

**Meeting:** Wiltshire Pension Fund Committee  
**Place:** Council Chamber - County Hall, Bythesea Road,  
Trowbridge, BA14 8JN  
**Date:** Thursday 16 December 2021  
**Time:** 10.00 am

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### Membership:

#### Voting Membership

##### Wiltshire Council Members:

CLr Richard Britton (Chairman)  
CLr Gordon King  
CLr Christopher Newbury  
CLr Jonathon Seed  
CLr Elizabeth Threlfall

##### Substitute Members

CLr Pauline Church  
CLr Robert Yuill  
CLr Gavin Grant  
CLr Carole King  
CLr Ian Thorn  
CLr Sarah Gibson

##### Swindon Borough Council Members

CLr Steve Heyes  
CLr Vijay Manro

##### Substitute Members

Vacancy

##### Employer Body Representatives

Tracy Adams  
Claire Anthony

#### **Non-voting Membership**

##### Observers

Stuart Dark  
Mike Pankiewicz

## **Covid-19**

To ensure Covid-19 public health guidance is adhered to, a capacity limit for public attendance at this meeting will be in place. You are requested to contact the officer named on this agenda no later than 5pm on 14 December 2021 if you wish to attend this meeting.

Places will be allocated on a first come first served basis.

To ensure safety at the meeting, all members of the public are requested to adhere to the following public health arrangements to ensure the safety of themselves and others:

- Do not attend if presenting symptoms of, or have recently tested positive for, Covid-19
- Wear a facemask at all times (unless due to medical exemption)
- Maintain social distancing
- Follow any one-way systems, signage and instruction

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**Monkton Park, Chippenham**

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### **Public Participation**

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

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

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

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

Items to be considered	Time
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**PART I**

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

1      **Apologies** **10.00**

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

2      **Declarations of Interest**

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

3      **Chairman's Announcements**

To receive any announcements through the Chairman.

4      **Minutes of Previous Meetings** *(Pages 7 - 10)*

To approve and sign as a true and correct record the Part I (Public) minutes of the meeting held on 25 November 2021.

5      **Review of actions arising from previous meeting** *(Pages 11 - 12)*

To review progress on any actions requested by the Committee in previous meetings.

6      **Review of the Minutes of the Local Pension Board** *(Pages 13 - 24)*

To receive the minutes of the meeting of the Local Pension Board held on 11 November 2021, and to review the summary of the recommendations made by the Board.

7      **Public Participation**

The Council welcomes contributions from members of the public, however, to ensure Covid-19 public health guidance is adhered to physical attendance at this meeting will be limited. Please contact the officer named on this agenda no later than 5pm on 14 December if you wish to attend this meeting.

**Statements**

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

## Questions

To receive any questions from members of the public or members of the Council received in accordance with the constitution.

Those wishing to ask questions are required to give notice of any such questions in writing to the officer named on the front of this agenda no later than 5pm on 9 December 2021 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 13 December 2021. 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 Committee members prior to the meeting and made available at the meeting and on the Council's website.

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|----|---|---------------------|
| 8  | <b><u>Staff Restructure</u></b>   | <b><u>10.05</u></b> |
|    | To receive an update from the s151 Officer.   |                     |
| 9  | <b><u>Triennial Valuation 2022</u></b>  | <b><u>10.15</u></b> |
|    | To outline the valuation timetable and provide training. In addition, to provide commentary on the Employer Investment strategy in accordance with the look forward plan and comment on the Club Vita results.  |                     |
| 10 | <b><u>Headlines and Monitoring</u></b> <i>(Pages 25 - 52)</i>   | <b><u>11.00</u></b> |
|    | A report for the committee's ongoing oversight of:  |                     |
|    | <ul style="list-style-type: none"><li>• Scheme, Regulatory, Legal and Fund Update</li><li>• Key Performance Indicators (KPIs) – 1 July 2021 to 30 September 2021<ul style="list-style-type: none"><li>a) Employer Data Compliance</li></ul></li><li>• Fund Audits<ul style="list-style-type: none"><li>a) Audit review 2021/22</li><li>b) Commissioning of the audit strategy 2022/23</li></ul></li><li>• Risk Register</li><li>• Budget monitoring</li></ul> |                     |
| 11 | <b><u>Training Update</u></b> <i>(Pages 53 - 96)</i>  | <b><u>11.20</u></b> |
|    | To receive reports on the following:  |                     |
|    | <ul style="list-style-type: none"><li>a) Draft member training policy and strategy 2021 – 2025</li><li>b) Draft training strategy 2022/23</li></ul>   |                     |

- 12 **Pensioner Payroll Data Base Reconciliation** (Pages 97 - 100) **11.30**  
To receive an update report on the progress of the Pensioner Payroll Database Reconciliation project.
- 13 **Business Plan Objectives** (Pages 101 - 104) **11.40**  
To receive a report on progress on objectives of the 2021/22 business plan.
- 14 **Communications Strategy** (Pages 105 - 118) **11.50**  
To consider a proposal to update the Communications Strategy.
- 15 **Forward Work Plan** (Pages 119 - 124) **12.00**  
To review the work plan for the Committee 2021/22.
- 16 **Date of Next Meeting**  
The next ordinary meeting of the Committee will be held on 3 March 2022, to be focused on Investment matters.  
  
The next meeting focused on administration matters will be held on 31 March 2022.
- 17 **Urgent Items**  
Any other items of business which, in the opinion of the Chairman, should be considered as a matter of urgency.  
  
Urgent items of a confidential nature may be considered under Part II of this agenda.
- 18 **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 19-23 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 1 & 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

## **PART II**

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

- 19     **Minutes of the Previous Meeting** *(Pages 125 - 130)*                     **12.20**
- To approve and sign as a true and correct record the Part II (private) minutes of the previous meeting held on 25 November 2021.
- 20     **Fund Cyber Security and Business Continuity** *(Pages 131 - 166)*
- To consider proposals for the Fund arrangements with its two key software providers and its current compliance with the Regulator’s guidance
- 21     **Key Financial Controls** *(Pages 167 - 176)*                                 **12.30**
- To receive an update outlining the operational accounting arrangements.
- 22     **Brunel Budget** *(Pages 177 - 180)*   **12.40**
- To receive a report summarising the Brunel Budget.
- 23     **Brunel Governance Review Update**   **12.50**
- To receive any verbal update on the Brunel Pension Partnership governance arrangements.

### Wiltshire Pension Fund Committee

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

**Present:**

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

**Also Present:**

Anthony Fletcher

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58 **Apologies**

Apologies were received from Councillor Steve Heyes.

59 **Minutes**

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

**Resolved:**

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

60 **Declarations of Interest**

There were no declarations.

61 **Chairman's Announcements**

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

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

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

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

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

62 **Public Participation**

There were no questions or statements submitted.

63 **Responsible Investment Update and Progress Report**

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

It was then,

**Resolved:**

**To note the responsible investment update and progress report.**

64 **Investment Strategy Statement Review**

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

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

It was then,

**Resolved:**

**To approve the updated Investment Strategy Statement.**

65 **Date of Next Meeting**

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

66 **Urgent Items**

There were no urgent items.



67 **Exclusion of the Public**

It was,

**Resolved:**

**To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Minute 68 onwards because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.**

68 **Investment Quarterly Progress Report**

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

At the conclusion of discussion, it was,

**Resolved:**

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

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

69 **Partners Group Infrastructure Presentation**

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

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

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

(Duration of meeting: 10.00 am - 12.35 pm)

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

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**Wiltshire Pension Fund Committee - Actions Log**

Minute reference	Section	Meeting Action	Task owner	Target date for completion	Date completed
227 (17/12/20)	Investments (Stewardship Code)	Confirmation to Committee that the Fund has been signed to the 2020 Stewardship Code during 2021	JD	25/05/22	
257 (30/03/21)	Investments (ISS)	Committee approved the action of signing up to the IIGCC framework and that it be communicated to the wider public via a press release	JD	24/06/21	03/11/21
272 (30/03/21)	Governance (The Future)	The Treasurer of the Fund to review the management structure of the Wiltshire Pension Fund and provide a range of options to the next meeting	AB	24/06/21	30/09/21
6 (24/06/21)	Governance (LPB Recommendations)	Officers to provide a summary of LPB Recommendations	RB	30/09/21	30/09/21
24 (24/06/21)	Procurement (New Payroll System)	Updates on the integrated payroll and payments system project to be brought back to committee	AC	16/12/21	Agenda item
29 (24/06/21)	Administration (AVCs)	An update on the performance of the Prudential AVCs should be brought back to the next committee meeting	LR	30/09/21	30/09/21
35 (30/09/21)	Investment (RI)	Pensions for Purpose be invited to deliver a follow-on session on impact investing	JD	29/11/21	29/11/21
35 (30/09/21)	Investment (RI)	Brunel are invited to deliver a training session on the new Paris-aligned benchmark	JD	29/11/21	29/11/21
35 (30/09/21)	Investment (RI)	The Fund publicise the decision to be an initial investor in the Paris aligned passive portfolio, and the collaboration work done with other Funds to develop this benchmark	JD	16/12/21	03/11/21
35 (30/09/21)	Investment (RI)	Agree the milestones for the BPP property transition before proceeding	JD	31/12/21	
35 (30/09/21)	Investment (RI)	To bring a recommendation to the Committee on how the new strategic allocations should be implemented	JD	31/12/21	
39 (30/09/21)	Governance (Committee Structure)	To request the Standards Committee progress the standing down of the ISC meetings, which are to be replaced by an equal number of additional meetings of the Wiltshire Pension Fund Committee, leaving eight full Committee meetings per year. Progression being by changes to the constitution as appropriate	KE	31/03/22	
39 (30/09/21)	Governance (Committee Structure)	To delegate to the Chairman and officers desirable changes with MJ Hudson, possible under the existing contract (and to make alterations when re-tendering), in connection with the impact of the Committee structure	Chair/JD	31/03/22	
55 (30/09/21)	Governance (Cyber Security)	To defer consideration of the Fund Cyber Security to the December meeting, to include officers from ICT	Chair/JD	16/12/21	Agenda item

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Wiltshire Council

Wiltshire Pension Fund Committee

16 December 2021

## Recommendations of the Local Pension Board 11 November 2021

Minute at Board	Recommendation	Committee Agenda
Minute 58 - Training Update	<ol style="list-style-type: none"> <li>1) To recommend to the Pensions Committee the approval of the new members training policy.</li> <li>2) To approve and adopt the 4-year knowledge and skills framework and to recommend that the framework be adopted and approved by both the Committee and senior officers of the Fund.</li> <li>3) To approve and adopt the training plan for 2022/23 to recommend that this training plan be approved by the Committee.</li> </ol>	Item 11 – Training Update
Minute 62 – Audit Update	<ol style="list-style-type: none"> <li>1) To recommend to the Committee that they approve the scope of audits and auditors set out in the HAM report, including the use of specialist auditors where appropriate.</li> <li>2) To recommend to the Committee that within the 2022/23 budget appropriate additional provision is made for the appointment of specialist auditors in relation to ad-hoc or ongoing strategic audits.</li> <li>3) To recommend to the Committee that it reaffirms the terms of reference it expects the Fund’s appointed auditors to adhere to.</li> </ol>	Item 10 – Headlines and Monitoring – Audit Review 2021/22/Commissioning of Audit Strategy 2022/23
Minute 67 – Risk Register Update	<ol style="list-style-type: none"> <li>1) To note the Risk Register and to recommend the Committee accept the proposed changes as set out in the HAM Report.</li> </ol>	Item 10 – Headlines and Monitoring – Risk Register

	<p><b>2) To recommend to the Committee that, following the proposed increase in the risk PEN030 from green to amber, a new audit be added to the 2022/23 audit plan, to examine the adequacy of the internal arrangements under which services are provided by the Administration Authority to the Pension Fund, in the context of the requirements of the contract management framework for external contracts.</b></p>	
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*Note: Recommendation to approve Investment Strategy Statement update adopted at meeting on 25 November 2021.*

## Local Pension Board

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

#### **Present:**

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

#### **Also Present:**

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

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#### 51 **Apologies**

There were no apologies.

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

#### 52 **Minutes and Action Tracking**

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

#### **Resolved:**

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

#### 53 **Declarations of Interest**

There were no declarations.

#### 54 **Chairman's Announcements**

There were no announcements.

#### 55 **Public Participation**

There were no questions or statements submitted.

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

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

**Resolved:**

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

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

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

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

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

At the conclusion of discussion, it was,

**Resolved:**

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

58 **Training Update**

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

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

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



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

At the conclusion of discussion, it was,

**Resolved:**

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

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

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

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

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

**Resolved:**

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

60 **Administration Quarterly Key Performance Indicators**

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

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

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

At the conclusion of discussion, it was,

**Resolved:**

**To note the update on Administration Quarterly Key Performance Indicators.**

61 **Pensioner Payroll Database Reconciliation**

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

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

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

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

At the conclusion of discussion, it was therefore,

**Resolved:**

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

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

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

62 **Audit Update**

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

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

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

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

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

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

At the conclusion of discussion, it was,

**Resolved:**

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

63 **Business Plan Objectives 2021/22**

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

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

It was therefore,

**Resolved:**

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

64 **Responsible Investment Update**

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

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

**Resolved:**

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

## 65 **Investment Strategy Statement**

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

It was then,

### **Resolved:**

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

## 66 **Local Pension Board Insurance**

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

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

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

## 67 **Risk Register Update**

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

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

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

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

At the conclusion of discussion, it was,

**Resolved:**

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

68 **Urgent Items**

There were no urgent items.

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

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

The Forward Work Plan of the Board was also received.

70 **Exclusion of the Public**

It was,

**Resolved:**

**To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Minute Numbers 71 - 73 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.**

## 71 **Minutes**

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

### **Resolved:**

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

## 72 **Key Financial Controls**

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

At the conclusion of discussion, it was,

### **Resolved:**

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

## 73 **Brunel Governance Review Update**

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

(Duration of meeting: 10.00 am - 12.00 pm)

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

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## WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE  
16 December 2021

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### **WILTSHIRE PENSION FUND HEADLINES AND MONITORING REPORT**

#### **Purpose of the Report**

1. The purpose of this report is to provide the Committee with information in relation to various standard issues, to enable the Committee to fulfil its monitoring role.
  - a) Scheme, Regulatory, Legal and Fund Update
  - b) Key Performance Indicators (KPIs) – 1 July 2021 to 30 September 2021, including Employer Data Compliance
  - c) Fund Audits
    - 1) Audit review 2021/22
    - 2) Commissioning of the audit strategy 2022/23
  - d) Risk Register
  - e) Budget monitoring
2. This report is intended to highlight key issues and developments. Full detail is provided in the Appendices.

#### **Report from Head of Wiltshire Pension Fund**

3. This section summarises key events in the investments and accounting team over the last quarter.
  - a) Investment performance over the quarter to Sept-21 was +1.5% (compared to a composite benchmark of +2.0%). The funding level was 100.4%.
  - b) Following the Committee's approval of allocations of 5% each to renewable infrastructure and affordable housing, officers and advisers have been progressing plans for implementation of these portfolios.
  - c) The following transitions to the Brunel pool have now been completed: Multi-asset credit and passive gilts.
  - d) The transition of the low carbon passive equities into the Paris-aligned portfolio has now been completed, as well as the transition of 50% of the Brunel global high alpha portfolio into sustainable equities.
  - e) There has been a successful publicity campaign around COP26, where a new climate webpage and one-page factsheet were circulated to members:  
<https://wiltshirepensionfund.org.uk/Climate>
  - f) Committee members have attended training on the Paris-aligned benchmark, and impact investing, including SDG mapping.
  - g) Officers have made significant progress towards developing a cashflow model, and this work will translate into a new treasury management strategy in the new year.
  - h) Planning work has begun on the 2022 Actuarial Valuation timetable.
  - i) Following appointment to a new role as Head of Wiltshire Pension Fund in November 2021, these headlines will expand to include whole fund issues at the next Committee meeting.

#### **Report from the Pension Administration Lead**

4. This section summarises key events in the Administration and Relations team over the last quarter.

- a) The highest priority piece of work remains the payroll rectification work, which is also a pre-cursor to the, now postponed, pensioner payroll transition project, further information is outlined in a dedicated paper on this topic.
- b) Work continues to onboard more employers onto i-Connect. Unfortunately, after initially onboarding Swindon Borough Council and a large payroll provider, FS4S, officers have had to postpone further uploads from each of them and their associated employers due to each of them having difficulties with inadequate staffing and transitioning onto new payroll systems. Officers are continuing to work with both organisations to re-onboard them.
- c) There are currently three vacancies within the Member Services team as result of two previous vacancies being filled internally and through the addition of another part-time role, all of these are currently out for advert.
- d) Officers have now launched a new deferred pension into pay online function, which will allow deferred members to opt to take their pension through the member service portal. The team is now exploring expanding this provision to allow members with very small pensions to convert them into a single lump sum which extinguishes all liabilities (therefore saving on future administration) and to rollout a system to allow active members to retire online. All of these approaches have been developed in house, are innovative and are attracting interest from a number of other LGPS Funds who wish to implement similar systems.

## **Fund Audits**

### *LPB Recommendation – Minute 62*

#### 5. Commissioning of the audit strategy 2022/23

- The strategy seeks to cover both the Fund's internal & external audits, giving consideration to the Administetring Authority's core auditor appointments, namely, Deloitte, for the completion of the Annual Report & Account's (AR&A) & the South West Audit Partnership (SWAP) for the completion of internal audits such as the Fund's key financial controls. In addition, it seeks to enable a dynamic audit strategy by which the oversight of new practices and innovations can also be monitored.
- For the Scheme Year 2022/23 the proposed plan of audits recommended are;

<b>Audit</b>	<b>Proposed auditor</b>	<b>Proposed completion date</b>	<b>Comments</b>
<b>Standard Annual Audits – 2021/22</b>			
Annual Report & Accounts	Deloitte	31/07/2022	For sign off and publication by 1 <sup>st</sup> December 2022
Key Financial Controls	SWAP	31/07/2022	Reviews the Fund's internal controls
BPP Pension Transfers	SWAP	31/07/2022	Covers the migration of Fund assets from IMs to BPP.
BPP Cost Transparency	SWAP	31/07/2022	Considers the costs savings expected from the migration of assets
tPR Code of Practice 14	SWAP	31/07/2022	Independent audit of the Code has not occurred since the 2018/19. The new single code is still delayed.
<b>Audits targeting Fund innovations, progress improvements &amp; new regulations, based on a risk identification approach</b>			

Payroll Reconciliation	Deloitte	31/07/2022	A review of progress in relation to the GMP Rectification exercise & guidance associated with the payroll migration
Investment governance	Specialist auditor	30/09/2022	Holistic review of investment governance arrangements including TCFD
Cyber security	Specialist auditor	30/09/2022	Specialist review to ensure the Fund's compliance with tPR guidance
Statutory returns	Specialist auditor	30/09/2022	A specialist external process review based on officers internal review
Administering Authority internal arrangements	Specialist auditor	31/03/2023	To cover services and conflicts in the context of the requirements of the contract management framework

- It is noteworthy that during the past two Scheme Years the Fund has experienced delays in the completion of its commissioned external & internal audits. The key factors contributing to these delays include the Fund's accounting relationship with its Administering Authority and the resourcing, appointment and approval arrangements that accompany that relationship. Consequently, a risk has been presented to the Fund whereby the existing auditing arrangements could potentially jeopardise the integrity of the Fund's own audit programme.
- Auditing proposal – The Board reviewed the proposed range of audits at their meeting on 11 November 2021 and have recommended the table above to the Pensions Committee. In recommending this strategy the Board highlighted that;
  - a) Within the 2022/23 budget additional provision is made for the appointment of specialist auditors in relation to ad-hoc or on-going strategic audits; &
  - b) The Committee reaffirms the terms of reference it expects the Fund's appointed auditors to adhere to.

## **Risk Register**

### *LPB Recommendation – Minute 67*

6. The Local Pension Board reviewed the risks of the pension Fund at their meeting on 11 November 2021 and recommended the following alterations should be submitted to the Pension Fund Committee.
7. During the last quarter the following “new risks” were identified.
  - **PEN060: Failure to manage potential conflicts of interest between the Fund and its Administering Authority:** (Green) Wiltshire Council is the administering authority of the Fund, as well as its largest employer and the supplier of a number of services. Inevitably, these relationship can create a number of occasions where there can be conflicts of interests, in particular in relation to the s151 role, as recognised as part of the SAB's Good Governance Project. Examples where conflicts of interests need to be carefully managed are the setting of the corporate recharge from the Council to the Fund in relation to the payment by the Fund for the Council's service and the setting of the Council's employer contribution rate. The process for setting this rate should be clear, transparent and fair and subject to regular review to ensure one party is not subsidising the other. Furthermore, the exact scope of services being purchased,

and service standards accompanying them, should also be clear as well as the ability of the Fund to review its use of services and use alternative providers if necessary.

- **PEN061: Failure of auditors to conduct audits commissioned by the Committee in accordance with an agreed terms of reference:** (Amber) Audits commissioned by the Pensions Committee are completed as part of its oversight function, with the aim of giving the Committee independent assurance that all the laws, regulations & practice by which the Fund operates are observed & are being appropriately adhered to. The Fund's Pensions Committee and Local Pension Board must therefore satisfy themselves that any audits they commission are being executed as originally prescribed in terms of scope, quality, and timeliness. In addition, both groups should satisfy themselves that all audits are being carried out on a best value basis, by auditors appropriately skilled to conduct those audits and that any signing off of audits are not being unduly delayed. Best practice would dictate that the process for setting and carrying out Fund audits should largely be independent of those of the Council (although regulations require some overlap).

8. The evidence-based review of the register identified the following risks had changed or need to be recategorized;

- **PEN030: Failure to procure & contract manage service providers appropriately:** (From Green to Amber) The Fund's existing contract management framework manages external appointments only, however approximately one third of its key services are sourced from its own Administering Authority. A potential failure of oversight may exist, where the charges levied by the Authority, as one of the Fund's top five service providers is not being quantified appropriately by means of service level agreements, or equivalent measure of performance, as well as the scope being unclear. Move from Dormant to Ongoing. In consideration of the Administering Authority services, this risk also relates to PEN060.
- **PEN041: The Fund's inability to implement a strategy to ensure Climate Change considerations are integral to its investment strategy:** (From Red to Amber) Significant progress has been made concerning the Fund's policies, disclosures and strategy in relation to Climate change. Although work is ongoing the Board recommend's that this risk be reduced to Amber.

9. "Red", high risks are summarised in Appendix 1, and the full risk register in Appendix 1.1.

### **Administration KPIs (Appendix 3)**

10. The Disclosure Regulations KPIs show some improvements since the last quarter in the lowest performing areas. However, further improvement has been limited due to some system reporting issues all these should now been resolved which will enable a sustained improvement in future quarters. The approaches to dealing with death benefits have also been reviewed within this quarter although in the short-time, clearance of some older cases has caused a dip in the relevant KPI measure.

11. Against the tPR measures, the Common and Conditional scores remain high and a large improvement against the Annual Benefit Statement figure can be seen. Based on recent years, the Fund would be top quartile on these metrics compared to other LGPS Fund; due to the high scores the potential for future improvement is now limited due to certain technical limitations and factors outside of the Fund's control.

12. Good improvement has continued to occur on the two retirement targets albeit there has been a decrease in relation to death benefits (a process which is under review) and was partly due to an exercise to clear a number of older cases where the Fund had been unable to establish contact with a next of kin.
13. There has been some improvements in the level of backlogs although progress has been limited due to resources been diverted to the payroll recitification project until that work is completed.

#### **Scheme, Regulatory and Legal Update (Appendix 4)**

14. Officers are not aware of any material changes in this area to highlight but the existing summary is included in the Appendix as a reminder of the current position of each.

#### **Budget Monitoring (Appendix 5)**

15. This section of the paper presents a projected outturn on the Fund's financial activities against the 2021/22 budget, as at 30 September 2021.
16. As at the end of quarter 2 forecast expenditure is expected to be slightly favourable (£27k – 1%) to budget at year end. This underspend is primarily within administration costs where systems fees, staffing and mailing costs are expected to be below plan.
17. The forecast includes £85k of additional costs approved by Committee in November to carry out a manager selection process for allocations to affordable housing (£35k) and renewable infrastructure (£50k). These costs were not included in the original budget and show as an overspend against the original plan.
18. A detailed budget forecast report is included in Appendix 3.

#### **Training**

19. This section of the report is intended to update members on upcoming internal training events, and to invite members to share feedback on any other training events they have attended, which could be conferences, webinars, online training tools, or even useful articles.
20. Members are also invited to discuss training requirements, and to suggest topics on which training would be welcomed.

#### **Financial Implications**

21. No direct implications.

#### **Legal Implications**

22. There are no known implications from the proposals.

#### **Environmental Impacts of the Proposals**

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

#### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

24. There are no known implications currently.

### **Proposals**

25. The Committee is asked to:

- a) use the information in the report as a basis for monitoring the Fund's core activities
- b) use the report as a basis to discuss training requirements, discuss whether any additional training needs to be arranged, and share feedback from any recent training events attended
- c) to approve the changes to the Risk Register and accept the recommendations for changes/actions made submitted by the Board

JENNIFER DEVINE

Head of Wiltshire Pension Fund

Report Authors: Richard Bullen (Fund Governance & Performance Manager), Andy Cunningham (Pension Administration Lead) and Jennifer Devine (Head of Wiltshire Pension Fund)

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

### **Appendices:**

Appendix 1 – Risk register – background and “red” risks

Appendix 1.1 – Full risk register

Appendix 3 – Administration KPIs

Appendix 4 – Scheme, Legal, Regulatory and Fund updates

Appendix 5 – Budget detail as at 30 September 2021

## **Risk Register – Appendix I**

### **Red Risks**

Risks remaining “red”, high risk:

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

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
<b>Horizon Risks</b>																			
PEN061	Failure of auditors to conduct audits commissioned by the Committee in accordance with an agreed terms of reference	The Committee & Board must ensure that audits they commission are being executed as originally prescribed in terms of their scope, quality and timeliness. Both groups need to satisfy themselves that all audits are being carried out on a best value basis, by auditors appropriately skilled to conduct those audits and that any signing off of audits are not being unduly delayed	Commissioned audits which are delayed, whether they be financial, procedural, compliance or otherwise driven can carry significant risk to the integrity of the Fund. New processes require robust review by suitably skilled auditors and 3rd party delays whether arising from the audit partnerships themselves, or secondary approvals can create a consequential impact on the operational effectiveness of the Fund. Both the Committee & the Board require robust independent assurance to ensure that their oversight can remain comprehensive	ACCOUNTING & AUDITING	SERVICE FUNCTION	Jennifer Devine	Medium	2	3	6	Commissioned audit plans by the Fund should not just cover the scope and content of the audit, but require auditors to submit a clear process and timescale to the Committee and the Board who can reassure themselves that audits are being carried out to the standards believe.	1	1	1		Low	↑	Jennifer Devine	On-going
PEN060	Failure to manage potential conflicts of interest between the Fund and its Administering Authority	Wiltshire Council is experiencing a period of immense strain on its services, exacerbated by limited central government funding and the pandemic. In response to this strain it has undertaken a review of its services and formulated a strategy of restructure	Areas of potential conflict include 1) Senior AA officers not recognising that they may be conflicted when taking a decision 2) Not ensuring the AA has in place protocols to manage a conflict of interest with its Pension Fund 3) Not ring fencing the services paid for by the Fund from when wider AA policy changes occur, such as staff re-deployments 4) Not introducing SLAs to enable performance measurements of the AA services procured 5) Not enabling the Fund greater freedom relating to best value procurement and employment 6) Not respecting or negotiating with the Pension Fund as an equal partner concerning its own requirements & 7) Not embracing changes to improve Fund governance published by outside bodies such as SAB	GOVERNANCE	SERVICE FUNCTION	Andy Brown	Low	1	1	1	The Committee & the Board should seek to identify and address potential conflicts of interest with the Committee being willing to actively manage situations with the AA where it considers that the membership of the Fund, or the Fund itself is not being appropriately served	1	1	1		Low	↑	Andy Brown	On-going
PEN059	Service disruption is created during the implementation of the Council's Evolve Programme - Pension Payroll software	Wiltshire Council intends to introduce a replacement for SAP. The intended procurement process is due to be completed by September 2021 & the implementation by December 2022.	SAPs replacement could have a significant impact on the Fund's ability to pay its pensioners, particularly where the project management of the de-implementation and implementation are not synchronised	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 6)	Andy Brown	Medium	3	2	6	As part of the Fund's oversight of its Payroll, it is recommended that the Committee request periodic strategic updates during the course of 2021 & 22 from the Fund's s151 Officer to be able to assess the level of risk & whether any mitigations need to be identified. Consideration by the Fund concerning the migration of its payroll to its own separate payroll software service is being undertaken, however this may be at odds with the Council's priorities	1	1	1	The current payroll system is to be phased out and a new integrated system with the Pensions Administration database is approved & is set to be introduced. However, the Council requires the Fund to use the new payroll system which isn't necessary designed for the purpose. Auditors to be involved to oversee the reconciliations and controls to be put in place. The project plan should be discussed with the Auditor. Project management completion timelines are increasing the risk of success of this migration.	Low	→	Andy Brown	Dec-22
PEN058	Service disruption is created during the implementation of the Council's Evolve Programme - Non Pension Payroll software	Wiltshire Council intends to introduce a replacement for SAP. The intended procurement process is due to be completed by September 2021 & the implementation by December 2022	SAPs replacement will impact on multiple services areas provided by the Council to the Fund. For the Fund's non-pension payroll functions this will most notably include HR, AP & IT services. However, it could affect all service relationships the Fund has with the Council.	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 6)	Andy Brown	Low	3	1	3	As part of the Fund's oversight of its IT services, it is recommended that the Committee request periodic strategic updates during the course of 2022 from the Fund's s151 Officer to be able to assess the level of risk & whether any mitigations need to be identified.	1	1	1	Auditors to be involved to oversee the controls being put in place concerning non-pension payroll transfers of software, notably Accounts Payable & general accounting practices. The project plan should be discussed with the Auditor. Evolve risks remain for the Fund in all aspects of the Evolve Programme.	Low	→	Andy Brown	Dec-22
PEN056	Failure to implement the findings of the Goodwin vs the UK case in relation to discrimination which will affect public service pension schemes on the grounds of sexual orientation	Following a male to female transsexual post operative procedure the claimant stated that her human rights had been infringed when she was still treated as a man for National Insurance contributions purposes, as she continued to make payments after the age at which a woman would have ceased payments, thus causing harassment. A second similar claimant stated she was unable to obtain work as she was unable to provide her birth certificate revealing her gender history.	There is no remedy proposed yet, although some auditors are pressing for an allowance to be included in 2020 IAS19/FRS102 reports. Whilst the funding costs are expected to be small, this will be a further administration and communication burden to address.	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 31)	Andy Cunningham	Low	1	1	1	The implementation of risk controls will be introduced on communication of remedies.	1	1	1		Low	→	Andy Cunningham	N/A
PEN050	Failure to comply with tPR's anticipated new Single Code of Practice Statement	The new requirements for pension scheme governance came into force on 13 January 2019 as part of the transcription of the IORP II Directive into UK law. The new EU Directive covers the activities and supervision of institutions for occupational retirement provision (IORP)	Consequently the tPR is simplifying its codes of practice as part of its 'clearer, quicker, tougher' campaign and in response to new requirements for scheme governance, the Occupational Pension Schemes (Governance) (Amendment) Regulations 2018. Codes combined notably relate to 9, 13, 14 & 15.	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 6,31)	Richard Bullen	Low	2	2	4	It is anticipated that early focus will be on the codes that are most affected by the new regulations, starting with internal controls & effective governance. Trustees will need to be able to demonstrate that they have an effective system of governance within 12 months of its publication	3	1	3	None, until the Single Code of Practice Statement is released which not anticipated until 2021.	Low	→	Richard Bullen	N/A
PEN044	Change to valuation cycle	The Government is consulting on changing the fund valuation cycle. The next valuation will be in 2022 but it is unclear when the next one will follow.		GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Low	1	3	3	Officers will respond to the consultation stating they are not in favour of such a change	1	3	3		Low	→	Andy Cunningham	N/A
PEN043	Administration disruption and employer cost pressures cause by the Cost Cap review	The cost cap floor has been breached meaning the Scheme rules need to be adjusted.	Administration: Some impact on administration processes and communications - unknown at the moment as the details have not been finalised. Cost: Higher costs for employers	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	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 2021/22 (Objective(s) 31)	Andy Cunningham	High	3	4	12	None - Whilst it now appears almost certain that a change will take place, it is still unclear exactly what the change will be, its magnitude and how the Fund can mitigate it. It is noted that the Valuation results have made no allowance for the consequences of the McCloud case, primarily due to the prudence applied to the investment return expectations of 75%, but also due to the implementation of actuarial guidance.	2	4	8	a) On actuarial guidance it is anticipated that whilst a review will be required the financial impact may be minimal as in most cases the underpin check for a member's benefits will not bite. b) Following the release of the Government's consultation document in July analysis of the Scheme's members who may be affected has been undertaken. Early indications suggest that c27k members from all status types will need to be reviewed, however cases where the underpin bites continues to be considerably less. Supplementary impacts such as the Annual Allowance, transfers & dependent benefits will also need to be considered, as well as changes to the Fund's internal controls to ensure that cases are reviewed as the liability falls due & that those which have been reviewed are marked accordingly.	Medium	→	Andy Cunningham	N/A
PEN039	The Fund's inability to implement the reforms associated with the Good Governance Project	SAB has requested a review of governance structures for the LGPS using a criteria of four possible governance models which might help funds to deliver good governance for their employers and members. A final consultation report is due in July 2019	Poor governance has a reputational risk impact, leading to poor service for Fund stakeholders, a lack of clarity of roles & responsibilities and potential conflicts of interest emerging	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 6,29,30,31)	Andy Cunningham	Low	2	2	4	Officers have contributed feedback to the consultation exercise in May 2019 and taken part in various discussions. This has helped officers gain an understanding of the likely direction of travel and help ensure the Fund is aligned and prepared (for example by making certain adjustments to the terms of reference).	2	2	4	Officer to introduce a statement of Fund principles, beliefs & precedents.	Low	→	Richard Bullen	N/A

## Dynamic Risks

PEN057	Failure to implement the Accessibility Regulations	For the Fund to comply with the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018, the Equality Act 2010 & subject to understanding the Web Content Accessibility WCAG 2.1 guidelines which came into full force from September 2020.	Government Digital Service (GDS) monitors public sector bodies' compliance on behalf of the Minister for the Cabinet Office. If GDS decides that a public sector body has failed to publish an accessibility statement, or that the accessibility statement is incorrect, it will publish the name of that body & a copy of the decision. In addition organisations in breach of the Equality Act 2010 and the Disability Discrimination Act 1995 may be liable to investigations, unlawful act notices and court action leading to reputational damage.	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 1,23,24)	Andy Cunningham	Low	1	1	1	Although not strictly a Pension Fund responsibility, the Administering Authority determined that as the Pension Fund operated a separate URL in respect of the Pension Fund's website it would view it as a separate entity & therefore required the Fund to make its own compliance arrangements. Fund officers have therefore initiated a project team to implement website compliance which will include an independent audit of its website compliance. The Fund's initial accessibility meeting took place on 5th November to scope its strategy.	1	1	1	The key actions agreed on 5th November are;	Low	→	Krystie Waterhouse	N/A
PEN053	Failure to implement Fund's Data Retention Strategy	Poorly implemented strategies agreed by the Board & Committee to ensure that the retention of data is properly executed in respect of both the Fund & Scheme Employers may occur.	A failure to adhere to the strategy could potentially breach GDPR compliance & create service issue in the event of data being inadvertently minimised or deleted.	ADMINISTRATION	SERVICE FUNCTION	Mark Anderson	Low	1	2	2	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
PEN047	There is uncertainty around the ability of Brunel to resource its property portfolio offering	It is intended that property assets will transfer to Brunel in late 2020.	If Brunel are not adequately resourced, this could result in the portfolio not being effectively managed, and/or costs being higher than expected.	INVESTMENT PERFORMANCE & RISK	BUSINESS PLAN 2021/22 (Objective(s) 26)	Jennifer Devine	Low	4	1	4	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	BPP to build resilience in their private markets team by outsourcing more, so that there is less key person risk and the portfolios are scalable. BPP want to add several members of staff to their team and do more in house as well. 1 The best way forward might be to commission an independent review of the best model to deliver private markets via pooling, to best serve our client requirements.	Low	→	Jennifer Devine	Jun-20
PEN045	GMP legislative changes	The Government has been planning to make a number of changes to way that GMPs work which brings about certain risks. In particular, changes to the indexation approach (which have been repeatedly delayed) and equalisation between males and females.	Both sets of plans could increase scheme costs and cause material amounts of additional administrative work.	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	HMRC undertook a consultation in the last quarter of 2020 requesting responses by 30 December 2020. The WPF along with many other organisations responded to that consultation and on publication of the results the Fund will seek guidance from its professional advisers in respect of both its equalisation & indexation responsibilities on the next steps it should take. Results expected by April 2021.	2	2	4	None	Low	→	Andy Cunningham	N/A
PEN041	The Fund's inability to implement a strategy to ensure Climate Change considerations are integral to its investment strategy	Climate change is a key environmental risk which could have a material financial impact on the Fund's returns, and as such needs to be considered, managed and monitored as part of the Committee's fiduciary duty, and to protect the investment returns of the Fund.	Failure to embed climate change considerations in the investment strategy could cause a negative impact on investment returns over the long term.	FINANCIAL MARKETS & PRODUCTS	BUSINESS PLAN 2021/22 (Objective(s) 12,20,30)	Jennifer Devine	High	3	4	12	The Committee is engaged in ongoing work to help determine the most appropriate direction of travel, with expert consultancy support. Significant progress has been made so far, but current considerations around amending the investment strategy and implementing changes are still a work in progress. Work is also being done within the Brunel pool to address this risk.	2	4	8	Work on developing the Fund's policies, disclosures and strategy needs to continue. Additional resource will be required, likely by the way of specialist consultancy support	Medium	→	Jennifer Devine	On-going
PEN038	The Fund's inability to implement the DWP's Dashboard within a notified timescale.	Late communication by the DWP to specify their requirements for the Fund to comply with this new nationwide Dashboard. Potential for unexpected implementation costs and/or the Fund being unable to meet the reporting requirements.	Non-compliance would lead to a reputational risk for the Fund. A statutory requirement to contribute may also be created.	ADMINISTRATION	SERVICE FUNCTION	Andy Cunningham	Low	1	2	2	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 2021/22 (Objective(s) 9,22,23,27)	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 2021/22 (Objective(s) 6,9,11,13,16,23,27)	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

PEN022	The rectification of records with GMP issues is time-consuming, costly & causes reputational damage.	From 1 April 2016, State Second Pension ceases and HMRC no longer provides GMP data on members to Funds. The Fund is looking to complete the reconciliation during the 2020/2021 year.	If GMP records for members are inaccurate there is the potential for incorrect liabilities being paid by the Fund.	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 8)	Andy Cunningham	High	3	4	12	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	A common approach between south-west Funds has been reached with feedback from SAB. A paper was submitted to the Committee in December setting out the current situation and outlining a proposed strategy. A more detail approach will follow with additional supporting information & guidance as well as an update concerning member record reconciliation. An update will be provided to the Committee in March 2021.	Medium	→	Mark Anderson	u/k
PEN021	Ineffective implementation of the Public Sector Exit Cap	The Treasury is consulting on draft regulations to introduce a cap of £95,000 on exit payments in the public sector, in response to concerns about the number of exit payments that exceed or come close to £100,000 and the need to ensure they represent value for money. This will include changes to LGPS regulations. Introduction of exit cap will require an additional burden on the administration team as it is likely to effect all redundancy calculations. Funds are often given little time to implement changes which brings about this risk.	Changes need to be communicated to individuals and employers and systems adapted once the revised regulations have been approved. LGPS Fund's could be in breach of the legislation in they are logistically unable to implement the cost cap mechanism once introduced. Engagement with the relevant public service HR dept's in relation to the implementation of the Exit will be essential.	LEGISLATIVE	SERVICE FUNCTION	Andy Cunningham	Low	2	1	2	The consultation is due to be completed on 9th November. Key risk controls should include: 1) Fund officers should ensure that relevant HR officers understand the implications of the Cap. 2) Review the Compensatory Regulations after they've been re-written and LGPS Regulations too as a priority 3) Ensure Fund officers understand the new regulations & draft proforma to manually calculate options, prior to the delivery of automated calculation routines 4) Consider any TUPE transfer implications 5) Liaise with HR department concerning potential redundancy exercises in 2021 & 6) Undertake a review of Fund's documentation to include disclaimers	2	3	6	Legislation was introduced concerning the Exit Cap at the end of 2020, however this legislation is now in conflict with the LGPS regulations. Guidance is being sought to resolve these conflicts. A further review of resources may still be needed following a review of the final details & feedback from HR departments.	Medium	→	Andy Cunningham	N/A
PEN018	Failure to set in place appropriate Cyber Security measures	Over reliance by Fund is potentially being place on its Administering Authority's IT security arrangements & that of its key software database providers without proper scrutiny/reporting of their security arrangements	Impact is significant concerning the operational effectiveness of the Fund, notably in relation to the data held and the ability to calculate and process member benefits	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 23)	Andy Cunningham	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	During 2020 Heywood's provided a suite of documents concerning their cyber security arrangements & ICT gave a verbal update to the Committee in December. Officers were tasked with actions by the Committee to build upon the 2020 progress in 2021.	Low	→	Andy Cunningham	N/A

### Ongoing Risks

PEN055	Failure of the Brunel Pension Partnership to properly address shareholders concerns via the governance review	Governance arrangements set in place at the outset of Brunel are due for review and it is vitally important that Wiltshire and all shareholders are satisfied with the breadth and depth of the review, and the resulting changes.	With the Wiltshire Pension Fund & other stakeholders being required to invest significant sums of money with BPP, robust governance arrangements are vital to ensure that shareholders are able to take assurance over the running of the partnership	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 14)	Andy Brown	Medium	3	2	6	Brunel's governance review is ongoing. Wiltshire has actively engaged with Brunel, by sending a letter on behalf of Committee members, to make Wiltshire's expectations clear, and also via the Pension Fund Investments' input at a client group level.	3	2	6	Officers will regularly monitor the progress of the governance review and engage at all possible opportunities. Committee members will be kept informed of all developments.	Medium	→	Andy Brown	N/A
PEN052	COVID-19	COVID-19 is an infectious global virus which WHO has classed as a pandemic. The UK could be taking similar actions to other countries bad affected by this virus such as China & Italy which will cause significant business continuity issues to the pension fund	In a worst case scenario the Council's officers & service provider offices will be closed making remote working essential but difficult. In addition, it is expected that up to 20% of people will be off sick & needing to self-isolate causing service issues. Consequently issues around staffing, investment returns, 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	Medium	3	2	6	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.	3	2	6	The series of steps have been specifically identified to manage this risk. In particular, maintaining the movement of money, communication with all stakeholders & essential operating practices; Consequently the following risks were focussed upon; Movement of money PEN001, PEN002, PEN003, PEN015 & PEN033. Communication with stakeholders PEN013, PEN030 & PEN033 & Essential operating practices PEN004, PEN010 & PEN037. A survey was also sent to Employers requesting information about their circumstances & a close monitoring of actual employer behaviour has been adopted & will continue to be in relation to their service obligations.	Medium	→	Andy Brown/Andy Cunningham/Jenny Devine	N/A
PEN048	The transition to pooling of LGPS assets with BPP fails to deliver the projected savings	The Fund needs to pool its LGPS assets with other Funds using the Brunel Pensions Partnership.	Poor implementation could be costly in terms of unanticipated costs and/or savings less than projected.	INVESTMENT PERFORMANCE & RISK	BUSINESS PLAN 2021/22 (Objective(s) 3,4)	Jennifer Devine	High	4	3	12	The Fund is working with Brunel Pension Partnership on pooling arrangements. Progress and updates regularly reported to Committee. The Fund's passive portfolios have been pooled with significant fee savings, but a budget increase is also currently being proposed. The final position is still uncertain.	3	3	9	Significant amount of resource still required by officers to progress this project. On 13th February 2020 the Board recommended that a monitoring & reporting timetable being put in place concerning BPP's transition to help mitigate this risk.	Medium	→	Jennifer Devine	On-going
PEN036	Failure to implement a Dashboard of KPIs for regular monitoring	Difficulties in extracting the required data from the workflow section of the administration system. Improve the range of Key Performance Indicators (KPIs) produced for the Committee and Local Pension Board to help provide transparency and clearer oversight & management of administration performance.	Failure to implement a dashboard of comparable benchmarks, will be counter to the Pension Regulator's requirements on factors such as data quality measures	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 6,13,16,18)	Andy Cunningham	Low	1	2	2	Officers have implemented a suite of KPIs to be utilised at different levels. Namely, at a Statutory level, for the Committee & the Board, for use between Employers & the Fund & at management level for use at an operational level within the Pension's dept. The introduction of a new PAS document will enhance the flow of KPI information to members. Further work is required to introduce a suite of customer service based KPIs.	1	2	2		Low	→	Mark Anderson	On-going
PEN033	Failure to manage AVC providers	The Fund is a Data Controller with four AVC providers under management who operate to a system of policies & endorsements rather than service provider contracts. Consequently, there is a risk due to the mismatch between Fund responsibility & control in relation to the assets under management.	Failure of a AVC provider can lead to issues of reputational risk to the Fund, as well as being exposed to adverse governance & financial implications.	ACCOUNTING & AUDITING	BUSINESS PLAN 2021/22 (Objective(s) 6)	Jennifer Devine	Low	2	2	4	A minimum of annual service review reviews have been implemented with all AVC providers, managed by the Investment & Accounting team. The review will cover customer service & investment performance.	2	1	2	None.	Low	→	Jennifer Devine	On-going
PEN030	Failure to procure & contract manage service providers appropriately	GDPR adherence, the migration of Investment Managers to BPP & external service providers all form part of the existing Contract Management strategy. Many undertaken in conjunction with the AA's Procurement dept. In addition, with approximately 1/3 of services provided by the AA, good & complete governance would require contract reviews the Fund's internal services too.	A lack of a contract management framework, including a complete suite of documents by which to measure performance against will create an inability to manage both internal & external service providers. In addition, it will limit the updating of service scopes so that the Fund's requirements remain consistent with new legislation & regulations. This will lead to increased costs & risks to the Fund.	PROCUREMENT & RELATIONSHIP MANAGEMENT	SERVICE FUNCTION	Andy Cunningham	Medium	2	3	6	A contract management framework has been developed by officers to anticipate the review of Fund contracts as they fall due. Fund officers have also attended Contract Management training provided by the Council's Procurement Department.	3	1	3	To ensure that a comprehensive best value service is being provided to the Fund the contract management framework needs to be extended to cover regular reviews of internal service providers to the Fund. Such an extension will allow suitable measurement of performance against the corporate re-charge levied by the Fund's AA.	Low	↑	Richard Bullen	On-going
PEN028	Failure to introduce new administration software effectively	Implementation of new software including I-connect, payment instruction automation and a new member website. All to be completed during 2021/2022.	Delay in the payment of member benefit, poorer data quality, sub-standard communication arrangements with members & employers & slower delivery times leading to a more costly service	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 10,21,23,32,33)	Andy Cunningham	Low	2	2	4	Individual project plan have been prepared for each implementation of software, including their GDPR implications, with individual project issue logs and risk registers. A bespoke Project team has also been established within the pension's dept. who initiate formal handovers to officers on completion of the new implementation. I-Connect, which will have the largest impact, is partially delivered with around a third of active members onboarded.	2	1	2	SQL capability to be developed within team to enhancing reporting & verify effective implementation. Nova Sail will also be introduced to leverage & optimise the software capability employed by the Fund.	Low	→	Samantha Wooster	On-going

PEN026	A lack of effectiveness of Committee meeting due to the impact of MIFID II Regulations	MIFID 2 investment regulations from Jan 2018 will classify LGPS Funds as "retail" investors. They will need to opt up to professional status	If Wiltshire Pension Fund is unable to maintain "professional" status it will limit the range of investments available and may lead to the forced sale of assets.	INVESTMENT PERFORMANCE & RISK	BUSINESS PLAN 2021/22 (Objective(s) 28)	Jennifer Devine	Medium	3	2	6	Wiltshire Fund is now being treated as a Professional Client, having followed due process. Maintenance of the Fund's Professional Client status will require on-going compliance with the requirements including competence	2	2	4	Guidance received from officers & the Independent Adviser to the Fund has mitigated the impact of MIFID II. Officers implemented a self-assessment return completed by members concerning their competence to maintain "professional client status". A member training strategy for 2020/21 includes MIFID II related training	Low	→	Jennifer Devine	On-going
PEN025	Further academisation of Schools, the possibility of MAT breakups and cross fund movements.	Potential for further schools to convert to academy status, MATs to breakdown	Additional governance and administration risk. If all schools were to convert then the number of employers in the Fund could jump from 180 to between 400 and 500.	GOVERNANCE	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Regular communications with schools to understand their intentions. Revised cessation policy aims to address some of the risks relating to MAT breakups.	2	2	4	The Fund is monitoring the SAB review of academies roles in the LGPS and will take actions (e.g. respond to consultations) as necessary to try to mitigate this risk further.	Low	→	Andy Cunningham	N/A
PEN017a	A lack of knowledge and expertise on the Pension Fund Committee	Lack of structured training and continuous self assessment of skills gap to ensure knowledge levels are adequate to carry out roles to the best of their ability	Bad decisions made may be made in relation to any of the areas on this register, but particularly in relation to investments. There is also a requirement for Funds to 'Comply or Explain' within their Annual Report on the skills knowledge of members of the Committee	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 17,25)	Andy Cunningham	Medium	2	3	6	Members are given Induction Training when they join the Committee, as well as subsequent opportunities to attend courses/seminars and specialist training at Committee ahead of key decisions. There is a Members' Training Plan and Governance Policy. Further training and advice can be called on from our consultants, independent advisors and investment managers too.	2	1	2	The results of the knowledge assessment was presented to 12 Dec 2018 Committee and 24 January 2019 Local Pension Board. Overall, their level of knowledge was deemed good but there were areas of improvement identified that Officers will consider when looking at future training plans. Pensions is a complex subject, so the training needs of the Committee will need to be continued reviewed. Generally both Committee & Board members are taking a more active approach to training and requesting structured training in key areas	Low	→	Richard Bullen	On-going
PEN017b	A lack of Committee Member compliance with all regulations	Lack of Member willingness or awareness to be compliant with new or existing regulations leading to breaches of legislation and reportable offences	Over reliance on officers & advisers to ensure compliance leading to a lack of oversight challenge	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 25,31)	Andy Cunningham	Medium	2	3	6	Member attendance at conferences & seminars enables independent information sources. Update the Look forward plan to include the introduction of an annual audit plan to ensure the fund's compliance requirements are implemented & the results of the audit reported to Committee	2	1	2	None	Low	↑	Richard Bullen	On-going
PEN016	A lack of effectiveness in respect of the Fund's Treasury Management Services	The Fund's treasury function is now segregated from Wiltshire Council. This includes the investment of surplus cash in money markets.	Exposure to counterparty risk with cash held with external deposit holders could impact of Funding level of the Fund	INVESTMENT PERFORMANCE & RISK	BUSINESS PLAN 2021/22 (Objective(s) 6,13)	Jennifer Devine	Low	3	1	3	The Pension Fund will review an updated Treasury Management Strategy annually which follows the same criteria adopted by Wiltshire Council but limits individual investments with a single counterparty to £6m. The Fund will also review in Treasury Management Agreement with the Council in 2019.	2	1	2	The Council uses Sector's credit worthiness service using ratings from three rating agencies to provide a score. Surplus cash is transferred to the Custodian at month end ensuring cash balances are minimal. A minimum of annual updates by the Council need to be presented to the ISC	Low	→	Jennifer Devine	N/A
PEN015	Failure to collect payments from ceasing employers	When an employer no longer has any active members a cessation valuation is triggered and a payment is required if a funding deficit exists to meet future liabilities. The impact of COVID-19 on financial markets means the likelihood is currently increased.	Failure to collect cessation payments means the cost of funding future liabilities will fall against the Wiltshire Pension Fund	ACTUARIAL METHOD	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	The Pension Fund Committee approved a revised cessation policy on 26 March 2020 to address regulatory changes made in March 2020 (backdated to May 2018). Furthermore, all new admitted bodies require a guarantor to join the Fund which means that a stable Scheme Employer is required to act as the ultimate guarantor. Due to the current impact on COVID-19 situation on investment returns, we are currently encouraging employers to delay cessation crystallisation events where possible to avoid crystallise a large deficit.	2	1	2	A new employer cessation policy was approved in March 2020, however since then further guidance has been published nationally setting out Fund discretionary payment plans already introduced by Wiltshire. It should be noted that whatever determination the Fund makes there is a risk it will be open to challenge. In summary the Fund needs to amend our FSS & consider how this should work best and communicate out to employers accordingly. Furthermore, with regards to the spreading of exit payments & deferred debt agreements officers need to consider what changes to the existing cessation policy (sections 7 and 9) are needed for the Fund to be compliant	Low	→	Andy Cunningham	On-going
PEN013	Failure to communicate properly with stakeholders	Lack of clear communications policy and action, particularly with employers and scheme members.	Scheme Members are not aware of the rights and privileges of being in the scheme and may make bad decisions as a result. Employers are not aware of the regulations, the procedures, etc, and so the data flow from them is poor.	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 24,29)	Andy Cunningham	Low	2	2	4	The Fund has a Communications Manager and Employer Relationship Manager posts dedicated to these areas full-time, including keeping the website up-to-date, which is a key communications resource. The Fund also has a Communications Policy.	2	1	2	None	Low	→	Denise Robinson/ Samantha Wooster	N/A
PEN010	Failure to keep pension records up-to-date and accurate	Poor or non-existent notification to us by employers and members of new starters, changes, leavers, etc. Early indications suggest the likelihood is increased due to the impacts of COVID-19 on employers and Fund officers.	Incorrect records held, leading to incorrect estimates being issues to members and incorrect pensions potentially being paid.	GOVERNANCE	BUSINESS PLAN 2021/22 (Objective(s) 6,7,8,9)	Andy Cunningham	Medium	3	3	9	Data & systems Team constantly working to improve data quality, data validation checks carried out through external partners (e.g. the Fund's actuaries and tracing agencies), proactive checks done through national fraud initiative and the Fund's Data Improvement Plan.	3	1	3	The Fund is currently addressing new data issues identified by a review of the IPR two key data standards and other data reviews while ensuring data is of high quality is an on-going responsibility.	Low	→	Mark Anderson	On-going
PEN009	Failure to comply with Data Protection Legislation (GDPR & Data Protection Act 2018)	Poor procedures for data transfer to partner organisations, poor security of system, poor data retention, disposal, backup and recovery policies and procedures.	Poor data, lost or compromised, fines from the Information Commissioner, reputational risk of failure to meet Data Protection legislation.	LEGISLATIVE	SERVICE FUNCTION	Andy Cunningham	Low	2	2	4	Compliance with Wiltshire Council's Data Protection & IT Policies. Annual Data Protection training given to the team. On-going cleansing of data undertaken by Systems Team. The Fund has produced a new suite of procedures and controls following the introduction of GDPR.	2	1	2	Further reviews and changes in relation to the GDPR. First internal audit (Key Controls - April 2019) identified a lack of clarity in relation to the Fund's Data Retention strategy, where no justification for retaining personal data can be made, notably Exit No-liability records. Data Cleaning must be carried out. Officers to agree with IG Data Cleaning approach. The 2nd internal audit identified the need for improvements to the Fund's DPIA arrangements.	Low	→	Mark Anderson	On-going
PEN008	Failure to comply with LGPS and other regulations	Lack of technical expertise / staff resources to research regulations, IT systems not kept up-to-date with legislation, etc	Wrong pension payments made or estimates given. Investment in disallowed investment vehicles or failure to comply with governance standards. Effect: Unhappy customers, tribunals, Ombudsman rulings, fines, adverse audit reports, etc	ADMINISTRATION	BUSINESS PLAN 2021/22 (Objective(s) 5,6,7,8,9,10,12,13,24,31)	Andy Cunningham	Low	2	2	4	*Sufficient staffing, training and regulatory updates. *Competent software provider and external consultants. *Technical & Compliance post reviews process and procedures and maintains training programme for the team. *KPIs against statutory standards *Imbedding checks and controls into all processes. *Audits & internal reviews to maintain best practice	2	2	4	Review of ABS requirements to ensure on-line delivery is compliant with disclosure requirements	Low	→	Luke Webster/ Jennie Green	N/A
PEN007b	Significant rises in employer contributions for non-secure employers due to poor/negative investment returns	Poor economic conditions, wrong investment strategy, poor selection of investment managers, poor consideration of all financial & non-financial risks including ESG issues.	Poor/negative investment returns, leading to increased employer contribution rates	FINANCIAL MARKETS & PRODUCTS	BUSINESS PLAN 2021/22 (Objective(s) 15)	Jennifer Devine	Low	2	2	4	Use of expert consultants in the selection of investment strategy and investment managers, regular monitoring of investment managers (1/4y), 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	→	Jennifer Devine	On-going
PEN002	Failure to collect and account for contributions from employers and employees on time	Non-availability of SAP systems, key staff, error, omission, failure of employers' financial systems, failure to communicate with employers effectively. LGPS 2014	Adverse audit opinion for failure to collect contributions by 19th of month, potential delays to employers' FRS17 year-end accounting reports and to the Fund's own year-end accounts.	ACCOUNTING & AUDITING	BUSINESS PLAN 2021/22 (Objective(s) 2,6,7)	Jennifer Devine	Medium	3	2	6	Robust maintenance and update of Altair and SAP systems, sufficient staff cover arrangements, sufficient staff training and QA checking of work. Officers regularly work with employers to ensure they understand their responsibilities to pay by 19th of the month. The Breaches framework now require the Fund to log material late payments.	2	2	4	The 2020 SWAP internal audit report highlighted a Priority 2 risk requesting officers ensure that a review of the member contribution processes raised in their report are undertaken promptly & to future-proof those processes to ensure appropriate efficiencies are made	Low	→	Jennifer Devine	On-going

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

## Benefit Administration Key Performance Indicators

### Disclosure Regulations

Period 01/07/2021 to 30/09/2021

Process name		Disclosure Requirement	%	Change since last quarter	No. cases within Legal Timeframe
<b>Deaths</b> - initial letter acknowledging death		2 months	83.0%	-13.9%	102
<b>Deaths</b> - letter notifying amount of dependants pension		2 months	64.1%	-17.8%	69
<b>Retirements</b> - letter notifying estimate of retirement benefits	<b>Active</b>	2 months	n/a		n/a
	<b>Deferred</b>		n/a		n/a
	<b>Total</b>		97.9%	+4.2%	446
<b>Retirements</b> - letter notifying actual retirement benefits + process and pay benefits on time	<b>Active</b>	2 months	92.6%	-4.3%	150
	<b>Deferred</b>		99.6%	No change	255
	<b>Total</b>		96.1%	-2.3%	405
<b>Deferment</b> - calculate and notify deferred benefits		2 months	74.6%	+15.8%	418
<b>Refund</b> - process and pay a refund		2 months	99.2%	-0.1%	117
<b>Divorce quote</b> - letter detailing cash equivalent value and other benefits		3 months	100.0%	-3.6%	47
<b>Joiners</b> - notification of date of enrolment*		2 months	84.4%	+22.8%	585

### Explanatory notes

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

**Deaths:** For both measures, the timeframes start on the date of notification. However, sometimes the notification is not from the next of kin (e.g. we are notified from a tracing agent) and it can take some time to establish who is the next of kin and if a dependent pension is due.

**'Transfers out' quote and estimates:** We have removed this measure from the table as members have instance access to quotes.

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

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

### **Performance commentary for the quarter**

The table shows high levels (>90%) in all areas except deferments, joiners and death notifications.

Some technical difficulties have persisted whilst updating processes which have led to joiners and deferments still being lower than hoped although good improvement has still been seen over the last quarter.

The ability to meet the death notifications timeframes are sometimes limited by not receiving timely information from, or being able to identify, the next of kin. Furthermore, officers undertook an exercise during the quarter to clear older death cases which are also reflected within these statistics.

## 2. tPR Data performance measures

Measure	Score	Change since last period
<b>Common Data</b>	98.7% (at 1 Nov 2021)	-0.5% since July 2021
<b>Conditional (Scheme Specific) Data</b>	95.0% (at 1 Nov 2021)	+0.1% since July 2021
<b>Annual Benefit Statement production rate</b>	99.5% (at 31/08/2021)	+2.6% from the previous year

### Explanatory

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

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

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

#### a). Common and Conditional/Scheme Specific data scores

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

Note: The Fund now has access to a new product from its Systems provider (Heywoods Insights) which allows it to produce this information quickly throughout the year at no additional cost.

#### b). Active Annual Benefit Statement (ABS) production

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

Both sets of scores are reviewed annually

### Performance commentary for the year

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

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

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

For the Scheme Specific measure, many of the errors are of a technical nature due to the way the metric is calculated but these require further review and in some cases there is no merit in assigning time to correcting historical data that is no longer of value to meet tPR's criteria.

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



### 3. Internally set targets (Fund)

While the figures in appendix 1 outline the (quasi) legal requirements using a CIPFA template, and appendix 2 outlines the tPR's own metrics against which it may take action, appendix 3 outlines internally set, aspirational service level targets.

The Fund's administrative performance priority is its performance against the targets in appendices 1 and 2 but the following sets of information set's out internally set targets to help met the goals of the Fund's business plan.

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

The following table shows the Fund's process times against the timeframes set out in the administration strategy. It covers the high priority tasks, data on lower priority administrative tasks (such as deferrals and aggregations) will be shared at a later date. The tasks which are deemed as higher priority are the ones which relate to making a payment to the member (or a beneficiary).

Members are now able to instantly access benefits estimates and therefore there is no longer a disclosed target related to this.

#### Benefit Administration Key Performance Indicators

Period **01/07/2021** to **30/09/2021**

Type of case	Created cases in period	Open cases at period end	Percentage against membership	Completed cases time to complete						Total	% on target (15 working days)	Change since last quarter
				0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 + days			
Active to Retirement	319	152	0.66%	85	29	12	10	7	19	162	78%	+14%
Deferred in to retirement	293	26	0.08%	169	64	16	3	3	1	256	97%	+3%
Processing of Death cases	73	66	0.08%	19	5	6	13	40	28	111	27%	-26%
Refund of contributions	124	17	0.07%	30	75	12	0	1	0	118	99%	0%
<b>Grand Total</b>	<b>809</b>	<b>261</b>		<b>303</b>	<b>173</b>	<b>46</b>	<b>26</b>	<b>51</b>	<b>48</b>	<b>647</b>		
<b>Percentage</b>				<b>47%</b>	<b>27%</b>	<b>7%</b>	<b>4%</b>	<b>8%</b>	<b>7%</b>			

## b). i-Connect onboarding progress

The following table shows the progress in onboarding employers on to i-Connect. The target was to onboard all employers on to i-Connect by the end of 2021/2022 but this has proved challenging due to a lack of employer engagement.

Onboarded numbers has reduced due the complications with FS4S and Swindon Borough Council (which collectively accounts for more than 25% of all active members) and multiple employers, although this has been partially offset by other employers being onboarded.

Data for October 2021's submission:

	Number onboarded	Number left to onboard	Completion rate
Active members	12160	c11,000 (total = 23,099)	47.6%
Employers	63	107 (total = 170)	37.6%

The active member percentage is higher than the employer percentage because officers have focussed on onboarding the largest employers.

## c). MSS (My Wiltshire Pension) take up

RECORDS	
ACTIVE	1 November 2021
Registered	7,939
Total	18,840
Percentage	<b>42.1%</b>
DEFERRED	
Registered	7,902
Total	23,691
Percentage	<b>33.3%</b>
TOTAL	
Registered	15,904
Total	42,531
Percentage	<b>37.4%</b>

The table to the left shows the number of registered members as at 1 November 2011.

**Note:** There are no comparative figures included for this quarter as the methodology has been updated to show figures based on persons rather records (although there is likely to be little difference).

### d). Backlog monitoring

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

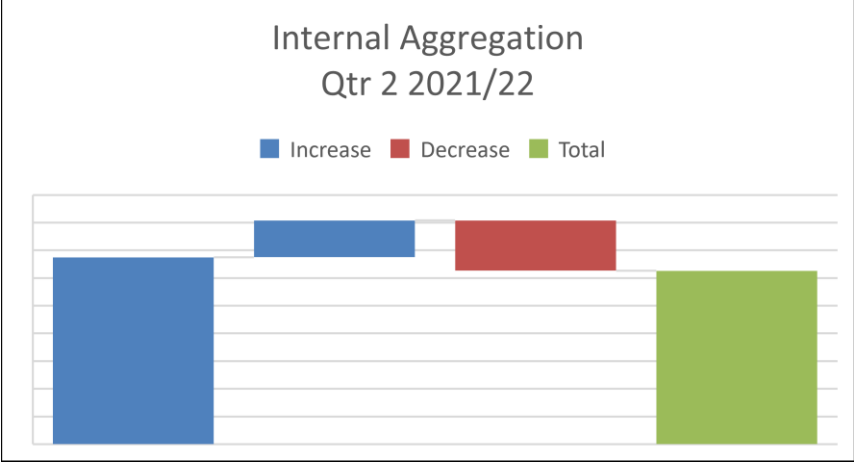
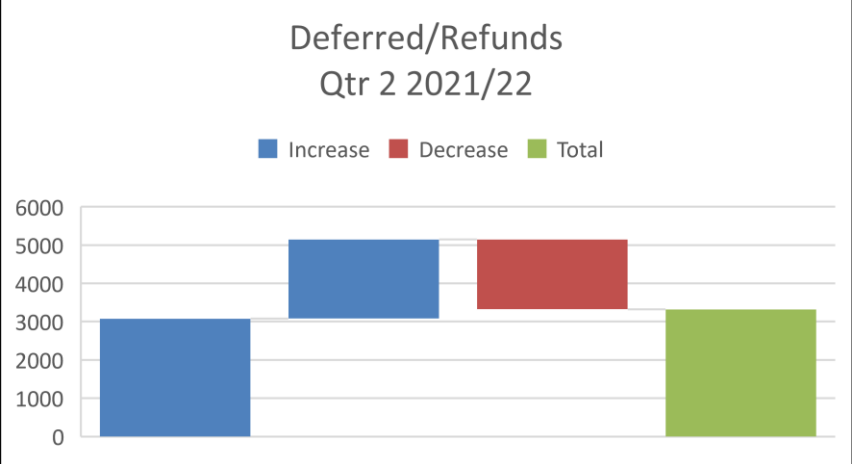
At present, there are two areas which meet this criteria and current situation in respect of these processes are outlined:

#### i). Deferred/Refunds

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

#### ii). Internal aggregation cases

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



**Commentary:**

a). Administration Strategy KPIs – Fund

Table 1 shows the Fund has made good improvement in most areas in the last quarter although further work is still required to reach the desired performance levels. The main exception to this is in relation to death cases which can mostly be explained as a 'blip' due to an exercise to clear older death cases. The Fund is gradually seeing the benefits of greater automation of tasks, which is freeing up officer time, and this programme of improvements will continue over the rest of this year and into the next year.

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

i-Connect take up has been lower than hoped due to a mixture of a lack of employer engagement, key employers (Swindon Borough Council and FS4S) have reporting difficulties and changing payroll provider and staff having been focussed on other work priorities. However, more resource has now been assigned to onboarding employers to try to speed up this process.

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

d). Backlog monitoring

The number of outstanding aggregation cases has continued to decrease albeit at a relatively slow net rate. For deferreds/refunds, there was a large influx of cases linked to the end of the school year, leaving an overall net increase in outstanding cases.

## 4. Internal targets - Employers

### a). i-Connect submission performance

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

### i). Timeliness measure of submissions

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

Percentage/number returns received on time	July 2021	August 2021	Sept 2021
Large employers* (>250 actives)	5/5 (100%)	3/6 (50%)	6/6 (100%)
Medium employers* (50-249 actives)	14/14 (100%)	2/12 (17%)	13/13 (100%)
Small employers* (10-49 actives)	24/25 (96%)	14/26 (54%)	24/24 (100%)
Very small employers* (Under 10 actives)	9/10 (90%)	6/12 (50%)	14/14 (100%)
<b>Total</b>	<b>52/54 (96%)</b>	<b>25/56 (45%)</b>	<b>57/57 (100%)</b>

\*Employers numbers are just assessed once a year.

### ii). Quality measures

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

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

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

<b>Contributions received consistent with data</b>	<b>July 2021</b>	<b>August 2021</b>	<b>Sept 2021</b>
Large employers (>250 actives)	2/5 (40%)	2/6 (33%)	1/6 (17%)
Medium employers (50-249 actives)	14/14 (100%)	10/12 (83%)	8/13 (62%)
Small employers (10-49 actives)	20/25 (80%)	18/26 (69%)	16/24 (67%)
Very small employers (<10 actives)	8/10 (80%)	8/11 (73%)	8/13 (62%)
<b>Total</b>	<b>44/54 (81%)</b>	<b>38/55 (69%)</b>	<b>33/56 (59%)</b>

**b). Timeliness of contributions payments**

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

<b>Percentage/number returns received on time</b>	<b>July 2021</b>	<b>August 2021</b>	<b>Sept 2021</b>
Large employers (>250 actives)	5/5 (100%)	6/6 (100%)	6/6 (100%)
Medium employers (50-249 actives)	14/14 (100%)	12/12 (100%)	13/13 (100%)
Small employers (10-49 actives)	23/25 (92%)	25/26 (96%)	24/24 (100%)
Very small employers (<10 actives)	10/10 (100%)	10/11 (91%)	10/10 (100%)
<b>Total</b>	<b>52/54 (96%)</b>	<b>53/55 (96%)</b>	<b>53/53 (100%)</b>

## Scheme, legal, regulatory and Fund update

Organisation	Subject	Link	Status	Comments	Risk Ref
HM Treasury	Reforms to public sector exit payments.		No change since the last meeting	After revoking the Restrictions on Public Sector Exit Payment Regulations in early 2021 but promising replacement legislation, we are yet to hear what type of replacement regulations will be implemented or when this may apply.	PEN021
MHCLG	Fair Deal Consultation	<a href="https://www.gov.uk/government/consultations/local-government-pension-scheme-fair-deal-strengthening-pension-protection">https://www.gov.uk/government/consultations/local-government-pension-scheme-fair-deal-strengthening-pension-protection</a>	No change since the last meeting	No movement on this since 2019 although we understand that changes are still planned.  Officers have responded to the consultation but have yet to hear anything further from MHCLG. The next step is likely to be either another consultation or the introduction of legislation. Due to the Parliamentary backlog, further progress may not be seen until 2022.	PEN040
	<i>Changes to the Local Valuation Cycle and the Management of Employer risk Consultation</i>	<a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/800321/LGPS_valuation_cycle_reform_consultation.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/800321/LGPS_valuation_cycle_reform_consultation.pdf</a>	No change since the last meeting	<b>Scope:</b> 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. <b>3). Proposals for flexibility on exit payments.</b> <b>4). Proposals for further policy changes to exit credits</b> 5). Proposals for policy changes to employers required to offer LGPS Membership (allowing further education, sixth form colleges to close entry to new employees)  <b>Reform progress:</b> The Government has introduced legislation in relation to items 3 and 4. The changes resulting from item 4 are already embedded in the Fund's cessation policy and the changes from item 3 were covered in a paper revising the Fund's cessation policy in the December 2020 committee pack. We are unaware of any further developments on the other areas.	PEN044
	Consultation: Taking action on climate risk	<a href="https://www.gov.uk/government/consultations/taking-action-on-">https://www.gov.uk/government/consultations/taking-action-on-</a>	No change since the last meeting	MHCLG are shortly expected to release draft regulations and statutory guidance for consultation on how schemes will need to take action on climate risk. The DWP have already issued a consultation for	PEN041

Organisation	Subject	Link	Status	Comments	Risk Ref
		<a href="#">climate-risk-improving-governance-and-reporting-by-occupational-pension-schemes-response-and-consultation-on-regulations</a>		<p>occupational pension schemes – this is the link provided – and the MHCLG consultation will apply to the LGPS and is expected to be virtually identical.</p> <p>The Fund is in a good place here as the Committee has already done significant work to address this risk, via modelling, education (both of Committee members and the wider scheme membership), transparent reporting and meaningful actions.</p>	
<b>The Department of Work and Pensions (DWP)</b>	Pension dashboard project	<a href="https://pensionsdashboardproject.uk/industry/about-the-pensions-dashboard-project/">https://pensionsdashboardproject.uk/industry/about-the-pensions-dashboard-project/</a>	No change since the last meeting	The Fund's software provide, Aquila Heywood, is part of the national working party to help deliver the Pensions Dashboard. Implementation is likely to be in 2023 and it is still unclear what the impact may be for the Fund (as well as what level of take up for this initiative may exist from the general public).	PEN038
<b>Financial Reporting Council</b>	Proposed revision to the UK Stewardship Code	<a href="https://www.frc.org.uk/investors/uk-stewardship-code">https://www.frc.org.uk/investors/uk-stewardship-code</a>	No change since the last meeting	<p>The Financial Reporting Council (FRC) published the revised Stewardship Code on <b>24<sup>th</sup> October 2019</b> 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>	
<b>Scheme Advisory Board (SAB)</b>	Cost cap mechanism & McCloud case		No change since the last meeting	<p>The McCloud consultation has now closed and officers still await to see the final outcome. The Fund's software provider is currently developing software solutions in anticipation of the final legislation being laid before parliament and passed as per expectations.</p> <p>As part of i-Connect onboarding, officers continue to update part-time hours histories for active staff. For other categories, there is little work officers can do until the final remedy is released and the administration software is updated.</p>	PEN042
	Goodwin Case		No change since the last meeting	With some similarities to McCloud, another discrimination case affecting public service schemes including the LGPS, this time on the grounds of sexual orientation whereby it has been shown that it is	PEN056



Organisation	Subject	Link	Status	Comments	Risk Ref
				<p>discriminatory for female partners of members who are in a same sex or opposite sex marriage to receive different survivor benefits from one other.</p> <p>Although the funding costs will be small, this will be a further administration and communication burden to address.</p> <p>Little information has so far been provided of the impact on the LGPS, but the DfE has started a consultation in relation to the Teacher's Pension Scheme to start the process of altering the scheme rules. It is expect MHCLG will undertake a similar process for the LGPS in due course.</p>	
	Good Governance Project (formerly known as the Separation Project)	<a href="http://www.lgpsboard.org/images/PDF/BoardFeb18/PaperBItem50218.pdf">http://www.lgpsboard.org/images/PDF/BoardFeb18/PaperBItem50218.pdf</a>	No change	<p>Hymans-Robertson, on behalf of the SAB, has released its report on phase II which outlines a number of specific recommendations.</p> <p>Hymans Robertson and SAB are now moving towards Phase III of the project and a proposal is going to MHCLG to implement the proposals.</p> <p>The timeframes for implementation are still unclear.</p>	PEN039
The Pension Regulator (tPR)	Single code of practice		No change	<p>tPR have released a consultation concerning its intention to produce a single code of practice covering all pension schemes (rather than over 15 at the moment).</p> <p>Whilst some of the exercise is merely one of administrative consolidation, tPR have also used this as an opportunity to make some changes.</p>	PEN050

## Appendix 5

### WILTSHIRE PENSION FUND RUNNING COSTS BUDGET UPDATE Q2 2021-22

1. This report sets out the forecast expenditure compared to the Pension Fund budget for 2021-22. The forecast is based on quarter 2 actual figures and a forecast for the remaining months.

#### Key forecast variances against 2021-22 budget

2. As at the end of quarter 2 forecast expenditure is expected to be slightly favourable (£27k – 1%) to budget at year end. This underspend is primarily within administration costs where systems fees, staffing and mailing costs are expected to be below plan.
3. The forecast includes £85k of additional costs approved by Committee in November to carry out a manager selection process for allocations to affordable housing (£35k) and renewable infrastructure (£50k). These costs were not included in the original budget and show as an overspend against the original plan.

Costs approved by Committee in addition to the 2021/22 budget	£000's
Mercer - Climate Modeling Training - September 21	2.5
Pensions For Purpose follow on training on Impact Investing	1.7
UN PRI - Membership	3.1
IIGCC (Institutional Investors Group on Climate Change)	2.5
Impact Affordable Housing Portfolio Construction	35.0
Renewable Infrastructure Portfolio Construction	50.0
<b>Total</b>	<b>94.7</b>

Wiltshire Pension Fund Budget 2021/22

£000's	Prior Year		2021/22			
	2019/20	2020/21	Forecast	Budget	Variance	% Variance
Investment administration staffing costs	119	114	210	210	(0)	0%
Investment administration travel/conferences/training costs	0	2	8	8	0	0%
<b>Total investment administration costs</b>	<b>120</b>	<b>116</b>	<b>217</b>	<b>217</b>	<b>(0)</b>	<b>0%</b>
Pension scheme administration staffing costs	996	1,036	1,143	1,208	65	5%
Staff training	19	22	23	23	0	0%
Corporate charges	311	311	311	311	0	0%
Pension administration systems and data cleansing	310	354	360	357	(2)	-1%
Other administration costs	107	51	68	89	21	24%
<b>Total scheme administration costs</b>	<b>1,743</b>	<b>1,775</b>	<b>1,905</b>	<b>1,988</b>	<b>83</b>	<b>4%</b>
Oversight & governance staffing costs	246	180	221	221	0	0%
Training and conferences	8	0	23	23	0	0%
Subscriptions, memberships and levies	34	32	49	42	(7)	-16%
Actuarial services	214	154	131	153	22	14%
Audit	10	37	27	27	0	0%
Legal fees	13	11	30	48	18	38%
Advisory fees	142	196	324	233	(90)	-39%
Corporate charges & other costs	149	165	146	146	0	0%
<b>Total oversight &amp; governance costs</b>	<b>815</b>	<b>775</b>	<b>951</b>	<b>895</b>	<b>(57)</b>	<b>-6%</b>
<b>Local Pension Board costs</b>	<b>14</b>	<b>14</b>	<b>25</b>	<b>25</b>	<b>0</b>	<b>0%</b>
<b>Total operational running costs</b>	<b>2,692</b>	<b>2,679</b>	<b>3,098</b>	<b>3,125</b>	<b>27</b>	<b>1%</b>
<b>Number of Members</b>	<b>80,824</b>	<b>82,454</b>	<b>82,454</b>	<b>82,454</b>		
<b>Total Running Cost per member</b>	<b>£ 33.31</b>	<b>£ 32.49</b>	<b>£ 37.58</b>	<b>£ 37.90</b>	<b>£ 0.33</b>	<b>1%</b>

4. Forecast operational running costs per member (excluding investment manager fee's) are £37.52 this is favourable to plan but an increase on the prior year.

Report Author: Chris Moore, Accounting and Investments Officer

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

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## **WILTSHIRE COUNCIL**

### **WILTSHIRE PENSION FUND COMMITTEE**

16 December 2021

*LPB Recommendation – Minute 58*

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### **Members training strategy 2021 - 2025**

#### **Purpose of the Report**

1. To set out the recommended training policy and LGPS Knowledge & Skills Framework for both Board & Committee members for the period Q4 2021 to Q4 2025, with a view to obtaining member approval for its implementation.
2. To present the draft training plan for both Board & Committee members for the Scheme Year 2022/23.

#### **Background**

3. Following the Local Government Elections in May 2021 and the consequential changes to the membership of Pensions Committee, plus changes to Board members, a review of the knowledge & skills framework took place and an updated framework was devised.
4. Officers commissioned Hymans Robertson to undertake the review, through the completion of a self-assessment questionnaire by Committee and Board members which also considered the recently updated CIPFA LGPS Knowledge & Skills Framework 2021. The results of the survey are attached (Appendix 2) along with a proposed Knowledge & Skills Framework for the Fund covering the next four years (Appendix 3).
5. In accordance with the CIPFA guidance officers have also prepared a Members Training Policy (Appendix 1). As an addendum to this policy officers have included a Knowledge and Skills Framework for senior decision-making officers. This senior officer addendum is separate from main officer training policy due to the requirements placed on senior officers being more akin to Committee & Board members, rather than their junior officers managing the Fund.
6. The aim of the framework is to ensure that all members achieve and maintain a sufficient level of knowledge and understanding to be able to make appropriate decisions and carry out their roles and responsibilities as required. It is noted that whilst Board members have a statutory obligation to ensure that they maintain their knowledge & skills requirements in accordance with the Public Services Pension Act 2013, it is good practice for Committee members to abide by the requirements specified in the Pension Regulator's code of practice 14 & the Pension Act 2004 sections 247 to 249 too. In addition, Committee members will also be expected to develop their knowledge & skills to be able to comply with the FCA's MiFID II Regulations in relation to professional competence. The purpose of this being to maintain the Fund's classification as a "professional client".
7. The same Hymans survey results were also used to develop a member training plan for the next Scheme Year 2022/23. This plan forms part of the larger framework to Q4 2025.
8. The Local Pension Board has reviewed this strategy and recommended to the Committee that it should approve the proposals stated in paragraphs 20-22.

#### **Considerations for the Committee**

9. The key findings of the Hymans Knowledge assessment set out in Appendix 2 shows that;
- a) The average member score across all practice areas was 52%
  - b) The average score for Committee members was 44%; &
  - c) The average score for Board members was 62%

Based on the results of the survey Hymans have concluded that;

- a) The practice areas where training is most required by members is Actuarial method, followed by Administration; &
  - b) The practice areas where training is most desired by members is Pension Governance, followed by Investment Performance & Risk Management.
10. The Board considered the draft training policy at their meeting on 11 November and accepted that it was consistent with the requirements of CIPFA's LGPS Knowledge & Skills Framework 2021. Committee members may wish to consider this point too.
11. The attached 4-year Knowledge & Skills Framework sets out individual strategies for the Committee & Board considering the roles of each group, forthcoming Pension Fund calendar events and the relative experience of members based on their assessment results. In considering the CIPFA's LGPS Knowledge & Skills Framework members should consider whether this strategy.
- a) Fulfils the requirements laid out in the CIPFA LGPS Knowledge & Skills Framework 2021: &
  - b) Will ensure that members remain compliant with all the relevant legislation and regulations applicable to the Fund:
12. Whilst training sessions at meetings have been specified over the next 4 years, the Knowledge & Skills Framework is designed to be a living document to enable the substitution of topical training as it arises as well as recognise the need for flexibility by inviting members of one group to attend training organised for the other group.
13. In addition to the ongoing training plan coordinated by officers, new members to the Committee or Board will be asked to complete the following basic training requirements.
- a) Attendance at the three sessions of the LGPS Fundamentals training course conducted by the LGA.
  - b) Completion of the Pension Regulator's (tPR) toolkit within six months of being appointed a member of either the Board or Committee.
  - c) Attendance at either an officer lead induction training session or a one-to-one training session; &
  - d) Receipt of a copy of the Member's handbook
14. Attendance of external events such as conferences, seminars, engagement days and forums are also recognised as a valuable part of the Fund's training & development strategy. For example, LGPS National conferences, Investment Manager conferences, CIPFA member seminars & BPP engagement days. In addition, where officers become aware of suitable training opportunities such as the Hymans on-line learning academy, or any other external training material they will ensure that it is circulated, as appropriate.

### **Environmental Impact of the Proposal**

15. Not applicable.

### **Financial Considerations & Risk Assessment**

16. There are no immediate financial considerations.

### **Legal Implications**

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

### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

18. There are no known implications currently.

### **Reasons for Proposals**

19. To fulfil the training & development compliance requirements of members providing oversight to the Wiltshire Pension Fund.

### **Proposals**

20. For the Committee to approve of the new member training policy

21. For the Committee to adopt and approve the 4-year knowledge & skills framework covering both members and senior officers of the Fund.

22. For the Committee to approve the training plan for the Scheme Year 2022/23.

Andy Cunningham  
Pensions Administration Lead

Report Author: Richard Bullen, Fund Governance & Performance Manager

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Appendices:

Appendix 1 – Members Training policy  
Appendix 2 – Hymans Knowledge Assessment Report  
Appendix 3 – Knowledge & Skills framework 2021-2025

## **Wiltshire Pension Fund Committee & Board Member Effectiveness, Training & Development Policy**

### **A) Purpose**

To fulfil the Administering Authority's (Wiltshire Council's) commitment to Pension Committee & Board Member knowledge & understanding. This training and development policy has been prepared to ensure that all members & decision-makers carrying out their roles and responsibilities on behalf of the Wiltshire Pension Fund & Wiltshire Council, are and remain sufficiently knowledgeable & competent to do so.

### **B) Background**

This policy reflects the CIPFA LGPS knowledge & skills framework 2021 and its separate Code of Practice. It includes changes in the LGPS since the release of the previous framework and the outcomes identified by the Scheme Advisory Board's Good Governance Review, other regulatory reviews and the requirements of the MHCLG. The intention of this framework is to establish a minimum level of knowledge for decision-makers and re-enforce decision-making structures. This policy encourages Board members to aspire to the 2021 framework, whilst recognising that they only need to continue to adhere to the 2015 framework entitled LPB: A Technical Knowledge & Skills Framework.

### **C) Legal basis**

#### **Compliance**

Board Members have a statutory obligation to ensure that they maintain their training and development. Committee Members do not have the same statutory obligation however Wiltshire Council sees it as good practice to ensure that they too abide by the spirit specified in the Pension Regulator's code of practice 14 (or its successors). It is expected that Required Members will fulfil the following legislative requirements;

- Committee – The Pension Regulator – Pension Act 2004 sections 247 to 249 & FCA – MiFID II – Directive 2014/65/EU & ESMA Regulations
- Board – The Public Services Pension Act 2013 (formerly Pension Act 2004 section 248a)
- Both Groups – MHCLG Guidance relating to the Myners Principles

#### **CIPFA Code of Practice Statement**

As required by CIPFA's Code of Practice Wiltshire Council is committed to the following principles;

- 1) That Wiltshire Council adopts the key principles of the code of practice on LGPS knowledge and skills.
- 2) That Wiltshire Council recognises that effective management, governance, decision making and other aspects of the delivery of the LGPS can only be achieved where those involved have the requisite knowledge and skills to discharge the duties and responsibilities allocated to them.
- 3) That Wiltshire Council has in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements to effectively acquire and retain LGPS knowledge and skills for those responsible for the management, delivery, governance and decision making of the LGPS.
- 4) That the policies and practices will be guided by reference to a comprehensive framework of knowledge and skills requirements such as that set down in the CIPFA Knowledge and Skills Framework.
- 5) That Wiltshire Council will ensure that it has adequate resources in place to ensure all staff, members, or other persons responsible for the management, decision making, governance and other aspect of the delivery of the LGPS acquire and retain the necessary knowledge and skills.



- 6) That Wiltshire Council will report annually on how their knowledge and skills policy has been put into practice throughout the financial year in the fund's annual report.
- 7) That Wiltshire Council has delegated the responsibility for the implementation of the requirements of the CIPFA Code of Practice to the appropriate officer, who will act in accordance with the Wiltshire Council's knowledge and skills policy statement, and, where they are a CIPFA member, with the CIPFA Standards of Professional Practice (where relevant).

#### D) Scope

The knowledge & skills will cover Public Sector pensions, the pension industry in general, the relevant requirements of the Financial Conduct Authority & the completion of any other relevant training in connection with a Member's role, for example, data protection training. As a minimum requirement Members will be expected to embrace the eight topics of the CIPFA Knowledge & Skills Framework, namely;

Legislation & Guidance	Governance
Administration & Communications	Accounting & Audit Standards
Procurement & Relationship Management	Investment Performance & Risk Management
Financial Markets & Product Knowledge	Actuarial Methods, Standards & Practice

#### E) Definitions

##### Membership

- 1) Training programme participants – Required Members, excluding other participants;
- 2) Required Members – An appointed member of either the Pension Fund Committee, or Local Pension Board who have an entitlement to vote. Plus, the Board Chair & substitute Committee members who actively participate in meetings on behalf of an appointed member;
- 3) Other Participants – Substitute members, who have not been appointed or are actively participating in meetings on behalf of an appointed member, observers, non-decision-making officers\* & professional advisers. Other participants are encouraged to complete the training programme, but are not required to complete it;  
\*(See Senior Officer Addendum)
- 4) Substitute members – As defined within the Council's constitution; &
- 5) Observers – Union representatives attending the Pensions Committee

##### Knowledge & Understanding attainment levels

Self-assessment scoring for members is split into five categories.

Level	CIPFA Knowledge & Skills Framework 2021
1	No Knowledge
2	Awareness
3	A general understanding
4	A strong understanding
5	Detailed knowledge

### **Measuring Knowledge & Understanding minimum attainment expectations**

- 1) A Required Member is expected to operate at least at a “General Understanding” level in each Scheme year (ideally at a Strong Understanding) & by definition spend sufficient time on their training & development;
- 2) A Substitute Member participating on behalf of a Required Member should attain the same standard level as a Required Member;
- 3) A points-based system covering effectiveness and attainment levels of members will be maintained by officers. The system will aim to cover all 8 CIPFA categories, with emphasis on the following; &
  - a) Committee Members – MiFID II collective assessment of expertise, experience, knowledge & competence in relation to investment decisions; &
  - b) Board Members – Compliance & Administration.
- 4) Members will accumulate points in each of the following situations;
  - a) Attendance at meetings (The benchmark being 75% of meetings within each Scheme year for a Required Member).
  - b) Completion of a requisite amount of training per annum (The benchmark being a minimum of 6 hours within each Scheme year for a Required Member).

### **Other definitions**

- 1) Training period to be covered – The overall Member training programme operates on a four-year cycle, with a formal review after each Local Government Election. Within the overall strategy internal annual reviews will be completed prior to the beginning of each Scheme year, consistent with CIPFA, tPR & FCA guidance;
- 2) Basic attainment level – To be completed within the first 12 months of appointment; &
- 3) Formal reviews – To typically involve independent external assessment.

### **F) Objectives**

In addition to providing Members with enough knowledge & understanding to ensure that they carry out their roles and responsibilities to a requisite level of competence, this policy seeks to;

- 1) Ensure that each Member, by virtue of accepting their appointment will accept primary responsibility for their own training & professional development and are willing to assist officers in fulfilling that objective;
- 2) Provide a cost effective, targeted, relevant & monitorable training & development programme, which also gives consideration to the needs of the Fund;
- 3) Maintain an engaging and not overly onerous training programme, split into Mandatory, Advisory & Optional training choices;
- 4) Offer a tailored training approach that fulfils the requirements of all Members needs by recognising their different backgrounds, roles that they hold, meetings they attend and the lengths of service each member has accrued;
- 5) Maintain a training & development programme which remains consistent with National standards;
- 6) Positively manage any Member who may fall short of the minimum threshold of knowledge & understanding expected of them, for whatever reason;
- 7) Mitigate any Fund risks associated with inadequate Member knowledge & skills, as specified in the Pension Fund’s risk register.

### **G) Executing the training programme**

The annual lifecycle of the Fund’s training programme will include the following key stages;

- 1) Prior to the beginning of each Scheme year, officers will request that Members complete a self-assessment questionnaire of training needs, following which officers will present the results of the assessment to members to gain their confirmation on their training & development priorities. An updated training plan for the next Scheme year will then be prepared;
- 2) Where specialist training is identified, which can't be provided by officers, officers will identify a source for that training and make the necessary recommendations for inclusion within next year's Scheme budget;
- 3) On budgetary approval officers will commission any external training sources;
- 4) Where Members undertake independent training activities, to those provided by officers, they should keep officers informed so that a complete training record can be maintained; &
- 5) A summary of the Member training undertaken will be maintained by officers in accordance with the CIPFA standards.

**The 4-yearly lifecycle** of the Fund's training programme will include the following key stages;

- 1) Following Councillor Elections & prior to the beginning of the next Scheme year, officers will request that Members complete an external assessment, to develop a new training strategy. The results will be presented to members & may include feedback on the best ways of delivering training. Note: Depending on election outcomes effectiveness reviews may be conducted separately;
- 2) Officers will review the results in terms of Member effectiveness, decision making & integration with the Fund's other training strategies (namely the officer and employer strategies) & where necessary make any amendments to strategic Fund documentation;
- 3) In addition to identifying training & development priorities, the updated strategy will also be refreshed by annual self-assessment questionnaires & any other processes in order to keep the training strategy fresh and engaging.

## **H) Monitoring & Reporting**

### **Monitoring Knowledge & Skills**

Knowledge & Understanding will be monitored and gaps filled in the following ways;

- 1) A member's successful completion of their training will be measured using the following criteria; &
  - a) Fulfilment of agreed mandatory training; &
  - b) Fulfilment of the minimum attainment level in relation to their effectiveness, knowledge & understanding.
- 2) Participation in training self-assessment returns.

### **Monitoring Effectiveness**

Effectiveness will be monitored in the following ways;

- 1) By Members contribution to meeting governance, through the applied use of Member documents during a meeting, the quality of their contribution during debate & any input into minute recording following a meeting. Member documents include;
  - a) Actions log;
  - b) Risk Register; &
  - c) Look forward plan.
- 2) During meetings, Members making reference to, or referencing against the Fund's key policy documentation, objectives, LGPS regulations, or other pensions legislation, in order to support their contribution.

- 3) Fulfilment of the requirements of the Committee and Board's respective terms of reference and Look Forward Plans
- 4) Fulfilment of the Fund's Business Plan objectives
- 5) Compliance with all legislation and regulation as evidenced by a mitigated requirement to report a tPR Breach of Law to the Pensions Regulator.

### **Reporting requirements**

- 1) Training records will be maintained and used to ensure that the minimum attainment level of knowledge & understanding has been achieved for assessment against external compliance such as tPR Code of Practice & FCA's MiFID II. In addition, records will be used for input into that Fund's Annual Report & Accounts and the Local Pension Board's Annual Report. The results will also be used as the basis of submissions from ad-hoc surveys from such organisations as the Scheme Advisory Board.
- 2) This training policy will be published on the Pension Fund's website.
- 3) Where a Member has not achieved the minimum threshold under this policy's points-based strategy officers will raise the matter with the Corporate Director Resources & Deputy Chief Executive, s151 (hereafter to be known as the s151 Officer) for their consideration & review.

#### **1) Oversight & Review**

Wiltshire Council's commitment to knowledge & skills, supported by CIPFA & the Pension Regulator's guidance & sponsored by the s151 Officer is written into the Scheme Administration Report of the Fund's Annual Account Report & Accounts. The s151 Officer accepts responsibility for ensuring that this member effectiveness, training & development policy is implemented, maintained & that members charged with any financial decision making for the pension fund collectively possess the requisite knowledge and skills necessary to discharge those duties and make the decisions required.

This policy will be overseen and reviewed in consideration with;

- 1) Progress against the member training strategy review conducted every 4 years;
- 2) The requirement to conduct annual reviews to enable the strategy's coincidence with the Pension Fund's budget setting arrangements;
- 3) The understanding that on behalf of the s151 Officer other Senior Officers will undertake day-to-day responsibility for the development & maintenance of the training policy & framework; &
- 4) A member falling short of their minimum threshold requirement. In this eventuality officers should raise the matter with the s151 Officer for their consideration.

## Senior Officers Addendum

(To set out the steps where the requirements for a Senior Officer's Knowledge & Skills Framework differs from those of Required Members)

### A) Definitions

#### Membership

- 1) A Senior Officer is defined as decision-making officer who has a Wiltshire paypoint grade above 38 and has a role or responsibility connected with the management or operation of the Pension Fund.
- 2) The Fund employs a variety of specialist practice areas. These include Accountancy, Actuarial, Administration, Governance, Information Technology, Investment, Legal, Payroll & Procurement. Senior Officers specialising in any of these practice areas will be expected to operate at an "Expert" level.

#### Knowledge & Understanding attainment levels

Self-assessment scoring for senior officers is split into six potential categories.

Level	CIPFA Knowledge & Skills Framework 2021
1	No Knowledge
2	Awareness
3	A general understanding
4	A strong understanding
5	Detailed knowledge
6	An Expert knowledge

#### Measuring Knowledge & Understanding minimum attainment expectations

- 1) According to the CIPFA LGPS Knowledge & Skills framework Senior officers are expected to score at least at a "Skilled" level even in a practice they do not specialise in. The attainment level expected of a senior officer may be higher, however the level of individual attainment will be measured against and be dependent on a senior officer's own role description.
- 2) Completion of a requisite amount of training per annum (The benchmark being a minimum of 12 hours within each Scheme year).

### B) Executing the training programme

The annual lifecycle of the Fund's training programme will include the following key stage;

- 1) Prior to the beginning of each Scheme year, officers will complete a self-assessment questionnaire of training needs, following which the results of the assessment will form part of their appraisal process. A summary of the results will also be included within the Required members training plan for information.

### C) Monitoring and Reporting

#### Reporting requirements

- 1) Senior officers training plans will, where required, follow the Administering Authority's appraisal process and training platform. A summary of the Senior officers training progress can be compiled on request and submitted to either the Committee or the Board.
- 2) The training record of the s151 Officer should be maintained for incorporation along with Committee members in the Fund's Annual Report & Accounts.

- 3) Where a Senior Officer has not achieved the minimum threshold expected under this policy the matter will be managed through the Council's appraisal process.

# LGPS

HYMANS  ROBERTSON

## National Knowledge Assessment



**Wiltshire Pension Fund –  
Knowledge Assessment**

October 2021

## Overview

The results of the May 2021 local elections saw a number of changes to the membership of local authority Pension Committees. In order to determine the levels of knowledge and understanding within these new Committees, a number of administering authorities have sought to undertake knowledge assessments. The purpose of the assessment is to gain an immediate understanding of knowledge and understanding levels of the new Committee (and the Board), with the results feeding into training plans being developed.

Hymans Robertson's Knowledge Assessment tool, used effectively for its 2020 National Knowledge Assessment, provides LGPS funds with a useful insight into the pensions specific knowledge and understanding of the people who hold decision making and oversight responsibility within their organisations.

The findings from this assessment provide LGPS Funds with a quantitative report of the current knowledge levels of the individuals responsible for decision making and oversight. It also aids the development of more appropriately tailored training plans for both groups. This report is also a key document in evidencing your Fund's commitment to training.

### Background

Given the changes to its Pension Committee, the Wiltshire Pension Fund ("the Fund") opted to use our online knowledge assessment, to determine a baseline level of knowledge for its new Committee, across a range of topics. It also included the Pension Board in the exercise, providing a complete picture of knowledge and understanding levels across both groups. During the period the assessment was available for completion we received 16 participant responses. This report provides the participants' results broken down into 8 key knowledge areas. Each participant received an individual results report following completion of the assessment. These individual results have been provided in a separate spreadsheet, enabling individual responses to be shared with participants.

### Why does this matter?

In recent years there has been a marked increase in the scrutiny of public service pension schemes, including the 98 regional funds that make up the LGPS across the UK. The Public Service Pensions Act 2013 introduced new governance legislation, including the requirement for Local Pension Boards to be set up and extended the remit of the Pensions Regulator to public service pension schemes as set out in its Code of Practice 14<sup>1</sup>. Additionally, the Department for Levelling Up, Housing and Communities ("DLUHC") (formerly the Ministry of Housing, Communities and Local Government ("MHCLG")) in England & Wales and Scottish Ministers in Scotland, and their respective Scheme Advisory Boards have emphasised the need for the highest standards of governance in the LGPS. Indeed, for English and Welsh Funds the Scheme Advisory Board's Good Governance review includes specific recommendations regarding knowledge and understanding and training, which are set out in more detail below under "Recent events". All these measures are aimed at ensuring that all involved in the governance of LGPS Funds can evidence they have the requisite knowledge, skills and commitment to carry out their role effectively.

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<sup>1</sup> Governance and administration of public service pension schemes – issued April 2015





While fund officers may deal with the day-to-day running of the funds, members of the Committee/Board play a vital role in the scheme, and to exercise their roles effectively must be able to understand at a fundamental level all relevant fund related topics including investment matters, funding, administration and governance.

## Recent events

### Good governance review

In February 2019 the Scheme Advisory Board in England and Wales commissioned a review to consider options for enhancing LGPS governance arrangements. The aim of this review was to ensure that the Scheme was ready for the challenges ahead, while retaining local democratic accountability. Following extensive consultation and engagement with the LGPS community the SAB published 2 reports. The following recommendations from the second report relate directly to the attainment of knowledge and skills:

- *Key individuals within the LGPS, including LGPS officers and Pensions Committee members, to have the appropriate level of knowledge and understanding to carry out their duties effectively.*
- *A requirement for s151 officers to carry out LGPS relevant training as part of their CPD requirements to ensure good levels of knowledge and understanding.*
- *Administering authorities must publish a policy setting out their approach to the delivery, assessment and recording of training plans to meet these requirements.*
- *Relevant professional bodies to produce appropriate guidance and training modules for s151 officers and to consider including LGPS training within their training qualification syllabus.*

The findings of the Good Governance Review have yet to be formally adopted in statutory form, however, the Fund recognises the principles behind the recommendations and is seeking to embed them into the training culture of all key fund stakeholders. The undertaking of this knowledge assessment by the Pension Committee and Pension Board reflect that commitment to ensuring key decision makers have the required knowledge and understanding to enable them to perform their duties.

### Markets In Financial Instruments Directive II (MIFID II)

While introduced in January 2018, the impacts of MIFID II continue to be felt by LGPS Funds, particularly the requirement for Committee members to evidence their knowledge in order to be treated as professional investors. It is vital, therefore, that the Fund can evidence that knowledge requirement in this area (although it should not lose sight of the need to evidence the attainment of knowledge and understanding in all areas).



## Assessment

### Challenging test

The Knowledge Assessment is a challenging multiple-choice assessment of participants’ knowledge and understanding of relevant subject areas. There was no expectation that participants would score 100% on each subject area tested. Rather the goal of the exercise was to gain a true insight into members’ knowledge in the areas covered by the CIPFA Knowledge and Skills Framework and the Pensions Regulator’s (TPR) current Code of Practice 14. It is appreciated that TPR has consulted on a ‘combined’ Code of Practice amalgamating all existing Codes and bringing its requirements up to date on topical issues such as cyber risk. We have not specifically catered for any additional elements expected to be included within the combined Code as part of this assessment.

The opportunity was also taken to understand those areas where the member had no knowledge of a subject matter, with each question having the option “I currently have no knowledge relating to this topic”. This ensured the results are not skewed through guesswork on the part of the participant and ensures a more honest appraisal of knowledge levels across all areas, resulting in greater clarity over training needs, leading to better outcomes for the Fund as well as the Committee and Board members.

### Use of results

We would encourage the use of these results to better understand the areas where Committee and Board members feel comfortably informed, but crucially where further training may be of benefit.

In keeping with the theme of increased external scrutiny, it is important not only that the Committee and Board have confidence in their roles, but also that the Fund can demonstrate the steps taken to facilitate this. We would suggest you keep a record of the process used to assist the Committee and Board with training and development. This report should form part of the overall training records for both groups.

### Approach

The members of the Fund’s Committee and Board were invited to complete an online knowledge assessment. In total there were 7 respondents from the Committee and there were 9 respondents from the Board. Each respondent was given the same set of 47 questions on the 8 areas below:

1	Committee Role and Pensions Legislation	5	Procurement and Relationship Management
2	Pensions Governance	6	Investment Performance and Risk Management
3	Pensions Administration	7	Financial Markets and Product Knowledge
4	Pensions Accounting and Audit Standards	8	Actuarial Methods, Standards and Practices



Under each subject heading, there were up to 6 multiple choice questions to answer. Each question had 5 possible answers, of which one answer was correct. Participants also had the option of selecting the option *“I currently have no knowledge relating to this topic”*.

The responses allow us to build a picture of the knowledge levels of each individual member in each of the topics, but crucially to help inform you of the overall levels of knowledge in each area. Details of individual scores against each of the above 8 topics are set out in a separate Appendix to this report.

Separately the individual responses for Pension Committee and Board members to each of the questions asked have been provided in a separate spreadsheet.

## Results

The responses for all members who participated have been collated and analysed. For each section we have shown:

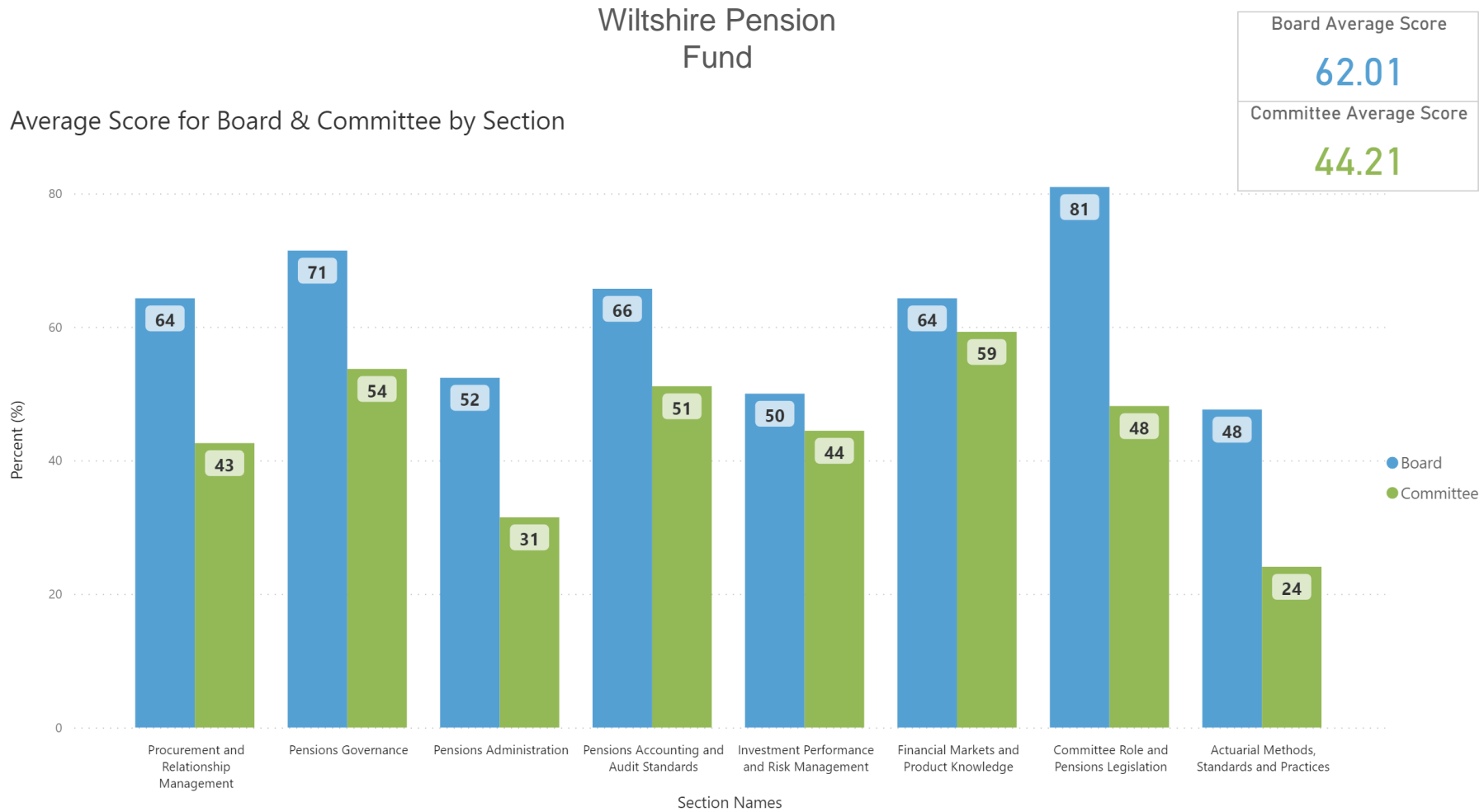
- The average score for each of the 8 subject areas, for both the Committee and Board members;
- Individual scores as a percentage against each of the 8 topics, for both groups;
- The number of correct and incorrect answers to individual questions, per respondent, together with an indication of those areas where respondents indicated they had no knowledge of the subject area; and
- Engagement levels for both the Committee and Board.

Based on the results and the responses received from participants we have also suggested priorities for inclusion within the Fund’s training plan for the Fund over the next 18 months, as well as some other “next steps” to consider.



**Overall Results**

For each of the assessment's 8 areas we have shown the results of both the Committee and Board. These have been shown in the order in which the sections appeared in the survey. There is also a summary showing the average scores across all sections for the Committee and Board.



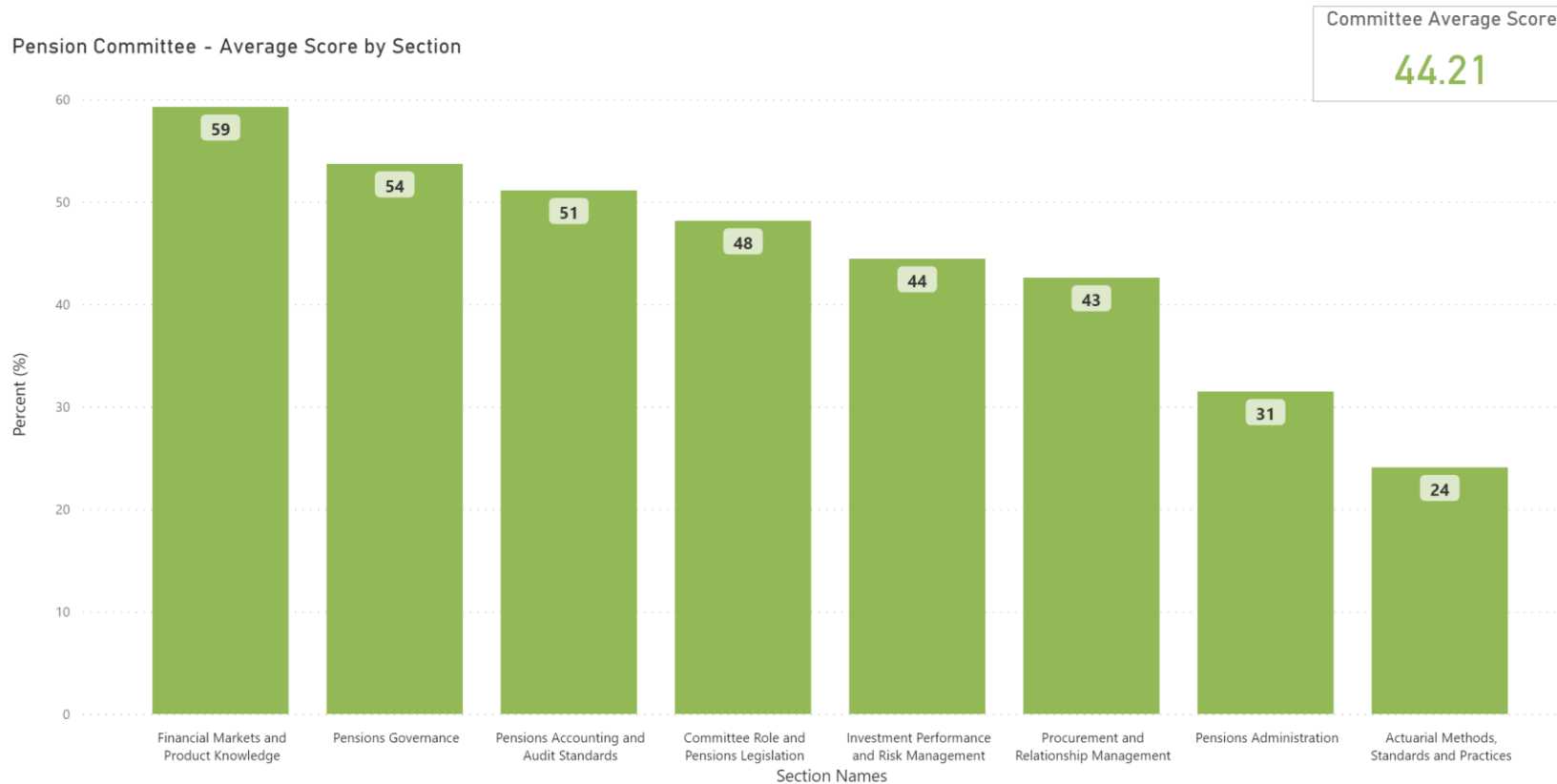
The above results indicate significant differences in knowledge levels between the Committee and Board in a number of areas. The Board outscored the Committee in each topic. This may reflect the length of time individuals have been members of the Pension Board in comparison to those on the Pension Committee, whose makeup will have changed following the local elections earlier in the year.

**Performance in each area**

The results can be ranked for each section from the highest score (greatest knowledge) to lowest score (least knowledge). This is shown separately for both the Committee and the Board. The intention is that training plans and/or timetables can be tailored to focus on the areas of least knowledge, whilst ensuring the Committee and Board maintain the high level of knowledge in the stronger areas.

**Pension Committee**

**Wiltshire Pension Fund**



The results show the scores for Financial Markets and Product Knowledge, Pension Governance and Pension Accounting & Audit Standards scoring highest for the Committee. The results show that Pensions Administration (31%) and Actuarial Methods, Standards and Practices (24%) are the two main areas where knowledge levels need to be addressed. Given the proximity of the 2022 triennial valuation addressing the lack of knowledge around Actuarial Methods, Standards and Practices should be a priority.

### **Actions**

- Given the 2022 triennial valuation is approaching, the above scores suggest the highest priority is given to improving awareness of Actuarial Methods, Standards and Practices.
- Consideration should then be given to Pensions Administration.
- While Pensions Governance has the second highest score (54%), given the expected recommendations from the SAB Good Governance review and the increasing focus of the Pensions Regulator it would be advisable to ensure priority is given to improving the Committee's appreciation of governance arrangements as they relate to the Fund.
- In terms of priority the remaining elements should be addressed in line with the Fund's business plan objectives.

Additionally, it is important that steps are taken to ensure engagement of the Committee members as they settle into their roles, by undertaking regular assessments, demonstrating they have the knowledge and understanding required to fulfil their roles. This could be achieved by:

- ensuring training is delivered at a specific time (i.e. immediately prior to a Committee meeting).
- increased use of bitesize training session or training videos, to provide focus on specific topics (e.g. actuarial valuations).
- mandate that members of the Committee commit to attending training sessions or undertaking assessment.
- provision of monthly newsletters, delivering key information and messages in a timely and engaging manner, increasing the frequency of engagement with Committee and Board members and making it easier to achieve the training goals over such a wide range of topics; and
- increased visibility and promotion of the Fund's business and training plans.

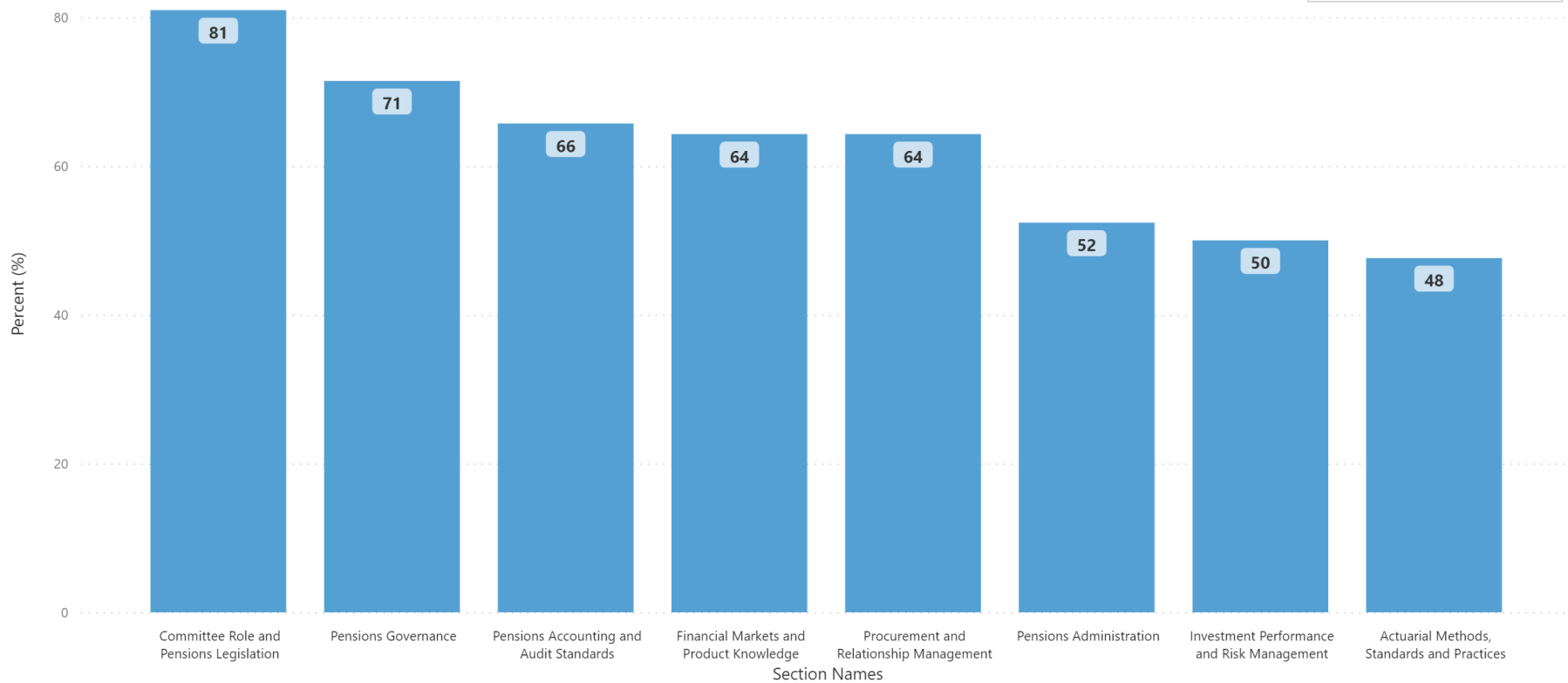


Pension Board

# Wiltshire Pension Fund

Board Average Score  
**62.01**

Board - Average Score by Section



It is perhaps unsurprising that the Board has scored best in Committee Role and Pensions Legislation, given the requirements for it to support the administering authority as scheme manager and to have the required knowledge and understanding to perform the role. Scores in the majority of the remaining areas are reasonably high, suggesting it is well ill-equipped to provide an informed challenge you might expect to the Committee or Officers.



As with the Committee Actuarial Methods, Standards and Practices is the lowest scorer, at 48%. Given the 2022 valuation is approaching this would be a key area to focus on.

While the Pension Board may not have decision making responsibilities in relation to the Fund, it is a requirement of the Public Service Pensions Act that each individual is conversant with the rules of the scheme and has knowledge and understanding of the law relating to pensions and such other matters as may be prescribed. The above results would suggest this is the case with the Fund's Pension Board.

**Actions**

- Given the 2022 triennial valuation is approaching, the above scores suggest the highest priority is given to improving awareness of Actuarial Methods, Standards and Practices.
- A plan should be drawn up and actioned covering all the above topics. Where required additional training on all other areas could be provided via bitesize videos, to be completed at a time convenient to each Board member (albeit within any timeframe set by officers).





**Individual responses**

**Answers**

Understanding individual scores alone is only a part of the picture. Understanding the individual responses to each question is also key in understanding whether an individual has answered the question incorrectly or has indicated they have no knowledge on a particular point. We have set out the individual responses to each question in full separately in a spreadsheet. Set out below is a summary of the number of correct and incorrect responses for each participant within each topic, along with an indication of how many areas they have indicated they have no knowledge of the subject.

**Pension Committee**

Topic		Elected Member A	Elected Member B	Elected Member C	Elected Member D	Elected Member E	Elected Member F	Elected Member G	Elected Member H	Elected Member I
Committee Role and Pensions Legislation	1.1	Correct	Wrong	Correct	No knowledge	Wrong	Correct	No knowledge	Wrong	No knowledge
	1.2	Wrong	Wrong	Correct	Correct	No knowledge	No knowledge	No knowledge	Wrong	No knowledge
	1.3	Correct	Wrong	Correct	Correct	No knowledge	Wrong	Correct	Wrong	Wrong
	1.4	Correct	Correct	Wrong	Correct	Wrong	Wrong	Wrong	Correct	Wrong
	1.5	Correct	Wrong	Correct	Correct	Wrong	Correct	Correct	Wrong	Correct
	1.6	Correct	Correct	Correct	Wrong	Correct	Correct	No knowledge	Correct	Correct
Pensions Governance	2.1	Correct	Wrong	Wrong	Wrong	No knowledge	Wrong	Correct	Correct	No knowledge
	2.2	Correct	Correct	Correct	Wrong	No knowledge	No knowledge	Correct	Correct	No knowledge
	2.3	Correct	Correct	Correct	Correct	Correct	Correct	Correct	Correct	Correct
	2.4	Correct	Correct	Correct	Correct	Correct	Correct	Correct	Correct	Wrong
	2.5	No knowledge	Correct	Correct	Wrong	No knowledge	Wrong	No knowledge	Wrong	Wrong
	2.6	Wrong	Correct	Wrong	Wrong	Wrong	Correct	Wrong	Wrong	Wrong



Topic		Elected Member A	Elected Member B	Elected Member C	Elected Member D	Elected Member E	Elected Member F	Elected Member G	Elected Member H	Elected Member I
Pensions Administration	3.1	Correct	Correct	Correct	No knowledge	No knowledge	No knowledge	No knowledge	No knowledge	Correct
	3.2	No knowledge	Wrong	Wrong	No knowledge	No knowledge	Wrong	No knowledge	No knowledge	No knowledge
	3.3	Correct	Correct	Correct	Wrong	Correct	No knowledge	Correct	Wrong	No knowledge
	3.4	Correct	Correct	Wrong	No knowledge	Correct	Correct	Wrong	Correct	Correct
	3.5	Wrong	Wrong	Wrong	Wrong	Wrong	Wrong	No knowledge	Wrong	Correct
	3.6	No knowledge	Correct	Wrong	Wrong	No knowledge	No knowledge	No knowledge	Wrong	No knowledge
Pensions Accounting and Audit Standards	4.1	Wrong	Correct	Correct	No knowledge	No knowledge	No knowledge	Correct	Correct	Wrong
	4.2	Correct	Correct	Correct	Wrong	Correct	Wrong	Correct	Correct	Wrong
	4.3	Correct	Correct	Correct	Correct	Correct	Wrong	Correct	Correct	Wrong
	4.4	Wrong	Wrong	Correct	No knowledge	No knowledge	No knowledge	No knowledge	Correct	No knowledge
	4.5	Correct	Correct	Wrong	No knowledge	No knowledge	No knowledge	Correct	No knowledge	Correct
Procurement and Relationship Management	5.1	Wrong	Wrong	Wrong	Wrong	Correct	No knowledge	Wrong	Wrong	Wrong
	5.2	Wrong	No knowledge	Correct	No knowledge	No knowledge	No knowledge	Wrong	Wrong	No knowledge
	5.3	Correct	Correct	Wrong	No knowledge	Correct	Correct	Correct	Correct	Correct
	5.4	No knowledge	Correct	Correct	No knowledge	Correct	No knowledge	No knowledge	No knowledge	No knowledge



Topic		Elected Member A	Elected Member B	Elected Member C	Elected Member D	Elected Member E	Elected Member F	Elected Member G	Elected Member H	Elected Member I
	5.5	No knowledge	Correct	Wrong	No knowledge	Wrong	Correct	Correct	Correct	No knowledge
	5.6	Correct	Correct	Correct	No knowledge	Wrong	Correct	Correct	Correct	Correct
Investment Performance and Risk Management	6.1	No knowledge	Wrong	Correct	Wrong	No knowledge	Wrong	No knowledge	Wrong	No knowledge
	6.2	Wrong	Wrong	Correct	No knowledge	Wrong	Wrong	Wrong	Wrong	Wrong
	6.3	Correct	Correct	Correct	Correct	Correct	Correct	Correct	Correct	Correct
	6.4	Wrong	Wrong	Correct	Wrong	No knowledge	Correct	No knowledge	Correct	Wrong
	6.5	Wrong	Wrong	Correct	Correct	Correct	Correct	No knowledge	No knowledge	No knowledge
	6.6	Wrong	Correct	Wrong	No knowledge	Correct	Correct	Correct	Correct	Correct
Financial Markets and Product Knowledge	7.1	Correct	Wrong	Correct	Correct	Correct	Correct	No knowledge	Correct	Correct
	7.2	Correct	Correct	Correct	Wrong	Correct	Correct	Correct	Correct	Correct
	7.3	Wrong	Correct	Correct	Wrong	Correct	Correct	Correct	Correct	Correct
	7.4	Wrong	Correct	Wrong	No knowledge	No knowledge	Correct	No knowledge	Correct	Correct
	7.5	Wrong	Wrong	Correct	No knowledge	Wrong	No knowledge	No knowledge	Correct	No knowledge
	7.6	Correct	Correct	Correct	No knowledge	No knowledge	No knowledge	No knowledge	Correct	No knowledge
	8.1	Correct	Correct	Correct	No knowledge	No knowledge	Correct	Correct	Correct	Correct



Topic		Elected Member A	Elected Member B	Elected Member C	Elected Member D	Elected Member E	Elected Member F	Elected Member G	Elected Member H	Elected Member I
Actuarial Methods, Standards and Practices	8.2	Correct	Wrong	Wrong	No knowledge	No knowledge	Wrong	No knowledge	Wrong	Wrong
	8.3	No knowledge	Wrong	Wrong	No knowledge	Wrong	Wrong	Wrong	Correct	No knowledge
	8.4	No knowledge	Wrong	Wrong	No knowledge	No knowledge	No knowledge	No knowledge	No knowledge	No knowledge
	8.5	Wrong	No knowledge	Correct	No knowledge	No knowledge	No knowledge	No knowledge	Correct	Wrong
	8.6	No knowledge	Correct	Correct	No knowledge	No knowledge	No knowledge	No knowledge	No knowledge	No knowledge

The following sets out the percentage answers given by Committee that were correct, incorrect or where the respondent indicated they had no knowledge of the topic.



Given a significant number of the respondents indicated membership of the Pension Committee of less than 1 year it is encouraging that the percentage of correct answers given were over 40%. Those respondents who have been members of the Committee for longer clearly stand out in terms of their



individual results. The above table does illustrate the areas where the greatest focus should be in terms of the Fund's training plan for the coming year to 18 months. Given the incidence of no knowledge of the topic being given as a response the key areas to focus training on would appear to be:

- Pensions Administration;
- Pensions Accounting and Audit Standards;
- Procurement and Relationship Management;
- Financial Markets & Product Knowledge; and
- Actuarial Methods, Standards and Practices.



**Pension Board**

Topic		Board member 1	Board member 2	Board member 3	Board member 4	Board member 5	Board member 6	Board member 7
<b>Committee Role and Pensions Legislation</b>	1.1	Correct	Correct	Correct	Correct	Correct	Correct	Correct
	1.2	No knowledge	No knowledge	Correct	No knowledge	Correct	No Knowledge	Correct
	1.3	Correct	Wrong	Correct	Correct	Correct	Correct	Correct
	1.4	Correct	Correct	Wrong	Correct	Correct	Correct	Correct
	1.5	Correct	Correct	Correct	Correct	Correct	Correct	Wrong
	1.6	Correct	Correct	Correct	Wrong	Correct	Correct	Correct
<b>Pensions Governance</b>	2.1	Correct	Correct	Correct	Correct	Correct	Wrong	Correct
	2.2	Correct	No knowledge	Correct	Wrong	Correct	No Knowledge	Correct
	2.3	Correct	Correct	Correct	Correct	Correct	No Knowledge	Correct
	2.4	Correct	Correct	Correct	Correct	Correct	No Knowledge	Correct
	2.5	Wrong	Wrong	Correct	Correct	Correct	Correct	Correct
	2.6	Wrong	Correct	Wrong	Correct	Correct	No Knowledge	Wrong
<b>Pensions Administration</b>	3.1	No knowledge	Correct	Correct	Correct	Correct	No Knowledge	Correct
	3.2	No knowledge	No knowledge	Wrong	Wrong	Correct	No Knowledge	No knowledge
	3.3	Wrong	Correct	Correct	Correct	Correct	Wrong	Correct
	3.4	Correct	Correct	Correct	Correct	Correct	Correct	Correct
	3.5	Correct	No knowledge	Wrong	Wrong	Correct	No Knowledge	Wrong
	3.6	No knowledge	Correct	Wrong	Wrong	Wrong	No Knowledge	Correct
<b>Pensions Accounting and Audit Standards</b>	4.1	No knowledge	Correct	Wrong	Wrong	Correct	No Knowledge	Correct
	4.2	Correct	Correct	Correct	Correct	Correct	Correct	Correct
	4.3	No knowledge	Correct	Correct	Wrong	Correct	Correct	Correct



Topic		Board member 1	Board member 2	Board member 3	Board member 4	Board member 5	Board member 6	Board member 7
	4.4	Correct	Wrong	Wrong	Correct	Correct	No Knowledge	Correct
	4.5	Wrong	Correct	Correct	Wrong	Wrong	Correct	Correct
Procurement and Relationship Management	5.1	No knowledge	Wrong	Wrong	Wrong	Wrong	No Knowledge	Correct
	5.2	No knowledge	Wrong	Wrong	Correct	Correct	No Knowledge	Correct
	5.3	Correct	Correct	Correct	Correct	Correct	No Knowledge	Correct
	5.4	No knowledge	No knowledge	Correct	Correct	Correct	Correct	Correct
	5.5	No knowledge	Correct	Correct	No knowledge	Correct	Correct	Correct
	5.6	Correct	Correct	Correct	Correct	Correct	Correct	Correct
Investment Performance and Risk Management	6.1	Wrong	No knowledge	Correct	Wrong	Correct	No Knowledge	No knowledge
	6.2	Wrong	Correct	Wrong	Correct	Wrong	No Knowledge	Correct
	6.3	Correct	Correct	Correct	Correct	Correct	No Knowledge	Correct
	6.4	Wrong	Wrong	Correct	Wrong	Wrong	No Knowledge	Wrong
	6.5	No knowledge	No knowledge	Correct	Correct	Wrong	No Knowledge	Correct
	6.6	Correct	Correct	Correct	Correct	Correct	No Knowledge	Correct
Financial Markets and Product Knowledge	7.1	Correct	Wrong	Correct	Correct	Correct	Correct	Wrong
	7.2	Correct	Correct	Correct	Wrong	Correct	No Knowledge	Correct
	7.3	Correct	Correct	Correct	Correct	Correct	No Knowledge	Correct
	7.4	Correct	No knowledge	Correct	Wrong	Correct	No Knowledge	Correct
	7.5	Wrong	Correct	Correct	Wrong	Correct	No Knowledge	Correct

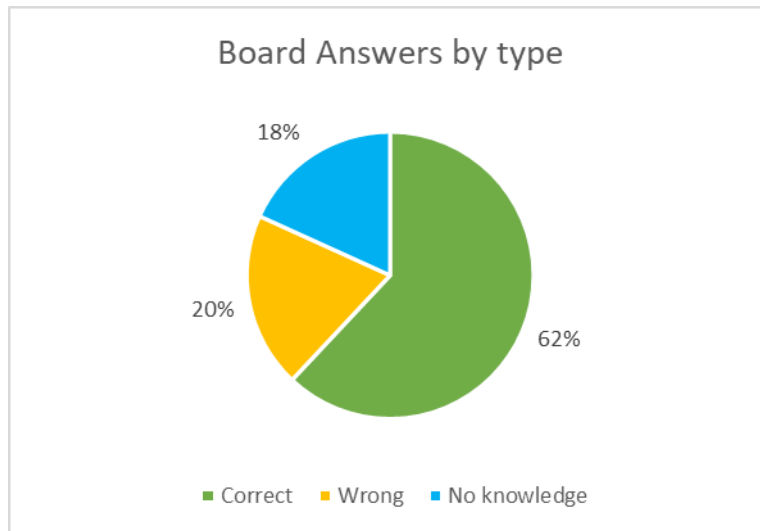


Topic		Board member 1	Board member 2	Board member 3	Board member 4	Board member 5	Board member 6	Board member 7
	7.6	Wrong	No knowledge	Correct	No knowledge	Correct	No Knowledge	Correct
Actuarial Methods, Standards and Practices	8.1	Correct	Correct	Correct	Correct	Correct	Correct	Correct
	8.2	No knowledge	Wrong	Correct	Wrong	Wrong	No Knowledge	Wrong
	8.3	Wrong	No knowledge	Correct	Wrong	Correct	Wrong	Wrong
	8.4	Correct	Correct	Correct	No knowledge	Correct	No Knowledge	Correct
	8.5	No knowledge	No knowledge	Wrong	Wrong	Correct	No Knowledge	Wrong
	8.6	Correct	No knowledge	Correct	Correct	Correct	No Knowledge	Wrong





The following sets out the percentage answers given by Board that were correct, incorrect or where the respondent indicated they had no knowledge of the topic.



Given the explicit requirement for Pension Board members to have the required knowledge and understanding to enable them to perform their role it is encouraging to see that the percentage of correct answers was so high. It is also encouraging to see the incidence where they suggest no knowledge of a topic is only 18%. That said, there is still a need to increase levels knowledge and understanding in order that the Pension Board can adequately support the scheme manager. Given the incidence of no knowledge of the topic being given as a response the key areas to focus training on would appear to be:

- Pensions Administration;
- Procurement and Relationship Management;
- Investment Performance and Risk Management; and
- Actuarial Methods, Standards and Practices.

#### **Actions**

- The Fund should incorporate the results of the above findings into its training plans for both Committee and Board members. As has been highlighted within the more general results particular attention in the first instance should be given to:
  - Actuarial Methods, Standards and Practices; and
  - Pensions Administration

## Commentary

It is encouraging that 16 participants from your Fund took part in the assessment, representing a 100% completion rate. Given the fact that the Pension Committee has a number of new members, with limited experience it is perhaps not surprising that the overall scores were lower than might be desired. We would fully expect there to be gaps in the knowledge of all members, no matter their role on the Committee/Board, their tenure or indeed their background in terms of pensions experience. The most important thing to emphasise is that not everybody needs to be an expert in all areas, rather there should be a spread of knowledge across your Committee and Board which is supported by advice from officers and professional advisors.

Just as important as gaining the relevant knowledge and understanding expected of a Pension Committee or Board is the application of that knowledge and understanding, including the utilisation of an individual's own background and perspective. To supplement a Fund's training plan, we recommend that case study analysis is also included as part of both the Committee and Board training plans, allowing time for reflection on how both groups react and act on issues.

### **Committee**

The results show that Financial Markets and Product Knowledge, and Investment Performance & Risk Management have the highest levels of knowledge, but that the areas to focus any specific training on might be Actuarial Methods, Standards & Practices and Pensions Administration for the Committee.

### **Local Pension Board**

The results show that the highest levels of knowledge relate to Committee Role and Pensions Legislation, but that the areas to focus any specific training for the Board should be on Actuarial Methods, Standards and Practices, given the proximity of the 2022 triennial valuation.



## Engagement

One of the key areas that we recommend funds focus on is Committee and Board engagement. With the ever-increasing pace of change in the pensions and investments world, Committee/Board engagement is critical to maintaining strong collective knowledge. There is an expectation that Committee/Board members need to be not only willing, but keen to develop their knowledge and understanding across the raft of topics upon which they will need to make, or ratify, decisions.

### Overall engagement

One measure of the engagement of members is their willingness to participate in training. As such, we have used the participation level of this survey to measure the engagement of your Committee and Board members. The table below shows the breakdown of the total number of participants from the Fund, as a proportion of those who could have responded. By comparison, when we carried out a National Knowledge assessment the average engagement score was just above 60%. It is encouraging to see that everyone participated in the assessment.

	Participants	Total Number	Participation rate
Committee	9	9	100%
Board	7	7	100%
<b>Total</b>	<b>16</b>	<b>16</b>	<b>100%</b>

### Commentary on engagement

With the number of changes to the LGPS in recent years, it is vital that Committee and Board members remain abreast of the latest developments and feel confident that they have the knowledge required to make the decisions required of them. Their level of engagement is a key driver of this. With a 100% response rate the Fund has received excellent engagement.

It is important, however, to maintain this engagement, particularly in the current climate where scheme governance is under greater scrutiny and the Scheme Advisory Board Good Governance recommendations are expected imminently.



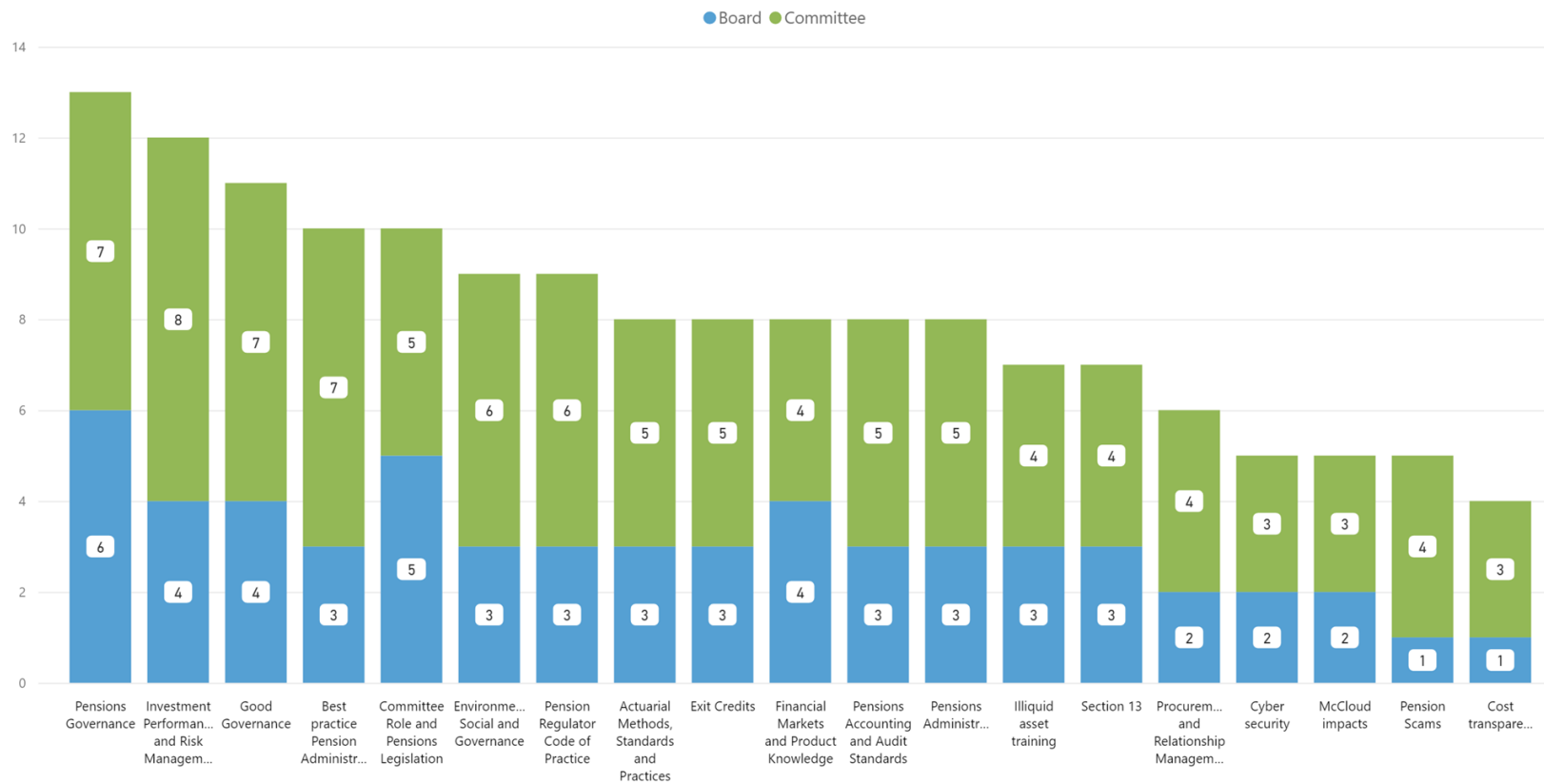
# Training

## Feedback from participants

One of the final sections of the survey asked participants to indicate which topics they would like to receive training on. There was a list of options available, covering a broad spectrum of the topics we believe are most relevant to allowing Committee and Board members to effectively perform their roles. Members were also given the option to indicate any other areas in which they would benefit from further training.

The table below summarises the areas in which members indicated training would be beneficial.

Training Requirements



While the above topics include the 8 topic headings set out in the assessment respondents were also given the choice of a number of other issues and hot topics to choose from.

It is interesting, however, that the assessment results indicate Actuarial Methods, Practices and Standards should be a priority but this has not been reflected to the same degree by respondents. While the Fund should use the feedback from the participants to feed into its training plans for the coming months it should also focus on the evidence provided by our analysis of the results of the assessment exercise.

**Suggested Training Plan**

When considering the contents of your training plan we recommend it covers the following key learning areas for an LGPS Fund:

- Fundamental learning (e.g. Regulator toolkit, CIPFA knowledge and Skills);
- Business plan objectives and key operational priorities; and
- Current topics (e.g. McCloud, ESG, etc.)

Based on the results of the knowledge assessment we have set out below a summarised set of training priorities below that the Fund should consider incorporating into its Committee and Board training plans for the coming 12 to 18 months.

2021/22 – Q3	<ul style="list-style-type: none"> <li>• Actuarial Methods, Practices and Standards + Pensions Administration</li> </ul>
2021/22 – Q4	<ul style="list-style-type: none"> <li>• Actuarial Methods, Practices and Standards</li> <li>• Investment Performance and Risk Management</li> </ul>
2022/23 – Q1	<ul style="list-style-type: none"> <li>• Committee Role &amp; Pensions Legislation</li> <li>• Pensions Governance</li> </ul>
2022/23 – Q2	<ul style="list-style-type: none"> <li>• Procurement and Relationship Management</li> </ul>
2022/23 – Q3	<ul style="list-style-type: none"> <li>• Pensions Accounting and Audit Standards</li> </ul>
2022/23 – Q4	<ul style="list-style-type: none"> <li>• Financial Markets and Product Knowledge</li> </ul>



### Training support

Tools such as this online assessment offer different ways for members to take part in training. There might be more options for online training sessions which you could take advantage of. We have noted some training materials and websites below which might help you deliver focussed sessions to your Committee and Board and keep them informed on the most pertinent pension areas.

- CIPFA Knowledge and Skills Framework
- [TPR Public Service Toolkit](#)
- [LGA fundamental training – currently a ‘physical’ attendance course](#)
- [LGA monthly bulletins](#)
- Regular topical updates from Officers – e.g. valuation planning and assumptions, McCloud, etc.
- Hymans monthly round up articles

The Fund has committed to using the Hymans Robertson On-line Learning Academy as part of the delivery of its wider training plan. The platform contains a number of bitesize training videos and short assessments for Committee and Board members across all of the 8 topics covered by this assessment, together with emerging current issues or hot topics. This will provide a strong base from which to deliver more detailed and focussed training as part of the Fund’s wider training plan. Each of the priorities highlighted above are covered by the On-line Learning Academy. Individuals will be able to view the videos and undertake the short assessments in their own time ahead of any more formal training ahead of Committee and Board meetings.



## Next Steps

Based on the results we would suggest that there should be consideration to the following next steps:

- This report and the suggested training plan should be **reviewed** by the fund's officers and results shared with the Committee and Board
- Continue the roll out of Hymans On-line Learning Academy to Pension Committee and Pension Board members;
- Set up a **structured training plan** for the next 18 months covering the three key learning areas and incorporating the main areas highlighted in this report
- Consider the most **pressing** training requirements over the next 6 to 8 months, to ensure members have the required knowledge – e.g. Actuarial Methods, Standards & Practices
- **Assess** the full range of tools available to the Fund to assist with training, including the On-line Learning Academy, TPR Toolkit, etc.
- Consider ways of **maintaining** the engagement of both the Board and Committee. This could include providing them with more information, training materials, briefing notes etc.
- Ensure that the Fund's training strategy is up to date and **appropriate** for purpose
- Look to conduct a **case study workshop** with your Committee and Board. This will gain officers a further insight into the **practical application** of both groups knowledge and understanding. This could be presenting various scenarios e.g. how the administration teams will deal with the McCloud judgement and allowing group discussion on how the Committee and Board would deal with selected case studies in their role as decision makers and oversight bodies. Hymans Robertson can facilitate a case study workshop for your Committee and Pension Board, as well as preparing an observation report for the Fund.



### Hymans Support

We are happy to run training sessions, and/or provide training materials covering any of the topics covered in this report. The value of a face-to-face session for this type of training lies in members being able to ask relevant questions and interrogate the trainer on the specific areas they want to develop knowledge in. We understand that at present this might exclude physical attendance, but we are happy to set up video conference calls to assist with the ongoing training of both groups now.

If you wish to discuss the contents of this report further, please get in touch.

Prepared by

A handwritten signature in black ink, appearing to read 'Peter Riedel', is placed over a light grey rectangular background.

Peter Riedel

Senior Technical LGPS Governance, Administration and Projects (GAP) Consultant

On behalf of Hymans Robertson LLP





## Reliances and Limitations

This report has been prepared for the Wiltshire Pension Fund.

This report must not be released or otherwise disclosed to any third party except with our prior written consent, in which case it should be released in its entirety.

Hymans Robertson LLP do not accept any liability to any party unless we have expressly accepted such liability in writing.

This report has been prepared by Hymans Robertson LLP, based upon its understanding of legislation and events as at October 2021.



## Wiltshire Pension Fund Committee & Board Member training strategy - Q4

**2021 to Q3 2025**

**Based on the CIPFA Technical Knowledge & Skills Framework 2021 &  
Hyman Robertson Q4 2021 training feedback surveys**

### Committee

Period	Actual Meeting Date	CIPFA Framework category	Proposed training item	By whom	Meeting Focus
Newly inducted members will receive a Member Handbook, Induction training from Officers, attend the LGPS Fundamentals training course & be required to complete the Pension Regulator's on-line toolkit					
All members, in addition to the organised training set out below will be invited to attend additional internal training events, plus external conferences, seminars & pension forums to supplement & maintain their knowledge & understanding. Technical notes will also be circulated as required.					
<b>New 4 Year Policy &amp; Strategy approved</b>					
<b>MiFID II self certification</b>					
Q4 2021	25/11/21	Investment Performance & Risk Management	Roles of the Custodian, IMs, Investment Advisers & Independent Adviser	Officers	Investment
Q4 2021	16/12/21	Governance	Cyber Security Presentation	Officers	Administration
Q1 2022	03/03/22	Investment Performance & Risk Management	Performance management monitoring	Officers	Investment
Q1 2022	24/03/22	Actuarial Method	Valuation training	Hymans	Administration
Q2 2022	26/05/22	Committee Role & Pension legislation	TCFD, the Stewardship Code & the Fund's voting policy	Officers	Investment
Q2 2022	30/06/22	Committee Role & Pension legislation	TPR Single Code of Practice	Officers	Administration
<b>Member Effectiveness Review</b>					

Q3 2022	08/09/22	Accounting & Audit	Statutory Annual Accounting & Reporting standards	Officers	Investment
Q3 2022	29/09/22	Administration	The Benefit structure	Officers	Administration
<b>MiFID II self certification</b>					
<b>Annual self-assessment review</b>					
Q4 2022	24/11/22	Financial Markets and Products Knowledge	Myners Principles and MiFID II	Officers	Investment
Q4 2022	15/12/22	Governance	GDPR update	Officers	Administration
Q1 2023	02/03/23	Financial Markets and Products Knowledge	Responsible Investment Modelling	Officers	Investment
Q1 2023	30/03/23	Administration	Pension Payroll & NFI	Officers	Administration
Q2 2023	To be confirmed	Accounting & Audit	Payroll controls	Officers	Investment
Q2 2023	To be confirmed	Actuarial Method	Valuation & Employer Covenants	Officers	Administration
Q3 2023	To be confirmed	Financial Markets and Products Knowledge	ESG Policy construction	BPP	Investment
Q3 2023	To be confirmed	Administration	Complaints, Dispute & Disclosure requirements	Officers	Administration
<b>MiFID II self certification</b>					
<b>Annual self-assessment review</b>					
Q4 2023	To be confirmed	Financial Markets and Products Knowledge	Performance Benchmarking	Officers	Investment
Q4 2023	To be confirmed	Administration	AVC Performance management	Officers	Administration
Q1 2024	To be confirmed	Accounting & Audit	Responsibilities of internal & External Auditors	Officers	Investment

Q1 2024	To be confirmed	Actuarial Method	Valuation refresher	Officers	Administration
Q2 2024	To be confirmed	Investment Performance & Risk Management	Tax in relation to UK & Overseas investments	Officers	Investment
Q2 2024	To be confirmed	Governance	Discretionary powers	Officers	Administration
Q3 2024	To be confirmed	Financial Markets and Products Knowledge	Portfolio Construction	Officers	Investment
Q3 2024	To be confirmed	Governance	Breaches of Law	Officers	Administration
<b>MiFID II self certification</b>					
<b>Annual self-assessment review</b>					
Q4 2024	To be confirmed	Procurement and Relationship Management	IM Mandates and our contractual relationship with BPP	BPP	Investment
Q4 2024	To be confirmed	Committee Role & Pension legislation	The role of the Administering Authority	Officers	Administration
Q1 2025	To be confirmed	Investment Performance & Risk Management	The Investment Strategy Statement	Officers	Investment
Q1 2025	To be confirmed	Actuarial Method	Valuation training	Hymans	Administration
<b>Local Government Elections - May 2025 - Appointment of new Councillors</b>					
Q2 2025	To be confirmed	Investment Performance & Risk Management	Risk vs Reward	Officers	Investment
Q2 2025	To be confirmed	Procurement and Relationship Management	Contract Management	Officers	Administration

Q3 2025	To be confirmed	Accounting & Audit	Treasury Management arrangements	Officers	Investment
Q3 2025	To be confirmed	Actuarial Method	Discretionary Exit Credits to an Employer	Hymans	Administration
<b>MiFID II self certification</b>					
<b>External self-assessment review to set new training policy &amp; strategy</b>					
Q4 2025	To be confirmed	Committee Role & Pension legislation	The structure of and relationship with BPP	Officers	Investment
Q4 2025	To be confirmed	Governance	New Cllr Induction, CIPFA and SOLACE guidance	Officers	Administration
<b>Board</b>					
Period	Actual Meeting Date	CIPFA Framework category	Proposed training item	By whom	Comments
<b>New 4 Year Policy &amp; Strategy approved</b>					
<b>MiFID II self certification</b>					
Q4 2021	11/11/21	Governance	The Fund's training strategy	Officers	Committee members to be invited
Q1 2022	17/02/22	Committee Role & Pension legislation	Legal framework - External bodies, scrutiny framework & Statutory obligations	Officers	Committee members to be invited
Q2 2022	19/05/22	Governance	Breaches of Law	Officers	Committee members to be invited
<b>Member Effectiveness Review</b>					
Q3 2022	25/08/22	Administration	Pension Administration Strategy	Officers	Committee members to be invited
<b>MiFID II self certification</b>					
<b>Annual self-assessment review</b>					
Q4 2022	17/11/22	Administration	Record keeping & Data Improvement	Officers	Committee members to be invited

Q1 2023	23/02/23	Governance	Scheme Advisory Board	Officers	Committee members to be invited
Q2 2023	To be confirmed	Administration	Monitoring Employer performance	Officers	Committee members to be invited
<b>Multiple Board terms of office expire</b>					
Q3 2023	To be confirmed	Governance	Documentation management	Officers	Committee members to be invited
<b>MiFID II self certification</b>					
<b>Annual self-assessment review</b>					
Q4 2023	To be confirmed	Governance	Registering interests & the Conflicts of Interest Policy	Officers	Committee members to be invited
Q1 2024	To be confirmed	Procurement & Relationship Mgt	The process & measuring service provider performance	Officers	Committee members to be invited
Q2 2024	To be confirmed	Accounting & Audit	Secondary Statutory Returns	Officers	Committee members to be invited
Q3 2024	To be confirmed	Financial Markets and Products Knowledge	Myners Principles and MiFID II	Officers	Committee members to be invited
<b>MiFID II self certification</b>					
<b>Annual self-assessment review</b>					
Q4 2024	To be confirmed	Administration	The Benefit structure	Officers	Committee members to be invited
Q1 2025	To be confirmed	Financial Markets and Products Knowledge	Analysis Climate Transition (ACT) Monitoring	Officers	Committee members to be invited
Q2 2025	To be confirmed	Governance	GDPR update	Officers	Committee members to be invited
Q3 2025	To be confirmed	Accounting & Audit	Statutory Annual Accounting & Reporting standards	Officers	Committee members to be invited
<b>MiFID II self certification</b>					

External self-assessment review to set new training policy & strategy					
Q4 2025	To be confirmed	Governance	Breaches of Law	Officers	Committee members to be invited

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## **WILTSHIRE COUNCIL**

WILTSHIRE PENSION FUND COMMITTEE  
16 December 2021

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### **PENSIONER PAYROLL DATABASE RECONCILIATION PROJECT & NEW PENSIONER PAYROLL SYSTEM UPDATE**

#### **Purpose of the Report**

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

#### **Background**

2. This paper provides an update on how the situation has developed since the last quarterly meeting.

#### **Current situation**

##### Rectification project

3. The current situation of the rectification project is as follows, for the cases in scope:
  - a). There are now fewer than 80 cases still at 'stage 2' (where the pension administration system, Altair, is inconsistent with itself). Each case continues to take some time to correct and involves close working with the system's provider to remove complex errors. These errors need to be removed before the case can be properly assessed as part of stage 3, where a comparison is taken against SAP (the pensioner payroll system). In many, but not all cases, once the system error is resolved it is clear there is no under or over payment.
  - b). At the time of writing, officers have now initially been through all of the c1,100 pensioner cases that have already passed stage 2 and have peer reviewed around 510 of them, correcting and writing to members as necessary at the same time (completing stage 3 and 4). Note: Corrections to Altair or SAP can only take place once a case has been peer reviewed and not all cases have result in a change been needed to SAP (or for the member to be notified).
  - c). As a general rule, officers are giving members around 2 months notification of any change to their payment amounts (with some exceptions for very small differences) to allow the member time to manage their financial circumstances and in line with national guidelines.
  - d). For cases where SAP is correct and Altair is incorrect, these are being prioritised behind those cases where SAP is incorrect.
  - e). Officers have received no further Internal Dispute Resolution Procedures (IDRPs) since the last update.

g). Furthermore, officers have now reviewed all other pensioners which were not initially in scope and this has resulted in a relatively small increase in cases which need to be corrected on SAP.

h). The project has also moved on to include within its scope a further review of dependant pensions too (further to the previous review which took place in around 2013); early signs suggest some issues which were either missed at the time or which have occurred since then (for example, due to receiving revised Guaranteed Minimum Pension values from HMRC) but these are generally much smaller than those cases in the original scope.

#### New pensioner payroll system update

4. The Committee approved the purchase of Altair Pensioner payroll and immediate payments (subject to compliance with procurement rules and contract) in June 2021, with intention to go live with the new integrated system in the Summer/Autumn of 2022
5. However, in consideration of the risks associated with the interdependencies with the Council's Evolve programme, the s151 officer has decided to postpone the movement to an integrated pensioner payroll system until after the Evolve programme goes live. This pushes back the likely go live date of the integrated payroll system until mid to late 2023 at the earliest and quite possibly not until during 2024.
6. Due to this change in approach, Fund officers are now engaging with the Evolve project to attempt to minimise the risks of the transition of the pensioner payroll to a new system and to seek out opportunities to make improvements to the service at the same time. In particular, officers are now also seeking to undertake other related mini projects to help align the set up records between Altair and SAP (and its replacement) which will make future reconciliations easier, help improve controls and provide the ground work for the eventual integration of systems.
7. Furthermore, officers are also exploring the possibility of still proceeding with implementing the immediate payments aspect (one-off payments), which would still bring some efficiency and control improvements, as well as the possibility of bringing the pensioner payroll team in house before the date of integration.

#### Considerations for the Committee

8. Officers are continuing to take a highly cautious approach to going through cases to try to limit the chance of errors being made as part of this review; in many cases, there is a large amount of information to review and consider to reach a final view point and hence the timeframes for the completion of this project are relatively long and difficult to predict. It is possible that corrections could continue up to April or May 2022 but an early completion date is being targeted.
9. There are now four members of staff working on cases on a part-time capacity. However, the time that each person is able to dedicate to the project is dependant on being able to complete essential elements of their normal role.

#### Environmental Impact

10. There is no environmental impact from this report.

#### Financial Considerations

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

**Risk Assessment**

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

**Legal Implications**

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

**Safeguarding Considerations/Public Health Implications/Equalities Impact**

14. There are no implications at this time.

**Proposals**

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

**Jennifer Devine**

Head of Wiltshire Pension Fund

Report Author: Andy Cunningham – Pensions Administration Lead

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No	Vision theme	Action	Expected Service Benefits	Resourcing Requirement and any identifiable costs (blank = nil)	Resourcing Level Required	Service Priority	Initial target timeframe	Progress notes at 1 November 2021
1	Robust and accurate service delivery	<b>Achieve compliance with Accessibility Regulations:</b> Mainly in relation to the Fund's website but also in relation to other online portals.	Achieves compliance	Communications Manage	Medium	High	30/04/21	Shaw Trust completed an audit in October 2021 and officers received a report in early November 2021. The report highlighted some technical issues with the website which means it would be difficult to explore users who utilise assistance technology (for example by using a keyboard rather than a mouse). Officers are working with the website provider to resolve the key issues before the end of 2021/2022 and to then commission a repeat audit.
2	Strong accounting controls	<b>Embed new contributions receipts and monitoring processes</b>	Clear audit trail for all contributions received, simpler and easier to analyse information on timeliness, accuracy and completeness of contributions received	Investments and accounting team	Medium	High	30/06/21	Completed New process for recording, monitoring and reporting on contributions receipts has been embedded within the team.
3	Working with other funds to deliver investment pooling	<b>Ensure timely and cost-efficient transition of multi-asset credit and gilts portfolios to the Brunel pool</b>	Safeguarding the assets of the Fund	Investments and accounting team	Low	High	30/06/21	Completed
4	Working with other funds to deliver investment pooling	<b>Work with the operations group on improving reporting in line with Wiltshire's requirements</b>	Improved reporting will enable the Committee to better understand the drivers of performance for the pooled portfolios, and to effectively hold Brunel to account	Investments and accounting team	Medium	High	30/06/21	Ongoing
5	Robust and accurate service delivery	<b>Annual Benefit Statements:</b> a). Improve percentage of active ABSs sent to 99% (from 96.9% in 2020). b). Improve the style and design of the ABS, by collaborating with other Funds, and making it online-friendly.	Improved service to customers and greater compliance with regulation.	Data & Systems Team and Employers Administrators	High	High	31/08/21	Completed and target met
6	Strong accounting controls	<b>Full reconciliations review – improve and simplify processes, and develop reporting of management info</b>	Resource saved in the team and diverted to more value-added work, using the findings from the reconciliations to update management on any emerging issues	Investments and accounting team	Medium	High	30/09/21	Started - further work needed
7	Strong accounting controls	<b>Journal postings – improve evidence trail</b>	Clear audit trail for all journals posted with appropriate checks and authorisation	Investments and accounting team	Low	High	30/09/21	Completed
8	Robust and accurate service delivery	<b>Payroll reconciliation and rectification:</b> Complete rectification on the pension administration and pensioner payroll system as required for all material discrepancies	Compliance with legislation and ensuring the correct pensions are in payment	Project team and temporary staff. Cost: Additional staff at approximate cost of £35k and expectation of increase costs relating to complaints.	High	High	31/12/21	Work in progress. Whilst this is behind schedule it remains a very high priority still with regular reporting to all Board and Committee meetings. Intention is to complete the action by the end of the financial year.

9	Robust and accurate service delivery	<b>(Carried Forward from 2020/2021)</b> <b>Benefits Calculation Assurance Strategy:</b> a). Extend the use of the current internal peer-checking policy to cover more processes. b). Review the approach to peer-checking and making changes to way it is undertaken.	Efficient work practices.	Benefits Manager and team.	Medium	High	31/12/21	Complete - more processes are now covered and this will now be continually reviewed as part of business and usual.
10	Embracing Technology	<b>i-Connect Rollout:</b> a). Complete onboarding of all employers onto i-Connect. b). Seek to onboard new employers onto i-Connect within 3 months of joining the Fund.	*Improved efficiencies, controls and data quality. *Substantial time-saving on current end of year processes. *Improved KPIs	Existing staff time: Project team & Data and Systems team. Costs include some additional recruitment (see action 11)	High	High	31/03/22	i-Connect is behind schedule, mainly due to lack of employer engagement or ability to onboard but also Fund staff prioritising other work more highly. However, more recently more staff have been added to this area.
11	Lean processes, high performing and efficient with a culture of continuous improvement	<b>Continue process improvements:</b> a). Complete end-to-end process review programme. b). Review all workflows so the approach is consistent, check and peer checks are up to date and they allow effective KPIs, supervision and they integrate with auto-task allocation.	*More efficient, lean processes with better controls and improved communications.	Project Manager	High	High	31/03/22	Complete
12	Management of investments	<b>Develop Responsible Investment work - incorporate the Committee's views into the Investment Strategy Statement, and work with consultants to develop and refine the Fund's approach</b>	This work will help the Committee to understand and incorporate risks which could have a material financial impact on the Fund's future investment returns	Investments and accounting team, consultancy support (quote of £65k included in 2021/22 budget)	High	High	31/03/22	Ongoing, but excellent progress made - the Fund now has a Responsible Investment Policy and is on track to complete the actions set out in the Responsible Investment Plan 2021/22
13	Strong accounting controls	<b>Develop and implement proper cash flow forecasting and monitoring</b>	More predictable cash requirements, ability to hold lower cash balances, benefitting from investment returns instead	Investments and accounting team	Medium	High	31/03/22	Started - further work needed
14	Working with other funds to deliver investment pooling	<b>Manage and monitor ongoing asset pooling governance issues</b>	Resolution of the issues identified in the governance review will provide confidence to the Committee about the operations of the pool	Investments and accounting team	High	High	31/03/22	Ongoing
15	Outstanding Customer Service and stakeholder relationships	<b>Implement new employer ill-health insurance model:</b> As agreed by Committee and Board at the end of 2020 and following consultation with employers.	Saves employers money & simpler administration	Data & Finance team	Low	Medium	30/04/21	Completed
16	Outstanding Customer Service and stakeholder relationships	(Carried forward) Customer Service Policy and Customer Service-based KPIs: a). Produce a customer service policy. b). Produce and monitor customer service based KPIs (e.g. customer satisfaction, time to answer calls/emails, website)	*Ability to align, develop and improve the service after consideration of customer feedback and requirements	Communications Manager	Medium	Medium	30/06/21	a). Completed b). Work in progress (some of this is delayed due to transition from Mitel to MS Teams)
17	Effective governance, Committee and Board training	<b>Introduce Governance online training modular system</b>	Aims to provide a baseline evidential platform of K&U attainment & maintenance amongst the Fund's decision makers	Circa £10,000 pa for a minimum 2 year contract.	Low	Medium	30/06/21	Completed

18	Thriving team and fluid governance	<b>Improved oversight and performance dashboard:</b> Enhance oversight information through the use of improved reporting or Business Intelligence (BI), additional SQL reporting and improved reports.	To facilitate improved management, oversight and data/evidence-driven decisions.	Costs = TBD for BI software before next budget (if this approach is taken) Existing staff	Medium	Medium	31/08/21	Complete - Officers now have access to Altair Insights which provides the desired information.
19	Thriving team and fluid governance	<b>(Carried Forward from 2020/2021)</b> <b>Appraisal enhancements:</b> Greater alignment of staff goals with business plan and customer feedback, introduction of part-year reviews of objectives.	Staff morale & motivation, service delivery & Fund productivity & performance. Staff understanding their contribution	All managers	Medium	Medium	31/08/21	Ongoing
20	Management of investments	<b>Report in line with the Task Force for Climate-related Financial Disclosures (TCFD) requirements</b>	Pre-empt the expectation that this will become mandatory, and shows that the Fund is forward thinking, and reporting in line with best practice	Investments and accounting team	Low	Medium	30/09/21	Complete
21	Outstanding Customer Service and stakeholder relationships	<b>Complete phase 2 implementation of new Fund website:</b> a). Online member forms. b). Enhanced information c). Range of mediums for accessing information (written & recorded webinar)	*Improved information for Scheme Members on the website which should lead to a reduction in calls and email queries and a saving in time when responding to queries.	Communications Manager and Projects Manager	High	Medium	31/10/21	Complete
22	Effective governance, employer and staff training	<b>[Partially carried forward from 2020/2021]</b> <b>Employer Training:</b> a). To produce and add a series of pre-recorded webinars, training material to the new employer website. b). To produce and instigate a programme of 1-1 employer liaison based on employer needs and performance (including based on their tiered rating for data quality). c). Create and maintain a dashboard of key employer interactions.	Improved employer experience, such as improved decision-making and time-saved, better quality and more timely data submissions	Existing staff time/immaterial costs: Communications Manager and Employer Relationship Manager	Medium	Medium	30/11/21	Started - further work needed
23	Lean processes, high performing and efficient with a culture of continuous improvement	<b>Introduction of processed based digital programme:</b> a). As relevant, integrate member based processes with My Wiltshire Pension (MSS) so members can complete their part of the process online (such as uploading documents, forms and make decisions) and they can monitor the progress of their case. b). Introduce an approach where all quote work and estimates are either self-serve or using i-Connect data. As default, all members are treated as paperless.	*More efficient, lean processes with better controls and improved communications.	Project Manager	Medium	Medium	31/12/21	Complete with release of new deferred into pay process (although there is more work to do beyond the scope of this action)
24	Embracing Technology	<b>E-Communication improvements:</b> Move to approach of more targeted communications for different member and employer groups using Altair email, improved branding and mass mailing software	*More frequent and timely communications due to ease of sending and removal of all material costs. *Administrative cost savings. *Significant savings in paper and postage, positive impact on the Fund's carbon footprint.	Existing staff time/immaterial costs: Communications Manager and Systems Manager	Low	Medium	31/12/21	Started. Further work required until this can be deemed as work in progress.
25	Effective governance, Committee and Board training	<b>Governance training/effectiveness review</b>	Aims to underpin the quality of Committee decision making particularly post Local elections. Will align with Good Governance review & refresh the existing approach	Circa £8,000 for external on-line assessment	Low	Medium	31/12/21	Completed and target met

26	Working with other funds to deliver investment pooling	<b>Work on assurance work for the property portfolio with a view to reviewing the possibility to transition to the pool with Committee in Q2 2021</b>	Safeguarding the assets of the Fund	Investments and accounting team	Medium	Medium	31/12/21	Ongoing
27	Robust and accurate service delivery	<b>Knowledge Hub and updated procedures:</b> a). Ensure all key procedures have required notes. b). Either write explanatory notes within a Knowledge Hub and/or procure a LGPS system.	Improved controls and understanding from the team.	All of the team. Cost (external system): £5k-£6k	Medium	Medium	31/03/22	Complete a). All key procedures have notes and b). The Fund has purchased a product called PENTag which helps achieve this goal.
28	Management of investments	<b>Adopt the Stewardship Code 2020</b>	Demonstrates that the Fund is taking its responsibilities with regard to stewardship of investments seriously, safeguarding the assets of the Fund	Investments and accounting team	High	Medium	31/03/22	Ongoing
29	Management of investments	<b>Develop an approach to engaging with the scheme membership on responsible investment issues - via a new website, webinars, newsletters, surveys etc.</b>	Transparency will lead to a more engaged scheme membership on these important issues and may help inform the strategy	Investments and accounting team, some support from communications in the admin team	Medium	Medium	31/03/22	Complete - a policy is now included within the ISS and the RI Policy
30	Thriving team and fluid governance	<b>(Carried forward from 2020/2021) Introduce a statement of fund principles</b>	Clearer strategic guidance for managers when making decisions.	Senior Managers, the Committee and Board.	Medium	Medium	31/03/22	No action taken thus far, partly due to significant changes in the make up the Committee making it harder to establish key principles.
31	Robust and accurate service delivery	<b>Implement legislative reforms when they become due, such as:</b> a). McCloud (non-actives) b). Good Governance reforms c). Pension Schemes Bill; d). tPR changes; e). Any other reforms	Compliance with pending legislation	Data & Systems Team and Employers Administrators. tPR changes - Revised questionnaire template from external provider (previously used AON): £2,000	High	Medium	Varies - dependent on legislative timeframes	No action possible so far as still awaiting developments at national level
32	Embracing Technology	<b>Introduce Global Pay:</b> Introduce a new digital platform for the oversight of pensioner payment to overseas pensioners with foreign bank accounts.	Provide a digital platform which will service the Fund's overseas pensioners & offer improved data security. Potential for the enablement of functionality to check pensioner continual existence.	Costs if any are expected to be minimal. Governance Manager to co-ordinate	Low	Low	30/06/21	Not taken forward as pensioner payroll time decided to not use the system
33	Lean processes, high performing and efficient with a culture of continuous improvement	<b>(Carried forward from 2020/2021) Integrate use of automation software such as Nova Sail</b>	*Efficiency improvements to automate repetitive, low skilled, time-consuming processes.	Projects Team and Data and Systems Team	Medium	Low	31/08/21	Unable to install Nova Sail fully due to ICT barriers and generally de-prioritised



## **WILTSHIRE COUNCIL**

WILTSHIRE PENSION FUND COMMITTEE  
16 December 2021

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### **Review of the Fund Communications Strategy**

#### **Purpose of the Report**

1. The purpose of this report is to present the updated Fund Communications Strategy to Committee for approval.

#### **Background**

2. Under the Local Government Pension Scheme (LGPS) Regulations 2013, each LGPS Fund in England and Wales is required to produce and implement a Fund Communication Strategy and the Regulations also stipulate certain requirements concerning the contents of the strategy.
3. The Fund's last strategy was published in December 2019 and this proposed new strategy would replace the previous strategy.
4. The aim of the attached draft strategy is to set out how the Fund communicates with scheme employers, members and member representatives (as required).

#### **Considerations for the Committee**

5. The following key changes have been made to this Strategy:
  - a). The Strategy now includes a section on the key principles (or objectives) of the strategy (section 2) which are mostly focussed on targeting communications to specific audiences, increased digitalisation, utilising a wide variety of communication mediums and interaction with the online portals which have been rolled out in the last couple of years.
  - b). Revised and updated measurements of success (section 3) and how this tie in with the objectives.
  - c). Other miscellaneous changes which reflect the movement to digital based communications as the norm and paper as the exception and changes resulting from the implementation of the business plan.
6. Officers have self-assessed the compliance of this Strategy against Regulation 61 of the LGPS Regulations 2013 and believe this Strategy is compliant.
7. The draft version of this new strategy was consulted upon with employers as part of the first Employer Strategic Focus Group. Whilst a number of clarifying questions were asked, after explanations were given the draft was accepted by the group in its current draft without any material changes being made.
8. The planned implementation date is from 1 January 2022 and will be published on the WPF website and circulated to all Scheme employers.

#### **Environmental Impact of the Proposal**

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

**Financial Considerations & Risk Assessment**

10. There are no direct financial implications involved with the implementation of this Strategy.

**Legal Implications**

11. There are no material legal implications arising from the proposals.

**Safeguarding Considerations/Public Health Implications/Equalities Impact**

12. There are no known implications at this time.

**Reasons for Proposals**

13. This is an important, regulatory strategy which the Fund must maintain and officers have updated it for the reasons given above.

**Proposals**

14. The Committee is asked to approve the Communications Strategy.

JENNIFER DEVINE  
Head of Wiltshire Pension Fund

Report Author: Andy Cunningham, Pensions Administration Lead

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



# The Wiltshire Pension Fund's Communications Strategy

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## 1. Introduction

Wiltshire Pension Fund (“the Fund”) administers the Local Government Pension Scheme (LGPS), on behalf of Wiltshire Council, and is one of 89 LGPS Funds across England and Wales. Wiltshire Council is also one of around 170 contributing scheme employers within the Fund.

The Fund administers the LGPS pension for over 80,000 members. The scheme membership consists of those who are currently paying in (“Active”), no longer contributing (“Deferred”), those who are now in receipt of their pension (“Pensioners”) and survivors of former members (“Dependents”)

The Communications Strategy sets out how the Fund will engage, educate and fulfil the needs of both its members and employers. It is relevant to all membership groups and employers as well as certain other stakeholders. This document sets out how the Fund complies with the [LGPS Regulations 2013 \(61\)](#), the [\(Disclosure of Information\) Regulations 2013](#) insofar as application to the LGPS and [the Pensions Regulator](#) Code of practice 14.

In accordance with the Fund’s Business Plan 2019-22, the Fund’s vision is to be an exemplar LGPS Fund. The vision has been broken down into 11 different themes that provide a detailed approach as to how the Fund will achieve its goal.

This Communications Strategy details how the Fund will achieve the exemplar status in its communications by outlining the different communication methods that the Fund will adopt. In particular, it focuses on meeting two of the Business Plan themes:

- To provide outstanding customer service and stakeholder relationships; and
- Embracing technology

## 2. Communication Strategy Objectives

The Fund has determined the following objectives which shall apply wherever possible to all its Communications.

**A). Digitalisation:** The primary approach the Fund will take to all its communications will be through the use of digital mediums such as email, online portals, website content, and webinars. Communication via post will remain an option open to members on an opt in basis (for statutory and essential communications only). Fund officers will remain accessible by phone, through Teams meetings and in person where necessary, but digital means will remain the preference in most cases for all correspondence.

The Fund will typically use MailChimp, or a similar piece of software to assist with mass emails with Microsoft Teams being utilised where appropriate for Webinars and Conferences.

**B). Targeted Communications and customer segmentation:** The Fund will avoid ‘one size fits all’ communications, carefully considering the target audience before sending mass communications. The Fund will identify if there are opportunities to segment the customer base (for example this could be

on age, membership status, size of pension etc) and design communications relevant to that segment, to increase relevance and usefulness of the communication with the goal of increasing engagement.

**C). Optimising timing and frequency:** Communications shall be timely, particularly if driven by events, and the frequency of communications to any individual or group of contacts should be set as part of a wider Communications calendar to avoid over communicating with customers which could lead to disengagement, emails marked as spam and important information being missed.

**D). Data-driven decision making:** The Fund will analyse the impact of each mass communications using data from the relevant piece of software, such as email open rates, click through rates, feedback from surveys and attendance at events etc and use this data to inform its future approaches to communications.

**E). Integration of online portals:** Strategically, the Fund aims to use My Wiltshire Pension and i-Connect respectively, as its key online portals supporting and actively encouraging members and employers to sign up. The Fund will seek to use these wherever possible as key tools to help communicate with customers.

**F). Accessibility and range of mediums:** All communications shall seek to be accessible wherever possible, in the widest sense of the word. For example, as well as seeking to be accessible for those with various difficulties such as visual/hearing, dyslexia, they should also be accessible on the basis of different customer communication preferences. The Fund will typically seek to take the approach of providing the same information in multiple mediums (e.g. website text, interactive, video/recorded webinar) where it is practical and advantageous to do so.

**G). Obtaining feedback:** The Fund will seek feedback wherever possible and practical to do so from our members and employers measuring the success of its communications events and its overall Communications Strategy.

**H). Design and branding:** To improve engagement, accessibility and build trust, communications will be professionally designed (internally) with consistent branding across the breadth of the Fund's communications.

**I). Dynamic, engaging and easy to understand:** Although the LGPS can be complex to understand, the Fund will aim to make communications dynamic, engaging and easy to understand using best practice communications approaches.

Whilst these objectives are ambitious, the Fund will also seek to achieve these in a cost-efficient way, and will also prioritise statutory communications over desirable ones.

### 3. Measurements of Success

As a Fund we will look to measure success against our key objectives, using these findings to assess and influence future communication strategy decisions.

- **Increased Engagement from Members** in our email campaigns, through creation of effective and appropriate demographic segmentation, with success monitored by click through rates, website visits and signups to receive these types of communications.  
(Reference Objectives : A;B;C;D;H)

- **Accessibility** , through regular reporting and commission of an external assessment for the Fund's website we will maintain compliance. The Fund will use judgement when deciding to action any recommendations based on if it is a 'disproportionate burden' as detailed in the regulations.  
(Reference Objectives : F;H;I)
- **Google Analytics**, regular monitoring of website traffic through analytics identifying trends and popular landing pages following any campaigns.  
(Reference Objectives : A;C;D;G;I)
- **Regular Feedback** gained from Members on the website, via email, through surveys along with Event and Conference Feedback.  
(Reference Objectives : D;G;I)
- **Increased Members** signing up to My Wiltshire Pension, member service portal and use of the MSS portal and choosing digital as their preferred method of communication.  
(Reference Objectives : A;E;H;I)
- **Increased Employers** transitioning to a digital focused way of communication, specifically but not limited to the use of i-Connect.  
(Reference Objectives : A;E;H;I)
- **Increased attendance levels at Members Events, such as at the Annual Members Conference and Webinars.** (Reference Objectives : A; E;H;I)

## 4. Member Communications

Outlined below are the Fund's main communication tools, methodologies and online resources that are available for the different categories of members.

### a). Current Members (actives and deferreds)

#### i). Wiltshire Pension Fund Website

The Fund's main website, [www.wiltshirepensionfund.org.uk](http://www.wiltshirepensionfund.org.uk), is the central source of general information relating to the Fund and is accessible to the public. The homepage is split out four member categories of member, pension, employer and about us. There is a wealth of written information held here, along with online and PDF forms, recorded webinars, videos and a contact us form. The main website also has other relevant links to other websites that are useful to members.

E.g. LGPS member website

The strategic aims of the website are:

- To provide comprehensive, detailed, technically up to date but layered information (e.g. summary, then more detailed information) which will answer most general queries than members will have.
- To meet principle G outlined in section 2.

## ii). My Wiltshire Pension Online Portal

The My Wiltshire Pension online portal, [my.wiltshirepensionfund.org.uk](http://my.wiltshirepensionfund.org.uk), is accessible to all members of Wiltshire Pension Fund.

Members have online access to view their current LGPS pension held by Wiltshire Pension Fund, which is updated monthly if their employer using i-Connect and annually otherwise. Members can run pension projections for any future date, run estimates and begin the process to draw their pension (from deferred status)

Members can also update their personal details such as the expression of wish nomination(s), their email address and their communication preferences. Deferred members can update their postal address.

There is a *Contact Us* section to get in touch with the relevant member of staff at Wiltshire Pension Fund, depending on the category of the enquiry.

The strategic aims of the portal are:

- To provide a one-stop shop for all members, holding all the correspondence between the member and us and as a gateway to all Fund processes, in particular all estimates and quotes.
- To interlink with the Fund's website and to provide a seamless online platform.

## iii). Annual Benefit Statements (ABS)

Each year, members are able to access their Annual Benefit Statement which shows pension benefits calculated up to the 31 March of that year and a projection to their Normal Retirement Age. Under the regulations, members must receive access to an Annual Benefit Statement by 31<sup>st</sup> August. The Fund meets this requirement by uploading statements to the My Wiltshire Pension portal as standard; members who opted to receive a paper copy will receive one through the post. Members are advised over email when a new statement is uploaded as well as through communications via employers. Whilst producing the ABS is a statutory obligation, for many members the data held on My Wiltshire Pension will be more up to date and therefore with time, this more flexible approach will take greater prominence.

## iv). E-Mailshots

The Fund will produce regular member e-mailshots, newsletters and bulletins and store these on the Website and My Wiltshire Pension. This will contain news and events, along with information about the LGPS. The Fund will use communication principle B wherever possible to maximise the effectiveness. The frequency of these will be determined by the need to communicate this information.

## v). Financial Well-being

The Fund support members in their own financial well-being, these are currently delivered by:

- **Affinity Connect:** the leading provider in public sector financial planning host a series of courses that are offered throughout the county of Wiltshire.
- **Wiltshire Pension Fund:** The Fund offer bespoke sessions that cover the LGPS only.

**Note:** Wiltshire Pension Fund has no commercial or formal partnership relationship in place with Affinity Connect but it happily signposts members to them.



#### vi). Annual Member's Conference

All Scheme members are invited to attend the annual conference, that is normally held during the Autumn and consists of around 5 sessions covering a range of topics. The Fund currently takes the approach of streaming this conference online, with an online Q&A function available, as this has a number of benefits over an in person event as follows:

- Member can pick and choose which talks they attend rather than being committed for the whole day.
- It avoids the need for travel which makes it more accessible to all members regardless to their location.
- Events can be recorded and stored on the website.
- Reduced cost and ease of organisation.

#### vii). Employers

The Fund will work with Employers in sharing communications with active members on content which has been deemed appropriate and relevant.

### b). Pensioners and Dependents

#### Newsletter

The Fund will annually produce a Pensioners Newsletter that is available online via the ePayslips portal and the website. This will contain news and events, along with information about the LGPS.

#### ePayslips

Pensioners have access to view their monthly pension payslip online via the RPowered ePayslips portal. The service is administered by our third-party Payroll provider, Wiltshire Council. The ePowered portal displays monthly pension payslips that can be downloaded as a PDF. Also included are P60s, correspondence letters and newsletters.

New Pensioners will be automatically enrolled to receive an e-payslip. Existing Pensioners can register to this service by emailing [pensionerspayrollteam@wiltshire.gov.uk](mailto:pensionerspayrollteam@wiltshire.gov.uk) to request a link to the online portal and to be given a secret code that will enable access to their account.

### c). Overview of different communications mediums for all member statuses and their general use

- **Email/Contact us form:** Email is the standard medium for communications with individual members. For incoming messages, members are encouraged to complete the contact us form.
- **Website:** The Fund's website address is [www.wiltshirepensionfund.org.uk](http://www.wiltshirepensionfund.org.uk). From this site, it is also possible to access the My Wiltshire Pension portal (log in only)
- **Post:** The Fund will continue to write out to members via the postal service, if there are no electronic communication details provided, for essential communications and where the member has opted in to use paper.
- **Telephone:** The Fund operates a dedicated customer services number which operates on all working days from 08:30 – 17:00.

- **In Person/Video calls:** The Fund will be represented by its staff members attending events, drop in sessions and meetings.
- **Webinars/Videos:** The Fund will produce a range of videos and webinars to give members an alternative medium available to those above.

## 5. Employer Communications

As well as members, the other main type of communications undertaken by the Fund is with its participating employers.

### a). Employer contacts

To aid the principle of targeted communications, the Fund requests employer to provide named contacts for each of the following areas:

- Principle contact/Employer liaison contact:
- HR: For matters related to ill-health, redundancy, service breaks, dismissals and other ad-hoc staff issues
- Payroll: To cover communications related to data submissions, in particular for pay figures, personal data changes and for when members start, leave, retire, die etc.
- Finance management/strategy: Generally this covers contribution rate changes, the triennial valuation, cessations, new employers, FRS102 reports and any related matters.
- Member/Staff communications: Ideally the person within the employer who has responsibility for staff communications which can work with the Fund to promote the Scheme to its members

For smaller and medium size employers, the same person may perform more than one of these roles. Employers should update the Fund when the contacts change using the appropriate system.

To ensure these remain up to date, The Fund will endeavour to confirm these details every six months with employers.

### b). Website

Similar as for members, the aim of the website is to be the key information resource for all employers to help answer all general enquiries they might have.

### c). Online portal (i-Connect).

In conjunction, with the Fund's software provider, Heywoods, the Fund's long-term strategic aim is for all formal notifications and data submissions to come via the i-Connect portal and to have effective integration with the website and the portal.

### d). E-communications

The Fund will produce regular e-communications to employers, splitting out by the categories outlined in a). as appropriate and limited to certain employers as needs be, using the targeted communications objectives from section 2 of this strategy.

### e). Employer forums/training

The Fund will hold regular employer forums for one of more of the categories of employers outlined in 5a using the targeted communications approach to maximise the use for the audience. Normally, these sessions will be held virtually but in some cases they may be held in person. The Fund also conduct regular meetings on a one-to-one basis for employer which request for the service.

#### f). Employer Strategic Focus Group

In late 2021, the Fund set up an Employer Strategic Focus Group to help create an effective link between the Committee, senior officers and employers on strategic matters. Further information on this group can be found here:

[Employer Strategic Focus Group - Wiltshire Pension Fund Employer Area](#)

#### g). Member communications via Scheme Employers

The following initiatives are available which are advertised to Scheme Employers, these are:

- **My Wiltshire Pension Roadshow:** a drop-in service or virtual presentation at the employer's office/school for Scheme members to ask questions and help register on the portal.
- **LGPS Member Presentations:** for members of staff at the employer's office/school, this can cover topics on member benefits, retirement options and how to boost your pension. These can be held virtually or in person.
- **Financial Planning seminars with Affinity Connect:** Pre-Retirement and Mid-Career financial planning seminars are pre-booked throughout the year and advertised to all Scheme Employers. Affinity Connect provide information on the LGPS, State Pension, Savings and Investments along with lifestyle choices.

## 6. Communications with other stakeholders

### a). Representatives of members

Representatives of members will typically fall into one of the following categories:

- **Power of attorney or parent/guardian of a child pensioner:** The Fund will communicate with these persons in the same way as it would with the member, as outlined elsewhere in this policy, subject to receiving sufficient evidence of the arrangement or relationship.
- **Family, friends or colleagues of members:** The Fund will only communicate with these categories of persons when both the member has given their expressed permission and the Fund determines using its absolute discretion that it is appropriate to do so. Normally, the Fund will assume that the permission only relates to communication of a single matter (i.e. the expressed permission is not perpetual).
- **Financial advisers:**  
The Fund will only communicate with a member-appointed financial adviser in limited circumstances subject to receiving a signed authorisation form from the member and being able to verify the identity of the adviser.  
The Fund will only send calculated figures directly to the member (who may then decide whether to share these with the adviser).

The Fund will not complete generic templates from financial advisers requesting information about a member.

#### b).Prospective members

The main website provides a wealth of information available to prospective members while the Fund also provides promotional material for Scheme employers to send to members and new joiners.

#### c).Potential beneficiaries (following a death)

Following the death of a Scheme Member it is sometimes necessary to establish the details and relationships of potential beneficiaries to assist the fund in its decision as to whom to pay any death grant to. The Fund will communicate with any relevant persons identified to establish the required information in order to assist with the decision.

The Fund will not share the details of any expression of wish form, the amount of any death grants due or any other details concerning the deceased's pension.

Confirmed beneficiaries will only be given details of the death grant due to them.

#### d).Other interested groups

i).A number of other interested groups require information on the Fund such as but not limited to; the Department for Levelling Up, Housing & Communities (DLUHC), HM Revenue & Customs, Department for Work & Pensions, Pensions Regulator, Local Government Pension Scheme Advisory Board, Local Government Association, Investment Managers, advisors and consultants, media, researchers and technical groups.

The Funds website <http://www.wiltshirepensionfund.org.uk> will be the primary resource for providing information, publishing Reports, Policies and Strategies. Where it has been deemed appropriate The Fund may also produce Press Releases, explore and expand social media platforms and work with partners to assist with the delivery of campaigns.

#### ii). Brunel Pension Partnership

Wiltshire Pension Fund is one of ten LGPS funds that make up the Brunel Pension Partnership. The Fund where appropriate will work with Brunel to circulate communications via their social media, website and [press office](#).

## 7. Customer Services and feedback

Wiltshire Pension Fund Customer Services Policy outlines how Fund officers should communicate and interact with customers (defined as Members and Employers) of The Fund. This will allow officers to follow the same basic practice as one another of how they should interact with customers and understand what good customer service looks like at Wiltshire Pension Fund.

The Fund has a dedicated telephone numbers for members to call if they have an enquiry as well as a number of different group email addresses. The telephone number for this service is 01225 713613. For email communications, these should be instigated by completing the contact us form on the website which will help direct your enquiry to the appropriate person(s).

The service is open Monday – Friday from 08:30 – 17:00. Due to COVID-19 and changes in working arrangement, members can request a Teams meeting with a member of the team. Where a face-to-face meeting is necessary, an arrangement has to be made.

## Feedback

The Fund is committed to provide an excellent service and to be an exemplar LGPS Fund. Feedback methods for members, scheme employers, committee members, investment sub-committee and Local Pension Boards are provided via a number of ways including; online surveys, feedback forms and individual responses.

## 8. Data Protection and accessibility

Wiltshire Council has a duty to protect personal information and will process personal data in accordance with the Data Protection Act 2018, GDPR, and any amendments to the act. The Fund may, if it chooses, pass certain details to a third party, if the third party is carrying out an administrative function of the Fund, for example, the Fund's AVC provider.

This authority is under a duty to protect the public fund it administers and may use information for the prevention and detection of fraud. It may also share this information with other bodies administering public funds solely for these purposes.

For further information on how we use your data please refer to the Data Protection Act 2018, that is referenced on the Wiltshire Pension Fund website under Forms and Publications – Policies & Strategies.

### **Accessibility**

All communications from the Fund can be produced in large print, audio, braille or in another language on request.

For those with hearing difficulties, the Fund can communicate by visual means, rather than using the telephone. Wiltshire Council also offer a hearing loop at the reception of the main offices.

The Fund's website is periodically checked against accessibility guidelines and appropriate adjustments are made accordingly.

Policy approved by Wiltshire Pension Fund Committee on 16 December 2021 and applies from 1 January 2022.

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**Wiltshire Pension Fund Committee - 2021/22**

Meeting:	24/06/21	30/09/21	16/12/21	31/03/22	No expected review in 2021/22	30/06/22	Guidance comments
<b>GOVERNANCE - Committee Specific</b>							<b>Comments</b>
Confirmation of annual election of Chair & Vice Chair	✓					✓	Annual appointments made by Full Council
Review Committee's Terms of Reference (if and as required)				✓			This review should be in conjunction with the Board & ISC's ToR review to ensure continuity. Lasted reviewed in July 2020 and a 3 year cycle may be viewed as good governance
Fund's annual budget setting				✓			Prior to 31st March each year
Budget Monitoring	✓	✓	✓	✓		✓	Quarterly spend & allocation of costs review against budget
Budget Outturn	✓					✓	Annual actual review of financial pension fund spend against the previous year's budget
Committee Annual Training Plan Update				✓			To be completed following each Scheme year for subsequent inclusion in the Fund's AR&A
Training Item relevant to agenda	✓	✓	✓	✓		✓	To be consistent with Members training & development strategy
Members Hand Book	✓						Hyman's standard adopted in preference of WPF specific Hand Book
Committee effectiveness review						✓	3 year plan last raised with the Committee on 12/12/2018. The Committee should also compare itself against its own core functions.
Forward Work Plan Review	✓	✓	✓	✓		✓	Officers to update the next Scheme year's plan in time for the new Scheme year. Annual reviews to therefore be undertaken in calendar Q1
<b>GOVERNANCE - Fund Specific</b>							<b>Comments</b>
Scheme Legal, Regulatory & Fund update	✓	✓	✓	✓		✓	Quarterly update by the Head of Pension Administration & Relations

Review of Risk Register	✓	✓	✓	✓		✓	Quarterly review. Request risks to be added & changes to be made by officers after approval. Review recommendations made by the LPB
Fund update & comments on minutes of ISC & Board	✓	✓	✓	✓		✓	Amongst other purposes Members should use the minutes to identify risks which can be added to the risk register
LPB Annual Report - Review recommendations	✓					✓	Ensure that Committee minutes during the past year have either actioned the recommendations, or commented on why the recommendations were not accepted
Review Governance Compliance Statement				✓			4 year plan last approved on 30/03/2021.
Review tPR Code of Practice 14 annual internal assessment	✓					✓	Expected to become a single tPR Code of Practice during 2021
Review Fund Training Programme			✓				Complete 3 year training plan last approved on 12/12/2018. Annual reviews undertaken in Q4 each year
Actuarial Valuation			✓	✓			Next valuation currently due 31/03/2022
Club Vita update			✓				As at 31st August each year & to be submitted by 1st week of October to Hymans. Purpose - statistical analysis
Review the Fund's Annual Report & Accounts	✓					✓	Annual Report & Accounts to be completed by 30th September & published by statutory deadline of 1st December
Approve Internal Audit Report scope			✓				Annually covers Key Controls & Pension Fund Transfers. Every two years tPR Code of Practice 14 also included
Monitor Internal Audit Report			✓				Audit recommendations actioned
Monitor External Audit Report			✓				Audit recommendations actioned
Input to Annual External Audit Plan			✓				Committee to liaise with the Audit Committee concerning the scope of Deloitte's audit
Input to Annual Internal Audit Plan			✓				Committee to commission its own internal audit plan & liaise with the CLT/Audit Committee concerning the scope of SWAP audit



Treasury Strategy				✓			Annual review of strategy. To include performance report of short-term cash investments & setting of preferred bank account balance to maintain business cashflow needs
Review external advisor appointments effectiveness, processes & controls			✓				Committee to receive an annual update from the Board on the effectiveness of the Fund's advisers
Review internal SLA effectiveness, processes & controls				✓			Covers services connected with the Wiltshire Council recharge. Namely, Legal, Procurement, IG, Payroll, Treasury Management, Internal & External Audit, Democratic Services, FM, ICT, HR & Communications
Review Actions from previous meetings	✓	✓	✓	✓		✓	Address primarily during pre-meeting planning meeting
<b>GOVERNANCE - Fund Plans, policies &amp; strategies</b>							<b>Comments</b>
Review Business Plan				✓			3 year plan last approved on 24/03/2019 Interim review 30/03/2021
Review Pension Administration Strategy						✓	3 year plan last approved on 17/12/2019
Review Communication strategy			✓				3 year plan last approved on 17/12/2019
Review Data Improvement Plan		✓					3 year plan last approved on 24/03/2019. To include a Data Retention Strategy update
Review Admin Charging Policy				✓			2 year plan last approved on 17/12/2019
Review Admin Authority Discretions					Not expected		3 year plan last approved in 30/03/2021
Review Cessations policy					Not expected		3 year plan last approved in 17/12/2020
Review Funding Strategy Statement					Not expected	✓	3 year plan last approved on 17/12/2019. Next Fund Valuation 31/03/2022
Review Compliance with FRC stewardship code			✓				Annually reviewed - Updated Stewardship Code released in May 2020 & consider TCFD requirements as part of the process
Review Investment Strategy Statement				✓			3 year plan last approved on 30/03/2021 (Ensure inclusion of MiFID II arrangements)

Approve Responsible Investment Plan	✓			✓			Done in Jun-21 initially, but should be in March going forward
Review Fund "Responsible Investment Strategy"		✓					To be reviewed in conjunction with the Investment Strategy Statement. To cover Climate Change Statement.
<b>ADMINISTRATION</b>							<b>Comments</b>
Review employers compliance (data)			✓				Ideally incorporate with ABS review process & update on Fund's Data Improvement Plan.
Review Fund fraud risk prevention and mitigation measures					Not expected		Completed every 2 years and will be an update of the Fund's NFI & Certificate of Existence exercises. Last reviewed April 2020. To include Whistleblowing policy in 2022
Review Fund website contents/resilience		✓					To also cover Cyber Security reporting on an annual basis. Cyber security last reviewed 24/09/2020
Receive an annual report of an complaint & IDPR cases, including a review of the Fund's procedures					Not expected		Covered in Low Volume Performance Report. To be managed by LPB with issues submitted to the Committee on an exceptions basis
Review Fund Communications (employers/members)					Not expected		To provide templates of key Fund documentation & evidence its compliance. To be managed by LPB with issues submitted to the Committee on an exceptions basis
Review of Data Security & Business Recovery		✓					Report set out the arrangements in place & when they were last tested
Review GMP Rectification	✓	✓	✓	✓		✓	Regular update concerning SAP & Altair database reconciliation. To consider migration to new payroll system.
Committee KPIs to monitor	✓	✓	✓	✓		✓	Quarterly Administration performance reporting
Benchmark KPIs in Annual Report & Accounts information with other Funds				✓			Annual Report & Accounts must be disclosed each 1st December
Review of Annual Benefit Statement process		✓					Percentage issued, action plan to issue outstanding ABSs & process improvement review

Members Self-service update	✓						Present as part of a Fund digital partform update. Progress report on take up and functional developments
<b>INVESTMENT PERFORMANCE &amp; RISK</b>							<b>Comments</b>
Investment Quarterly Progress Report	✓	✓	✓	✓		✓	Provided by each Investment Manager & the Investment Mercer Adviser who summaries the information and offers an independent assessment of the market generally
Review Investment performance against Fund's benchmarking criteria		✓				✓	To be presented in conjunction with the draft Annual Report & Accounts
Investment Strategy Review / Asset Allocation Review	✓						Annual review of strategy document last updated in December 2019. To cover topical changes relating to BPP & ESG
Review individual employer investment strategies			✓				Monitoring the alternative investment strategy for certain employer, not covered by the main strategy
Governance update relating to BPP	✓	✓	✓	✓		✓	Quarterly (generally verbal) update on Brunel governance and operational issues
Cost transparency of BPP, Managers & the Custodian	✓						To be presented in conjunction with the draft Annual Report & Accounts

<b>Total number of Agenda Items:</b>	<b>21</b>	<b>18</b>	<b>25</b>	<b>23</b>		<b>20</b>
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# Agenda Item 19

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of the Local Government Act 1972.

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# Agenda Item 20

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# Agenda Item 21

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# Agenda Item 22

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