

LOCAL PENSION BOARD

**MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 23 MAY 2019
AT WEST WILTSHIRE ROOM - COUNTY HALL, BYTHESEA ROAD,
TROWBRIDGE, BA14 8JN.**

Present:

Howard Pearce (Chairman), Cllr Richard Britton, Pankiewicz, Howard Pearce (Chairman) and Barry Reed

Also Present:

Cllr Philip Whitehead, Becky Hellard, Richard Bullen, Andy Cunningham, Stuart Dark, Jennifer Devine, Becky Hellard and Cllr Philip Whitehead

23 Apologies

Apologies were received from Cllr Gordon King, David Bowater and Sarah Holbrook

The Chair sought an update on board membership. Officers advised of potential new nominees from employers and the process, including nomination of candidates and ballots that will be used to secure member representatives.

Resolved:

To conduct the membership recruitment process as set out by the Fund Governance and Performance Manager.

24 Local Pension Board Part 1 Minutes and LPB Action Log

The Part 1 minutes of the meeting held on 24 January 2019 were approved.

It was noted that since the January meeting, a review of the actions log had been made against the original meeting minutes which had been recorded. Consequently, the actions log had been updated in two key regards;

- That the reference numbers recorded on the actions log would reflect the minute numbers for each meeting
- That actions on the log should only relate to actions determined in the minutes

The Action Log was discussed in respect of minute reference 36.

Cllr Richard Britton questioned the shifting deadlines on 36 and asked how the board would know this had been done. Officers stated that that this action had been addressed and that internal audit always reviewed previous recommendations as part of future audits. The third part of this action, relating to the reconciliation between the Payroll & Pension databases, remained ongoing. A new action under minute 35 of these minutes would be created to recorded to monitor this reconciliation, as a bespoke Data Improvement Plan had now been implemented.

It was agreed that the following actions could be closed;

- 42 (13/07/2017)
- 44 (13/07/2017)
- 9 (15/03/2018)
- 31 (12/07/2018)
- 36 (12/07/2018)
- 37 (12/07/2018)
- 60 (11/10/2018)
- 64 (11/10/2018)
- 67 (11/10/2018)
- 8 (24/01/2019)
- 13 (24/01/2019)

It was noted that both the older and new referencing system appeared on the current actions log. As the older actions were cleared, the new referencing arrangement would become clearer.

Resolved:

The minutes from the meeting held on 24 January 2019 were approved.

That reference numbers on the Action Log would be made clearer and that actions would also be RAG rated.

25 **Declarations of Interest**

There were no Declarations of Interest.

26 **Chairman's Announcements**

The Chair reminded the board of its purpose in supporting the efficiency, compliance and effective and efficient governance of Wiltshire Pension Fund.

The Board's attention was drawn to the Scheme Advisory Board's Good Governance survey and the value of collective input into that process was highlighted.

27 **Public Participation and Councillors Questions**

There were no members of the public present.

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

Resolved:

The board noted the minutes and key decisions of the Wiltshire pension Fund Committee and sub Committee.

29 **Training Item: Changes to the Annual Report and Accounts Guidance**

Officers advised the board of CIPFA's guidance on the production of an Annual Report and accounts and that Deloitte UK had been appointed as auditors and were starting work within seven days.

The process for approval was set out as follows; the Pension Committee (18 July 2019) recommend the annual report and accounts to Audit Committee (24 July) whilst the Pension Board review the annual report electronically (by receiving a draft copy (10 July 2019)) to enable a recommendation to Pension Committee to approve both (26 September).

CIPFA's guidance was said to be placing new emphasis upon; pension pooling costs and savings, and more consistent disclosure of key performance indicators.

The Chair sought clarity on who was checking against the separate guidance on annual report and accounting and was informed that this was done internally. The Chair then asked that Deloitte UK confirm this as part of their audit.

The Chair thanked officers for their hard work.

30 **Internal Audit Report**

Officers advised the meeting that a second internal audit would take place later in the year covering the Pension Regulator Code of Practice 14 requirements. A report on that audit would be submitted to the Board.

Resolved:

That the board was to receive a six-monthly update on the Key Controls and GDPR audit recommendations and whether they have been actioned or completed.

31 **Scheme legal, regulatory and Fund update**

Officers talked through their report on changes to legal and regulatory frameworks and brought the Board's attention to, reforms to public sector exit payments, fair deal consultation, cost cap mechanism, good governance and the absence of the pensions regulator from the document.

The board suggested that statutory actions be presented before strategy actions.

Resolved:

The Board noted the report.

32 **Risk Register update**

Officers talked through a proposal to produce a re-formatted risk register and brought the board's attention to the content being the same but that the changes made for a more evidence-based approach.

Cllr Richard Britten welcomed the changes and alignment with the corporate approach to expressing risk and responses to risk, but sought clarity on the nature of risk in distinguishing horizon risk, dynamic risk, ongoing risk and ceased risk. There was also a request for more detail and granularity used to show the specific risks for mitigation - rather than an area of activity, such as 'pooling'.

The Chair suggested that presentation of risk against the eight CIPFA categories should be adopted, with a second categorisation for identifying risk split by business plan objective & service function.

The consistency of the register with LGPS guidance and its improved legibility was noted.

Resolved:

To note the proposed changes to the risk register and to develop it by providing more detail about specific actions taken to mitigate risk.

To sense check information recorded on the current risk register to ensure consistency.

33 **Administration Key Performance Indicators**

Officers talked through a report on key performance indicators that linked KPIs to administration strategy of fund and employers, CIPFA disclosure requirements and data quality.

The Chair thanked officers and invited the board to comment. The debate that followed highlighted that administration strategy KPIs could be presented after disclosure requirements KPIs and that the disclosure requirements would benefit from a trend line. Where increased volumes of incoming work made for backlogs, it was suggested that the quantity of new, incoming cases be presented as context. It was asked that the data missing on 'Joiners' in Appendix 3 be entered into the table. Officers responded that they were aware of issue but currently faced some technical difficulties in resolving the matter.

Resolved:

The board noted the report and recommended making the changes highlighted in the discussion.

34 **WPF Business Plan 2019-2022**

Officers talked through the Business Plan and the budget as a financial illustration of that plan. The debate that followed addressed levels of resourcing and capacity and the approaches to year 1 and year 2.

The Board requested that the budget reflect the objectives and actions within the business plan.

The Chair thanked the team for the business plan and highlighted the processes it puts in place, the reporting mechanisms it establishes and its capacity to identify necessary future resources.

Resolved:

The board noted the plan.

35 **Data Improvement Strategy and Plan**

The data improvement plan was introduced by officers and was welcomed by board members and the Chair as a good paper that provides a sound basis for future review of performance.

Resolved:

The board noted the report and that a sub-plan had been prepared in respect of the Payroll & Pension database reconciliation. An update on the reconciliation would be provided in six months.

36 **Clarification of the roles of the Local Pension Board and Committee**

Officers updated the board on work done to; develop the terms of reference of committee, sub committee and board, align meetings with the business cycle, manage member inductions and develop communications.

The discussion that followed distinguished the board's role as being one of addressing compliance rather than one scrutinising committee decisions.

Without the emphasis upon the role of compliance, there is a risk of duplication between board and committee.

Resolved:

The board noted the progress made by officers.

37 **Draft Local Pension Board Annual Report**

The Chair invited comments on the annual report from board members. Assurances of the accuracy of the training log and section covering the outcomes of LPB recommendations to Committee were sought and provided.

The following corrections were requested;

- that Mike Pankiewicz should no longer be described as an 'active' member
- that the independent advice fees should be verified

The Chair thanked the team for their hard work.

Resolved:

The board approved the report for publication, subject to the corrections being made.

38 **How did the Board do?**

The board discussed a Unison report on LGPS and environmental and social governance.

Resolved:

The board recommended that the committee address ESG as part of the fund's Investment Strategy.

39 **Urgent items**

There were no urgent items.

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

The date of the next meeting was set as 22 August 2019. As this date falls in the holiday period, member availability would be checked prior to the meeting being confirmed.

Mike Pankiewicz requested confirmation on whether the August meeting would be quorate in view of Member Representatives terms of office expiring on 14 July. Officers noted that the Union Member appointments and active member appointments followed a separate process under the terms of reference. With the Union member appointments due to be confirmed in July, officers were confident that the August meeting would be quorate.

41 **Exclusion of the Public**

Resolved:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Minute Numbers 42 - 44 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. The Chairman moved to Part 2 of the meeting.

42 **Brunel Pension Partnership update**

Resolved:

The board noted the update.

43 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee and Investment Sub-Committee and Brunel Partnership Oversight Board**

Resolved:

The board noted the minutes of Wiltshire Pensions Fund Committee and Investment sub-Committee and Brunel Partnership Oversight Board.

44 Private Part 2 Minutes LPB 24th-Jan-2019 10.00 Local Pension Board

Resolved:

The board approved the Part 2 Minutes of the Local Pension Board held on 24 January 2019.

(Duration of meeting: 12.30 pm)

The Officer who has produced these minutes is Jim Brewster of Democratic Services, direct line 01225 718242, e-mail jim.brewster@wiltshire.gov.uk

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