



WILTSHIRE  
PENSION FUND

# Local Pension Board Annual Report

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20 July 2016

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## Chairman's introduction

Welcome to the first Annual Report of the Local Pension Board (LPB) of Wiltshire Pension Fund.

The Board was established in 2015 and this report covers the period to 31st March 2016. It has held 4 meetings over this period.

Following the recruitment and selection by Wiltshire Council of its 7 members the initial focus of the LPB has been on

- a) ensuring its governance complies with the statute and LGPS regulations that apply to it and best practice guidance issued by the national LGPS Advisory Board. For example agreeing policies on conflicts of interest and reporting breaches of the law
- b) agreeing a training plan so its members are fully conversant with their duties and responsibilities for example on the requirements of the Pensions Regulator.
- c) developing and starting to implement a rolling work programme to fulfil its statutory duties.

I am delighted to say that with the support of the officers and advisors to the Wiltshire Pension Fund the LPB has made good progress in fulfilling its terms of reference in its first year.

The LPB has made a number of recommendations to the Pensions Committee (see pages 12-16). One example being in respect of some enhancements to its risk register and some other areas which have been accepted and are being implemented.

One of the most important reviews the LPB has undertaken is the funds compliance with the Pensions Regulators Code of Practice 14 (see page 20 onwards). The LPB welcomes the actions being implemented by the fund to ensure it fully complies with the Code before the LPB does its next annual review of compliance.

The LPB has also reviewed the Pension Funds communications and stressed the need for information to be kept up to date and the importance of the fund website to fund members

Looking ahead the LPB will seek to assist and support the Wiltshire Pension Fund in respect of minimising potential governance and other risks arising from the Governments proposed asset pooling in 2017-18.

Last not least could I thank my fellow Board members for their commitment to their roles on the LPB and I commend this report to you

Howard Pearce

Independent Chair

## Legal basis of LPB and annual reporting

The Local Government Pension Scheme Regulations 2013 (“the Regulations”) establish Wiltshire Council as the administering authority for the Wiltshire Pension Fund, with responsibility for managing and maintaining the Fund. The Regulations further require that Wiltshire Council in its capacity as administering authority, and in accordance with the Public Service Pensions Act 2013, establish a Local Pension Board for the purposes of assisting it;

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

The functions of the Local Pension Board do not sit neatly within the typical arrangements that apply to local authority committees, including those that apply to the Wiltshire Pension Fund’s Pension Committee. Importantly, the Local Pension Board cannot be delegated to carry out the functions and responsibilities that legally pertain to the administering authority. This sometimes leads to people describing the local pension board as having no decision making authority.

The creation of a Local Pension Boards does not change the core role of the administering authority or the way it delegates its pension functions. Instead the local pension board operates outside of the usual local authority committee structure and serves an advisory and compliance role for the Fund. The role of the Local Pension Board is sometimes likened to that of a “critical friend”.

The Regulations require that the Local Pension Board must be constituted of at least 4 members, two of whom must represent the membership of the fund and two of who must represent the fund’s employers. Employer and Scheme member representatives are required to have the capacity to represent their respective constituencies. While it is permissible for the local pension board to contain “independent” members i.e. those who are neither member nor employer representatives, such members are not permitted to vote.

The Wiltshire Pension Fund Local Pension Board is comprised of;

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

The Regulations do permit an administering authority to combine its Local Pension Board with the pension committee to which it has delegated some or all of its decision making responsibilities in respect of the maintenance of the fund. Such a combined committee and board may only be created with the express permission of the Secretary of State for the Department of Communities and Local Government.

Wiltshire Council have chosen not to operate a combined local pension board and pension committee.

In addition to making Local Pension Boards a mandatory part of the LGPS governance the Public Service Pensions Act 2013 also brought about a new role for The Pensions Regulator. The Regulator

now has the role of overseeing good governance within all Public Service Schemes, which includes the LGPS. The Regulator can issue enforcement notices where it believes that LGPS Funds are not complying with certain pension legislation, including, in respect of Local Pension Boards, matters such as representation and ensuring that conflicts of interest do not exist on Boards.

While there is no statutory obligation for the Local Pension Board to publish a report, it is recognised as best practice for the Board to report on its activities for the year and its future plans.

The Public Service Pensions Act 2013 does require an administering authority to publish information about its pension board. The administering authority is required to publish a governance compliance statement which, in addition to information on the governance of the Fund, should include details of the terms, structure and operational procedures relating to its Local Pension Board.

The Board is accountable solely to the Administering Authority for the effective operation of its functions and reports to the Pension Committee at least annually and more often if deemed necessary. The subject of the Board's reports shall include;

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

The Governance Compliance Statement of the Wiltshire Pension Fund can be found <http://www.wiltshirepensionfund.org.uk/governance-compliance-statement-2015.pdf>

## Recruitment and appointment process of LPB members

The County Council has put in place processes for the recruitment and appointment of representatives to the Wiltshire Pension Board.

### **Member representatives**

The role of member representative was advertised on the Fund's website and the Wiltshire Council job vacancy website. Adverts contained the Board's Terms of Reference as well as additional information on the expectations of the role.

Applications were scored against the role criteria in order to produce a shortlist.

Shortlisted nominees were invited to an interview by the Administering Authority's Associate Director – Legal and Democratic Services and the Administering Authority's Associate Director – Finance (or their nominated representatives). A recommendation was then made to full council for the appointment to the Board of three nominees, two of whom represent nominations from a recognised trade union based on published criteria relating to ability to meet the capacity requirements of the role.

Full council approved the appointment of the three member representatives on 14 July 2015.

### **Employer representatives**

In order to ensure that employer representatives are truly representative of the employers within the Fund, while at the same time providing equal opportunity for representation to all groups, the Local Pension Board employer representatives are drawn from the following three Groups;

- Group 1: Wiltshire Council;
- Group 2: Swindon Borough Council and Wiltshire Police; and
- Group 3: all other employer organisations within the Fund.

Every employer within each of the Groups was provided with information about the role of the Local Pension Board including Terms of Reference, details of the employer representative role, a nomination form and instructions for application. Each employer was invited to put forward one suitable nominee based on the criteria provided.

Applications were scored against the role criteria in order to produce a shortlist.

Shortlisted nominees were invited to an interview by the Administering Authority's Associate Director – Legal and Democratic Services and the Administering Authority's Associate Director – Finance (or their nominated representatives). A recommendation was then made to full council for the appointment to the Board of three nominees.

Full council approved the appointment of the three member representatives on 14 July 2015.

## **Independent Chair**

In this respect the term independent means having no pre-existing employment, financial or other material interest in either the Administering Authority or any scheme employer in the Fund and not being a member of the Fund, or a Wiltshire Councillor.

The role of the Independent Chair was advertised on the Fund's website and the Wiltshire Council job vacancy website. Adverts contained the Board's Terms of Reference as well as well as additional information on the expectations of the role.

Applications were scored against the role criteria in order to produce a shortlist.

Shortlisted nominees were invited to an interview by the Administering Authority's Associate Director – Legal and Democratic Services and the Administering Authority's Associate Director – Finance (or their nominated representatives). A recommendation was then be made to full council for the appointment of an Independent Chair.

Full council approved the appointment of the Independent Chair on 12 May 2015 subject to the subsequent approval of the majority of the employer and scheme member representatives. Such approval was given at the meeting of 16 July 2015.

## LPB members register and declarations of interests

### Local Pension Board as at 31 March 2016

Role	Member	Number of meetings attended (maximum 4)
<b>Independent Chairman</b>	Howard Pearce	4
<b>Employer Member Representatives</b>	Lynda Croft Kirsty Cole Cllr. Christopher Newbury Sarah Holbrook	4 2 (left 22 October 2015) 2 1 (appointed 7 April 2016)
<b>Scheme Member Representative</b>	David Bowater Mike Pankiewicz Barry Reed	4 4 3

### Biographies of the Local Pension Board Members

#### Independent Chairman:

Howard Pearce, former Head of Pension Fund Management, Environment Agency.

#### Employer Member Representatives:

Sarah Holbrook, Finance Operations Manager, Office of the Police and Crime Commissioner

Lynda Croft, Director of Finance, Wiltshire College

Christopher Newbury, Wiltshire Councillor

#### Scheme Member Representative:

David Bowater, Wiltshire Council employee, active member

Barry Reed, Unison representative, retired member

Mike Pankiewicz, Unison representative, active member

Full biographies for all Board Members can be found here

<http://www.wiltshirepensionfund.org.uk/local-pension-board/local-pension-board-personal-biographies.htm>

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

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



## LPB approved training plan and members training logs

The Public Service Pensions Act 2013<sup>1</sup> requires that members of local pension boards have an appropriate level of knowledge and understanding in order to carry out their role. Any individual appointed to a local pension board must be conversant with;

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

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

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

The degree of knowledge and understanding required Board members is that appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the Local Pension Board.

The Wiltshire Pension Fund is committed to supporting Local Pension Board members to achieve the level of knowledge and understanding they require by providing the appropriate level of training and assistance.

### **Degree of Knowledge and Understanding**

Members of the local pension board are expected to be conversant with the rules of the LGPS and the policies of the Fund. "Being conversant with" implies a working knowledge of what is relevant to the subject under discussion. A Board member should have an understanding of what is relevant to their role and be able to identify and challenge a failure to comply with;

- the LGPS Regulations;
- other legislation relating to the governance and administration of the scheme;
- requirements imposed by the Pensions Regulator; and
- any failure to meet the standards and expectations set out in any relevant code of practice issued by the Pensions Regulator

### **Areas of Knowledge and Understanding**

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

- Scheme approved policies (e.g. managing conflicts of interest, reporting breaches of the law or record keeping)
- Risk assessment and management
- Scheme booklets and other members communications
- The role of Local Pension Board Members and the scheme manager (Wiltshire Pension Fund)
- Policies in relation to the exercise of discretions

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

- Communications with scheme members and employers
- Key policy documents on administration, funding, and investment (e.g. the administration strategy, funding statement Strategy or statement of Investment principles)

### **Achieving the required level of knowledge and skills**

At its meeting of 16 July 2015 the Board agreed to develop a training strategy and plan for acquiring the necessary level of knowledge and skills. Among the recommendations were;

- That all Local Pension Board members complete a self-assessment form in order to identify any areas on which they require immediate further training.
- To use the results of the self-assessment to develop a training programme.
- That Board members attend a 3 day LGPS Pensions Fundamentals Course presented by the Local Government Association. The course covers all the key areas of the LGPS and provides a thorough understanding of the scheme, its legislation and an appreciation of the different areas of work.
- That Board members complete the Pension Regulator’s on-line toolkit designed to provide a sound understanding of the roles and responsibilities of public service pension board members.
- To continue to receive regular training as part of Local Pension Board meetings and to supplement knowledge by attendance at relevant seminars and conferences.

The Local Pension Board’s training plan can be viewed here [Wiltshire Local Pension Board Training Plan](#)

This year the Local Pension Board has received the following training sessions;

<b>Date of meeting</b>	<b>Topics Covered</b>
30 June 2015 (Board Induction Day)	Overview of the role and context of the LPB, details of the LGPS and specifically the background to the Wiltshire Pension Fund and its key documents and policies
16 July 2015	The Board received a report setting out the knowledge and understanding requirements of the role.
22 October 2015	Conflicts of Interest and Code of Conduct
14 January 2016	The Pension Regulators Code of Practice no 14 and 2014 Record Keeping Regulations
7 April 2016	Triennial Valuation 2016

## LPB Year 1 Work plan and outcomes

The primary function of the Local Pension Board is to assist the Administering Authority in securing compliance with the LGPS Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme. In the pursuit of this aim it is for the Local Pension Board to set its own work plan.

The Local Pension Board's terms of reference require that it develop and report to the Wiltshire Pension Fund Committee, at least annually, on its work plan for the year. Examples of the areas that the Local Pension Board may wish to consider include (but are not limited to) the following;

- Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.
- Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant legislation and in particular the Pension Regulator's Code of Practice No. 14.
- Review the compliance of scheme employers with their duties under the Regulations and relevant legislation.
- Review such documentation as is required by the Regulations, including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.
- Review scheme members and employers communications as required by the Regulations and relevant legislation.
- Monitor complaints and performance on the administration and governance of the scheme.
- Review the Internal Dispute Resolution Process and Pensions Ombudsman cases.
- Review the arrangements for the training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.
- Review the complete and proper exercise of employer and administering authority discretions.
- Review the outcome of internal and external audit reports.
- Review draft accounts and Fund annual report.

The second core function of the Local Pension Board is to ensure the effective and efficient governance and administration of the Scheme. Again, the Local Pension Board may determine the areas it wishes to consider, including but not restricted to:

- Monitor performance of administration, governance and investments against key performance targets and indicators.
- Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.
- Monitor investment costs including custodian and transaction costs.
- Monitor internal and external audit reports.
- Review the risk register as it relates to the scheme manager function of the Administering Authority
- Review the outcome of actuarial reporting and valuations.
- Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness and efficient operation and governance of the Fund.

The Local Pension Board's agreed workplan for 2015/16 – 2017/18 can be found here  
<https://cms.wiltshire.gov.uk/documents/s105891/Item%2018%20-%20Local%20Pension%20Board%20Workplan.pdf>

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

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

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

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

	Area	Action
All meetings	Pension Committee and Investment Sub-Committee decision making	The Local Pension Board actively scrutinises all Pension Committee and Investment Sub-Committee papers and minutes.
16 July 2015	The Fund's Business Plan 2015-18 and Internal Audit Report were presented to the Board.	<p>Resolved:</p> <p>To note the minutes and attached reports.</p> <p>To request that the Board receive full minutes and meeting dates of both the Pension Fund and Investment Sub Committee.</p> <p>To request input into the consultation process for the audit plans.</p> <p>To request the audit report and action plan is reviewed again by the Board.</p> <p>To recommend that items on the Business Plan be prioritised and acknowledge resource sensitivity and risk and that the LPB be updated on these issues.</p>
22 October 2015	July budget announcement and proposed pooling of assets.	<p>Resolved:</p> <p>To note the updates.</p> <p>To recommend to the Wiltshire Pension Fund that full consideration is given to the legal duties of the Fund and the administration of assets arising from pooling assets in a Collective Investment Vehicle.</p> <p>To recommend to the Wiltshire Pension Fund that changes arising from the public sector exit</p>

	Area	Action
		<p>cap be communicated to employers and members and that the impact of changes on the Funds valuation be considered.</p> <p>To recommend to the Wiltshire Pension Fund that plans are put in place with employers and printers to ensure all Annual Benefit Statements are issued by the 31st August 2016.</p>
22 October 2015	The Pension Fund Annual Report for 2014/15, including its Financial Statements approved by the Pension Fund Committee for review.	<p>Resolved:</p> <p>To note the Pension Fund Annual Report for 2014/15.</p> <p>To recommend that future Annual Reports contain details of governance earlier in the report, a five-year timeline for performance, and details of breaches reported to the regulator.</p>
22 October 2015	The KPMG External Audit report for review.	<p>Resolved:</p> <p>To note the External Audit Report from KPMG.</p> <p>That the Head of Pensions confirm to the Board the process for appointing external auditors.</p> <p>To request that the 2015/16 Annual Report, Accounts and the external auditor report are reviewed by the Board prior to external publication.</p>
22 October 2015	The latest position in regards to the agreed action plan within the SWAP Internal Audit report for the Local Pension Board to note.	<p>Resolved:</p> <p>To note the updated position of the internal audit report and action plan.</p>
22 October 2015	The current Risk Register for the Wiltshire Pension Fund for review.	<p>Resolved:</p> <p>To note the Risk Register and measures being taken to mitigate risks.</p> <p>To recommend the adding of the pooling of investments and the public sector exit cap as risks.</p> <p>To recommend the risks be categorised, under strategic headings of 'Regulatory &amp; Governance', 'Funding &amp; Investments', Benefits Administration &amp; Communications'.</p>
14 January	The Board reviewed an action log designed to allow them to track	Resolved:

	Area	Action
2016	actions and recommendations.	To note the progress of actions recorded in the Board's action log.
14 January 2016	The Board received an update on the process for selecting and reviewing auditors.	To request that the process for reviewing external audit or appointment arrangements be reported to the next meeting of the Board
14 January 2016	The Board received a legal, regulatory and Scheme update including the latest position on the pooling of LGPS assets.	Resolved:  To note the attached consultation documents and the proposed timescale and process for formulating a Wiltshire Pension Fund response;  To encourage the Pension Fund Committee to ensure that robust governance requirements, clear auditing mechanisms and transparency are identified for the proposals arising from pooling and that the impact of pooling arrangements be communicated to Fund members.
14 January 2016	The current Risk Register for the Wiltshire Pension Fund for review.	Resolved:  To note the Risk Register and actions being taken to mitigate risks.  To recommend a review of the timescales for measures to reduce risks.  To recommend that officers communicate the implications of the public sector exit cap to the Fund's members once known.
14 January 2016	The Pension Regulator's survey and its findings on the review of governance in the public sector pension schemes for the Board's consideration	Resolved:  To note the survey and its findings on the review of governance arrangements.  To request that officers report back at the next meeting on the options for an independent review of Wiltshire Pension Fund compliance with The Regulator's new requirements following discussion with audit partners in the South West.
14 January 2016	The outcome of the 2015 CIPFA Benchmarking survey which benchmarks the Fund in a number of areas against other LGPS funds.	Resolved:  To note the outcome of the survey.
14 January 2016	The revised Pension Administration Strategy approved by the Pension Fund Committee on 10 December	Resolved:  To note the Administration Strategy for the Fund.

	Area	Action
	2015 for review.	To recommend that officers review the charge-out rate for the calculation of costs from persistent failure to meet targets or resolve cases to ensure it is in line with other Funds.
14 January 2016	The updated Administering Authorities Discretion Policy approved by the Pension Fund Committee on 10 December 2015 for review.	Resolved:  To note the updated Administering Authorities Discretion Policy.
14 January 2016	The latest update on the implementation of the actions identified in the 2015 Business Plan.	Resolved:  To note the update on actions identified in the Business Plan
14 January 2016	The current work plan and discuss any potential changes, amendments and request for work to be commissioned.	Resolved:  To approve the draft work plan
7 April 2016	Scheme, Legal, Regulatory and Fund update	Resolved:  To note the updates from the Head of Pensions.  To request that a report on insurance cover for the Local Pension Board be brought to the next meeting.
7 April 2016	The current Risk Register for the Wiltshire Pension Fund for review.	Resolved:  To note the Risk Register and measures being taken to mitigate risks.  To recommend that the Fund include the academisation of schools as a risk on the register.
7 April 2016	The officers review of the Wiltshire Pension Fund's compliance with the Regulators Code of Practice.	Resolved:  To note the outcome from the review of the tPRs Code of Practice No. 14 and recommend the implementation of the proposed actions to the Pension Fund Committee to ensure the Fund secures full compliance with this guidance.
7 April 2016	The current Governance Compliance Statement for review	Resolved:  To endorse the statement and recommend that lay membership and voting rights be reviewed following the proposed asset pooling as part of the compliance process and pooling arrangements.
7 April	The audit plans for 2016 for review	Resolved:



	Area	Action
2016		<p>To note the audit process and proposed plans for 2016.</p> <p>To recommend that the Fund be prepared and audited against the 2014 LGPS Regulations, Pensions Statement of Recommended Practice (SORP 2014 edition), CIPFA 2014 guidance on LGPS funds annual reports, and LGPS funds 2015/16 accounting disclosures.</p>
7 April 2016	The current Communications Strategy and the Fund's website.	<p>Resolved</p> <p>To note the Communications Strategy.</p>
7 April 2016	The potential performance indicators that could be used to measure the impact and performance of the Board for consideration.	<p>Resolved:</p> <p>To agree the initial proposals for Key Performance Indicators and request that these be further refined, in particular that further consideration be given to the measures of engagement and communications and cost-effectiveness, and reported to the next meeting.</p> <p>To recommend that the Board's annual statutory report be included as an annex to the Fund's annual report.</p>

## LPB Actions log

At its meeting of the 22 October 2015 the Local Pension Board agreed that an Actions Log should be developed in order to track the progress of actions. The Actions Log forms part of the Board's minutes and is considered at every meeting.

The most recent action log can be found here [Agenda for Local Pension Board on Thursday, 7th April, 2016, 10.30 am | Wiltshire Council](#)

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## Review of LPB compliance with the Pension Regulator's Code of Practice No.14

From April 2015 the Pensions Regulator assumed a new oversight responsibility in respect of Public Service Pension Schemes, including the LGPS. To assist schemes in understanding the Regulator's expectations they have issued Code of Practice No. 14 that applies specifically to the governance and administration of public service pension schemes setting out the legal requirements in these specific matters. It also provides practical guidance and sets out standards of conduct and practice expected of those who exercise functions in relation to the legal requirements. This guidance can be viewed on the following link;

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

One of the key responsibilities of the Local Pension Board is to assist the Administering Authority, Wiltshire Council, to ensure compliance with any requirements imposed by the Pensions Regulator in relation to the Scheme.

At the meeting of 7 April 2014 the Local Pension Board received a report from officers of the Wiltshire Pension Fund setting out the work that had been done in assessing how well the Fund complies with the requirements of the Code of Practice.

The assessment measured the performance in fulfilling its legal obligations as well the areas of the Code that function as practical guidance. The Code is broken down into 4 sections;

- Governing your scheme
- Managing risks
- Administration
- Resolving issues

The Board learned that the Fund is fully compliant with all of the requirements set out under Governing your Scheme, Managing Risk and Resolving Issues and partially compliant with the requirements under Administration. The two areas where further work needs to be carried out to ensure full compliance are;

i. Scheme Record Keeping

The Fund is currently reviewing data against the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 ('the Record Keeping Regulations') as part of its on-going data cleansing process. The formal monitoring of performance against the targets in the Record Keeping Regulations need to be formalised along with data improvement plans currently being worked on. There is also a need for a more formal approach to employer data audits to ensure the accuracy and timeliness of the information being received by employers and measuring this against the targets set out in the Pension Administration Strategy.

ii. Provision of information to scheme members

The issuing of Annual Benefit Statements by the 31 August remains a challenging deadline and work continues to ensure this statutory date will be met. The format of the deferred statement needs to

be amended to ensure it meets the legal requirements under the Regulations and a project implemented to ensure all member types receive a statement. The Fund is also trying to implement Key Performance Indicators (KPIs) to allow the more accurate monitoring of workloads and compliance with the timeframes outlined in Regulation.

The Code of Practice also highlights the specific areas of compliance which are requirements of the Local Pension Board. These include requirements around conflicts, representation and knowledge and skills. The Board has checked its own compliance against these requirements and is fully compliant.

The full Regulators Compliance check can be found here;

<https://cms.wiltshire.gov.uk/ieListDocuments.aspx?CId=1280&MId=9433&Ver=4>

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## Summary of LPB communications outlining links to the website

At its meeting of 7 April 2016 the Local Pension Board reviewed the Fund's Communication Strategy and website.

Under the LGPS Regulations each Fund must produce a statement setting out how it will communicate with its members, member's representatives, prospective members and the many employers who participate in the fund.

The Board noted the usefulness of the information provided to members by the Fund and emphasised the need to keep it up to date.

There was also consideration of the use of electronic communications and how these might be used to improve the information to members and achieve savings. While there is presently a fairly low take up of electronic member communication options it was felt that employers should encourage their employees to adopt electronic communications. It was suggested that electronic annual benefit statements would be one area where considerable efficiencies and improved member experiences could be achieved.

The complete Communications Strategy can be seen here;

<http://www.wiltshirepensionfund.org.uk/communications-policy-2015.pdf>

## LPB operational costs for 2015-16 & Budget for 2016-17

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

The budget for the Local Pension Board is approved by the Pension Fund Committee as part of the process of setting the Fund's budget for the year. Any expenditure in excess of the agreed budget must be approved by the Wiltshire Council Associate Director, Finance.

The budget for 2015-16 and 2016 – 17 can be seen below.

	<b>2015-16 Budget £</b>	<b>2015- 16 Actual £</b>	<b>2016-17 Budget £</b>
Independent Chair Remuneration	9,214	8,832	9,214
Independent Advisor Fees	7,000	8,000	7,000
Training	6,000	1,440	12,000
Printing	1,000	0	1,000
Committee Services Recharge	3,000	2,067	3,000
Travel & Subsistence & costs	800	1,210	800
Catering	700	207	400
<b>Total</b>	<b>27,714</b>	<b>21,756</b>	<b>33,414</b>

The main change in the budget reflects a change in the phasing of training costs. It had been originally agreed to allocate £6,000 in 2014-15 to pre-appointment training for Board members. In the end because of the timing of appointments, that money was not used and is instead now carried forward into 2016-17.

## Assurance of the LPB Annual Report

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

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

The Local Pension Board is not intended to replace existing bodies such as the Wiltshire Pension Fund Committee or Investment Sub-Committee. Nor is the Board responsible for the auditing of the Wiltshire Pension Fund.

In carrying out its role, the Local Pension Board has;

- Considered the minutes of the Pension Fund Committee and Investment Sub-Committee
- Considered the main policies and documents of the Wiltshire Pension Fund
- Considered the Funds Business Plan, Audit Report and Risk Management Strategy
- Received a report on the Fund's compliance with the Pension Regulator's Code of Practice No. 14
- Received legal and regulatory updates on LGPS matters
- Received training from external advisers and Fund officers.

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

This Report is intended for the information of Wiltshire Council and the Scheme members and employers who participate in the Wiltshire Pension Fund. This Report has been formally noted by the Wiltshire Pension Fund Committee at their meeting of [xxxxx]

## LPB forward look to 2016-17 and proposed work plans

The Board's workplan for 2016-17 can be found here;

<http://www.wiltshirepensionfund.org.uk/local-pension-board-forward-plan-july-2016.pdf>

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