

## LOCAL PENSION BOARD

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### **PART 1 MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 15 MARCH 2018 AT THE USHER SUITE, TROWBRIDGE CIVIC CENTRE, ST STEPHEN'S PLACE, TROWBRIDGE BA14 8AH.**

#### **Present:**

David Bowater, Cllr Richard Britton, Mike Pankiewicz (Vice-Chairman), Howard Pearce (Chairman) and Barry Reed

#### **Also Present:**

Cllr Tony Deane, Cllr Tony Jackson, Michael Hudson, Andy Cunningham, Richard Bullen and Jennie Green.

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#### **1 Welcome**

The Chairman welcomed those present to the meeting.

#### **2 Apologies**

Apologies for absence had been received from Sarah Holbrook.

The Chairman advised that Lynda Croft has resigned from the Board since she was no longer in post at Wiltshire College. The Board expressed their thanks to Lynda for her contribution to the work of the Board over the last 3 years.

#### **3 Minutes**

The minutes of the last meeting were presented, alongside the Board's Action Log.

#### **Resolved:**

**To confirm the minutes of the meeting held on 18 October 2018.**

**To make the following changes to the action log:**

- 4.7 is complete – remove
- 7.15 and 7.20 – defer until September
- 8.4 is complete – remove

- 8.5 – defer until April 2018 and further report in September 2018
- 8.6 is complete – remove
- 8.7 – include reference to statutory timeframes and defer until October 2018
- 8.8 – defer until April 2019
- 8.12 –defer until October 2018
- 9.5 – mark as complete
- 9.9 – defer until September 2018
- 9.13- defer until October 2018
- 10.5 – defer until September 2018
- 10.8 – mark as complete
- 10.9- mark as complete
- 10.11- defer until July 2018

#### 4 **Declarations of Interest**

There were no declarations of interest.

#### 5 **Chairman's Announcements**

The Chairman reminded members of the remit of the Local Pension Board and made the following announcements:

- The Pensions Regulator was to increase scrutiny of Funds and the Board would have a role supporting this;
- Board members should update Richard Bullen (Fund Governance and Performance Manager) on training they had undertaken and an update on training plans would be provided to the next meeting;
- The Pensions Advisory Service has been merged with the Pensions Ombudsman and it was recommended the fund update its Internal Dispute Resolution Process accordingly.

#### 6 **Public Participation and Councillors Questions**

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

#### 7 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee**

The Board considered the minutes of the last Committee meeting and was updated that at the meeting of the Committee earlier that morning, the Board's budget had been agreed as part of the wider Administration Budget.

**Resolved:**

**To note the minutes of the Wiltshire Pension Fund Committee meeting held on 23 November 2017 and verbal update from the meeting on 15 March 2018.**

## 8 **Training Item: WPF Annual Reporting Requirements**

The Head of Pensions Administration and Relations presented a training session providing an overview of Wiltshire Pension Fund's annual reporting requirements as detailed in the report.

The majority of reporting requirements were statutory, and the Board noted the requirement seemed to be increasing. It was agreed as Brunel Pension Partnership became established, the Fund should compare performance on statutory and periodic reporting against other funds within BPP.

### **Resolved:**

**To note the Fund's Annual Reporting Requirements and benchmarking the performance of the fund against other funds within BPP be included in the LPB work plan.**

## 9 **Annual Business Plan Update**

An update from the Head of Pensions Administration was provided on the progress of implementing items on the Annual Business Plan. Two actions were high priority and with medium resource risk, these related to the implementation of performance reporting and covenant reviews for employers and the GMP reconciliation project. These workstreams were both in progress and resources had been prioritised to ensure their completion. The first phase of the GMP reconciliations project was expected to be completed by the end of the year.

It was explained some other, lower- priority, Business Plan action had been delayed due to recent changes in personnel and vacancies in the structure. It was noted the contract review of the Independent Governance Adviser was considered low priority, and therefore had been delayed, since this was one of many different sources of advice for the Fund. The establishment of a formal process for reviewing the performance of other advisors was also delayed since performance was already monitored informally. The Chairman advised the Pensions Regulator expected advisors to be regularly reviewed and requested this be allocated a higher priority.

A question was raised as to why completed actioned remained on the Business Plan and it was confirmed this was to demonstrate that action had been taken. It was noted the Business Plan was to be reviewed for 2019 as the current Plan ran until the end of 2018. Officers acknowledged that preparations for the General Data Protection Regulations were not included in the Plan, however this was captured on the Fund's Risk Register and pensions team were taking steps to prepare.

The Board discussed a self-service portal for members, officers advised this had been delayed due to a need to link this work up with a review of pensions

administration software that was to be completed later in 2018. On discussion of item 35 in respect of ESG arrangements, the Interim Investment Manager explained this had been raised with the Responsible Investment Officer at Brunel, and the Committee would receive further training on this.

**Resolved:**

**To note the progress of implementing items on the Annual Business Plan and to recommend item 12 be upgraded to medium priority.**

**To request that future Business Plan updates include new items which have occurred since the business plan was first produced, and include on going work items that have rolled-forward from previous plans, to capture the full picture of existing and new work.**

#### 10 **Local Pension Board Budget**

It was explained the Board's total budget had been agreed earlier in the day by the Pension Fund Committee, and since publication of this agenda the budget had been updated to include provision for an extension of the indemnity insurance policy. Despite this change, the overall budget remained the same, the updated budget is attached to these minutes.

The Chairman encouraged members to make the most of the training budget.

**Resolved:**

**To note the Board's budget.**

#### 11 **Scheme Legal, Regulatory and Fund update**

The Head of Pensions Administration and Relations presented the Fund, Scheme, Legal and Regulatory update for the Committee to consider. Key updates included that the Government had extended the temporary arrangements on Guaranteed Minimum Pensions (GMP), and a Private Member's Bill on reforms to public sector exit payments was expected in May 2018. Members also heard it was now confirmed the age for auto-enrolment into the LGPS would be lowered to 18, this was to take effect from the mid-2020s. The Officer also advised a pensions 'Dashboard' was planned for 2019 and this project was being led by the Department for Work and Pensions.

Following questions on preparations for the implementation of the General Data Protection Regulation it was confirmed the Fund was working with Wiltshire Council and other LGPS Funds to share best practice and preparatory work. It was highlighted the Fund now had a Governance and Performance Manager, Richard Bullen, now in post who would lead on this work.

The Chairman advised the Scheme Advisory Board was to start 3 projects in 2018 relating to: improving member data to meet the Pensions Regulator requirements, identifying regulations requiring statutory guidance and the drafting of such guidance, and the potential benefits of further increasing the level of separation between the host authority and scheme manager role.

**Resolved:**

**To note the changes highlighted within the report and request the three Scheme Advisory Board projects be included in future updates.**

## 12 Pension Fund Risk Register

The Head of Pensions Administration and Relations updated he had decreased one risk in the Fund's Risk Register, PEN023 'Resources of Officers and Members to meet the expansion of business items' since a Fund Governance and Performance Manager was now in post to support the Committee and the Board. Two high risks remained: PEN012 'Over-reliance on key officers', due to Treasurer leaving the Fund in May 2018, and PEN020: 'Pooling of LGPS assets' due to the resource required to produce the accounts and support Brunel Pension Partnership.

In respect of PEN021, it was noted the Risk Register should be updated to reflect the latest review date. It was also requested PEN019 be updated to reflect the establishment of the LPB.

**Resolved:**

**To note the Risk Register and request PEN021 and PEN019 be updated as detailed above.**

## 13 Administration Key Performance Indicators

An update was provided from the Head of Pensions Administration and Relations on the latest administrative KPIs for members to consider. The number of refund of contributions and leavers to deferred status processed within target time had fallen, this was due to the Fund processing a high number of backlog cases, therefore affecting the short-term performance indicator. It was however noted that performance on the active to retirement metric was down and improvement was need, therefore additional resources was to be deployed to these areas. The Head of Pensions advised he planned to develop the methodology for KPIs to provide more detail on the cause of delays by the October 2018 report, and would then progress work to link KPIs to statutory time limit requirements.

In response to questions, it was confirmed the Fund aspired to compare its KPIs against other funds, however this would not be a simple comparison as funds used different measures. The Chairman suggested CIPFA should be requested

to update their guidance. Officers confirmed the team working to support key tasks were trained to complete this specialist work and there was a good level of resilience within the service.

**Resolved:**

**To note the Fund's performance against Key Performance Indicators and the improvement work taking place.**

#### 14 **Review of the LPB Code of Conduct and Conflict of Interest Policy**

The Board was presented with its Code of Conduct and Conflict of Interest Policy which was due to be reviewed. No changes were proposed other than to review the document bi-annually instead.

**Resolved:**

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

#### 15 **Governance Compliance Statement**

The Board was presented with the Fund's Governance Compliance Statement for review. It was suggested that information on the delegation of asset management to Brunel Pension Partnership be included, and also a link to the LPB Terms of Reference. Cllr Richard Britton suggested there was a requirement for the Pension Fund Committee to report into the Council's Audit Committee and recommended clarity on this matter be sought prior to final agreement of the Governance Compliance Statement.

**Resolved:**

**To note the Governance Compliance Statement and make the following recommendations to officers:**

- **That section 1A be updated to reflect the delegation of asset management to Brunel Pension Partnership**
- **That a hyperlink be added to the Board's Terms of Reference.**
- **In section Fc) TPR requirements be added at the end**

**To request that officers seek clarity on any requirement for the Pension Fund Committee to report into the Audit Committee, prior to consideration of the Governance Compliance Statement by the Committee.**

16 **How did the Board do?**

Members commented they were satisfied with the workplan of the Board.

17 **Urgent items**

There were no urgent items.

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

It was noted the next meeting was planned for 18 April 2018, subject to there being sufficient business. An updated Forward Look would be presented to the next meeting.

19 **Exclusion of the Public**

**Resolved:**

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

20 **Brunel Pension Partnership Update**

The Interim Investment Manager updated on the progress of implementing asset pooling and minutes from the last meeting of Brunel Oversight Board were attached to the agenda.

**Resolved:**

**To note the update on the progress of Brunel Pension Partnership**

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

**Resolved:**

**To note the confidential update from the Wiltshire Pension Fund Committee, Investment Sub Committee and Brunel Oversight Board**

22 **Minutes**

**Resolved:**

**To confirm the Part 2 minutes from 18 October 2017.**

(Duration of meeting: 2.00 - 3.45 pm)

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

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## WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD  
15 March 2018

### Local Pension Board Budget

#### Purpose of the Report

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

#### Background

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

#### Main Considerations for the Board

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

#### Wiltshire Local Pension Board Proposed Budget 2018-19

|                                | 2016-17<br>Actual | 2017-18<br>Budget | 2017-18<br>Actual<br>(Apr-Feb) | 2017-18<br>Forecast | Changes | 2018-19<br>Budget |
|--------------------------------|-------------------|-------------------|--------------------------------|---------------------|---------|-------------------|
|                                | £                 | £                 | £                              | £                   | £       | £                 |
| Independent Chair Remuneration | 9,216             | 9,214             | 6,912                          | 9,216               | -       | 9,214             |
| Independent Advisor Fees       | 5,000             | 7,000             | 3,205                          | 4,905               | -       | 7,000             |
| Training                       | 5,000             | 6,000             | 515                            | 640                 | - 1,800 | 4,200             |
| Printing                       | -                 | 1,000             | -                              | -                   | - 1,000 | -                 |
| Committee Services Recharge    | 2,067             | 3,000             | -                              | 3,000               | -       | 3,000             |
| Travel & Subsistence & costs   | 331               | 800               | 790                            | 1,053               | -       | 800               |
| Catering                       | -                 | 400               | 87                             | 87                  | -       | 400               |
| Insurance                      | -                 | -                 | 2,800                          | 2,800               | 2,800   | 2,800             |
|                                | 21,614            | 27,414            | 14,309                         | 21,701              | -       | 27,414            |

8. The overall proposed budget for 2018-19 is £27,414, a continuation of the total budget for 2017-18.
9. The overall projection is for an underspend in 2017-18 circa £5,700.
10. During the year a Pensions Trustees Liability insurance premium including tax was paid totalling £2,800. As no provision was made in the budget for this it has been allocated a matching sum in the budget for 2018-19.
11. As the overall position seems to point to an underspend the insurance budget for 2018-19 has been made up from removing the Printing budget of £1,000 and reducing the training budget by £1,800.
12. We would propose retaining the £7,000 budget for an independent governance advice. The Terms of Reference entitles the Board to independent expert advice.

### **Environmental Impact of the Proposals**

13. There are none.

### **Legal Implications**

14. There are no known implications at this time.

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

15. In line with good governance practice, officers bring budget monitoring reports back to the Pension Fund Committee twice a year. In the interim, variations against budget will be monitored and if they become very significant, the Associate Director, Finance will approve variations to the budget and report these to Committee retrospectively for ratification.
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### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

17. There are no known implications at this time.

### **Reason for Proposal**

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

### **Proposal**

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

MICHAEL HUDSON  
Treasurer to Pension Fund

Report Author: Chris Ashton, Fund Accountant - Maternity

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