fund's policy approach to new employers' admissions.

To date, the Fund's approach to new employer admissions had been outlined on its website, in historical committee papers, the Funding Strategy Statement and through precedent. In the interests of greater transparency and consistency and in response to the changing employer environment, officers felt it necessary to formalise and clarify its approach to a range of new employer matters into a single policy. It was noted that there were no major changes in the Fund's approach, instead the policy mainly represented a formalisation of existing practice. The policy had been produced in consultation with the actuary as it contained certain actions that the actuary would be required to undertake.

In response to a question from the Board it was noted that it was difficult for the Fund to insist on a guarantee being in place for certain categories of employers (such as scheduled bodies) as it was unable to enforce such a request because they had a statutory right to participate in the scheme. Admitted bodies only join

the Fund upon signing an admission agreement, and as part of that process the Fund would not sign the agreement unless there was sufficient security in place (such as scheme employer guarantee). The Fund did not see these differing approaches as a particular risk as, for example, academies were funded through the Department for Education (DfE) and the DfE which had a guarantee in place for all academies across the country.

Regarding comparisons between the Fund's approach to new employers' admissions and that of other funds it was noted that whilst there was variation in how employers were treated more generally, the Fund's employer policy was broadly similar (with some aspects dictated by legislation) to that of other Funds.

Resolved

To consider the contents of the new Employer Policy.

41 **Local Pension Board Annual Report 2019-20**

Subject to some minor amendments identified by the Board, the Local Pension Board Annual Report was accepted as a true and fair record of the Board's operations during 2019-20.

Resolved

To approve the draft Local Pension Board Annual Report 2019-20.

42 **Risk Register Update**

Regarding the impact of COVID-19 on the Fund's business continuity, it was noted that there had been no increase in staff sickness and that staff were largely working from home.

In response to a question raised by the Board it was also noted that the Fund Governance and Performance Manager conducted a formal review of the risk register on a quarterly basis. Once this review had been completed, a summary of potential risk areas were circulated to officers for further comment before being brought to the Board and Committee for comment. Risk reviews were monitored and managed on an ongoing basis by officers.

Resolved

To note the risk register and recommend the changes/actions made by officers in points 5 and 8 of their report be submitted to the Committee.

43 **Administration Quarterly Key Performance Indicators**

In answer to a question from the Chairman, it was noted that the Administration Strategy target days were set locally by each Fund and were aspirational in nature. This is because they were designed to facilitate a high level of customer

service and, in some cases, the regulatory timeframe was quite generous for administrators and not in line with what the Fund considered to be customers' expectations. Comparisons between funds were therefore difficult, although CIPFA hoped to promote some standardisation going forward which would allow for better comparative analysis.

Resolved

To note the current situation and the Fund's plans for improvement.

44 Supplementary (Low Volume) Key Performance Indicators

Officers introduced a new annual report on the Fund's low volume KPIs. It was noted that the intention of this report was to provide visibility to the Board of all the Fund's low volume KPIs by collating them into one document. Individually such performance measures would not warrant presentation and their occurrence was too infrequent to provide meaningful data on a quarterly basis.

Resolved

To note the findings of the low volume performance measures being monitored and managed by officers on behalf of the Fund.

45 tPR Code of Practice 14 Self-Assessment for 2019-20

The Fund Governance and Performance Manager introduced a report on the tPR Code of Practice Self-Assessment for 2019-20.

Overall, an improvement had been observed in the number of compliance areas falling below the required standard from ten areas identified as requiring improvement in 2018-19 to eight in 2019-20. Of the ten areas identified in 2018-19 two had shown improvement (moving to a well-managed green risk status), most notably reflected in the understanding of tPR breach reporting and its management. This left seven risks where no significant improvement had been made, as well as one risk where a marginal improvement had occurred (lowering it from a red to an amber risk rating). It was noted that officers would continue to implement their action plan to address the risks failing to reach the adequate standard. The implementation of the internal auditor's 2018-19 recommendation to random sample test the responses made during the self-assessment were also noted.

Resolved

To note the internal self-assessment undertaken.

46 Valuation Process Review

The Head of Pensions Administration and Relations presented a report outlining the review of the triennial valuation process.

In setting contribution rates, employers were written to after the Committee meeting on 25 October 2019 to provide them with details of their results and to request that each employer confirmed their agreement to the contribution rates to be paid over the next three years. The secure employers had the option of being part of the Stabilisation Policy, which is supported by the actuary's modelling. This policy limits increases and decreases on contribution rates to 1% per annum. All eligible employers remained within this policy. The remaining employers were sent a proposed contribution rate schedule as part of their valuation results. Officers agreed alternative employer contribution rates with 13 employers, which was in line with expectations and all revised rates were within the parameters agreed by Committee. For employers that failed to respond, despite various attempts to engage with them, the rates put into payment from 1 April 2020 were those proposed by the actuary.

The Head of Pensions Administration and Relations agreed to provide a link to the final valuation report to the Board following the meeting. It was noted that the report included in the agenda pack was only the draft version and as such there were several minor omissions from it.

Resolved

- 1. To note the valuation update provided, including the appendices, and to note the final valuation report had been published.**
- 2. The Head of Pensions Administration and Relations to circulate a link to the final valuation report to the Board following the meeting.**

47 **How did the Board do?**

The Board members agreed that the meeting had, under the circumstances, been effective and allowed the required decisions to be taken.

48 **Urgent items**

There were no urgent items.

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

The next meeting of the Board would be held on 06 August 2020.

50 **Exclusion of the Public**

Resolved

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Numbers 51-52 because it was 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.

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

Resolved

To note the Part 2 (private) minutes of the Wiltshire Pension Fund Committee and the Investment Sub Committee held on 26 March 2020 and 27 February 2020.

52 **Minutes**

Resolved

To confirm as a true and correct record the Part 2 (private) minutes of the previous meeting held on 13 February 2020.

(Duration of meeting: 10.30 am - 12.15 pm)

The Officer who has produced these minutes is Craig Player of Democratic Services, direct line 01225 713191, e-mail craig.player@wiltshire.gov.uk

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

This page is intentionally left blank

Wiltshire Pension Fund Board - Actions Log

Minute reference	Section	Meeting Action	Task owner	Target date for completion	Completed and reported to last meeting
41 (12/07/18) (Was 12.15)	Investment (ISS)	To note the Investment Strategy Statement agreed for final publication. To recommend, upon next review of the Investment Strategy Statement by Committee, that: a) reference is made to ESG policy and that ESG policy is reviewed in light of a forthcoming government consultation paper on final salary pension schemes in respect of ESG b) an annex be included to illustrate the Fund's compliance with Regulation 7.	JD	30/06/2020 (Was October 2019)	21/05/2020 - Minute 39
59 (11/10/18) (Was 13.3)	Governance (Fund Delegations and Controls)	To request the development of a formal record of Brunel, Committee and officer delegations in respect of; a) clarifying where different responsibilities should sit; b) the flow of communications between the various parties; and c) the level of decision making assigned to each party	JD	01/11/2019 (ASAP)	
35 (23/05/19)	Administration (Data Reconciliation)	A sub-plan had been prepared in respect of the Payroll & Pension database reconciliation. An update on the reconciliation would be provided in six months.	AC	14/11/19	See Fund update for a brief update on this, a full report is expected for Autumn.
54 (22/08/19)	Governance (Internal Audit Report)	The Board noted the the action plan suggested by officers addressing the areas of non-compliance within the timeframes indicated. Officers would sample test responses received from managers during further self-assessments	RB	21/05/20	21/05/2020 - Minute 45
83 (14/11/19)	Administration (Communications Strategy)	To track the take up of the digital communications so that adequate monitoring can take place and communication continued with those not using digital platforms	AC	15/10/20	
83 (14/11/19)	Administration (Communications Strategy)	Information on digitalisation should be made available on all platforms to avoid issues and meet compliance	AC	15/10/20	

83 (14/11/19)	Administration (Communications Strategy)	To note in the annual report that monitoring of digitalisation communications was taking place.	RB	21/05/20	21/05/2020 - Minute 37
8 (13/02/20)	Governance (MiFID II Compliance)	The Board recommended that substitute Committee members ensure that they are MiFID II compliant should they need to stand in for a member	JD	03/12/20	Recommendation adopted by Committee 16/07/2020
9 (13/02/20)	Administration (McCloud)	Officers to contact the SAB to ask for guidance on how to keep members updated on the McCloud case implications	AC	21/05/20	21/05/2020 - Minute 36, plus Item 9
9 (13/02/20)	Administration (Website)	Officers to feedback on employer's reception to the new employer website at the next Board meeting	AC	21/05/20	21/05/2020 - Minute 37
12 (13/02/20)	Governance (LPB Budget)	To propose that the Local Pension Board monitor their budget on a quarterly basis. The Local Pension Board budget monitoring will form part of the quarterly budget report which is reviewed by the Wiltshire Pension Fund Committee	RV	16/07/20	
12 (13/02/20)	Governance (LPB Budget)	Officers to approach Wiltshire Council's Insurance team to enquire about cover provided by alternative providers for LPB insurance	RB	15/10/20	
17 (13/02/20)	Governance (MiFID II Compliance Strategy)	To raise the Fund's MiFID II arrangements with BPP for their acceptance	JD	27/02/20	
18 (13/02/20)	Governance (Audit Report)	Officers to liaise with Wiltshire Council's IT dept, & Heywood's concerning the essential oversight arrangements that the Fund should develop	RB	15/10/20	Item 21
42 (21/05/20)	Governance (Risk Register)	To note the risk register and recommend the changes/actions made by officers in points 5 and 8 of their report be submitted to the Committee.	RB	16/07/20	16/07/2020 - Committee minutes
46 (21/05/20)	Actuarial (Valuation)	The Head of Pensions Administration and Relations to circulate a link to the final valuation report to the Board following the meeting	AC	31/05/20	Completed soon after the last meeting

Investment Sub-Committee

MINUTES OF THE INVESTMENT SUB-COMMITTEE MEETING HELD ON 2 JULY 2020 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Tony Deane (Chairman), Cllr Robert Jandy (Substitute) and Cllr Gordon King

Also Present:

Ross Palmer, Kieran Harkin, Anthony Fletcher, Andy Cunningham, Jennifer Devine, Andrea DiCenso, Craig Player, Kevin Kearns and Chris Yiannakou

17 **Membership**

It was noted that Cllr Pauline Church would take over as a member of the Sub-Committee from Cllr Simon Jacobs following the meeting of Full Council on 21 July.

18 **Apologies**

Apologies were received from Cllr Simon Jacobs and Cllr Brian Ford.

Cllr Brian Ford was substituted by Cllr Robert Jandy.

19 **Minutes**

Resolved

To confirm as a true and correct record the part 1 (public) minutes of the previous meeting held on 27 February 2020.

20 **Declarations of Interest**

There were no declarations of interest.

21 **Chairman's Announcements**

There were no Chairman's announcements

22 **Public Participation and Councillors Questions**

There were no statements or questions from members of the public.

23 **Date of next meeting**

The next meeting of the Investment Sub-Committee would be held on 10 September 2020.

24 **Urgent items**

There were no urgent items.

25 **Exclusion of the public**

Resolved

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Numbers 10 - 18 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

26 **Loomis - Multi-Asset Credit Portfolio Update**

Andrea DiCenso, Kevin Kearns and Chris Yiannakou gave a presentation on the multi-asset portfolio which they manage for the Fund, the markets and the outlook for the asset class.

27 **Investment Quarterly Progress Report**

The Head of Pension Fund Investments presented a report on the key issues in relation to the Fund's investment performance to 31 March 2020.

Resolved

To note the investment reports and the update provided by officers and advisors.

28 **Investment Manager Database**

The Head of Pension Fund Investments presented a report on the investment manager database.

Resolved

To note the report on the investment manager database.

29 **Responsible Investment Quarterly Update**

The Head of Pension Fund Investments presented a report on responsible investment issues.

Resolved

To note the report and progress that is being made towards implementing responsible investment related issues.

30 **Training Item: Bank Loans vs Private Debt**

The Head of Pension Fund Investments gave a training session on bank loans and direct lending.

31 **Interim Private Debt Portfolio**

The Head of Pension Fund Investments presented a report on the process which has been followed to identify a manager for the interim private debt portfolio.

Resolved

To note the report (and appendices) and the process which has been followed.

32 **Investment Strategy Statement**

The Head of Pension Fund Investments presented a report on the draft Investment Strategy Statement (ISS) for consideration and approval.

Resolved

To approve the draft ISS, and to authorise officers to update the ISS to reflect the decision made regarding the interim private debt portfolio.

33 **Accounting Update**

The Head of Pension Fund Investments presented a report on key issues in relation to the Fund's accounting to 31 March 2020.

Resolved

To note the report on key issues in relation to the Fund's accounting.

34 **Minutes**

Resolved

To confirm as a true and correct record the part 2 (private) minutes of the previous meeting held on 27 February 2020.

(Duration of meeting: 10.30 am - 12.30 pm)

The Officer who has produced these minutes is Craig Player of Democratic Services, direct line 01225 713191, e-mail craig.player@wiltshire.gov.uk

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

Scheme, legal, regulatory and Fund update

Organisation	Subject	Link	Status	Comments	Risk Ref
HM Treasury	Reforms to public sector exit payments.	https://www.gov.uk/government/consultations/restricting-exit-payments-in-the-public-sector	Updated	<p>A 'final' consultation on this topic closed on 3 July 2019. On the 21 July 2020, HM Treasury issued a response to the consultation confirming they were planning to press ahead albeit with some unnamed changes and no named implementation date. It is still unclear on how it will apply to pensions (although we know it will apply).</p> <p>As a reminder, the main proposal is that all employer costs (pension and non-pension) are capped at £95k when an employee leaves on grounds such as a compromise agreement or redundancy. For redundancy, the statutory redundancy payments must be paid so other benefits would need to be adjusted to ensure the £95k is not breached (although some exceptions apply). The consultation is not clear on how this would work in Schemes such as the LGPS. It is likely that LGPS Regulations would need to be changed such that an employee who leaves aged 55 over on redundancy grounds would face some reductions to their pension. For non-redundancy cases, existing employer discretions may become limited.</p>	PEN021
MHCLG	Fair Deal Consultation	https://www.gov.uk/government/consultations/local-government-pension-scheme-fair-deal-strengthening-pension-protection	No change since the last meeting	Officers have responded to the consultation but have yet to hear anything further from MHCLG. The next step is likely to be either another consultation or the introduction of legislation. Due to the Parliamentary backlog, further progress may not be seen until 2021.	PEN040
	<i>Changes to the Local Valuation Cycle and the Management of Employer risk</i> Consultation	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/800321/LGPS_valuation_cycle_reform_consultation.pdf	No update	<p>This consultation covers the following areas:</p> <ol style="list-style-type: none"> 1). Amendments to the local fund valuations from the current three-year (triennial) to a four-year (quadrennial) cycle. 2). A number of measures aimed at mitigating the risks of moving from triennial to quadrennial cycles. 3). Proposals for flexibility on exit payments. 4). Proposals for further policy changes to exit credits 5). Proposals for policy changes to employers required to offer LGPS Membership. 	PEN044

Organisation	Subject	Link	Status	Comments	Risk Ref
				<p>Section 5 proposes giving greater flexibility for further education corporations, sixth form college corporations and higher education corporations concerning membership of the LGPS and is the most surprising part of this proposal; current employees would be protected but future employees could be ineligible.</p> <p>The consultation closed on 31 July 2019 and officers responded accordingly.</p> <p>The Government has only responded to section 4 of this consultation and has passed amendments to the LGPS Regulations which applied from 20 March 2020 but with retrospective effect to 14 May 2018. As such, officers amended the Fund's cessation policy which was approved by Committee on 26 March 2020. The consultation period with employers closed with no comments of note (just clarification questions) and hence the new cessation policy is now in place.</p>	
The Department of Work and Pensions (DWP)	Pension dashboard project	https://pensionsdashboardproject.uk/industry/about-the-pensions-dashboard-project/	No change since the last meeting	Discussions are still going on at a national level. Recent discussion suggests an implementation timeframe of mid 2020s	PEN038
Financial Reporting Council	Proposed revision to the UK Stewardship Code	https://www.frc.org.uk/investors/uk-stewardship-code	No change since the last meeting	<p>The Financial Reporting Council (FRC) published the revised Stewardship Code on 24th October 2019 which sets substantially higher expectations for investor stewardship policy and practice.</p> <p>Officers will now review Fund compliance to the new code and begin drafting a new Statement of Compliance for review by the FRC, but 31 March 2021.</p>	None

Organisation	Subject	Link	Status	Comments	Risk Ref
Scheme Advisory Board (SAB)	Academies' review	http://www.lgpsboard.org/index.php/structure-reform/review-of-academies	No change since the last meeting	<p>SAB commissioned PwC to produce a report on "Options for Academies in the LGPS" 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>SAB's work is still on-going and Bob Holloway from the LGA previously stated that a wide range of options in both work streams are still be considered. For example, changing the administration arrangements or putting academies into their own Fund etc. However, a consultation will be released on any changes proposed before they are put into force.</p>	None
	Cost cap mechanism & McCloud case	Summary by Hymans Robertson following release of the consultation	Updated	<p>On the 16 July 2020, the Government released a much-anticipated consultation on changes to the Scheme relating to McCloud.</p> <p>Early analysis suggests an increased impact on liabilities of around £5m-£25m (around 0.2%-1%), although the percentage impact will vary by employer.</p> <p>Officers are currently analysing the likely administrative impact of the final legislation if it goes ahead as proposed.</p> <p>Hymans Robertson have produced a useful summary (see left)</p>	PEN042
	Tier 3 employers review	http://www.lgpsboard.org/index.php/board-publications/invitation-to-bid	No change since the last meeting	<p>Covers those Fund employers with no tax raising powers or guarantee (excludes academies).</p> <p>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.</p> <p>In 2019, Aon Hewitt produced a detailed report which is available on the SAB website which outlines its finding on the identification of issues but the report doesn't make any specific recommendations. SAB is yet to advise what actions it will take following receipt of the report.</p>	None

Organisation	Subject	Link	Status	Comments	Risk Ref
	Good Governance Project (formerly known as the Separation Project)	http://www.lgpsboard.org/images/PDF/BoardFeb18/PaperBItem50218.pdf	Updated	<p>Hymans-Robertson, on behalf of the SAB, has released its report on phase II which outlines a number of specific recommendations.</p> <p>Hymans Robertson and SAB are now moving towards Phase III of the project. In preparation of this, a series of roundtable discussions took place where there is an opportunity to give feedback to the Phase II proposals.</p> <p>Again, due to legislative delays caused by COVID-19, we understand the timeframes for this project have been postponed.</p>	None
	Guidance Project	http://www.lgpsboard.org/images/PDF/BoardFeb18/PaperBItem50218.pdf	No change since the last meeting	<p>The Guidance project will identify regulations which may be better placed within statutory guidance and to both propose the necessary amendments and assist HMCLG with the drafting of guidance.</p> <p>This project is at an early stage and no further information is available at this time.</p>	PEN039
	Data Project	http://www.lgpsboard.org/images/PDF/BoardFeb18/PaperBItem50218.pdf	No change since the last meeting	<p>The SAB describes this project as: The Data project will aim to assist administering authorities in meeting the Pension Regulators requirements for monitoring and improving data and include the identification of scheme specific conditional data and the production of guidance for authorities and employers.</p> <p>No further information is currently available from the SAB. However, the SAB did consult on a common set of data points for the part of the project relating to scheme specific conditional data over the last couple of months before deciding to postpone implementation until 2019, in time for the 2019 tPR Scheme Return.</p>	None

Note: Wiltshire Pension Fund updates are now shown in a separate table.

Fund updates

Area	Description	Business Plan reference/Risk Register (if applicable)
COVID-19	<p>It is still largely business as usual from an operational point of view as Fund officers are able to all work from home without major issues. However, in terms of impacts and risks faced by the Fund:</p> <p>i). <u>Funding level</u> – We had been receiving weekly funding level updates from the actuary due to the volatility in markets seen in March, however the picture is now more settled. The whole-fund funding level dropped as low as 86% in March (from 99% shortly before) although it has been more stable since then and has partially recovered to around 95% (at early July).</p> <p>ii). <u>Employer risk</u>: There is still a risk of employers failing to pay contributions or provide data as a result of the situation.</p> <p>There has been no increase in late payments so far and the Fund already has guarantees in place for most higher risk employers.</p> <p>Data returns have been coming in later than expected from some employers which has put some additional pressure on the EoY process which may mean the annual benefit statement completion rate is lower than hoped.</p> <p>Officers are keeping both areas under review.</p> <p>iii). <u>Service provider risk</u>: Early on in the crisis, officers contacted all major service providers and all confirmed they were able to remain operational largely as normal; officers have only seen some minor/short-term impact service availability which has shown good resistance to this issue.</p>	<p>N/A on Business Plan</p> <p>Risk PEN052</p>
Terms of reference	<p>The proposed Terms of Reference for the Local Pension Board and Wiltshire Pension Fund Committee have now passed both the Constitutional Focus Group stage (after a number of small amendments) on 17 June 2020 and the Standards Committee on 7 July 2020. It will next go to Full Council to be finalised.</p>	<p>N/A</p>

i-Connect and staff restructure	<p>The Fund now has around 40 employers out of approximately 174 onboarded on to i-Connect. This now includes Wiltshire Council (our largest employer) and in total this covers around 45% of the active membership. An update on the progress of i-Connect is now shown in Appendix 4 of the KPI report.</p> <p>As a result of the significant impact of i-Connect, we have now made some adjustments to part of the admin team structure to fit our resourcing to our processes. Whilst there will be material long-term benefits to this change, in the short-term this is using up significant resource.</p>	No 4 (Target was 50% of actives and 40% of employers by 31/03/2021)
End of year update (including Annual Benefit statements)	<p>Some employers experienced delays sending us the end of year information we required but these are resolved now and we are also starting to see the benefit of i-Connect being in place in terms of the efficiency of the process (which will be fully realised in this respect for next year).</p> <p>In the Business Plan, we set a target of issuing 99% of active member ABSs by 31 August (the regulatory deadline); this will probably not be achieved as we are relying on employers answering queries in a timely manner.</p> <p>Next year will almost certainly be better due to greater onboarding onto i-Connect.</p>	No 7, 13 & 33 (No 13 set the 99% target)
Pensioner payroll reconciliation	<p>With additional resource now available again, officers have focused again on this area but unfortunately a number of software limitations have made this even more difficult than expected to progress as hoped. Officers hope to bring a summary paper and proposal to Committee in the Autumn depending on the progress made between now and then.</p>	No 34
Employer ill-health insurance review	<p>The current provision put in place in 2017 is highly expensive and has caused a number of administrative difficulties. Officers are currently working with the actuary to put a replacement approach in place; the proposal will be taken to Committee once ready.</p>	N/A
Member handbook	<p>Given changes in the approach to providing induction and training material to Committee members overtime (which is now largely on online) and the availability of governance handbooks from third parties, officers intend to discontinue to the current handbooks which do not appear to be used by members and are onerous to maintain.</p>	N/A



WILTSHIRE PENSION FUND

National Fraud Initiative & Certificate of Existence Exercise

Contents

- Why does the Pension Fund undertake mortality screening?
- The mortality screening process
- Services provided by Target Professional Services
- Existence exercise for overseas pensioners
- LGPS National Insurance Database
- Questions

Why does the Pension Fund undertake mortality screening?

- The Fund undertakes mortality screening in compliance with the National Fraud Initiative (NFI)
- The Cabinet Officer is responsible for the National Fraud Initiative (NFI) & it is a requirement of the Audit Commission that the Pension Fund participates in this anti-fraud initiative
- The Wiltshire Pension Fund is required by law to protect the public funds it administers. Legislation - Local Audit and Accountability Act 2014 part 6 and schedule 9 of the Act
- The Fund may share information provided with other bodies responsible for auditing or administering public funds (the Cabinet Office) in order to prevent and detect fraud & identify overpayments & underpayments
- As a statutory authority the Cabinet Office does not need an individual's consent under the Data Protection Act 2018 to hold their data, however personal data will be used in compliance with the data protection & human rights legislation
- Details of the NFI can be found on their website <https://www.gov.uk/government/collections/national-fraud-initiative>

The mortality screening process

Service provision

- The Fund has appointed Target Professional Services (TPS) to undertake this process on its behalf

The Process

- Each year Fund Officers release a copy of the pension database to TPS
- Each month TPS cross reference the database against approximately 30 different UK national databases
- Where the results highlight mismatches & data discrepancies, TPS submit a report to Fund officers
- Mismatches & data discrepancies are graded based on the quality of the verification
- Fund officers undertake further validation checks against the current database
- Where required, Fund officers will request TPS to acquire any relevant documentation e.g. a death certificate
- A workflow is created & Fund officers will process the identified casework and stop the pension where required

Reporting

- Fund officers will tabulise the monthly results from TPS into a performance report
- The performance report will form part of TPS's annual contract management review

Services provided by TPS

Other services offered by TPS

- Mini Trace – An automated batch service used to find new addresses for members or confirm the existing address is still correct
- Full Trace – A manual investigation into the whereabouts of a member to find a new address or confirm the existing address is still correct
- Enhanced Full Trace – As a full trace, but if the result is returned negative TPS automatically do a mortality screen on the member
- Mortality screening – An automated screening to check if your member is deceased & provided death details (Used monthly by the Pension Fund)
- Death certificate – Certificate acquisition on behalf of the Fund from the General Register Office (GRO) (Occasionally used by the Fund)
- Next of Kin Trace – A manual investigation provided by TPS
- Identification & verification trace – A letter can be sent to a new linked address following an automated trace requesting the individual makes contact for verification purposes
- Mypension ID – An automated service aimed at the Fund's overseas pensioners in payment (Used by the Pension Fund on a special project basis)

Existence exercise for overseas pensioners

Historic approach

- Historically verifying the continued existence of pensioners who have retired abroad has been a cumbersome process, typically involving the pensioner attending a designated location (for example a bank or post office) who will provide independent verification of a member's existence (A costly system that both an elderly pensioner & an organisation tasked with the verification may be unfamiliar with)
- The overseas pensioner in payment verification process would be completed at least every other year

Target Professional Services process – Mypension ID

- Letter sent to member requesting the member downloads the Mypension ID App & providing them with a security code
- Pensioner takes a 'selfie'
- Pensioner takes a picture of acceptable ID (for example, either their passport or driving licence)
- The App's biometric software verifies the selfie against the ID & checks the details
- Existence is established & can be undertaken within 5 minutes at anytime
- **Note: Pensioners may also opt for the historic approach if that is their preference**

LGPS National Insurance Database

History & key facts

- Developed in 2015 to facilitate the sharing of data between LGPS administering authorities to prevent the duplicate payment of death grants
- In 2019 the Data Sharing Agreement, which enables the sharing of data, was updated to enable the sharing of data for a wider range of purposes
- The Pension Fund is required to submit updated data files to the host site monthly
- Registered funds can access the site, running individual & bulk data verification requests as part of their data improvement remit to identify matches
- The updated scope of the NI Database not only assists the Fund in the proper protection of public funds it administers, it now allows the Fund to trace members, where contact has been lost, by checking the pension record with another administering authorities

Any Questions

Thank you

Contributors: Andy Cunningham & Richard Bullen
Website: www.wiltshirepensionfund.org.uk

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD
06 AUGUST 2020

Annual Report and Accounts

Purpose of the Report

1. To update the Board on the Fund's accounts and annual report, and to outline the process for approval and publication of the annual report.

Background

2. The Pension Fund's accounts are included within the Council's accounts each year, and are subject to audit. The audit is signed off as part of the Council's audit, i.e there is no separate audit report for the Pension Fund. The accounts are also included within the Pension Fund's annual report.

Considerations for the Board

3. Due to issues with the audit of the Council's accounts, the Pension Fund audit for 2018/19 has still not been signed off, although all audit work was concluded last year and the figures are confirmed as final. The audit sign off for the 2019/20 accounts is also going to be delayed for similar reasons, although audit work is very close to completion for the Pension Fund and no issues have been identified.
4. The annual report was published with unaudited figures last year due to this delay, and it is proposed that the same approach is followed this year. The annual report is still in the process of being produced, and it is not possible to share it with the Board at this stage. The annual report will be taken to the Pension Fund Committee meeting on 24 September, and following approval at this meeting it will be published online. It is proposed that the draft report is circulated to Board members in advance of this meeting, so that their comments can be incorporated.
5. The guidance for the annual report has not changed since 2018/19, so the report format will remain the same, with the exception of a new specific section on climate change risk, has been incorporated for the first time this year. This is intended to provide a single place where members of the Fund or the general public can read about the Fund's policies and work in this area, as well as learn about the Fund's position and progress from the key metrics which will be reported.
6. Last year's annual report was commended by CIPFA as an example of best practice when delivering their annual workshops, which is welcome feedback for the team and also provides assurance to the Board that the guidance is being correctly followed.

Environmental Impact of the Proposal

7. Environmental issues are covered within the annual report and accounts, which will be made available to Board members in due course.

Financial Considerations & Risk Assessment

8. Financial considerations are covered within the annual report and accounts, which will be made available to Board members in due course.

Legal Implications

9. There are no material legal implications from 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 update on the 2018/19 and 2019/20 audits, and to approve the process for the approval and publication of the annual report

Jennifer Devine
Head of Pension Fund Investments

Report Author: Jennifer Devine, Head of Pension Fund Investments

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

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD
06 AUGUST 2020

Internal Audit – Pension Fund Investment Transfers

Purpose of the Report

1. To update the Board on the conclusion of the internal audit into investment transfers.

Background

2. Internal audit covered the area of transfer of assets into the Brunel pool in 2018/19, and were asked to repeat the audit in 2019/20 due to this being a constantly developing area.

Considerations for the Board

3. The internal audit report is attached as Appendix 1. The auditors looked at a huge range of documentation, which demonstrated the level of scrutiny and communication with stakeholders in this area. The audit concluded that this area was adequately monitored, the governance framework was appropriate, and that the arrangements in place for the transfer of assets were satisfactory. The overall audit opinion was “Substantial”.
4. The auditors made one recommendation to ensure that Brunel provide adequate and timely information on costs and fees. This is important for the Pension Fund’s monitoring and reporting requirements. This recommendation is accepted and will be escalated with Brunel in time for the 2021 year end.

Environmental Impact of the Proposal

5. There are no known implications at this time.

Financial Considerations & Risk Assessment

6. There are no known implications at this time.

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

8. There are no known implications at this time.

Proposals

9. The Board is asked to note the pension transfers audit report.

Jennifer Devine
Head of Pension Fund Investments

Report Author: Jennifer Devine, Head of Pension Fund Investments

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

Appendices:

Appendix 1 – internal audit report on investment transfers


Pension Fund Investment Transfer 2019/20

Page 41

Final Report

Issue Date: 21st July 2020

Executive Summary

Audit Opinion		Recommendation Summary	
	<p>The assurance opinion we have been able to offer in relation to this audit is Substantial.</p> <p>The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.</p>	Priority	Number
		Priority 1	0
		Priority 2	0
		Priority 3	1
Total		1	

Audit Conclusion

We have provided substantial assurance in relation to the Pension Fund Investment Transfer and confirmed that:

- Regular monitoring and reporting of the project's progress is undertaken by the relevant parties against the milestones or targets and budget set out in the project plan. We recognise that the original business plan was amended and that revised targets are now monitored including a revised breakeven target from 2023 to 2024;
- Monitoring and recording of the anticipated benefits and savings that the project was expected to deliver takes place on a regular basis;
- Brunel Pension Partnership Limited has a governance framework in place that clearly sets out the structure of the Council's Pension Fund Committee; and
- From a review of the relevant reports and documentation for the two transfers that took place in 2019-20, , we are satisfied that there are formal arrangements in place for the transfer of assets to Brunel Pension Limited.

We have made one recommendation in support of the Council's need for clear and transparent reporting of fees from Brunel.

Background

In May 2014, the Government published a consultation which set out how savings might be achieved by Local Government Pension Scheme (LGPS) funds through greater use of pooled investment. As a result of this, Brunel Pension Partnership Ltd was created in July 2017 with representatives from ten LGPS administering authorities, including Wiltshire Council. Brunel Ltd received authorisation in March 2018 from the Financial Conduct Authority (FCA) to act as a full scope investment firm.

As at 30th June 2020 Wiltshire Council had approximately £2.828 billion of funds held in eleven portfolios, including cash and property.

At the time of the audit, four portfolios had been transferred to Brunel. This was since the partnership was formed. In the financial year 2019-20 Wiltshire carried out two transfers to funds managed by Brunel:

- Active Global Equities - valued at £472.1 million as at 31 December 2019 representing 17.2% of total asset allocation; and,
- Passive low carbon equities - valued at £602.1 million as at 31 December 2019, representing 21.9% of total allocation.

The next transfer is planned for early 2021.

This audit has reviewed the two funds transfers carried out by Wiltshire in the financial year 2019-20:

Transfer 1 - Movement of assets previously managed by Baillie Gifford. These were high alpha funds that were transferred to Brunel's Global High Alpha Equities portfolio on 15th November 2019.

An independent review of this fund transfer was carried out and reviewed by Brunel. This concluded that there had been some small delays in the process that could be improved upon in future exercises. It also explained that the actual costs were higher than the pre-trade estimate which had resulted in Wiltshire paying £8,243 more as its share of unexpected cost.

A further cost to Wiltshire Council followed this transfer as the Council had a contractual commitment to pay the investment house, Baillie Gifford an accrued performance fee on termination of them managing the funds. This totalled £10.3 million and represents the fees that were held back to allow for fluctuations in performance over the years. The level of fees reflects a period of good performance from which the pension funds benefited, and these had to be paid at the point the arrangement was terminated with Baillie Gifford. The contract was entered into prior to the composition of the current Pension Team and there was no knowledge of the terms and conditions that applied on contract termination.

We were informed by the Pensions Team that such a large unexpected invoice will not be presented for future transfers to Brunel because none of the assets remaining in the Wiltshire pension fund are managed by a contract with accrued performance fees as was arranged with Baillie Gifford.

Transfer 2 - The transfer of Wiltshire's Global Passive Equities into the already pooled LGIM UK fund portfolio (which had been created by Brunel in July 2018) and the consolidated portfolio was simultaneously moved across to Brunel's Low Carbon Passive Equities portfolio. This took place on 2nd December 2019.

Unlike transfer 1 above, this was not a big transfer and was specific to Wiltshire, so it was not reviewed by Brunel. Wiltshire Council commissioned its own independent review. This concluded that it was a very good outcome in terms of investment basis points. However, it also found that an error was made in the pre-trade estimate which resulted in a higher than expected transfer fee. Intervention from the report authors led to Brunel securing a fee rebate of £50,000 for the Council.

Corporate Risk Assessment

Objective

To review whether the Pension Fund Investment Transfer project is progressing as it should with anticipated benefits and savings being achieved as planned. A review of governance structure and the security surrounding the transfers will also take place.

Risk	Inherent Risk Assessment	Manager's Initial Assessment	Auditor's Assessment
1. The Pension Fund Investment Transfer project does not progress as it should resulting in the anticipated benefits and savings not being achieved as planned	High	Medium	Low
2. The assets are not transferred securely or on time resulting in financial loss to the Pension Fund.	High	Medium	Low

Scope

We reviewed documents and minutes to gain assurance that the project to pool pension funds:

- Is progressing as intended and if not, to see who is made aware of any slippages;
- There is regular monitoring of the anticipated benefits and savings that the project was expected to deliver;
- The Council's Pension Fund Committee has a role within the governance framework; and
- There are formal arrangements in place for transferring assets to Brunel Pension Partnership Limited.

We reviewed the following documents:

- The latest review of the Brunel business plan – dated 21st November 2019;
- Head of Pension Fund Investments quarterly progress report for periods ending 31st December 2018 to 31st December 2019;
- Head of Pension Fund Investments monthly updates to Council Members and Officers from March 2019 to April 2020;
- Published minutes of the Wiltshire Pension Fund Committee from March 2019 to March 2020;
- Full minutes of the Investment Sub Committee from February 2019 to February 2020;
- Minutes of the Brunel Oversight Board from four meetings held between January 2019 to November 2019;
- Terms of reference for the Brunel Oversight Board and the Client Group*; and
- Post transition reports following funds transfers from independent advisors.

Enquiries were also made about the technical detail with the Head of Pension Fund Investments.

*The terms of reference for the Brunel Oversight Board and the Client Group came from previous audits and we have not had confirmation as to whether they have since been changed or revised. We did not see any minutes from the Client Group or the minutes of the last meeting of the Brunel Oversight Board held on 19th March 2020.

Findings and Outcomes

Summary of Control Framework

The Council's Pension Fund Investment and Accounting Team sits in the centre of the control framework. This Team comprises four officers led by the Head of Pension Fund Investment and includes a Fund Investment & Accounting Officer, Investment Officer and Accounting Technician.

The Head of Pension Fund Investment attends the Brunel Oversight Board and the Client Group. The Client Group sees the work of the Responsible Investment sub-Group that reports to the Client Group and is well placed to challenge technical aspects of pension funds activities including the transfers from Wiltshire to the Brunel Partnership Limited and the performance of the funds managed by Brunel.

The Head of Pension Fund Investment updates appropriate Council officers and the Chairman and Vice Chair of the Wiltshire Pension Fund Committee and Investment sub Committee on all pension investment activity by email. This provides current information based around the meetings that have been attended and regular communications with Brunel staff. The Head of Pension Fund Investment produces and presents a Quarterly Progress Report to the Council's Investment sub Committee, which is also sent to the next meeting of the Wiltshire Pension Fund Committee.

The Chairman of the Wiltshire Pension Fund Committee/Investment Sub-Committee maintains oversight and involvement in the activities of the Brunel Partnership as a member of the Brunel Oversight Board.

There is a Local Pension Board made up from employer pension member representatives and pension scheme member representatives, with an independent Chairman, which meets quarterly throughout the year. They see the Part 2 minutes (not available to the public) of the Wiltshire Pension Fund Committee and Investment Sub Committee to ensure compliance with the Regulations relating to the governance and administration of the Wiltshire Pension Scheme and to ensure the effective and efficient governance and administration of the Scheme.

1.	The Pension Fund Investment Transfer project does not progress as it should resulting in the anticipated benefits and savings not being achieved as planned.	Low
-----------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------

1.1 Finding and Action		
Issue		
Brunel's management fees are not transparent preventing accurate calculation of savings.	Risk	Measuring the progress of the project is hindered and inaccurate risking poor or late decision making that results in financial loss to the Wiltshire Pension Fund.
Findings		
From our review of the documents provided during the audit we are satisfied that there is regular monitoring and recording of the anticipated benefits and savings that the project is expected to deliver.		
It is evident from the minutes of the Brunel Oversight Board that Wiltshire Council raised concerns over the way Brunel has presented their management fees. It was felt that these were not transparent at the outset and the Head of Pension Fund Investment says that Brunel has not provided their fee charges in time to complete the Council's year-end accounts for both 2018/19 and 2019/20. The Pension Fund team has relied on estimates for these financial years which is not in compliance with CIPFA guidance.		
Recommendation		
We recommend that the Head of Pension Fund Investment seeks clarification from Brunel on the full costs involved in managing assets transferred from the Wiltshire pension fund. These should be made clear and in time to allow accurate reporting to Wiltshire Council Members of the relative savings and benefits from participation in the Brunel Partnership. <i>(SWAP Ref: 43809)</i>	Priority Score	3
Agreed Action	Timescale	30 th April 2021
We accept the recommendation and will communicate our expectations and requirements to Brunel.	Responsible Officer	Head of Pension Fund Investment

Audit Framework and Definitions

Assurance Definitions

None	The areas reviewed were found to be inadequately controlled. Risks are not well managed, and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Partial	In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed, and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Reasonable	Most of the areas reviewed were found to be adequately controlled. Generally, risks are well managed, but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Substantial	The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.

Page 48

Definition of Corporate Risks

Risk	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Categorisation of Recommendations

In addition to the corporate risk assessment it is important that management know how important the recommendation is to their service. Each recommendation has been given a priority rating at service level with the following definitions:	
Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

Authors and Distribution

Please note that this report has been prepared and distributed in accordance with the agreed Audit Charter and procedures. The report has been prepared for the sole use of the Partnership. No responsibility is assumed by us to any other person or organisation.

Report Authors

This report was produced and issued by:

Charlotte Wilson	Assistant Director
Becky Brook	Principal Auditor
Andrew Adlam	Auditor

Distribution List

This report has been distributed to the following individuals:

Jennifer Devine	Head of Pension Fund Investment
Richard Bullen	Fund Governance & Performance Manager
Andy Brown	Director, Finance & procurement (S.151 Officer)
Terence Herbert	Chief Executive Officer

If you require the report in an alternative format, please contact SWAP Head Office.

This page is intentionally left blank

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD
06 AUGUST 2020

Employer Training Strategy

Purpose of the Report

1. To present to the Board the Fund's new Scheme Employer training policy.

Background

2. A framework of training strategies is offered by the Wiltshire Pension Fund to Board & Committee members, Scheme Employers and Officers to ensure that the Administering Authority's commitment to training is fulfilled. As outlined in the Director of Finance & Procurement's (s151 Officer) written statement in the Scheme Administration Report of the Fund's Annual Account Report & Accounts, all training strategies will be implemented and are subject to periodic review.
3. The periodic review of each training strategy is to ensure that it remains pertinent to the needs of its target audience & this report seeks to outline the employer training policy intended for the period between April 2020 to March 2023.
4. Whilst there is no statutory obligation for scheme employers to undertake training, the Fund views the requirement for representatives of Scheme Employers & their sub-contractors to have a sufficient level of knowledge and understanding of pensions matters as crucial to the carrying out their roles & responsibilities to the Fund. Their roles & responsibilities primarily being compliance with those set out in the Fund's Pensions Administration Strategy document (Section 4) last approved in December 2019 (A copy of which is on the Fund's website).

Considerations for the Board

5. To ensure that the scope & content of this policy is sufficient, along with the sub-ordinate documents it makes reference to with the policy, to the extent that it fulfils the Fund's training & development responsibilities as defined in the Pensions Administration Strategy document. Namely;
 - The employer training objectives;
 - The execution of employer training;
 - The monitoring & reporting of training undertaken by each employer; &
 - The oversight & review of effectiveness of the Fund's employer training strategy.

Environmental Impact of the Proposal

6. Not applicable.

Financial Considerations & Risk Assessment

7. The financial considerations of all training & development are expected to be minimal.

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

9. There are no known implications at this time.

Reasons for Proposals

10. To fulfil the Fund's training obligation in accordance with Section 4 of its Pension Administration Strategy document & enable employers to be compliant with all the necessary LGPS Regulations, Pensions legislation & the Data Protection Act 2018.

Proposals

11. The Board is asked to endorse the employer training policy.

Andy Cunningham
Head of Pensions, Administration & Relations

Report Author: Richard Bullen, Fund Governance & Performance Manager

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

Wiltshire Pension Fund

Employer training policy

Purpose

To fulfil the Administering Authority's (Wiltshire Council's) commitment to pension fund knowledge & understanding (K&U) for all scheme employers of the Fund, this training strategy has been developed to equip employer staff & sub-contracted staff with the skills they require to provide the Fund with all necessary information, as specified in the LGPS regulations & Pensions Administration Strategy document. In addition to enable employers to communicate with their employees on pension matters & be compliant with all current pension legislation & regulations.

Scope

The scope of the employer training policy seeks to;

- 1) **Define Scheme Employers** – As all scheme employers of the Wiltshire Pension Fund, namely;
 - a) Any new employer on their entry to the Fund, either by statutory right, completion of an admission agreement, or by bulk transfer with Secretary of State approval from another LGPS;
 - b) Any existing employer who is expected to pay contributions by the Fund in accordance with the Fund's schedule of contributions; &
 - c) Any ceasing employer until their Section 75 debt has been fulfilled, the terms of which will for example, be specified by their admission agreement.
- 2) **Define the training requirement** – To ensure that all scheme employer staff & their agents have at least a requisite level of K&U to be able to fulfil the scheme employer's responsibilities in accordance with the LGPS regulations, the Pensions Administration Strategy document & general UK pension legislation, in addition to the completion of any other relevant training in connection with their responsibilities, for example data protection training.
- 3) **Define a Scheme Employer staff member** – As those individuals recorded on the Fund's Employer Relationship Management (ERM) database at the time of any designated training & who will typically hold a Pension Liaison Officer, HR, Payroll or Finance role within their own organisation.
- 4) **Defining an Agent** – Any third-party organisation sub-contracted by a scheme employer (typically a payroll provider) to fulfil a service specified in the Fund's Pensions Administration Strategy document.
- 5) **Define the training period to be covered** – The employer training cycle will cover each Fund year from 1st April to 31st March. A review of the employer training strategy will take place annually with a policy review to be completed at least every 3 years with the current policy commencing from 1st April 2020.

Objectives of the policy

- 1) To ensure that all relevant staff at each of the Fund's scheme employers possess the requisite K&U to enable them to fulfil the terms of the Fund's Pensions Administration Strategy document;
- 2) To provide any additional training that may be necessary to mitigate any detrimental impact on the operation of the Fund. Notable detrimental impacts specified within & in addition to the Fund's risk register are;

- a) PEN002 – Collection of employer contributions
 - b) PEN008 – Compliance with LGPS regulations
 - c) PEN009 – Compliance with GDPR as joint data controllers
 - d) PEN010 – Provision of members data including joiner & leaver information
 - e) PEN015 – Collection of ceasing employer payments
 - f) PEN035 – Compliance with the Pension Administration strategy
 - g) PEN040 – Employee pension protections on transfer
 - h) PEN053 – Employer data retention requirements
 - i) The accurate maintenance of scheme employer contact details
- 3) To support good employer relationship management with the Fund’s scheme employers;
 - 4) To enable a cost-efficient service through education;
 - 5) To establish a targeted communication, engagement, tracking & monitoring facility which will ensure the appropriate training continues to be provided, employer engagement is maintained & where required will be operated in conjunction with the Fund’s escalation policy to address any service issues arising through the poor understanding of employers.

Strategy for the execution of the policy

The key steps enabling this policy to be executed are;

To identify whether an employer’s (&/or their agents) training requirement have been met via a method of on-going feedback & an annual survey of their views & requirements by;

- 1) Summarising a schedule of training requirements drawn from the Pensions Administration Strategy document, employer feedback & Fund’s business plan;
- 2) Outlining an annual training strategy based on the requirements identified & giving consideration to the following factors;
 - a) The size of an employer’s active membership & the status of that employer, i.e. new employers;
 - b) The profile of an employer i.e. whether it’s a scheduled, educational, town or parish council, or admitted body employer;
 - c) The engagement, or specific needs of an employer such as an employer not achieving its requisite K&U threshold, or where an employer requires the Fund to provide bespoke training such as i-Connect on-boarding, or other ad-hoc topics; &

Note: The attainment of a requisite level of K&U threshold will be established using the following rating system;

- j) **Bronze:** The service provided by employer staff is creating a risk to the Fund & additional training is required;
- ii) **Silver:** Employer staff K&U is broadly speaking sufficient however targeted development may be appropriate; &
- iii) **Gold:** The threshold level of employer staff K&U has been reached &/or is being maintained.

The criteria by which an employer rating is established is set out in the “Employer monitoring & performance spreadsheet.

- d) An employer requiring special arrangement training, whereby for example it has requested training for its members following a bulk transfer of its members into the Fund.

- 3) Communicating the Fund's Employer training strategy via Newsletter & targeted mailshots using mailchimp;
- 4) On a monthly basis the Communications Manager will update employer contact details for all communications groups on Mailchimp in line with ERM & complete unsubscribing, engagement, training & escalations reviews of employer activity;
- 5) Allocating training actions to officers, external providers & Fund software platforms in line with the Fund's training strategy. With regard to platforms this will primarily involve the use of web-based training on the Fund's employer website; &
- 6) Assessing the feedback from employers on their training experience & needs, as well as statistical data on the engagement of employers to assist in the compiling of a schedule of training requirements.

Monitoring & Reporting

The fundamental basis by which employer K&U will be measured is through the monitoring & reporting of the quality of their data provision to the Fund along with the results of member surveys requesting their experience of their employer engagement. With no definitive statutory method by which to measure the K&U of employers a strategy of monitoring the output of employers will be implemented instead. As indicated each employer will then be assigned a Bronze, Silver or Gold rating based on the quality of their output.

In practice the monitoring & reporting of employers will cover the following areas;

- 1) **Communication** – Mailchimp will be used to monitor the levels of engagement through the reading of the Fund's training communications & the numbers of employer staff unsubscribing from the Fund's communications;
- 2) **Employer website** – Will be used to collate the registration of training, its completion & other measures such as page views (see 5a);
- 3) **Altair** – A Datachase workflow function will be maintained by the Benefits team whereby a workflow item will be created on the receipt of any substandard, or late submitted of information from an employer.
- 4) **Contribution submission** – The Accounting team will prepare a report of submitted contribution payments to the Fund's bank account on a weekly basis for i-Connect purposes & monthly for regulatory purposes, to ensure that monies are being received in both a timely & accurate matter & consistent with the data received.
- 5) **Post training feedback** – On completion of training by employer staff they will be asked to provide their feedback to the Fund. This will be requested in two basic forms;
 - a) By on-line survey following the completion of web-based training; &
 - b) By questionnaire where the training has been conducted on a face-to-face basis.

Feedback b) will be collected by the Employer Relationship Manager.

- 6) **Surveys** – The Employer Relationship Manager will co-ordinate periodic, but no less than annually a survey(s) to all employers requesting information on their training requirements.
- 7) **Budgeting** – A record of the costs associated with employer training should be maintained & be likely to include venue hire, catering, external consultancy fees & the development of training materials. Notional funding will be assessed by using the employers 1% administration charge included within the schedule of contributions as a means of measuring the on-going cost effectiveness of the training provided.

The Communication's Manager will co-ordinate the feedback from all the sources stated above & ensure that all the performance indicators set out within the Fund's Pensions Administration strategy & Communications strategy have been captured. The co-ordination of this information will be completed with the support of the Employer Relationship Manager, Systems & Data Manager, Accounts Manager & the Data Work Management Officer.

On compiling the information, the Communication's Manager will prepare & distribute the following report;

- 1) **Monthly Report** – A report detailing the prevailing ratings score of all employers in the monitoring areas of 1 to 5 above which will be added to the Management Dashboard.

In addition, the Employer Relationship Manager will prepare & distribute the following report;

- 2) **Annual Report** – A report on all employers including their prevailing rating at the end of each scheme year, a summary of their training completed during that year, the cost of that training & an outline of the training strategy for the next Scheme year, along with a proposed budget for submission to the distribution list below.

Reports will be distributed to the following Fund officers;

- Head of Pension Administration & Relations;
- Head of Pension Fund Investments;
- Communications Manager;
- Employer Relationship Manager;
- Benefits Manager;
- Pension Benefits Work Management Officer;
- Technical & Compliance Manager;
- System & Data Manager;
- Data Work Management Officer; &
- Fund Governance & Performance Manager;

Oversight & review

This policy will be overseen and reviewed by considering;

- 1) The need for the Employer training strategy to be reviewed every 3 years;
- 2) The requirement to conduct annual reviews at the end of each Scheme Year by key Pension Fund Officers;
- 3) The understanding that on behalf of the s151 Officer the Head of Pension Administration & Relations will take day-to-day responsibility for the development & maintenance of the employer training strategy & that where appropriate it will be the responsibility of the Employer Relationship Manager & the Communication's Manager supported by the Head of Pension Administration & Relations to ensure that where an employer is not achieving the requisite standard of knowledge & understanding by virtue of their output rating they will follow the Fund's escalation policy to address that employer's risk to the service; &
- 4) In conjunction with the Fund's Member & Office training strategies an annual summary of employer training should be presented to the Fund's Local Pension Board for its review.

Documents

- 1) Monthly Report;

- 2) Annual Report;
- 3) Employer monitoring & performance spreadsheet;
- 4) Accounts team Report; &
- 5) ERM tool & face to face questionnaires.

References

- 1) LGPS Regulations, Pensions legislation & the Data Protection Act 2018;
- 2) Relevant finance, payroll & HR legislation where an impact on the Pension Fund is recognised.

May 2020

This page is intentionally left blank

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD
06 AUGUST 2020

Fraud risk mitigation prevention and mitigation measures

Purpose of the Report

1. A key component of ensuring the sound administration of the the Fund is to have appropriate anti-fraud and corruption policies in place. The purpose of this report is to explain the current safeguards that are in place and available to officers, the Pension Committee and the Pension Board to identify and manage fraud in the Wiltshire Pension Fund.

Background

2. Like other local authority LGPS administering authorities, Wiltshire Pension Fund has not implemented its own bespoke anti-fraud policy. Rather it is covered by the overriding Wiltshire Council Anti Fraud and Corruption Policy (as shown on the Council's intranet site).
3. This Strategy defines the Council's approach to managing the risk of fraud and corruption and ensuring best practice is embedded across all Council service areas. It seeks to reinforce a zero tolerance to fraud, encourage prevention through proactive measures to detection fraud and confirms the Council's commitment to using legal and disciplinary measures where necessary.
4. Additionally the Strategy reiterates the framework and controls already in place across the Council and which would apply to the Fund, including:
 - The Council Constitution and Financial Regulations;
 - Standards Committee;
 - Scheme of Delegation;
 - Registers of Interests;
 - Anti money laundering policy;
 - Whistle Blowing policy;
 - IT Security policy;
 - HR policies.
5. While all of the above Council policies and strategies apply to the Fund it also has a number of additional Fund specific safeguards in place to tackle fraud and these are summarised below.

Considerations for the Board

Fraud detection and prevention in the Wiltshire Fund

6. The LGPS Regulations require the Fund to have certain policies in place, while others are adopted on the basis of best practice. While some will have specific anti-fraud elements included within them others will form part of an overarching approach to sound working practices which contribute to fraud detection and prevention. In addition the

Fund undertakes a number of regular tasks which are specifically aimed at identifying and preventing fraud.

7. The key tools used by the Fund to combat fraud and corruption include:

- **Governance Compliance Statement** – required by the LGPS Regulations, setting out amongst other things the extent to which any element of the administering authority functions are delegated to a committee, sub-committee or officer of the Council. Where delegations exist the Statement is also required to set out their terms of reference and operational procedures.
- **Scheme of Delegation** – This sets out the specific delegations that have been passed to the pension committee and officers, including authority to write off pension overpayments where they arise.
- **Breaches of the law policy** – [Pensions Regulator Code of Practice 14](#) sets out the framework for governance and administration of all public service pension schemes, including the duty for administering authorities, amongst others, to have procedures in place to identify, record and where necessary report any breach of the law (e.g. fraudulent behaviour by scheme members, employers, etc.). In order to address this the Fund has adopted a formal breaches of the law policy (as reviewed by the Board on 22 August 2019), setting out the roles and responsibilities of elected members, pension board members and officers where any breach of the law is suspected. Additionally this policy also covers the specific safeguards where whistleblowing may occur, which sits alongside the Council's overarching whistleblowing policy.
- **Follow national guidance related to Fraud/scams** – In particular, the Fund follows the tPR guidance and LGA standard letters and checks with HMRC, FCA as required, in relation to transfers out. The Fund also follows a checklist and trains staff to reduce the risk of the Fund paying a transfer out to a Scheme which is primarily set up to defraud members.
- **Mortality screening/National Fraud Initiative** – The Fund participates in the biennial national fraud initiative exercise run by the National Audit Commission. This involves comparing our deferred and pensioner records with the Department of Work and Pensions database, highlighting and cases that warrant further investigation.

Additionally the Fund undertakes monthly mortality screening exercises against our UK-based pensioner records to compliment the NFI exercise. The Fund uses a tracing agency, Target, who undertake these exercises on the Fund's behalf (along with our regular tracing exercises where we are looking to trace deferred or pensioner members). Approximately triennially (and, soon, annually), the Fund also undertakes a life existence exercise with overseas pensioners.

The Fund also participates in the Tell Us Once (TUO) initiative introduced by the Department of Work and Pensions. TUO allows the next of kin to inform central and local government services of the death of a relative at one time, rather than having to write, telephone or even attend each service individually. From the Fund's perspective it enables it to identify deaths of scheme members more quickly than might have been the case and prevent any payments continuing or being made in error. The Fund accesses TUO on a weekly basis, to identify any scheme member deaths which had not already been notified to it directly via another source.

- **Internal controls** – the Fund, as part of the Council, has a number of internal controls in place covering the roles and responsibilities of the Committee, officers and the wider administration team in carrying out the day-to-day functions of the scheme.
- **Overpayments policy** – during the normal course of events overpayments of pension can occur and in the majority of cases this can be shown to be purely innocent. Cases of fraud can, however, be identified in the course of our investigations. The Fund is developing a formal pension overpayment policy (due to be completed by Autumn 2020), setting out its approach to dealing with the recovery or possible write off of any overpayments identified, either as a consequence of the national fraud initiative or our mortality screening exercises or as a part of normal day-to-day activities.
- **Risk Register** – The Fund has developed a comprehensive risk register covering all aspects of its management and administration, including the potential for fraud to occur. This document is kept under regular review, being updated to reflect new risks that have been identified or reflect any changes that have resulted where fraud has been identified and resolved.
- **Internal and external audit** – the fund is subject to regular internal and external audits. Audits consider the adequacy of areas such as contributions, benefits in payment, investments, core financial systems, risk management, governance arrangements and compliance with the Pensions Regulators code of practice 14. Such exercises are primarily to consider the controls the Fund has in place, provide assurance to the Committee, pension board and officers that they are appropriate and where necessary make recommendations to strengthen them where any weaknesses have been identified.
- **Staff responsibility and whistle blowing:** Responsibility for identifying potential fraud rests with all staff members engaged in the management and administration of the Fund, as well as members of the Pension Committee and Pension Board. Where necessary any escalation will be in accordance with the Council's Anti Fraud and Corruption Policy.

As well as having its own processes in place the Fund will also seek to ensure all providers and third parties it engages with have adequate anti-fraud and corruption policies in place and can evidence this to the Fund.

Specific areas of risks and their mitigation

8. The Fund considers the following areas to be some of the key areas of risk and next to each is a summary of the mitigations in place. The list is not exhaustive, and neither are the mitigations.
9. Risk of misappropriation of Funds by a Council employee (related to pension benefits payments): There are segregation of duties in place whereby members of the Benefits team process cases which result in payments, all (material) payments are checked by a peer and a hirer person (a manager) authorises the payment. The actual payments are made by another team based on authorisation. These processes are supplemented by data reconciliations between systems (which would highlight any 'fathom' members) and process and control checks internally and by internal and external audit.
10. Risk of fraud by a member or a beneficiary: Pension entitlements are mainly based on information provided by a third party (such as the employer or another Fund, for transfers in) which provides another segregation of duties. Where the Fund needs data from the

member, it asks for evidence of other supporting data such as date of birth or the existence of a spouse or civil partner, which will both effect what and when payments are made. Where the employer contact is also the Scheme member, the Fund asks for key instructions (such as retirement forms) to be counter-signed by another employer contact or a committee if the organisation is small.

11. Risk of overpayments to members or a beneficiary: On the death of a member, if the pension is not stopped there is a risk of an overpayment which can not be recovered. The Fund aims to reduce this risk by a mixture of NFI, TUO and mortality screening exercises.
12. Risk of misappropriation of Funds to third parties (e.g. other companies): All key contracts going through steps involving the procurement and legal teams to help ensure that appropriate and secure processes are followed and this risk is reduced. Spend on contract is measured against the budget and more stringent procurement requirements are in place for larger contracts.
Furthermore, in relation to transfers out, the Fund also takes a number of specific steps to help protect member benefits and reduce the risk of a challenge back to the Fund in the form of a complaint or seeking compensation.
13. Risk of misappropriate of Funds via investment transactions: All instructions set up on State Street (the Fund's global custodian) must be input and then checked and approved by a separate member of the team. Any changes in wire instructions for our investment managers are confirmed with known contacts to ensure changes are valid and correct.

Environmental Impact of the Proposal

14. Not applicable.

Financial Considerations & Risk Assessment

15. There are no specific financial and risk assessments resulting from this report although the report itself focuses on reducing financial risk.

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

17. There are no known implications at this time.

Reasons for Proposals

18. To assist the Local Pension Board in its functions by providing it with information about the operation of the Fund and to give the Board the opportunity to provide any scrutiny or advice.

Proposals

19. The Board is asked note the contents of this paper.

Andy Cunningham
Head of Pensions, Administration & Relations
& Jennifer Devine
Head of Pension Fund Investments

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

This page is intentionally left blank

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
06 August 2020

WILTSHIRE PENSION FUND RISK REGISTER

Purpose of the Report

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

Background

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

Key Considerations for the Committee / Risk Assessment

4. The significance of risks is measured by the interaction of the likelihood of occurrence (likelihood) and the potential impact of such an occurrence (impact). This register uses the Council's standard "4x4" approach, which produces a risk status of Red, Amber or Green (RAG).
5. During the last quarter the following "new risks" were identified.
 - **PEN055: Failure by Brunel Pension Partnership to properly address shareholder concerns via the governance review:** (Red) Governance arrangements set in place at the outset of Brunel are due for review and it is vitally important that Wiltshire and all shareholders are satisfied with the breadth and depth of the review, and the resulting changes.
6. The evidence-based review of the register identified the following risks had changed or need to be recategorized;
 - **PEN018: Failure to set in place appropriate Cyber Security measures:** (From Green to Amber) Feedback received from members following publicised cyber-attacks has raised the likelihood & therefore the risk rating. Officers to submit a

report to the Board on the progress of the current mitigations that are in place by the Fund's software providers to counter cyber-attacks.

- **PEN029: Failure to implement the effectiveness review between the Committee & Board:** (From Amber to Green) Full Council approved updated terms of reference for both the Committee & the Board for inclusion within its own constitution enabling improved effectiveness between each group. Whilst work is ongoing officers consider that these changes enables the risk rating to be reduced.
- **PEN041: Inability to implement a strategy to ensure Climate Change considerations are integral to its investment strategy:** (From Amber to Green) The Fund's new Investment Strategy Statement submitted to Committee at their meeting on 16th July 2020 sets out prominently the Fund's commitment to ensuring that climate change is an integral part of its investment strategy. A clear flightpath has been in operation since 2015 & officers continue to work with Investment Managers concerning stock selection.
- **PEN049: Failure to comply with the FCAs MiFID II compliance:** (From Amber to Green) Following the Committee's adoption of the Board's recommendation to ensure that all Committee members & their substitutes annually self-certify that they maintain a requisite level of knowledge & understanding to satisfy the Fund's "Professional Investor" requirements it is determined that this risk can be reduced. Support will continue to be given to members in relation to the training & guidance to support self-certification.

7. Risks remaining "red", high risk:

- **PEN042: Significant retrospective legislation changes related to the McCloud case:** It is still unclear exactly what impact there will be on the administration, although the impact actuarially speaking is likely to be minimal. Members requested that it be kept as a red risk until the administrative impact is clearer.
- **PEN048: The transition of the pooling of LGPS assets with BPP fails to deliver the projected savings:** Progress and updates should continue to be regularly reported to Committee. A Board recommendation to introduce a monitoring & reporting timetable of BPP was approved by the Committee.
- **PEN052: COVID-19:** An infectious global virus which WHO has classed as a pandemic. Its multiple impacts on the Fund continue to be continuously monitored & managed, until the risk(s) subside.

8. There is no risk on the risk register recommended for removal from quarterly presentation to the Board.

Financial Implications

9. No direct implications.

Legal Implications

10. There are no known implications from the proposals.

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

12. There are no known implications currently.

Proposals

13. The Board is asked to note the attached Risk Register and recommend the changes/actions made by officers in points 5 to 8 to the Committee.

ANDY CUNNINGHAM
Head of Pensions Administration and Relations

Report Author: Richard Bullen, Fund Governance & Performance Manager

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

This page is intentionally left blank

Ref.	Risk	Cause	Impact	Primary Risk Category (CIPFA)	Secondary Risk Category (Operational)	Risk Owner	Level of risk (Inherent)	Impact	Likelihood	Inherent risk score	Controls in place to manage the risk	Impact	Likelihood	Residual risk score	Further Actions necessary to manage the risk	Level of risk (Residual)	Direction of Travel	Risk Action Owner	Date for completion of action
PEN055	Failure of the Brunel Pension Partnership to properly address shareholders concerns via the governance review	Governance arrangements set in place at the outset of Brunel are due for review and it is vitally important that Wiltshire and all shareholders are satisfied with the breadth and depth of the review, and the resulting changes.	With the Wiltshire Pension Fund & other stakeholders being required to invest significant sums of money with BPP, robust governance arrangements are vital to ensure that shareholders are able to take assurance over the running of the partnership	GOVERNANCE	SERVICE FUNCTION	Andy Brown	High	4	4	16	Brunel's governance review is ongoing and is due to complete by the end of 2020. Wiltshire has actively engaged with Brunel, by sending a letter on behalf of Committee members, to make Wiltshire's expectations clear, and also via the Head of Pension Fund Investments' input at a client group level.	4	2	8	Officers will regularly monitor the progress of the governance review and engage at all possible opportunities. Committee members will be kept informed of all developments.	Medium	↑	Andy Brown	N/A
PEN050	Failure to comply with IPR's Code of Practice 15	The new requirements for pension scheme governance came into force on 13 January 2019 as part of the transcription of the IORP II Directive into UK law. The new EU Directive covers the activities and supervision of institutions for occupational retirement provision (IORP)	Consequently the IPR is simplifying its codes of practice as part of its 'clearer, quicker, tougher' campaign and in response to new requirements for scheme governance, the Occupational Pension Schemes (Governance) (Amendment) Regulations 2018	GOVERNANCE	SERVICE FUNCTION	Richard Bullen	Low	2	2	4	It is anticipated that early focus will be on the codes that are most affected by the new regulations, starting with internal controls & effective governance. Trustees will need to be able to demonstrate that they have an effective system of governance within 12 months of its publication	3	1	3	None, until Code of Practice 15 is released	Low	←	Richard Bullen	N/A
PEN018	Failure to set in place appropriate Cyber Security measures	Over reliance by Fund is potentially being placed on its Administering Authority's IT security arrangements & that of its key software database providers without proper scrutiny/reporting of their security arrangements	Impact is significant concerning the operational effectiveness of the Fund, notably in relation to the data held and the ability to calculate and process member benefits	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Medium	4	2	8	Cyber security reports to be requested on an annual basis from both Wiltshire Council's IT department & the main database manager Heywood's. Further steps will be considered on the receipt of those reports	4	1	4	Officers attended a Cyber Security event in January 2020 hosted by Wiltshire Council's IT department.	Low	↑	Andy Cunningham	N/A
PEN045	GMP legislative changes	The Government has been planning to make a number of changes to way that GMPs work which brings about certain risks. In particular, changes to the indexation approach (which have been repeatedly delayed) and equalisation between males and females.	Both sets of plans could increase scheme costs and cause material amounts of additional administrative work.	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Senior officers to keep themselves apprised of developments.	2	2	4	None	Low	→	Andy Cunningham	N/A
PEN044	Change to valuation cycle	The Government is consulting on changing the fund valuation cycle. The next valuation will be in 2022 but it is unclear when the next one will follow.		GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Low	1	3	3	Officers will respond to the consultation stating they are not in favour of such a change	1	3	3		Low	→	Andy Cunningham	N/A
PEN043	Administration disruption and employer cost pressures caused by the Cost Cap review	The cost cap floor has been breached meaning the Scheme rules need to be adjusted.	Administration: Some impact on administration processes and communications - unknown at the moment as the details have not been finalised. Cost: Higher costs for employers	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Medium	2	4	8	None until further information is available. Note: this is unlikely to happen until the McCloud case changes are finalised, as McCloud will already increase costs in itself.	2	4	8	None	Medium	→	Andy Cunningham	N/A
PEN042	Significant retrospective legislation changes related to the McCloud case	An age discrimination case taken to Court by a group of firefighters and Judiciary employees	Increased contribution rates for employers and high levels of administration time and complication.	ADMINISTRATION	BUSINESS PLAN 2020/21 (Objective(s) 32)	Andy Cunningham	High	3	4	12	None - Whilst it now appears almost certain that a change will take place, it is still unclear exactly what the change will be, its magnitude and how the Fund can mitigate it. It is noted that the Valuation results have made no allowance for the consequences of the McCloud case, primarily due to the prudence applied to the investment return expectations of 75%, but also due to the implementation of actuarial guidance.	2	4	8	On actuarial guidance it is anticipated that whilst a review will be required the financial impact may be minimal as in most cases the underpin check for a member's benefits will not bite	Medium	→	Andy Cunningham	N/A
PEN040	The Fund's inability to implement the conclusion of the Fair Deal Consultation	This consultation contains proposals which would strengthen the pensions protections that apply when an employee of an LGPS employer is compulsorily transferred to the employment of a service provide	The proposed amendments to the LGPS Regulations 2013 would, in most cases, give transferred staff a continued right to membership of the LGPS. Failure to implement the changes would have a significant impact on affected members benefits.	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Officers have responded to the consultation but have yet to hear anything further from MHCLG. The next step is likely to be either another consultation or the introduction of legislation. Officers will continue to monitor developments to help ensure it is prepared to make any changes required.	2	2	4	None	Low	→	Denise Robinson	N/A
PEN039	The Fund's inability to implement the reforms associated with the Good Governance Project	SAB has requested a review of governance structures for the LGPS using a criteria of four possible governance models which might help funds to deliver good governance for their employers and members. A final consultation report is due in July 2019	Poor governance has a reputational risk impact, leading to poor service for Fund stakeholders, a lack of clarity of roles & responsibilities and potential conflicts of interest emerging	GOVERNANCE	BUSINESS PLAN 2020/21 (Objective(s) 40,41)	Andy Cunningham	Low	2	2	4	Officers have contributed feedback to the consultation exercise in May 2019 and taken part in various discussions. This has helped officers gain an understanding of the likely direction of travel and help ensure the Fund is aligned and prepared (for example by making certain adjustments to the terms of reference).	2	2	4	Officer to introduce a statement of Fund principles, beliefs & precedents.	Low	→	Richard Bullen	N/A
PEN021	Ineffective implementation of the Public Sector Exit Cap	The Treasury is consulting on draft regulations to introduce a cap of £95,000 on exit payments in the public sector, in response to concerns about the number of exit payments that exceed or come close to £100,000 and the need to ensure they represent value for money. This will include changes to LGPS regulations. Introduction of exit cap will require an additional burden on the administration team as it is likely to effect all redundancy calculations. Funds are often given little time to implement changes which brings about this risk.	Changes need to be communicated to individuals and employers and systems adapted once the revised regulations have been approved. LGPS Fund's could be in breach of the legislation in they are logistically unable to implement the cost cap mechanism once introduced.	LEGISLATIVE	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Currently monitoring the progress of the developments to allow adequate time to take any actions necessary. We are not anticipating any changes to occur quickly and, 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.	2	2	4	None	Low	→	Andy Cunningham	N/A

Dynamic Risks

PEN054	Failure to implement an interim investment portfolio, private markets & multi asset credit arrangements as required	The implementation does not match risk/return requirements before capital can be deployed into private markets & a strategic asset allocation cash drag occurs on the investments	A loss on assets to the Fund. Assurance is required that investments are being made in line with expectations & being managed properly	FINANCIAL MARKETS & PRODUCTS	BUSINESS PLAN 2020/21 (Objective(s) 18,22,23)	Jennifer Devine	Medium	3	2	6	ISC to be updated at each quarterly meeting on the progress of the investment	2	2	4		Low	←	Jenny Devine	N/A
PEN053	Failure to implement Fund's Data Retention Strategy	Poorly implemented strategies agreed by the Board & Committee to ensure that the retention of data is properly executed in respect of both the Fund & Scheme Employers may occur.	A failure to adhere to the strategy could potentially breach GDPR compliance & create service issue in the event of data being inadvertently minimised or deleted.	ADMINISTRATION	BUSINESS PLAN 2020/21 (Objective(s) 28)	Mark Anderson	Low	1	2	2	Heywood (Altair Database manager) to introduce a tool to minimise & delete records. Includes an export function to identify records managed via this process which can be reported on. This can be cross referenced against the membership statistics if required.	1	2	2		Low	←	Mark Anderson	N/A

PEN052	COVID-19	COVID-19 is an infectious global virus which WHO has classed as a pandemic. The UK could be taking similar actions to other countries bad affected by this virus such as China & Italy which will cause significant business continuity issues to the pension fund	In a worst case scenario the Council's officers & service provider offices will be closed making remote working essential but difficult. In addition, it is expected that up to 20% of people will be off sick & needing to self-isolate causing service issues. Consequently issues around staffing, investment returns, employers supplying data, management of employer covenants, support from suppliers & contractors are all likely to be factors in the management of the Fund.	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham/ Jenny Devine	High	4	4	16	The Council's/Fund's Business Continuity Plan will need to be activated. Regular communication with key services & service providers should be maintained. Fund officers have already taken a series of steps to ensure ongoing service & are giving consideration to the daily government updates & Council policy in the taking of those decisions.	4	4	16	The series of steps have been specifically identified to manage this risk. In particular, maintaining the movement of money, communication with all stakeholders & essential operating practices; Consequently the following risks were focused upon; Movement of money PEN001, PEN002, PEN003, PEN015 & PEN033. Communication with stakeholders PEN013, PEN030 & PEN033 & Essential operating practices PEN004, PEN010 & PEN037. A survey was also sent to Employers requesting information about their circumstances & a close monitoring of actual employer behaviour has been adopted & will continue to be in relation to their service obligations.	High	↓	Andy Brown/ Andy Cunningham/ Jenny Devine	N/A
PEN051	There is a risk that the fixed income portfolios which are currently being scoped by Brunel & which the client group have had input into, may not be the best fit for Wiltshire	Fixed income portfolios will transition to Brunel from late 2020 onwards	If the portfolios are not the best fit for Wiltshire, there is a risk that the investment strategy is not properly implemented, or that there is a delay before assets can transition	INVESTMENT PERFORMANCE & RISK	BUSINESS PLAN 2020/21 (Objective(s) 19)	Jennifer Devine	Low	4	1	4	Officers are working with Brunel to ensure that the portfolio specifications for the fixed income portfolios will meet Wiltshire's strategic requirements. A review of the ISS will take place to ensure that it is consistent with the prevailing strategy asset allocation.	4	1	4	Continue to work with Brunel to review and feedback on portfolio specifications as they are developed	Low	→	Jennifer Devine	Mar-20
PEN047	There is uncertainty around the ability of Brunel to resource its property portfolio offering	It is intended that property assets will transfer to Brunel in late 2020.	If Brunel are not adequately resourced, this could result in the portfolio not being effectively managed, and/or costs being higher than expected.	INVESTMENT PERFORMANCE & RISK	BUSINESS PLAN 2020/21 (Objective(s) 24)	Jennifer Devine	Low	4	1	4	Officers are working with Brunel to ensure that the transition plan is appropriate before proceeding with this transition. Define reporting metrics for the Committee to make a decision.	4	1	4	None	Low	→	Jennifer Devine	Jun-20
PEN038	The Fund's inability to implement the DWP's Dashboard within a notified timescale.	Late communication by the DWP to specify their requirements for the Fund to comply with this new nationwide Dashboard. Potential for unexpected implementation costs and/or the Fund being unable to meet the reporting requirements.	Non-compliance would lead to a reputational risk for the Fund. A statutory requirement to contribute may also be created.	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Low	1	2	2	Senior officers to keep themselves apprised of developments and seek more detailed information as the project develops.	1	2	2	None	Low	→	Mark Anderson	N/A
PEN037	Failure to implement a strategy to address the administration backlogs	Failure to effectively administration the scheme could result in incorrect payments, inefficiencies in the process, failure to meet disclosure timeframes, complaints and inadequate oversight over the fund.	Poor administration resulting in incorrect payments and can lead to reputational risk issues. The mitigation of this risk is contingent on the mitigation of other risks such as PEN034 & PEN036	ADMINISTRATION	BUSINESS PLAN 2020/21 (Objective(s) 1,35,37)	Andy Cunningham	Medium	3	3	9	The implementation of PEN034 & PEN036 along with addressing the internal auditors comments in their 2018/19 Key Controls report should mitigate this risk. As part of the 2020/2021 budget, approval for more resource is available to help mitigate this risk although this could take time to use given the impact of COVID-19 on office based working.	3	2	6	Employer training to be enhanced to assist the provision of information to officers & efficient management of backlogs. Improving peer review policy to enhance they way work is checked.	Medium	→	Jennie Green	On-going
PEN034	Failure to implement Lean process review	Low KPI performance has been identified, particularly in relation to the disclosure requirements, as a result of inefficient processes and insufficient training and support.	An end to end processing review of all repeatable processes with the key objectives of improving the customer experience and identifying and realising efficiencies. Semi-automated work allocation is required to target key items of casework more quickly	ADMINISTRATION	BUSINESS PLAN 2020/21 (Objective(s) 3,13,15,29)	Andy Cunningham	Medium	3	2	6	The Fund's Project team has started a programme of work over a 2 year timeframe to review repetitive processes within the dept. As at April 2020, revised processes are in place for starters, leavers/refunds, aggregation and child pension reviews. Other processes will be looked at based on priorities with the intention of completing the reviews during 2020/2021.	3	1	3	Officer training to be enhanced to assist with the efficient processing practices. Officers have introduced a 2nd line of review strategy, where experienced officers conduct internal audits at a technical level, not just at a process level.	Low	→	Samantha Wooster	On-going
PEN029	Failure to implement the effectiveness review between the Committee & Board	An effectiveness review conducted by Hymans was undertaken in 2018, following which a report was produced and a focus group created of key Wiltshire Council stakeholders to act on the outcomes of the Report. The review covered the Committee, Board & ISC.	An ineffective Committee & Board could lead to a poorly run Pension Fund, which has a lack of governance and internal controls. Defining the roles & responsibilities of all groups & stakeholders enable clarity of purpose & efficient management.	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Creation of a Focus steering group to implement the recommendations of the Hymans report. A review of Governance documentation, such as Terms of Reference of the Committee, Board & ISC to bring it up to date and ensure that all documentation is consistent & integrated with the other documentation around it.	2	2	4	To avoid a reputational risk & action by the Government or the Pension Regulator, close attention is paid to communications from the Regulator & SAB on best practice and the outcomes implemented. Guidance from the LGA is also adopted into Fund working practices.	Low	→	Richard Bullen	On-going
PEN028	Failure to introduce new administration software effectively	Implementation of new software including I-connect, payment instruction automation and a new member website. All to be completed during 2021/2022.	Delay in the payment of member benefit, poorer data quality, sub-standard communication arrangements with members & employers & slower delivery times leading to a more costly service	ADMINISTRATION	BUSINESS PLAN 2020/21 (Objective(s) 4,5,6,8,9,14,16,26,30)	Andy Cunningham	Low	2	2	4	Individual project plan have been prepared for each implementation of software, including their GDPR implications, with individual project issue logs and risk registers. A bespoke Project team has also been established within the pension's dept. who initiate formal handovers to officers on completion of the new implementation. i-Connect, which will have the largest impact, is partially delivered with around a third of active members onboarded.	2	1	2	SQL capability to be developed within team to enhance reporting & verify effective implementation. Nova Sail will also be introduced to leverage & optimise the software capability employed by the Fund.	Low	→	Samantha Wooster	On-going
PEN022	The rectification of records with GMP issues is time-consuming, costly & causes reputational damage.	From 1 April 2016, State Second Pension ceases and HMRC no longer provides GMP data on members to Funds. The Fund is looking to complete the reconciliation during the 2020/2021 year.	If GMP records for members are inaccurate there is the potential for incorrect liabilities being paid by the Fund.	ADMINISTRATION	BUSINESS PLAN 2020/21 (Objective(s) 34)	Andy Cunningham	Medium	2	4	8	Large project is still ongoing and software from Heywood's is being used to process amendments to Altair on bulk. Progress has been delayed due to the Fund trying to engage with Government to agree on a nationwide approach and in order to undertake further analysis of the problems identified.	2	4	8	Working with other south-west Funds to try to agree on a common approach and present it to Government Departments. SABs to review a further letter from the SW Pension Fund's Group on 3rd February. It is hoped that a more positive approach will be received from SAB this time. NONE RECEIVED.	Medium	↓	Samantha Wooster	u/k

Ongoing Risks

PEN049	Failure to comply with the FCAs MIFID II compliance	The introduction of new financial & investment requirements with effect from 3rd January 2018 in which the Fund opted up to "Professional Investor" status	Committee members & key officers, particularly those sitting on the ISC need to ensure that they maintain a requisite level of knowledge & understanding to satisfy the "Professional Investor" requirements	FINANCIAL MARKETS & PRODUCTS	BUSINESS PLAN 2020/21 (Objective(s) 17)	Jennifer Devine	Low	4	1	4	Controls include; 1) An annual review of training needs for members & officers 2) A self-certification by members that they continue to consider themselves "professional investor" competent 3) The implementation of a policy & procedure to ensure officers to manage the ongoing compliance framework & 4) For the MIFID II requirements to be included in the 2020-21 audit plan	4	1	4	A paper setting out the procedures put in place was submitted to the Board on 13th February. The Fund will also be audited in 2020 for its compliance with MIFID II. To be reduced to a Green risk on completion of a satisfactory internal audit.	Low	→	Jennifer Devine	N/A
PEN048	The transition to pooling of LGPS assets with BPP fails to deliver the projected savings	The Fund needs to pool its LGPS assets with other Funds using the Brunel Pensions Partnership.	Poor implementation could be costly in terms of unanticipated costs and/or savings less than projected.	INVESTMENT PERFORMANCE & RISK	BUSINESS PLAN 2020/21 (Objective(s) 21)	Jennifer Devine	High	4	3	12	The Fund is working with Brunel Pension Partnership on pooling arrangements. Progress and updates regularly reported to Committee. The Fund's passive portfolios have been pooled with significant fee savings, but a budget increase is also currently being proposed. The final position is still uncertain.	3	3	9	Significant amount of resource still required by officers to progress this project. On 13th February 2020 the Board recommended that a monitoring & reporting timetable being put in place concerning BPP's transition to help mitigate this risk.	Medium	→	Jennifer Devine	On-going
PEN041	The Fund's inability to implement a strategy to ensure Climate Change considerations are integral to its investment strategy	There is a global climate change emergency, as declared by Wiltshire Council in February 2019.	Failure to embed climate change considerations in the investment strategy could cause a negative impact on investment returns over the long term.	FINANCIAL MARKETS & PRODUCTS	BUSINESS PLAN 2020/21 (Objective(s) 20)	Jennifer Devine	Low	3	1	3	Work is being done within the Brunel pool to address this risk. The Committee needs to use the support offered by Brunel to help define policies in this area and implement them via the Investment Strategy Statement.	2	2	4	None	Low	↓	Jennifer Devine	On-going
PEN036	Failure to implement a Dashboard of KPIs for regular monitoring	Difficulties in extracting the required data from the workflow section of the administration system. Improve the range of Key Performance Indicators (KPIs) produced for the Committee and Local Pension Board to help provide transparency and clearer oversight & management of administration performance.	Failure to implement a dashboard of comparable benchmarks, will be counter to the Pension Regulator's requirements on factors such as data quality measures	ADMINISTRATION	BUSINESS PLAN 2020/21 (Objective(s) 12,27)	Andy Cunningham	Low	1	2	2	Officers have implemented a suite of KPIs to be utilised at different levels. Namely, at a Statutory level, for the Committee & the Board, for use between Employers & the Fund & at management level for use at an operational level within the Pension's dept. The introduction of a new PAS document will enhance the flow of KPI information to members. Further work is required to introduce a suite of customer service based KPIs.	1	2	2	None	Low	↓	Mark Anderson	On-going

PEN033	Failure to manage AVC providers	The Fund is a Data Controller with four AVC providers under management who operate to a system of policies & endorsements rather than service provider contracts. Consequently, there is a risk due to the mismatch between Fund responsibility & control in relation to the assets under management.	Failure of a AVC provider can lead to issues of reputational risk to the Fund, as well as being exposed to adverse governance & financial implications.	ACCOUNTING & AUDITING	SERVICE FUNCTION	Jennifer Devine	Low	2	2	4	A minimum of annual service review reviews have been implemented with all AVC providers, managed by the Investment & Accounting team. The review will cover customer service & investment performance.	2	1	2	None.	Low	→	Roz Vernon	On-going
PEN026	A lack of effectiveness of Committee meeting due to the impact of MIFID II Regulations	MIFID 2 investment regulations from Jan 2018 will classify LGPS Funds as "retail" investors. They will need to opt up to professional status	If Wiltshire Pension Fund is unable to maintain "professional" status it will limit the range of investments available and may lead to the forced sale of assets.	INVESTMENT PERFORMANCE & RISK	BUSINESS PLAN 2020/21 (Objective(s) 17)	Jennifer Devine	Low	2	2	4	Wiltshire Fund is now being treated as a Professional Client, having followed due process. Maintenance of the Fund's Professional Client status will require on-going compliance with the requirements including competence	2	2	4	Guidance received from officers & the Independent Adviser to the Fund has mitigated the impact of MIFID II. Officers implemented a self-assessment return completed by members concerning their competence to maintain "professional client status". A member training strategy for 2020/21 includes MIFID II related training	Low	↓	Jennifer Devine	On-going
PEN025	Further academisation of Schools, the possibility of MAT breakups and cross fund movements.	Potential for further schools to convert to academy status, MATs to breakdown	Additional governance and administration risk. If all schools were to convert then the number of employers in the Fund could jump from 180 to between 400 and 500.	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Regular communications with schools to understand their intentions. Revised cessation policy aims to address some of the risks relating to MAT breakups.	2	2	4	The Fund is monitoring the SAB review of academies roles in the LGPS and will take actions (e.g. respond to consultations) as necessary to try to mitigate this risk further.	Low	→	Andy Cunningham	N/A
PEN017a	A lack of knowledge and expertise on the Pension Fund Committee	Lack of structured training and continuous self assessment of skills gap to ensure knowledge levels are adequate to carry out roles to the best of their ability	Bad decisions made may be made in relation to any of the areas on this register, but particularly in relation to investments. There is also a requirement for Funds to 'Comply or Explain' within their Annual Report on the skills knowledge of members of the Committee	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Medium	2	3	6	Members are given Induction Training when they join the Committee, as well as subsequent opportunities to attend courses/seminars and specialist training at Committee ahead of key decisions. There is a Members' Training Plan and Governance Policy. Further training and advice can be called on from our consultants, independent advisors and investment managers too.	2	1	2	The results of the knowledge assessment was presented to 12 Dec 2018 Committee and 24 January 2019 Local Pension Board. Overall, their level of knowledge was deemed good but there were areas of improvement identified that Officers will consider when looking at future training plans. Pensions is a complex subject, so the training needs of the Committee will need to be continued reviewed. Generally both Committee & Board members are taking a more active approach to training and requesting structured training in key areas	Low	→	Richard Bullen	On-going
PEN017b	A lack of Committee Member compliance with all regulations	Lack of Member willingness or awareness to be compliant with new regulations as they come into force leading to breaches of legislation and reportable offences	Over reliance on officers & advisers to ensure compliance leading to a lack of oversight challenge	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Medium	2	3	6	Member attendance at conferences & seminars enables independent information sources. Update of the Look forward plan including the introduction of an annual audit plan to ensure the fund's compliance requirements are implemented & the results of the audit reported to Committee	2	1	2	None	Low	→	Richard Bullen	On-going
PEN016	A lack of effectiveness in respect of the Fund's Treasury Management Services	The Fund's treasury function is now segregated from Wiltshire Council. This includes the investment of surplus cash in money markets.	Exposure to counterparty risk with cash held with external deposit holders could impact of Funding level of the Fund	INVESTMENT PERFORMANCE & RISK	SERVICE FUNCTION	Jennifer Devine	Low	3	1	3	The Pension Fund will review an updated Treasury Management Strategy annually which follows the same criteria adopted by Wiltshire Council but limits individual investments with a single counterparty to £5m. The Fund will also review in Treasury Management Agreement with the Council in 2019.	2	1	2	The Council uses Sector's credit worthiness service using ratings from three rating agencies to provide a score. Surplus cash is transferred to the Custodian at month end ensuring cash balances are minimal. A minimum of annual updates by the Council need to be presented to the ISC	Low	→	Roz Vernon	N/A
PEN015	Failure to collect payments from ceasing employers	When an employer no longer has any active members a cessation valuation is triggered and a payment is required if a funding deficit exists to meet future liabilities. The impact of COVID-19 on financial markets means the likelihood is currently increased.	Failure to collect cessation payments means the cost of funding future liabilities will fall against the Wiltshire Pension Fund	ACTUARIAL METHOD	BUSINESS PLAN 2020/21 (Objective(s) 36,42)	Andy Cunningham	Medium	3	3	9	The Pension Fund Committee approved a revised cessation policy on 26 March 2020 to address regulatory changes made in March 2020 (backdated to May 2018). Furthermore, all new admitted bodies require a guarantor to join the Fund which means that a stable Scheme Employer is required to act as the ultimate guarantor. Due to the current impact on COVID-19 situation on investment returns, we are currently encouraging employers to delay cessation crystallisation events where possible to avoid crystallise a large deficit.	2	1	2	A NEW Employer policy is to be developed.	Low	→	Andy Cunningham	On-going
PEN013	Failure to communicate properly with stakeholders	Lack of clear communications policy and action, particularly with employers and scheme members.	Scheme Members are not aware of the rights and privileges of being in the scheme and may make bad decisions as a result. Employers are not aware of the regulations, the procedures, etc. and so the data flow from them is poor.	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	The Fund has a Communications Manager and Employer Relationship Manager posts dedicated to these areas full-time, including keeping the website up-to-date, which is a key communications resource. The Fund also has a Communications Policy.	2	1	2	None	Low	→	Denise Robinson/ Samantha Wooster	N/A
PEN011	Lack of expertise of Pension Fund Officers and Service Director, Finance	Lack of training, continuous professional development and continuous self assessment of skills gap to ensure knowledge levels are adequate to carry out roles to the best of their ability. Resourcing issues due to holding a vacancy in a key role in the investments team.	Bad decisions may be made in relation to any of the areas on this register, but particularly in relation to investments. Risk of being unable to fulfil statutory obligations and/or maintain key financial controls.	GOVERNANCE	BUSINESS PLAN 2020/21 (Objective(s) 2,3,31)	Andy Cunningham/ Jennifer Devine	Medium	3	3	9	Officers ensure that they are trained and up-to-date in the key areas through attendance at relevant courses and seminars, reading, discussions with consultants and peers, etc. Formulated annual Training Plans relevant to officers are also reviewed against the CIPFA Knowledge & Skills Framework to ensure adequate expertise exists. A Fund knowledge hub is being developed.	2	3	6	The Director of Finance & Procurement is now filled on a permanent basis and other senior officer roles in the Pension Fund are now filled by permanent staff for a significant period of time. Officer training to be enhanced to assist knowledge & understanding.	Medium	→	Andy Cunningham/ Jennifer Devine/ Corporate Directors	On-going
PEN010	Failure to keep pension records up-to-date and accurate	Poor or non-existent notification to us by employers and members of new starters, changes, leavers, etc. Early indications suggest the likelihood is increased due to the impacts of COVID-19 on employers and Fund officers.	Incorrect records held, leading to incorrect estimates being issued to members and incorrect pensions potentially being paid.	GOVERNANCE	BUSINESS PLAN 2020/21 (Objective(s) 38)	Andy Cunningham	Medium	3	3	9	Data & systems Team constantly working to improve data quality, data validation checks carried out through external partners (e.g. the Fund's actuaries and tracing agencies), proactive checks done through national fraud initiative and the Fund's Data Improvement Plan.	3	1	3	The Fund is currently addressing new data issues identified by a review of the tPR two key data standards and other data reviews while ensuring data is of high quality is an on-going responsibility.	Low	→	Mark Anderson	On-going
PEN008	Failure to comply with LGPS and other regulations	Lack of technical expertise / staff resources to research regulations, IT systems not kept up-to-date with legislation, etc	Wrong pension payments made or estimates given. Investment in disallowed investment vehicles or failure to comply with governance standards. Effect: Unhappy customers, tribunals, Ombudsman rulings, fines, adverse audit reports, etc	ADMINISTRATION	BUSINESS PLAN 2020/21 (Objective(s) 7,33)	Andy Cunningham	Low	2	2	4	*Sufficient staffing, training and regulatory updates. *Competent software provider and external consultants. *Technical & Compliance post reviews process and procedures and maintains training programme for the team. *KPIs against statutory standards *Imbedding checks and controls into all processes. *Audits & internal reviews to maintain best practice	2	2	4	Review of ABS requirements to ensure on-line delivery is compliant with disclosure requirements	Low	→	Luke Webster/ Jennie Green	N/A
PEN007b	Significant rises in employer contributions for non-secure employers due to poor/negative investment returns	Poor economic conditions, wrong investment strategy, poor selection of investment managers, poor consideration of all financial & non-financial risks including ESG issues.	Poor/negative investment returns, leading to increased employer contribution rates	FINANCIAL MARKETS & PRODUCTS	SERVICE FUNCTION	Jennifer Devine	Medium	3	2	6	Use of expert consultants in the selection of investment strategy and investment managers, regular monitoring of investment managers (1/4y), regular reviews of investment strategy (annually). Monthly review of % of Fund held in each mandate. Also a flight path strategy implemented to take off risk as funding levels improve. Fund member of LAPFF & uses PIRC to proxy vote on shares in line with agreed policy for ESG issues. Compliance with Stewardship code.	2	2	4	A risk based framework is now in place to review employers long term financial stability. This informs the policy for stepping in contribution rates to assist in affordability issues where requested by an employer. It will be continuously reviewed, as part of the updating of the Investment Strategy Statement. Query over covenant reviews following expiry of PWC contract.	Low	→	Jennifer Devine	On-going
PEN007a	Significant rises in employer contributions for secure employers due to poor/negative investment returns	Poor economic conditions, wrong investment strategy, poor selection of investment managers, poor consideration of all financial & non-financial risks including ESG issues.	Poor/negative investment returns, leading to increased employer contribution rates	INVESTMENT PERFORMANCE & RISK	SERVICE FUNCTION	Jennifer Devine	Low	2	1	2	Use of expert consultants in the selection of investment strategy and investment managers, regular monitoring of investment managers (1/4y), regular reviews of investment strategy (annually). Monthly review of % of Fund held in each mandate. Also a flight path strategy implemented to take off risk as funding levels improve. Fund member of LAPFF & uses PIRC to proxy vote on shares in line with agreed policy for ESG issues. Compliance with Stewardship code.	2	1	2	The implementation of the Stabilisation Policy limits increases for secure employers.	Low	→	Jennifer Devine	On-going
PEN006b	Significant rises in employer contributions for non-secure employers due to increases in liabilities	Scheme liabilities increase disproportionately as a result of increased longevity, falling bond yields, slack employer policies, etc. The current price of gilts lead to a worsening Funding Position.	Employer contribution rates become unacceptable, causing upward pressure on Council Tax and employers' costs.	ACTUARIAL METHOD	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	As above	2	2	4	As above	Low	→	Andy Cunningham	On-going
PEN006a	Significant rises in employer contributions for secure employers due to increases in liabilities	Scheme liabilities increase disproportionately as a result of increased longevity, falling bond yields, slack employer policies, etc. The current price of gilts lead to a worsening Funding Position.	Employer contribution rates become unacceptable, causing upward pressure on Council Tax and employers' costs.	ACTUARIAL METHOD	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Longevity and bond yields are generally beyond the control of the Fund as are the values of the liabilities in general. However, the Fund has started the 2019 Triennial Valuation process and it is concurrently reviewing its investment strategy and implementing separate employer investment strategies. Furthermore, the Fund and each employer must have a Discretions Policy in place to help control discretionary costs (e.g. early retirements, augmented service, etc).	2	2	4	None	Low	→	Andy Cunningham	On-going

PEN005	Loss of funds through fraud or misappropriation	Fraud or misappropriation of funds by an employer, agent or contractor	Financial loss to the Fund	ACCOUNTING & AUDITING	SERVICE FUNCTION	Jennifer Devine	Low	4	1	4	Internal and External Audit regularly test that appropriate controls are in place and working. Regulatory control reports from investment managers, custodian, etc, are also reviewed by audit. Due Diligence is carried out whenever a new manager is appointed. Reliance is also placed in Financial Services Authority registration.	4	1	4	Officers completed an Anti-Money Laundering questionnaire issued by Deloitte's & returned to the Accountancy firm in January 2020. The responses will form part of the Auditor's audit strategy.	Low	→	Roz Vernon	On-going
PEN002	Failure to collect and account for contributions from employers and employees on time	Non-availability of SAP systems, key staff, error, omission, failure of employers' financial systems, failure to communicate with employers effectively. LGPS 2014	Adverse audit opinion for failure to collect contributions by 19th of month, potential delays to employers' FRS17 year-end accounting reports and to the Fund's own year-end accounts.	ACCOUNTING & AUDITING	SERVICE FUNCTION	Jennifer Devine	Low	2	2	4	Robust maintenance and update of Altair and SAP systems, sufficient staff cover arrangements, sufficient staff training and QA checking of work. Officers regularly work with employers to ensure they understand their responsibilities to pay by 19th of the month. The Breaches framework now require the Fund to log material late payments.	2	2	4	None	Low	→	Roz Vernon	On-going

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
6 August 2020

ADMINISTRATION 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 pension benefits.

Background

2. In the interests of transparency and to help monitor overall administration performance, officers agreed with Committee and Board to publish quarterly benefits administration key performance indicators (KPIs)
3. KPIs are an important aspect of providing an efficient and effective customer-focussed benefits administration service.

Considerations for the Board

4. Following feedback by the Committee in the July 2020, officers have been some changes to the structure of this report as follows:
 - a). Appendix 3 now includes a column which benchmarks the processing times against those proposed by CIPFA as part of the Annual Report guidance; the administration strategy targets are tighter but are still shown alongside. Whilst the Fund undertakes its programme of improvements, officer propose that monitoring against the CIPFA measures would be more appropriate.
 - b). A new Appendix 4 has been added to show the progress in onboarding members on to the member platform (MSS/My Wiltshire Pension) and on to i-Connect. These platforms are a key part of the Fund's strategy to improving its administration function.
 - c). Furthermore, a new Appendix 5 has been added to more effectively split out backlog cases which the Fund currently has. Two, small waterfall charts focussing just on the backlogs replace the three charts which previously illustrated this information, including processes with no backlogs.
 - d). (From the next meeting) The processes with backlogs (deferreds and refunds), which are also present in Appendix 3, distort the figures in Appendix 3. As part of the implementation of i-Connect and through process changes, officers intend to 'ring-fence' the backlog work and deal with this separately as process changes will only impact on new, incoming work. Therefore in future reporting backlog work will be removed from Appendix however there was insufficient time to do this in time for this report; this will give a better illustration of the impact of the changes that are being made.
5. Furthermore, two metrics with very low volumes has been removed from the Disclosure Regulations tables as the low volumes mean that the percentages measures are of limited use and implies materiality where there is none.

6. Overall, the focus of officers is very much on making long-term improvements to processes. During 2020/2021, officers are particularly focussed on onboarding as many employers as possible on to the i-Connect platform (see Appendix 4). With time, this will help directly or indirectly improve the measures shown within but in the short-term some decreases in these metrics will be visible.
7. Furthermore, there is a significant focus on improving controls and accuracy, which are not visible within this figures are a key part of improving the robustness of the Fund.
8. During the quarter reported, the focus of key members of the team has been on the end of year process to try to maximise the percentage of annual benefit statements being sent (as per the Business plan goal of 99%). The percentage of active statements sent last year was 95% although the new target may be more difficult to achieve this year due to some late end of year submissions from some key employers due to COVID-19 administrative difficulties.

Conclusions

General comments

Disclosure Regulations (Appendix 1)

9. The table in appendix 1 shows the Fund has generally performing well against these targets. The deferreds disclosure level has increased significantly due to change in the process. In relation to the measures which lower than desired:
An explanation of the reason for the lower measures are given below:
 - a). Refund payments (31%): There are staff shortages in this team which has been recently restructured. The process is also being reviewed which should result in improvements in the long-term, potentially from Q3.
 - b). Transfers out quote (54%): These cases have been treated as a lower priority in comparison to the payment of benefits, resulting in a lower percentage although this is now being re-assessed to improve this target.
 - c). New joiners (72%): Staff have focused on end of year submissions and i-Connect onboarding during the quarter. This figure may be low in the next quarter due to the time taken to upload Wiltshire Council's first i-Connect return (which covers over a third of active members) and generally while employeres are onboarded onto i-Connect but it is anticipated this will become high once all employers are onboarded.

tPR Common and Conditional Data percentages (Appendix 2)

10. There are no change in these figures since the last meeting however they are included for completeness and show how the Fund compares against other Funds on a like with like basis. Our scores were 97.9% (Common) and 95.4% (Conditional) are above average and top quartile compared against peers in both cases which is reassuring on a relative level although further absolute improvement is still desired.

Administration Strategy KPIs – Fund (Appendix 3)

11. Chart 1 shows the Fund is operating below its desired targets for most cases mainly for the same reasons as outlined in paragraph 5, although the percentages are stronger against the newly-added CIPFA metrics. Officers have recently increased resourcing in the benefits team and are gradually reviewing processes to improve efficiency and meet our desired timeframes. The initial focus is on the compliance (disclosure) measures outlined in Appendix 1.

i-Connect and My Wiltshire Pension (MSS) onboarding (Appendix 4)

12. The Fund now has close to half of active members on i-Connect which is good progress and in line with the Business Plan, resource is focussed on improving this percentage over the course of the year. As employer numbers significantly, we have also show the number of employers onboarded. Small employers generally create disproportionate levels work because of the lack of economies of scale hence it is still important to employer-level onboarding improves too so efficiency gains are made.
13. MSS sign-ups are broadly in line with industry-norms after successful attempts to encourage more members to sign up.

Administration Strategy KPIs – Employers (Appendix 6)

14. In the majority of cases, employers provide retirement information before the date the member retires. Employer performance also appears to be fairly consistent across different employers.
15. Employers timeliness should improve with the use of i-Connect, Wiltshire Council (and its academies) went live with effect from March 2020 and they make up a material proportion of the active membership (abeit data was only been added in July for the first return, with April, May and June added shortly afterwards).
16. Further onboarding on to i-Connect will force employers to submit more quickly. We anticipate that over 70% of the active membership covered by 31 March 2020, and potentially much higher. Officers are also currently implementing escalating procedures to chase employers for later submissions.

Environmental Impact

17. There is no environmental impact from this report.

Financial Considerations

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

Risk Assessment

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

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

21. There are no implications at this time.

Proposals

22. The Board is asked to note the current situation and the Fund's plans for improvement.

Andy Cunningham

Head of Pensions Administration and Relations

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

APPENDIX 1 Table 1: Disclosure Requirements (CIPFA template)

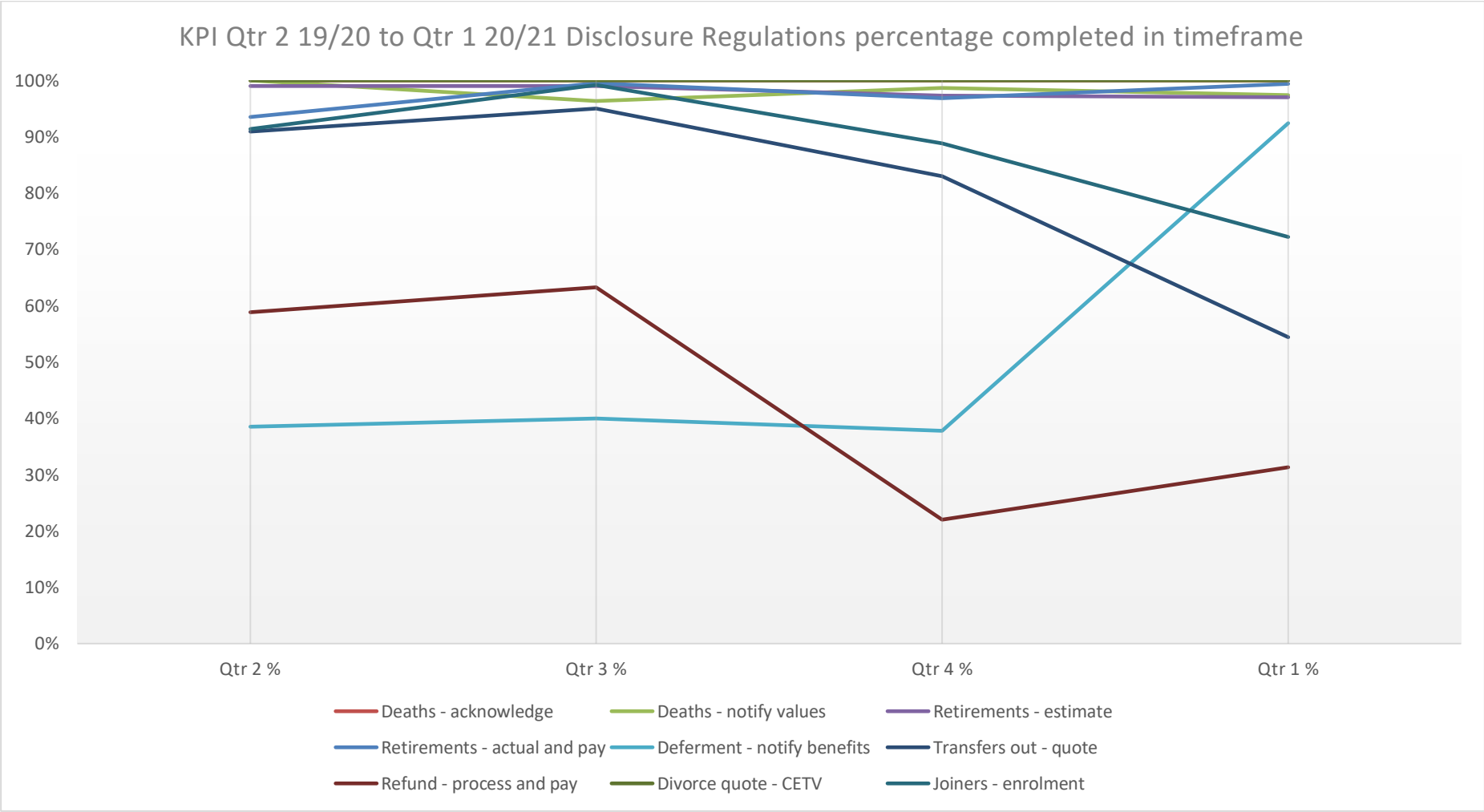
Disclosure Regulations

Period 01/04/2020 To 30/06/2020

Process name		Disclosure Requirement	%	No. cases within Legal Timeframe
Deaths - initial letter acknowledging death		2 months	100.0%	147
Deaths - letter notifying amount of dependants pension		2 months	97.4%	143
Retirements - letter notifying estimate of retirement benefits	Active Deferred Total	2 months	n/a	n/a
			n/a	n/a
			96.9%	377
Retirements - letter notifying actual retirement benefits + process and pay benefits on time	Active Deferred Total	2 months	100.0%	95
			98.9%	169
			99.3%	264
Deferment - calculate and notify deferred benefits		2 months	92.4%	1248
Transfers out - letter detailing transfer quote		2 months	54.4%	81
Refund - process and pay a refund		2 months	31.3%	57
Divorce quote - letter detailing cash equivalent value and other benefits		3 months	100.0%	60
Joiners - notification of date of enrolment*		2 months	72.2%	342

*Officers expect this figure to raise significantly in this quarter due to a change in process.

APPENDIX 1, Chart 1: Disclosure Requirements

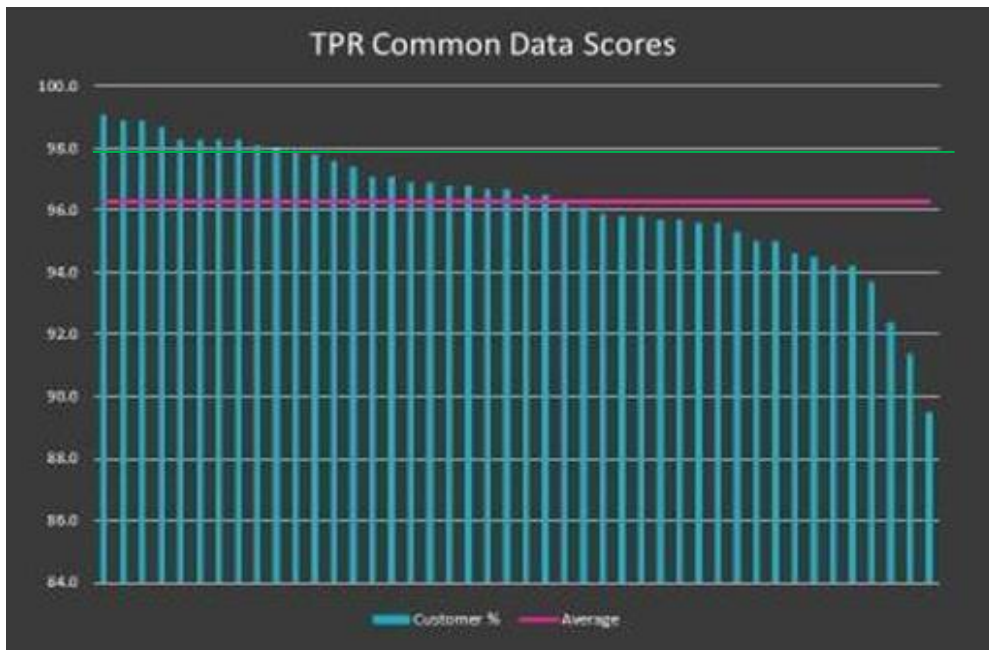


APPENDIX 2: tPR Data Quality scores

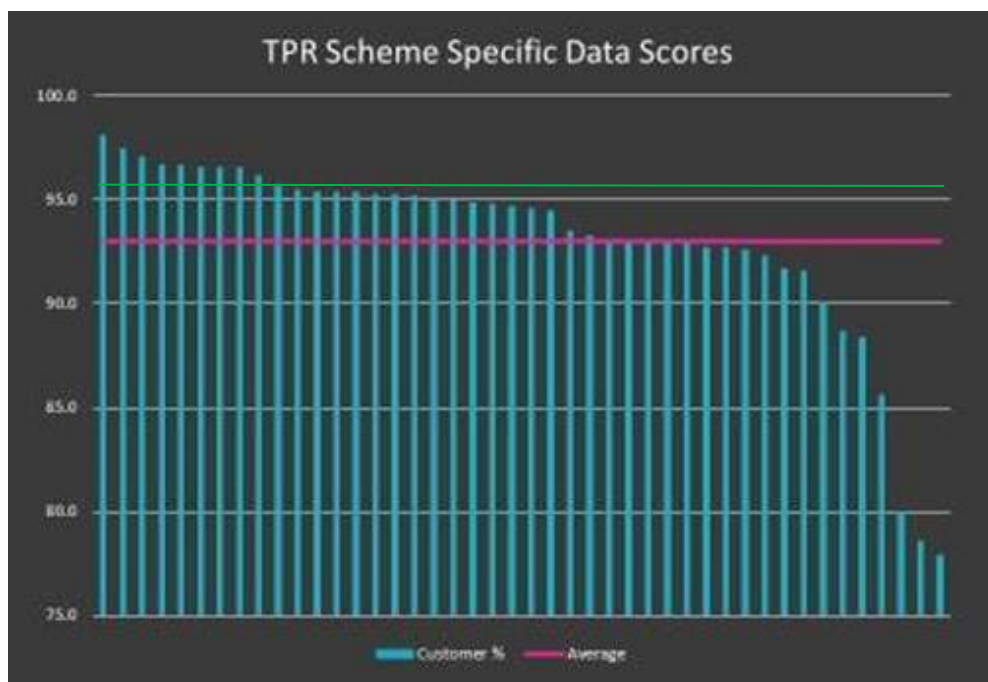
a). tPR Common Data Percentage Breakdown (At 11 October 2019)
Total score = 97.9% (from 94.2%)

b). tPR Conditional Data Percentage
Total score = 95.4%

The charts below show scores across Heywood clients which used the Heywood data quality report on like with like methodology basis.



Wiltshire Pension Fund



Wiltshire Pension Fund

APPENDIX 3: Administration Strategy KPIs - Fund (Table 1)

Wiltshire Pension Fund

Administration Strategy & CIPFA targets

Benefit Administration Key Performance Indicators

Period 01/04/2020 to 30/06/2020

Type of case	Created cases in period	Open cases at period end	Percentage against membership	Completed cases time to complete						Total	Timescales		Notes
				0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 + days		CIPFA (Admin Strategy)		
											% on target (CIPFA)	% on target (Admin Strategy)	
Active to Retirement	103	85	0.4%	12	19	23	13	23	5	95	57%	13%	15 (5)
Deferred in to retirement	224	23	0.1%	79	51	32	5	4	0	171	95%	46%	15 (5)
Processing of Death cases	183	115	0.1%	59	23	29	17	12	7	147	56%	40%	10 (5)
Benefit Estimates	492	33	0.1%	51	54	44	38	154	48	389	38%	27%	15 (10)
Leavers to Deferred status	1624	3442	15.3%	18	3	3	7	30	438	499	9%	6%	30 (20)
Refund of contributions	112	42	0.2%	100	1	1	2	3	110	217	47%	47%	10 (10)
Grand Total	2738	3740		319	151	132	82	226	608	1518			
Percentage				21%	10%	9%	5%	15%	40%				

*Note: The case types highlighted have had a reduction in the target working days.

APPENDIX 4: i-Connect and My Wiltshire Pension (Member portal) progress

i-Connect

The following table shows the progress in onboarding employers on to i-Connect. The long-term target is to onboard all employers on to i-Connect and to onboard as many as possible by the end of 2020/2021. Data is based on 20 July 2020:

	Number onboarded	Percentage of total
Active members	10,254 (records)	44.58% (Total = 22,998)
Employers	40	22.98% (Total = 174)

MSS (My Wiltshire Pension)

Following a second write out to members in June, prior to publishing annual benefit statements in August 2020, encouraging members to sign up to the online portal, a further 4,000 members activated their account (covering 5,600) records.

A table summarising the position as at 14 July 2020 is shown below and brings us to a level similar to other Funds:

	RECORDS	MEMBERS
ACTIVE		
Registered	7802	5479
Total	22998	15761
Percentage	33.92%	34.76%
DEFERRED		
Registered	8334	5810
Total	31136	22174
Percentage	26.77%	26.20%
TOTAL		
Registered	16136	11289
Total	54134	37935
Percentage	29.81%	29.76%

APPENDIX 5: Backlog monitoring

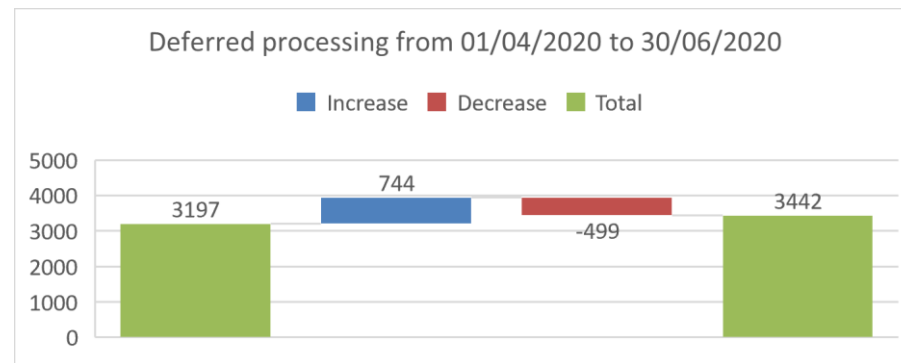
Prior to making a number of process improvements to the refunds, deferreds and aggregations processes, the Fund accumulated processing backlogs in certain areas.

Officers have defined a backlog for a process where there are more than 250 outstanding cases. Where this is the case, officers are sought to ring-fence this area of work and manage the backlog area of work separately.

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

a). Deferred/Refunds

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



b). Internal aggregation cases

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

Cases currently outstanding: 3, 041

(Analysis similar to the above will be available for future meetings)

APPENDIX 6: Administration Strategy KPIs - Employers (Table 1)

Employer Key Performance Indicators

Administration Strategy

Period 01/04/2020 to 30/06/2020

Type of case	Time to advise							Total	Timescales	
	To Target	Target - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +		% on target	working days
<i>Retirement</i>	49	2	12	3	3	10	16	95	52%	2
<i>Leavers</i>	30	17	84	20	11	114	223	499	32%	20
<i>Refund of contributions</i>	61	9	13	2	12	34	86	217	45%	20
Grand Total	140	28	109	25	26	158	325	811		
Percentage	17%	3%	13%	3%	3%	19%	40%			

APPENDIX 6: Administration Strategy KPIs - Employers (Table 2)

5 Largest "Managed" Employers

Employer	Managed Records	Time to advise - Retirements							Total	Admin Strategy	Admin Strategy
		To Target	Target - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +		% on target	working days
Wiltshire Council Swindon Borough Council	34154	26	2	5	1	0	6	6	46	57%	2
Police Civilians	2840	3	0	1	1	0	0	0	5	60%	2
White Horse Federation	1922	1	0	1	0	0	0	2	4	25%	2
Wiltshire College	1859	1	0	0	0	0	0	1	2	50%	2
Others	18263	13	0	4	1	3	4	4	29	45%	2
		49	2	12	3	3	10	16	95		
		52%	2%	13%	3%	3%	11%	17%			

Employer	Managed Records	Time to advise - Leavers							Total	Admin Strategy	Admin Strategy
		To Target	Target - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +		% on target	working days
Wiltshire Council Swindon Borough Council	34154	3	0	0	0	1	33	94	131	3%	20
Police Civilians	2840	1	4	10	9	1	8	0	33	76%	20
White Horse Federation	1922	6	0	32	1	1	15	3	58	69%	20
Wiltshire College	1859	1	1	0	1	1	0	1	5	80%	20
Others	18263	15	8	19	6	5	38	105	196	27%	20
		30	17	84	20	11	114	223	499		
		6%	3%	17%	4%	2%	23%	45%			

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD
06 AUGUST 2020

Member Effectiveness review - update

Purpose of the Report

1. To update the Board on the changes to the terms of reference for both the Pension Fund Committee & Local Pension Board as part of the member effectiveness review.

Background

2. The Pension Fund Committee and Board members completed a member effectiveness review in November 2018 co-ordinated by the Fund's Actuarial Consultants Hymans Robertson, following which recommendations were made in the way the Committee and Board should operate. These recommendations were considered by a focus group of key Pension Fund stakeholders in January 2019, the culmination of which led to key actions being agreed.

One of these actions was to review the existing terms of reference (ToR) under the Constitution in respect of both groups to ensure that;

- each ToR remained relevant to the statutory purpose of its group;
 - all members had a clearer understanding of their roles and responsibilities relative to their group and those of the other group;
 - the ToRs would be harmonised in purpose with the other group; and
 - where required, the ToR would be increased in scope, if it were silent in its content or loosened in its nature if it were found to be too prescriptive and impractical to execute in its nature.
3. The reasons for the paragraphs within each ToR becoming misaligned with each other over the past few years has been due to the increased complexity of the Fund's investment strategy requiring the creation of the Investment Sub-Committee and new pensions legislation, notably the Public Services Pensions Act 2013 which initiated the introduction of the Local Pension Board in April 2015.
 4. After three reviews by the Council's Constitutional Focus Group, including the implementation of a separate focus group involving Legal Services and a review by the Standards Committee on 7th July, both ToR's were approved by full council on 21st July & now form part of the Council's Constitution.
 5. For your information a summary of the changes in respect of each ToR is set out below;

Part 3, Section 2.7 – ToR for the Wiltshire Pension Fund Committee – To create a Protocol 2A document which enhances the ToR paragraphs by either adding or amending them as described below;

Additions

- An introduction defining the formation of the Fund;

- An interpretations paragraph providing background guidance;
- A Duties of Committee paragraph concerning member conduct and registration of interests;
- A Duties of the Chair paragraph providing clarity over the management of the Committee;
- Meetings paragraphs;
- Quorum paragraphs;
- Functions of the Committee paragraphs detailing the policy framework in which the Committee would operate;
- Delegations paragraphs setting out its relationship with the Committee’s Investment sub-Committee and officers supporting the Committee; and
- A Reporting paragraph detailing attendance & the Committee’s reporting to the Board.

Amendments

- Paragraph 2.7.2 was amended and retitled into two paragraphs namely “Statement of purpose” and “Reporting” to enable distinction in these functional areas;
- Paragraph 2.7.1 was amended and retitled “Membership” and separated into two paragraphs within Protocol 2A; and
- Paragraph 2.7.3 was amended and retitled “Recruitment process and term lengths”. It now comprises of 8 paragraphs within Protocol 2A covering.
 - i) Elected member representatives;
 - ii) Elected Employer representatives;
 - iii) Non-voting Employee representatives;
 - iv) Appointment of Chair, Vice Chair and substitute members; and
 - v) Notification of appointment.

Part 3, Section 7, Protocol 2 – ToR for the Wiltshire Pension Fund, Local Pension Board – To amend the Protocol 2 document which enhances the ToR paragraphs by amending them as described below;

Amendments

- It is now called Protocol 2B;
- Interpretations, the member “Other” has been added to support paragraphs 38 & 39 (now paragraphs 34 & 35).
- Duties of the Board (paragraph 7) the term “abide” has been replaced by the term “declarations” & the code of conduct referred to is clarified as the Administering Authority’s code of conduct.
- Member Representatives, which covered “For the initial member representatives” paragraphs between 17 to 21 and “For subsequent member representatives” paragraphs between 22 to 24 have been merged and simplified into “For the member representatives” paragraphs between 17 to 22;
- Employer Representatives, which covered “For the initial employer representatives” paragraphs between 25 to 34 and “For subsequent employer representatives” paragraphs between 35 to 37 have been merged and simplified into “For the employer representatives” paragraphs between 23 to 33;
- The Appointment of Chair process has been altered to a less prescriptive timeframe and is now covered in paragraphs 36 to 42;

In all three bullet points above the basis for change highlighted by the effectiveness review was to;

- i) Reflect representation as an ongoing process now that the Board had been established;
 - ii) Make the appointment of members less prescriptive as finding candidates who could fulfil the criteria and were willing to perform the role had become an overly difficult challenge; and
 - iii) Ensure that the democratic process remained clear.
- Independent governance adviser – Paragraph 48 (now paragraph 44) was relaxed in that the Board should simply be able to use the adviser appointed by the Administering Authority for the benefit of the Committee. In practice, no conflict of interest is seen as being present, no appointment has ever been made and from a cost control viewpoint it would be an appointment which would be difficult to justify;
 - Board Administration – Paragraph 67 (now paragraph 63), the issuance of meeting packs was reduced from 7 to 5 working days to be consistent with the timeframe of other Council meeting pack issuances;
 - Public Access to Board meetings and Information – Paragraph 75 (now paragraph 70) was updated to reflect the restructure of officer appointments supporting the Board defining who may speak with the permission of the Chair;
 - Budget – Paragraph 83 (now paragraph 78) has been updated with a fourth allowance d) other contractual arrangements, as approved by Committee as part of the annual budget; and
 - Reporting – Paragraphs 90 to 93 (now paragraphs 85 to 88) have been reformatted to better reflect the actual reporting framework by which the Board communicates with both the Committee and publicly.

6. These changes are intended to enable a more effective cascade of information throughout the rest of the Fund's documentation leading to greater efficiency of the management of the Fund

Considerations for the Board

7. As a result of these changes to the Council's constitution officers anticipate that the following actions will now take place;
 - A review of the Fund's Governance Compliance Statement & Investment sub-Committee ToR to ensure that they are consistent with Protocols 2A & 2B & that they are fully aligned with the Fund's current operational structure; &
 - A further review of each groups ToR on publication of the the Scheme Advisory Board's Good Governance review to ensure that the findings are reflected in each ToR.

Environmental Impact of the Proposal

8. Not applicable.

Financial Considerations & Risk Assessment

9. There are no financial considerations expected.

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

11. There are no known implications currently.

Proposals

12. The Board is asked to note the changes to the Pension Fund Committee and Board's ToRs & the next steps outlined under point 7.

Andy Cunningham
Head of Pensions, Administration & Relations

Report Author: Richard Bullen, Fund Governance & Performance Manager

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

LOCAL PENSION BOARD - WORK PLAN 2020-21

Meeting:	LPB Term of Reference item	Description of scope as defined by the LPB ToR	21/05/20	06/08/20	15/10/20	11/02/21	May 2021	Guidance comments
GOVERNANCE - Board Specific								Comments
Election of Vice Chair	n/a	Appointments made as defined in the Board's Term of Reference					✓	Annual appointment between Member & Employer Reps. Member reps to be appointed in odd years
Board Annual Report	n/a	Recommendation under the legislation	✓				✓	Draft submission to the Board for there approval
Board Budget setting	n/a	Review & recommend to the Committee the budgetary requirements for the Board during the next Scheme year				✓		Review in conjunction with the Look Forward plan in order to anticipate future costs
Review Board's Terms of Reference (if and as required)	86g	Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness and efficient operation and governance of the Fund.						This review should be in conjunction with the Committee & ISC's ToR review to ensure continuity. Lasted reviewed in May 2020 and a 3 year cycle may be viewed as good governance
Board Annual Training Plan Update	85i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.				✓		To be completed following each Scheme year for subsequent inclusion in the Board's Annual Report & the Fund's AR&A. Officer training strategy attached too.
Training Item relevant to agenda	85i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.	✓	✓	✓	✓	✓	To be consistent with Member's training & development strategy
Code of Conduct & Conflicts of Interest Policy	85d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓		2 year plan last approved on 12/12/2020. Annual reviews should be undertaken by Democratic Services in each Q4
Effectiveness review	86g	Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness and efficient operation and governance of the Fund.				✓		3 year plan last raised with the Board on 12/12/2018. The LPB should also compare itself against its own core functions as set out in its ToR. Last completed on 24/01/2019
Forward Work Plan Review	n/a	Maintained by officers to enable Members manage their responsibilities	✓	✓	✓	✓	✓	Officers to update the next Scheme year's plan in time for the new Scheme year. Annual reviews to therefore be undertaken in Q1
GOVERNANCE - Fund Specific								Comments
Review of Risk Register	86e	Review the risk register as it relates to the scheme manager function of the Administering Authority	✓	✓	✓	✓	✓	Quarterly review. Recommendations are made to the Committee, via LPB minutes
Fund update & comments on minutes of PC & ISC	85a	Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.	✓	✓	✓	✓	✓	Amongst other purposes Members should use the minutes to identify risks which can be added to the register

Review Governance Compliance Statement	85d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.						4 year plan last approved on 21/06/2018. (Note: To be reviewed on receipt of final SAB Good Governance report)
Review Fund Training Programme	85i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.			✓			Complete 3 year training plan last approved on 12/12/2018. Annual reviews undertaken in Q4 each year.
Review all Fund Declarations of Interest	85d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.			✓			2 year plan last approved on 12/12/2020. Annual reviews should be undertaken by Democratic Services in each Q4
tPR Code of Practice 14/record keeping compliance survey results	85b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.	✓				✓	Annual exercise of Self-assessment by officers & review by Members. Every other year the self-assessment will be independently audited
Review fund delegations and internal controls. Include the Fund's escalation policy	85b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.						3 year plan last raised with the Board on 11/10/2018
Scheme Legal, Regulatory & Fund update	n/a	A summary for Board members the latest legal, regulatory and Fund issues affecting the Pension Fund	✓	✓	✓	✓	✓	Quarterly update by the Head of Pensions
Review external advisor appointments process/controls and internal SLAs	86b	Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.			✓			Committee requested Board annually review advisors & services providers. Plus the Procurement framework by which it is done
Monitor Internal Audit Report	86d	Monitor internal and external audit reports			✓			Audit recommendations actioned
Monitor External Audit Report	86d	Monitor internal and external audit reports			✓			Audit recommendations actioned
Input to Annual External Audit Plan	n/a	Recommend to Committee the audit scope & timetable to be commissioned in the next Scheme year			✓			Committee to liaise with the Audit Committee concerning the scope of Deloitte's audit
Input to Annual Internal Audit Plan	n/a	Recommend to Committee the audit scope & timetable to be commissioned in the next Scheme year			✓			Committee to liaise with the Audit Committee concerning the scope of SWAP's audit
GOVERNANCE - Fund Plans, policies & strategies								Comments
Review Business Plan	85d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓		3 year plan last approved on 24/03/2019 Intermin review 26/03/2020
Review Pension Administration Strategy	85d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.						3 year plan last approved on 17/12/2019
Review Communication strategy	85e	Review scheme members and employers communications as required by the Regulations and Relevant Legislation	✓				✓	3 year plan last approved on 17/12/2019. E-communication strategy update
Review Data Improvement Plan	85d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓		2 year plan last approved on 24/03/2019. To include a Data Retention Strategy update
Review Admin Charging Policy	85d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓		2 year plan last approved on 12/12/2018

Review Admin Authority Discretions	85j	Review the complete and proper exercise of employer and administering authority discretions		✓				4 year plan last approved in December 2015
Review Cessations policy	85d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.						3 year plan last approved in September 2018
Review Funding Strategy Statement	85d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.						3 year plan last approved on 17/12/2019
Review Compliance with FRC stewardship code	85d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓		Annually
Review Investment Strategy Statement	85d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.	✓					3 year plan last approved on 17/12/2019 (Ensure inclusion of MiFID II arrangements)
Review Fund "Responsible Investment Strategy"	n/a		✓					
Review the Fund's Annual Report & Accounts	85l	Review draft accounts and Fund annual Report		✓			✓	To ensure CIPFA compliance requirements have been applied
Review Internal Audit Report	85k	Review the outcome of internal and external audit reports		✓				Annually covers Key Controls, MiFID II, GDPR & Pension Fund Transfers. Every two years Code of Practice 14
Review External Audit Report	85k	Review the outcome of internal and external audit reports		✓				Published by 1st December
New Employer Admissions Policy	n/a	Policy drafted as part of the 2020/21 Business Plan	✓					
New Employer Training Policy	n/a	Policy drafted as part of the 2020/21 Business Plan		✓				
ADMINISTRATION								Comments
Review employers compliance (data)	85c	Review the compliance of scheme employers with their duties under the Regulations and Relevant Legislation			✓	✓		Incorporate with ABS review process & update on Fund's Data Improvement Plan.
Review Fund fraud risk prevention and mitigation measures	85b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.		✓				Completed every 2 years and will be an update of the Fund's NFI & Certificate of Existence exercises
Review Fund website contents/resilience	85b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.		✓				To also cover Cyber Security reporting on an annual basis
Receive an annual report of an complaint & IDPR cases, including a review of the Fund's procedures	85f, 85g & 85h	Monitor complaints and performance on the administration and governance of the scheme & review the Internal Dispute Resolution Process & Pensions Ombudsman cases	✓					To cover Muse Advisory & annual confirmation of the appointment of an adjudicator by each Employer
Review Fund Communications (employers/members)	85e	Review scheme members and employers communications as required by the Regulations and Relevant Legislation			✓			To provide templates of key Fund documentation & evidence its compliance
Review of Data Security & Business Recovery	85b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.		✓				Report set out the arrangements in place & when they were last tested

Review GMP reconciliation process	86a	Monitor performance of administration, governance and investments against key performance targets and indicators			✓			Annual update of SAP & Altair reconciliations, plus GMP Rectification process
Board KPIs to monitor	86a	Monitor performance of administration, governance and investments against key performance targets and indicators	✓	✓	✓	✓	✓	Quarterly Administration performance reporting
Benchmark KPIs in Annual Report & Accounts information with other Funds	85f	Monitor complaints and performance on the administration and governance of the scheme				✓		Annual Report & Accounts must be disclosed each 1st December
Review of Annual Benefit Statement process	86a	Monitor performance of administration, governance and investments against key performance targets and indicators			✓			Percentage issued, action plan to issue outstanding ABSs & process improvement review
FUNDING & INVESTMENTS								Comments
Review Triennial Valuation Process	n/a	Consider how the whole valuation exercise was executed & what recommendations may be made to improve the process next time	✓					Next valuation currently due 31/03/2022
Review Triennial Valuation Results	86f	Review the outcome of actuarial reporting and valuations	✓					Verify that the FSS, ISS & Valuation results are consistent
Cost transparency of BPP, Managers & the Custodian	86c	Monitor investment costs including custodian and transaction costs.	✓				✓	To be presented in conjunction with the draft Annual Report & Accounts
Review Investment performance against Fund's benchmarking criteria	86a	Monitor performance of administration, governance and investments against key performance targets and indicators	✓				✓	To be presented in conjunction with the draft Annual Report & Accounts
Total number of Agenda Items:			17	14	17	16	13	

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank