



WILTSHIRE
PENSION FUND

Local Pension Board Annual Report

21 May 2020

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Chairman's introduction

Welcome to the Annual Report of the Local Pension Board (LPB) of Wiltshire Pension Fund (WPF). This report covers the period from 1st April 2019 to 31st March 2020 during which the LPB held 4 meetings.

The focus of the LPB has been on ensuring the LPB and WPF governance complies with Public Service Pensions Act, the panoply of LGPS regulations that apply, LGPS best practice guidance issued by the national LGPS Advisory Board or CIPFA, plus the requirements of the Pensions Regulator (TPR).

I am pleased to say that with the support of the officers and advisors to the Wiltshire Pension Fund Committee, the LPB has made good progress in fulfilling its terms of reference in its fifth year, and the LPB is able to provide assurance that the WPF is complying with its statutory duties.

The LPB is pleased that Wiltshire Council as the Administering Authority continues to support the training and development of the Wiltshire Pension Fund staffing structure which will help future proof it from the increasing workload required by law to manage the WPF and provide the correct benefits to its members.

During 2019 the LPB undertook a review of the compliance with TPR Code of Practice 14. The LPB welcomes the actions being implemented by the fund to ensure the LPB and WPF fully complies with the Code.

The LPB also made a number of recommendations in respect of various improvements to the governance and administration of the WPF and is pleased that the vast majority were accepted and have either been completed or are in the process of being completed. These include clarifications and improvements to the Pensions Committee terms of reference, the WPF risk register, WPF members data protection, WPF key administration performance indicators, and WPF member communications.

The LPB has monitored the on-going process and risks and opportunities surrounding the pooling of the fund's asset with the Brunel Pensions Partnership (BPP), and has welcomed the progress being made to date, and actions underway to ensure BPP delivers value for money for WPF.

The LPB reviewed the WPF website and the services it delivers and stressed the need for it to be regularly updated and be kept as user friendly as possible for WPF members and employers to increase its usage and efficacy which will become increasingly important in the future.

As this is my last Annual Report could I thank my fellow Board members for their support and 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. The local pension board as has no decision-making authority.

The creation of a Local Pension Board 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. Details of how the Chair and members of the Local Pensions Board were and are appointed can be found in the terms of reference <http://www.wiltshirepensionfund.org.uk/media/3560/terms-of-reference-local-pension-board.pdf>

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 Ministry of Housing, Communities and Local Government.

Wiltshire Council has 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 structure 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/media/4115/governance_compliance_statement.pdf

LPB members register and declarations of interests

Local Pension Board as at 31 March 2020

Role	Member	Date of Appointment	Date left Office	Number of meetings attended in 2019/20 (maximum 4)
Independent Chairman	Howard Pearce	12/05/2015	31/03/2020	4
	Mark Spilsbury*	01/04/2020	-	1
Employer Member Representatives	Sarah Holbrook	23/02/2016	22/02/2020	1
	Cllr. Richard Britton	16/05/2017	-	4
	Ian Jones*	26/11/2019	-	2
	Paul Smith*	25/02/2020	-	1
Scheme Member Representative	David Bowater	14/07/2015	13/07/2019	0
	Mike Pankiewicz	14/07/2015	-	4
	Barry Reed	14/07/2015	-	2
	Rod Lauder*	26/11/2019	-	2

*Attendance includes being present as an observer

Biographies of the Local Pension Board Members

Independent Chairman:

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

Mark Spilsbury, former Head of the Gloucestershire Local Government Pension Fund & also Chair of the Cornwall Pension Fund.

Employer Member Representatives:

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

Richard Britton, Wiltshire Councillor

Paul Smith, Head of Finance and Deputy S151 officer - Swindon Borough Council

Ian Jones, Chief Operating Officer - The White Horse Federation

Scheme Member Representative:

David Bowater, Wiltshire Council employee, active member

Barry Reed, Unison representative, retired member

Mike Pankiewicz, Unison representative, retired member

Rod Lauder, Wiltshire Council employee, active member

Full biographies for all Board Members can be found here

<http://www.wiltshirepensionfund.org.uk/wiltshire-pension-fund/about-us/local-pension-board/>

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 2013¹ 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 by Board members is appropriate for the purposes of enabling the individual to properly 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

¹ 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 Strategy Statement or Investment Strategy Statement)

Achieving the required level of knowledge and skills

The Board members approved training programme covering the period 2018 to 2021 has been fully implemented and is designed to develop the necessary level of knowledge and skills for members. The strategy integrates with the Pension Fund Committee members training programme & aims to offer the widest opportunity for development. During 2019/20 the key elements of the programme were;

- To provide induction training for all new Board members. During 2019 five members of the Board were either appointed or reappointed. New appointees were required to attend a 3-day LGPS Pensions Fundamentals Course presented by the Local Government Association, receive a copy of the Member's handbook and attend an Officer led Induction training session. This suite of basic training on all the key areas of the LGPS will provide a thorough understanding of the scheme, its legislation and an appreciation of the different areas of work
- In addition, new Board members will 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 use the results of the annual self-assessment to develop the training programme for 2020-21.
- 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:

Date of meeting	Topics Covered	HP	SH	RB	IJ	PS	DB	MP	BR	RL
23/05/2019	CIPFA guidance changes to the Annual Report & Accounts	✓		✓				✓	✓	
22/08/2019	tPR Breach Reporting	✓		✓	✓			✓	✓	

The following were joint training sessions with the Pension Committee:

Date of meeting	Topics Covered	HP	SH	RB	IJ	PS	DB	MP	BR	RL
18/07/2019	CIPFA guidance changes to the Annual Report & Accounts	✓		✓				✓	✓	
23/09/2019	Responsible Investment training			✓					✓	✓
17/10/2019	Strategic Asset Allocation - Private Debt & Insurance Linked Strategies							✓	✓	✓
25/10/2019	Valuation refresher training	✓						✓		✓
28/11/2019	MiFID II compliance							✓		
28/11/2019	Manager performance presentation from CBRE							✓		
28/11/2019	Manager performance presentation from Investec							✓		
23/01/2020	Induction Training					✓				✓

The following was additional training opportunities undertaken by Board Members:

Date of meeting	Topics Covered	HP	SH	RB	IJ	PS	DB	MP	BR	RL
n/a	On-line tPR toolkit completion				✓					
15/05/2019	PLSA Conference								✓	
06/06/2019	Responsible Investment EU	✓								
31/10/2019	LGA 1st Pension Fundamentals training				✓					
06/11/2019	LGA 2nd Pension Fundamentals training									✓
13/11/2019	Brunel Investor Day	✓							✓	✓
12/12/2019	LGA 3rd Pension Fundamentals training				✓					✓
21/02/2020	CIPFA Seminar									✓

Key:

HP – Howard Pearce, Independent Chair

SH – Sarah Holbrook, Employer Representative

RB – Richard Britton, Employer Representative

IJ – Ian Jones, Employer Representative

PS – Paul Smith, Employer Representative

MP – Mike Pankiewicz, Retired Member Representative

DB – David Bowater, Member Representative

BR – Barry Reed, Retired Member Representative

RL – Rod Lauder, Member Representative

LPB Year 3 Work plan and outcomes

The primary function of the Local Pension Board (LPB) is to assist the Administering Authority in securing compliance with the LGPS Regulations, other legislation relating to the governance and administration of the Scheme and requirements imposed by the Pensions Regulator. In the pursuit of this aim it is for the LPB to set up a work plan that operates in conjunction with the workplan of the Fund whilst being committed to its own primary function.

The LPB'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;

- Regular compliance monitoring of reports which shall include reports to and decisions made by the Committee made under the Regulations.
- Management, administrative and governance processes and procedures to ensure that they remain compliant with the Regulations, Relevant Legislation and in particular the Code.
- The compliance of scheme employers with their duties under the Regulations and Relevant Legislation.
- Reviewing such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Investment Strategy Statement.
- Reviewing scheme members and employers' communications as required by the Regulations and Relevant Legislation.
- Monitoring complaints and performance on the administration and governance of the scheme.
- The Internal Dispute Resolution Process.
- Pension Ombudsman cases.
- 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.
- The complete and proper exercise of employer and administering authority discretions.
- The outcome of internal and external audit reports.
- The 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.

At its meeting on 24th January 2019 the Local Pension Board reviewed the delivery of its core functions and noted that it had achieved 75% of the core functions tasked to it since 2015.

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 which is delegated to carry out that function by Wiltshire Council in its capacity as the Administering Authority for the Wiltshire Pension Fund. This function is also supported by the Investment Sub-Committee.

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 & in turn the 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	Minute	Outcome
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.	Minuted in LPB minutes
All meetings	Scheme Legal, Regulatory & Fund update	Key updates included: Reforms to public sector exit payments, the fair deal consultation, the cost cap mechanism, SAB's good governance review, tPR Code of Practice changes, McCloud, Responsible Investment, i-Connect, the Stewardship Code & the Fund's new Employer website. Resolved: <ul style="list-style-type: none"> • To present statutory actions before strategy actions. • To record McCloud as a red risk & to contact SAB on guidance connected with keeping members updated. • To feedback Employer reception to the new website to the Board. 	All Board proposals have been taken forward
23 May 2019 (Min 23)	Minutes	Potential new nominees for the vacant employer representative post were noted. The process to secure candidates for all the member representative vacancies were set out. Resolved: Officers to conduct a wholesale membership recruitment process during 2019	The completion of the 2019 recruitment process saw appointments to all Board vacancies. Including Committee vacancies this represented 50% of the membership being appointed during the period.

	Area	Minute	Outcome
23 May 2019 (Min 30)	Internal Audit Report	The report made two priority 2 recommendations and four priority 3 recommendations. Namely, that a Data Improvement Plan should be put in place, that templates for the collection of employer data are reviewed including a process for non-compliant employers, that an audit trail of amendments is evidenced, that the suspense account is reviewed and cleared, that a full reconciliation be undertaken between Altair and SAP Payroll & that the Fund liaise with the Information Governance team to help develop a data retention plan Resolved: The Board to receive an update on the Key Controls and GDPR audit recommendations and whether they had been completed	All Audit recommendations have been completed with the exception of the reconciliation be undertaken between Altair and SAP Payroll. In light of the GMP Rectification exercise guidance was sought from the Scheme Advisory Board on best practice approach by which the reconciliation should take place.
23 May 2019 (Min 32)	Risk Register update	Officers produced a re-formatted risk register with changes made to enable a more evidence-based approach to identify risk. The Fund's register now aligns with the corporate risk register strategy however clarity was required on the nature of risks being distinguished by horizon, dynamic, ongoing and ceased risks. Furthermore, more granularity was requested to show the specific risk being mitigated, rather than generic areas of activity. Presentation of risk in accordance with the eight CIPFA categories was also be adopted, with a sub-categorisation of risk split by business plan objective & service function. Resolved: <ul style="list-style-type: none"> • To develop the risk register, by providing more detail about specific actions taken to mitigate risks • To sense check information recorded to ensure consistency. 	Changes to the risk register were made by officers as instructed. The reformatted risk register is now in full operation & used by both the Committee & the Board each quarter.
23 May 2019 (Min 33)	Administration Key Performance Indicators	The Board requested that the administration strategy KPIs be presented after disclosure KPIs and	Officers have overcome the technical difficulties in reporting the

	Area	Minute	Outcome
		that the disclosure requirements incorporate a trend line. Furthermore, where increased volumes of incoming work effected backlogs, it was suggested that these cases be presented to provide context. It was also requested that the data missing on 'Joiners' be entered into the table. It was noted that technical difficulties existed in resolving this matter Resolved: The Board recommended that the changes highlighted should be made.	performance information required & have re-formatted the KPI report to be consistent with the Board's requests.
23 May 2019 (Min 34)	WPF Business Plan 2019-2022	The Board debated that levels of resourcing and capacity required in Years 1 and 2 be considered by the Committee to ensure that the budget reflected the objectives within the business plan. Resolved: The plan was noted & officers would take forward the Board's observations	Completed
23 May 2019 (Min 35)	Data Improvement Strategy and Plan	The data improvement plan was welcomed by board members as it provided a sound basis for future reviews 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 to be provided by officers in six months-time.	The timeframe for the update was extended to 12 months in view of the guidance being sought from SAB in respect of the GMP Rectification exercise.
23 May 2019 (Min 37)	Local Pension Board Annual Report	Assurances on the accuracy of the training log and the 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. Resolved: The board approved the report for publication, subject to the corrections being made	Completed & submitted to the Committee for their review of the Board's recommendations
23 May 2019 (Min 38)	How did the Board do?	The Board discussed a Unison report on the LGPS's and ESG position. Resolved: It was	Completed

	Area	Minute	Outcome
		recommended that the committee address the Fund's ESG position as part of the fund's Investment Strategy review.	
22 August 2019 (Min 53)	Training item: tPR Breach refresher	Approximately 75% of breaches reported to tPR relate to data management with the other main cause of breach being systems or process failures. The Fund's data management processes flag up errors, how those errors are escalated and how they are assessed. The links between breach reporting and KPIs were made and the need to understand repeated breaches by under-performing employers. A typical reason includes a change in payroll provider, as opposed to indicating any kind of financial instability Resolved: • Officers to raise tPR breaches with the Board on an exception's basis only • That all members agreed to complete tPR's on-line training toolkit as a minimum requirement.	Officers noted the Board's recommendations and will incorporate the changes
22 August 2019 (Min 53)	Internal Audit Report	Officers summarised the outcome of the Internal Audit report on the Fund's tPR Code of Practice 14 requirements. An overall improvement in the Fund's compliance was noted with the number of areas in which standards could be improved reducing from 16 in 2018 to 10 in 2019. Within the 10 existing areas requiring improvement three new areas had been identified. Namely the Board membership conforming to legal requirements, member training and an understanding of breach reporting. The auditor recommended that sample testing of submissions from managers should be implemented. Resolved: • Officers to address non-compliant areas. • Officers to sample test responses received from managers following self-assessments • Committee to	Officers noted the Board's recommendations and will incorporate them. In particular sample testing will be undertaken following the 2020 self-assessment & the Pension Fund Committee approval as Audit Report in December 2019 which was submitted to both the Audit Committee & the CLT.

	Area	Minute	Outcome
		commission an annual Fund audit plan & work with the Audit Committee to timetable the audit cycle	
22 August 2019 (Min 55)	tPR Report: Public Service Governance & Administration 2018.	Officers reviewed the findings & identified a number of areas where improvements could be made to the Fund's operating arrangements, notably cyber-security and data quality. Resolved: The Board supported the officers' recommendations to address cyber-security through reporting from service providers and data quality by seeking clarity on tPR data definitions	Officers have instigated meetings with both the Fund's Pension Database provider & the Council's ICT team to implement cyber reporting. Clarification from tPR concerning data definitions are still outstanding
22 August 2019 (Min 57)	Risk Register update	The Board supported further changes made by officers, namely that new risks would be presented, ceased or dormant risks would be removed but continue to be monitored subject to a reason for removal be approved by the Committee, that all red rated risks would continue to be submitted, that changed or re-categorised risks be highlighted to demonstrate their risk's direction of travel & that a full report of all the Fund's risks would continue to be published in key Fund documents. In addition, risk rating PEN041 concerning the Fund's approach to Climate change was challenged & it was agreed to recommend to Committee that its amber status be maintained. Resolved: • The Board agreed that officers would maintain the risk register based on the criteria determined above. • Officers would alter the risk rating on risk PEN041	Officers noted the Board's recommendations and incorporated the changes
22 August 2019 (Min 60)	Accounts, annual report & external audit update	Officers advised the Board that delays to Wiltshire Council's audit had delayed the audited sign off of pension funds accounts as they share the same auditor. However, the unaudited annual report and accounts of the pension fund	Officers published the unaudited Annual Report & Account by 31 st July & submitted the Accounts to SAB for publication by 1 st December 2019

	Area	Minute	Outcome
		would continue to be published. Resolved: The Board noted the delay and the publication of the Annual Accounts	
22 August 2019 (Min 62)	Clarification of the roles of the Local Pension Board and Committee	Officers gave a progress report on the implementation of the actions arising from the Member Effectiveness review. It was agreed that Officers would take forward the work on revised terms of reference for both the Board and Committee. Resolved: Officers to take forward the revision of Terms of Reference.	Work on the terms of reference is ongoing at the time of writing this report. On passing the Council's Constitutional Focus Group the changes will progress to the Standards Committee & finally be ratified at a Full Council meeting.
14 November 2019 (Min 76)	Minutes and Key Decisions of the Wiltshire Pension Fund Committee and Investment Sub Committee	On the 2 December 2019 the legacy funds were transferred to Brunel & the Committee notified. The Board commented on the Fund's need to manage its MiFID II compliance & ensure that all the Fund's partners were compliant too. Resolved: • Officers to produce metrics to compare the carbon footprint of the funds with the Environment Agency. • Officers to set in place a compliance framework to monitor the Fund's MiFID II compliance	Comparison metrics in relation to the Fund's carbon footprint with other Fund's has been carried forward to the 2020/21 Scheme Year & a reporting setting out the Fund's MiFID II compliance framework was endorsed at the Board meeting on 13 th February.
14 November 2019 (Min 77)	Annual Training review: Board, Committee & Officers	An annual self-assessment of member training needs had been completed, the key areas identified related to Governance & Legislation, Investment, Accounting & Audit. Overall members of the Committee & Board felt that they operated at a "Skilled" level requiring only developmental training. A training strategy for 2020 would be developed based on the assessment. An officer training policy would be implemented as part of Wiltshire Council's appraisal process. Resolved: • To endorse the member training self-assessment for 2020-21. • To include MiFID II compliance on the risk register	Officers incorporated MiFID II compliance on the risk register & have prepared a member training strategy for 2020-21

	Area	Minute	Outcome
14 November 2019 (Min 79)	Risk Register update	Risk actions were reviewed & their assignment noted. Resolved: The Board recommended to keep risks PEN011 & PEN042 on an amber & red rating respectively & split risk PEN017 into two risks a) knowledge & understanding and b) Member compliance with all relevant regulations. Both risks would be given an amber rating	Board considerations noted & approved by the Committee
14 November 2019 (Min 81)	Internal Audit actions update	Officers introduced the internal audit actions update report. It was noted that the majority of the actions were complete or on target. It was identified as a good time to consider the internal audit plan for 2020/21 and to recommend areas to be audited. This would include the transfer of assets into BPP. Resolved: The Board requested an update in 6 months on the progress against the internal audit actions	Officers have scheduled a further audit report actions update & have prepared an audit plan for 2020/21 for approval by the Committee.
14 November 2019 (Min 82)	Pension Administration Strategy	The aim of the new strategy was to interlink all the administration elements, align the way work was managed with the KPIs and to prioritise work more effectively. A consultation on the revised strategy with scheme employers had been undertaken with no material feedback received. Resolved: •To request additional resources to deliver the administration strategy. •To investigate whether employers should be expected to sign up to the strategy.	Officer noted the Board's considerations & have incorporated a resourcing requirement into the 2020-21 budget. It was established that there is no requirement for Employers to sign up to the strategy.
14 November 2019 (Min 83)	Communications strategy	Officers outlined the key changes from the 2015 strategy which had been reviewed extensively. The strategy had been updated to reflect changes to the business plan and a decision had been made to digitalise communications as much as possible. A process was in place to notify members of the changes. Resolved: • To including the resourcing requirement in the 2020-21 budget.	Officers have taken forward the recommendations of the Board, however they expect the full implementation of recommendations to take at least 12 months.

	Area	Minute	Outcome
		<ul style="list-style-type: none"> • To monitor the take up of the digital communications and continue a communications framework with those not using digital platforms • Information on digitalisation should be made available on all platforms to avoid compliance issues • To note in the annual report that the monitoring of digital communications was taking place 	
14 November 2019 (Min 84)	Data Retention Strategy	<p>The purpose of the Data Retention Strategy is to ensure the Fund's compliance with the Data Protection Act 2018 and GDPR. To enable compliance some key actions and interim actions, were included within the Data Retention strategy report. In brief it was intended that the Fund would operate a minimisation & deletion strategy consistent with the guidance provided by the LGA. It was noted that a holistic data retention strategy would be adopted whereby the Fund would also recommend to Scheme Employers a duration period by which they should also hold data. However, it was noted that it was not be binding on the employer. The Board requested that greater clarity on the distinction between retaining data for 100 years from the member's or dependent's data of birth and the 15-year period after those benefits had stopped being paid should be made.</p> <p>Resolved:</p> <ul style="list-style-type: none"> • Officers to engage with the Fund Actuary concerning actuarial requirements for ongoing data. • Officers to clarify the data retention 100-year requirement in respect of a member's & dependent's date of birth 	The Actuary's observations on the retention of data were that it should be the same duration as HMRC's. Furthermore, ensuring that historic benefit corrections could be made were sighted. During the Board meeting on 13 th February the distinction between the 100 years from the member's or dependent's data of birth and the 15-year period after those benefits had stopped being paid was clarified.
13 February 2020 (Min 8)	Minutes & Key Decisions of the Fund Committee &	A query from the Board was raised concerning MiFID II training. It was noted that where required, substitute members would be	The Board's considerations were noted and substitute members would be

	Area	Minute	Outcome
	Investment sub-Committee	included in the self-certification of competence process. The Chairman recommended that it should be made a requirement that substitute members be compliant with MiFID II. Resolved: The Board recommended that substitute Committee members ensure that they are MiFID II compliant.	asked to certify their MiFID II competence.
13 February 2020 (Min 11)	Business Plan 2020/21	A general concern was raised regarding the Fund's business continuity plan and its general resilience to IT issues. It was noted that officers planned to scrutinise its software provider and Wiltshire Council to determine the appropriate measures to put in place. Comment regarding the regular monitoring of employer covenant strength and monitoring of active membership numbers of small employers was made. Resolved: • Officers will liaise with the Fund's main IT services to mitigate cyber risks. • It was recommended that officers continue solvency analysis as part of the Business Plan and ensure that a framework was created.	To be taken forward the recommendations into the 2020/21 Scheme year.
13 February 2020 (Min 12)	Board Budget setting	It was explained that the budget had been kept largely the same as the previous year. The overall proposed budget for 2020/21 was £27,400. The proposed spend on insurance for 2020/21 was £2,800. This was a niche insurance area with no real history of claims which may explain why premiums appeared relatively expensive. Officers were asked to seek guidance on the procurement of cost-effective insurance. Resolved: • To agree the draft Local Pension Board's budget and to recommend the Committee includes it in the Fund's administration budget for 2020/21 • To monitor LPB budget on a quarterly basis. • Officers agreed to circulate a copy of the	To be taken forward into the 2020/21 Scheme year.

	Area	Minute	Outcome
		scope of the Board's insurance cover. • Officers to approach Wiltshire Council's Insurance team to enquire about cover provided by alternative providers.	
13 February 2020 (Min 13)	Risk Register update	The Fund had set out its approach to fulfilling the governance obligations associated with MiFID II. However, it was recommended that risk PEN049 should remain an amber risk until the Fund had been audited on its MiFID II compliance. PEN048 The Board enquired about the ability of Brunel to deliver its objectives. It was explained that going forward Brunel would be attending the ISC meeting on a regular basis and would provide regular updates on progress. Resolved: • To recommend the changes/actions made by officers except Risk PEN049 which should remain Amber & Risk PEN048 which should be amended to include a monitoring & reporting timetable of BPP.	Both Board recommendations were submitted to the Committee
13 February 2020 (Min 15)	Data Retention Strategy update	In respect of the six-year, plus current year term raised by Hyman's, to be consistent with HMRC's payroll data retention requirements, officers agreed that it would be prudent to extend the Fund's term prior to data minimisation from four to seven years. The Fund would continue to observe the "last payment of benefits plus fifteen years" definition in all cases for the purposes of the Fund's data retention strategy. Resolved: The Board endorsed the recommendation made by officers concerning changes to the strategy	The Board's considerations were noted.
13 February 2020 (Min 17)	MiFID II compliance strategy	To maintain the Fund's "Professional Investor" status, arrangements had been set in place to ensure members selected to oversee the Fund's investment matters continue to discharge their duties and responsibilities in	Officers to seek approval of the Fund's compliance arrangements with BPP.

	Area	Minute	Outcome
		accordance with the regulations. There had been limited national guidance on the practical steps that need to be taken so a best practice approach had been adopted. It was recommended that BPP be made aware of the Fund's arrangement and agree to any implementation of MiFID II compliance. Resolved: • To endorse the arrangements concerning the Fund's compliance with MiFID II and its maintenance of "Professional Investor" status. • To raise the Fund's MiFID II arrangements with BPP for their acceptance	
13 February 2020 (Min 18)	External Audit Report	It was noted that disaster recovery plan testing was generally the responsibility of the Council's IT department. However, the Fund had an oversight responsibility to ensure its IT had an effective plan in place. This included pensions administration database provider. Resolved: Officers to liaise with Wiltshire Council's IT dept & Heywood's concerning essential oversight arrangements.	Officers to take the action forward during 2020/21
13 February 2020 (Min 19)	Annual timetable review	The Annual timetable had been reformatted to align with the new budget planning structure, be consistent with all Board responsibilities set out in the Terms of Reference & provide additional background notes to members.	Board approved the plan subject to comments from the new Chair.

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.

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.

Internal Audit Update

During the last scheme year officers undertook two reviews of the Wiltshire Pension Fund's compliance against the Regulators Code of Practice, the first of which was in June 2019 & the second in March 2020. The results of the June 2019 were also subject to an independent internal audit by the Council's captive auditor & submitted to the Board in August 2019.

Outlined in the Officers report in the summer of 2019 it identified that an overall improvement had been observed with a reduction from 16 areas requiring improvement in 2017-18 to 10 areas in 2018-19 on applying the Fund's standard questionnaire composed of 84 questions covering all areas of the Fund's internal controls. The answers to most of the areas reviewed were that they were found to be adequately overall & the risks were being well managed, although some practices required improvement to their internal controls to ensure that they achieved their objectives.

Of the 16 areas identified as requiring improvement in 2017-18, 9 had shown improvement moving to a well-managed risk status, most notably reflected in the internal controls of the Fund's contract management arrangements. This left 7 risks where no significant progress had been made, plus 3 new risks where the risk rating had worsened. The key risks identified where progress had worsened, or no improvement had been made are set out below. Officers agreed to implement an action plan to address the risks failing to reach the adequate standard;

- Board members completion of the Pension Regulator's toolkit for training.
- Employer and member representatives on the Board being in line with the legal requirements
- The Administering Authority being satisfied that those responsible for reporting Breaches understand their requirements
- A review of internal controls is required to ensure all Fund procedures are up to date
- Do member records record the information required as defined in the Regulations and are they accurate

Ensuring that Employers provide timely & accurate information

- Setting in place procedures to reconcile Fund & Employer records
- Has a benefit statement been provided to all active, deferred and pension credit members who have requested one within the required timescales
- Are Employers issuing new Scheme members will all the essential basic Scheme information
- Is all information to members provided within the required legal timescales

Following the Internal auditor's review, they provided a "Reasonable" assurance, but recommended that Fund officers complete sample testing of the responses received during the self-assessment to confirm that the responses were correct. The results of the review were endorsed by the Local Pension Board at their meeting in August 2019.

The purpose of the second compliance review against the Regulators Code of Practice in March 2020 was two-fold. Firstly, to conduct the review for 2019-20 & bring reviews into line with the relevant scheme & secondly to consider the Regulator's strategy of combining their Code 13 & 14 into a new code 15 & thus ensure that any changes to compliance resulting from the implementation of the new code could be adopted in time for the 2020-21 review in March 2021.

The results of the March 2020 review were not subject to independent audit but will be presented to the Board at their meeting in May 2020.

Outlined in the Officers report in the spring of 2020 it identified that of the 10 areas identified as requiring improvement in 2018-19, 2 had shown improvement moving to a well-managed green risk status, most notably reflected in the understanding of tPR breach reporting & its management. This left 7 risks where no significant progress had been made, plus 1 risk where a marginal improvement had occurred improving from a red to amber risk rating. The areas affected by the 8 amber risks are covered in the bullet points above, with the exception of the second & third bullet points which can now be considered concluded. The risk reducing from red to amber is reflected by the last bullet point above.

In light of the level of compliance identified against the Regulators Code of Practice it was agreed that as part of the Fund's overarching audit strategy the South West Audit Partnership will only audit the fund every other year. The next SWAP audit will therefore take place in 2021.

It is anticipated that the Auditors assessment will cover the Regulators Code of Practice 15 requirements in a similar manner to an external audit of measuring the performance of the Fund fulfilling its legal obligations as well the areas of the Code. The Code being broken down into the current 4 sections of;

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

The focus for Officers is to continue to undertake a review of the compliance requirements and carefully project plan to ensure compliance with any statutory deadlines.

The full officers Regulators Compliance check can be found here;
<https://cms.wiltshire.gov.uk/ieListDocuments.aspx?CId=1280&MId=9433&Ver=4>

External Audit Update

During 2019 the items identified in the external auditor's report for the period 2018-19 were;

- That provision of a detailed membership reconciliation between 2017-18 and 2018-19 was needed to enhance accurate financial reporting of the fund accounts
- The 2019 Annual Benefit Statements were issued within the regulatory timescale
- It was recommended that the robustness peer review arrangements were increased in relation to the output of benefit calculations.
- That a formal disaster recovery testing strategy be put in place. Although IT a Fund level set of policies and procedures should be formally documented and tested to assist employees in the event of disaster

In summary, although there are a number of recommendations made by the new auditor Deloitte's a reasonable assurance opinion had been offered in relation to this audit as the Management Team of the Pensions Fund had a high awareness of the current issues and have a number of projects underway or planned to improve the controls. This includes the implementation of i-connect, member self-service, Docmail, as well as undertaking an end-to-end review of the process to identify inefficiencies

Summary of LPB communications outlining links to the 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. A new Communication Strategy was approved in December 2019 setting out the Fund's fulfilment of this responsibility over the next 3 years. The Board noted the usefulness of the information provided to members by the Fund and emphasised the need to keep it up to date.

The Fund's website called My Wiltshire Pension launched last year to active and deferred members has seen a 20% take up within its first few months. This service allows members to see their pension online and for the Fund to provide further education and engagement material to its membership.

During 2019/20 the Fund's communicated its intention to publish members annual benefit statements online, via My Wiltshire Pension, unless members have specifically requested to continue to receive their statement by post. It is envisaged that issuing member statements electronically will be more efficient, environmentally friendly & also be cost effective. A second communication will be sent to members in April 2020 reminding them of the fund's intention to communicate in this way.

The complete Communications Strategy can be seen here;

<http://www.wiltshirepensionfund.org.uk/media/3183/communications-policy.pdf>

The Wiltshire Pension Fund's current website is supported by the Fund's Actuarial Consultants. This website went live in April 2018. In February 2020 a bespoke Employer website area was attached to the main Fund website. Both the main website link & Employer website link are provided below.

Main website link: www.wiltshirepensionfund.org.uk

Employer website link: <https://employer.wiltshirepensionfund.org.uk/>

LPB operational costs for 2019-20 & Budget for 2020-21

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 2019-20 and 2020-21 can be seen below.

	2019-20 Budget £	2019-20 Actual £	2020-21 Budget £
Independent Chair Remuneration	9,214	9,216	10,300
Consultancy Fees	7,000	-	6,500
Training	4,200	400	3,400
Committee Services	3,000	3,000	3,000
Travel & Subsistence & costs	800	800	1,000
Catering	400	0	400
Insurance	2,800	2,800	2,800
Total	27,414	16,216	27,400

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 16th July 2020.

LPB Annual timetable 2020-21 and proposed work plans

[The Board's workplan for 2019-20](#)