

AGENDA SUPPLEMENT (1)

Meeting: Wiltshire Pension Fund Committee

Place: County Hall, Bythesea Road, Trowbridge, BA14 8JN

Date: Tuesday 17 December 2019

Time: 10.30 am

The Agenda for the above meeting was published on 9 December 2020. Additional documents are now available and are attached to this Agenda Supplement.

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4 **Minutes** (*Pages 3 - 12*)

DATE OF PUBLICATION: 11 December 2020

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LOCAL PENSION BOARD

DRAFT MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 14 NOVEMBER 2019 AT WEST WILTSHIRE ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Richard Britton, Jones, Rod Lauder, Mike Pankiewicz and Howard Pearce (Chairman)

Also Present:

Cllr Simon Jacobs

69 Attendance of non-members of the Board

Cllr Simon Jacobs was present for the meeting as a non-voting member.

70 Membership

Richard Bullen, Fund Governance & Performance Manager, informed the Board that due to the Chairman Howard Pearce stepping down on 31 March 2020 and Sarah Holbrook on the 23 February 2020, replacement members were being sought. An advert was live to replace Howard, which was due to close on 29 November 2019, to allow for a formal hand over period.

Under the Board's terms of reference, Group 2 employers Swindon Borough Council and Wiltshire Police were responsible for finding a suitable candidate to replace Sarah Holbrook.

71 Apologies

Apologies were received from: Barry Reid and Sarah Holbrook.

72 Minutes and action-tracking

RESOLVED

The minutes of the Local Pension Board held on the 22 August 2019 were approved.

73 **Declarations of Interest**

There were no declarations of interest.

74 **Chairman's Announcements**

The Chairman reiterated the role of the Board as being a non-decision making body that sought to support the pension fund in being compliant with legislation and regulations

75 **Public Participation and Councillors Questions**

There were no members of the public present.

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

In response to questions asked it was noted that:

- On the 2 December 2019 the legacy funds would be transferred to Brunel. The WPFC would be updated on the progress of the transfer at the next meeting.
- There were no concerns of staff turnover or performance issues at Mercers. It was noted that the current contract with Mercers would run out at the end of 2019 with a re-tendering exercise due to take place. The retender would be via the national framework and involve scoping the areas of work Mercers would carry out.
- An internally logged amber Pension Regulator's breach was recorded due to only 92% of benefit statements being sent out by 31 August 2019, which was lower than expected. A project plan to address the issues faced this year had been developed to avoid the same issues occurring in 2020.
- I-connect had - initially gone live with 3 employers. It was hoped that each month 10 more employers would be added with Wiltshire Council planned to use the system before the end of the financial year.
- The continuing need for the Fund to be robust over compliance was noted. Additionally, the Chair commented on the Fund's need to manage its MiFID II compliance as well as ensure, that all the Fund's partners were compliant too.

Following the debate it was;

Recommended

For officers to produce metrics to compare the carbon footprint of the funds with the Environmental Health Agency;

For officers to set in place a compliance framework to monitor the Fund's MiFID II compliance.

RESOLVED

To note the Part 1 (public) minutes and key decisions of the Wiltshire Pension Fund Committee and Investment Sub Committee held on 03 October and 05 September 2019.

77 Annual training review: Board, Committee and Officers

The Fund Governance & Performance Manager referred to the report included with the agenda highlighted the framework of training strategies offered by the Wiltshire Pension Fund to Board & Committee members, Scheme Employers and Officers to ensure that the Administering Authority's commitment to training was fulfilled.

An annual self-assessment of member training needs had been carried out during October with two thirds of the questionnaires sent out being returned. Based on the feedback, the following key areas for training and development were identified: Governance & Legislation, Investment and Accounting & Audit.

The results showed that overall members of the Committee & Board felt that they operated at a "Skilled" level requiring only developmental training. The results also indicated that there were significant differences in the knowledge & understanding between members leading to a potential over reliance on knowledgeable members. It was hoped that by identifying the training themes, this would address the balance between members and eliminate this over reliance.

Members noted that the results should have been better, with members achieving a "highly skilled" rating to challenge and question reports and meet compliance requirements. The amount of training available was felt as good, although members were unsure which sessions were most relevant or useful considering members limited availability.

Officers explained that bespoke induction training for new WPF members would take place in January 2020 and one-to-one training was available if required. A training strategy for 2020 would be developed to implement the outcomes of the assessment.

The Governance & Performance Manager referred to the officer training policy which was designed to address the needs of all officers within the Pension Department including new inductees, the maintenance of knowledge & understanding for experienced officers and a developmental/advanced training strategy aimed at officers seeking to operate over & above a maintenance level.

The policy would be implemented as part of Wiltshire Council's appraisal process, where individual officer's needs would be assessed and a training plan developed.

Following the debate it was;

Recommended

The MiFID II compliance regulations be included on the risk register.

RESOLVED

The Board endorsed the Board & Committee member training self-assessment outcomes for 2020-21.

The Board endorsed the officer training policy.

78 Scheme legal, regulatory and Fund update

Andy Cunningham, Head of Pensions, introduced the report included in the agenda.

Discussion focused on the risks of the McCloud case on the WPF. Officers explained that it was unlikely to have a significant financial risk, there was more of a risk to the administration of the fund.

Following the debate it was;

Recommended

To keep the McCloud Case as a significant/red risk

RESOLVED

To note the schemes legal, regulatory and Fund update

79 Risk Register update

The Governance & Performance Manager introduced the Risk Register and gave an overview of the changes made to the register in the last quarter.

Cllr Simon Jacobs, Cabinet Member for Finance and Procurement, informed the Board that a recruitment exercise to appoint a permanent Finance & Procurement service director (s151 officer) had begun and that the Committee and Board would be updated accordingly.

It was noted that the risk register was a developing document which was updated routinely and used to develop action plans & assigning those actions to relevant managers, tasked to mitigate each risk identified.

Recommended

Risk PEN011: Should remain an amber risk.

Risk PEN042: Should remain- a red risk.

Risk PEN017: A lack of knowledge and expertise on the Pension Fund Committee – should be split into a) knowledge & understanding and b) Member compliance with all relevant regulations. Both risk would be given an amber rating.

RESOLVED

The risk register was noted.

80 Administration Key Performance Indicators

The Head of Pensions introduced the report giving an update on the Fund's performance against its key performance indicators (KPIs) in relation to the administration of pensions benefits.

It was noted that to improve the quality of KPI reporting, changes had been made to appendix 2 - tPR measures – common data & conditional data and appendix 4 – employer breakdown table.

Due to a variety of events throughout the year, the areas identified for improvement had not improved as hoped and without further resources being made available, it was unlikely that short term material improvements could be made. To resolve this issue officers planned to request more resources to help reduce the backlog of work.

That Chairman thanked officers for their improved reporting.

81 Internal Audit actions update

The Head of Pensions introduced the internal audit actions update report. It was noted that a majority of the actions were complete or on target. The external audit report had not been received due to the accounts not having been signed off yet, there were no issues with the Pensions accounts, the issue was that the new external auditors had a different process to calculating asset valuations and once that was corrected, the Pension accounts would be signed off.

Officers informed the Board that it was a good time to consider the internal audit plan for 2020/21 and to recommend areas to be audited. Officers have recommended that the transfer of assets into Brunel be audited.

Following the debate it was;

Recommended

To receive an update in 6 months on the progress against the internal audit actions.

RESOLVED

The Board noted the internal audit actions update

82 Pensions Administration Strategy

The Head of Pensions introduced the report, noting the key changes. The aim was to interlink all the elements, align the way work was managed with KPIs and to prioritise work more effectively. A consultation on the revised strategy with scheme employers was undertaken with no material feedback being received.

In response to questions asked it was noted that all the nominated contacts were updated and regularly reviewed. A plan to review the Employer Training Strategy was in place hoping that this would lead to improvements in the understanding of their roles and responsibilities.

The Chairman thanked officer for their work and at the end it was;

Recommended

When requesting additional resources from the WPFC, consideration should be given to the requirements to deliver the administration strategy.

To investigate whether employers should be expected to sign up to the strategy.

RESOLVED

The Board noted the Wiltshire Pension Fund Administration Strategy.

83 Communications Strategy

The Head of Pensions outlined the key changes in the report noting that the strategy had been reviewed extensively. The strategy had been updated to reflect changes to the business plan and a decision had been made to digitalise

all communication as much as possible. A process was in place to notify all those receiving communications of the changes.

Following the debate it was;

Recommended

When reviewing the required resources, it should be made clear which resources were required for communication purposes.

To track the take up of the digital communications so that adequate monitoring can take place and communication continued with those not using digital platforms.

Information on digitalisation should be made available on all platforms to avoid issues and meet compliance.

To note in the annual report that monitoring of digitalisation communications was taking place.

RESOLVED

The Board noted the communication strategy.

84 Fund's Data Retention Strategy

The Governance & Performance Manager introduced the Fund's data retention strategy which is distinct from the Fund's Data Improvement Strategy. The intention of the Data Retention Strategy is to ensure the Fund's compliance with the Data Protection Act 2018 and GDPR Article 29. To enable compliance officers proposed to implement some key actions, guiding principles and interim actions, a summary of which were included in the Data Retention strategy report included within the meeting pack. In brief it was intended that the Fund would operate a minimisation & deletion strategy consistent with the guidance provided by the LGA, where it could no longer justify holding personal data. It was noted that a holistic data retention strategy would be adopted whereby the Fund would also recommend to Scheme Employers the duration period in which they should also hold data. However, such recommendations would not be binding on the employer.

The complexity of the report was noted, and it was agreed that officers should provide greater clarity concerning 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.

At the end of the debate it was;

Recommended

Officers to engage with the Fund Actuary concerning the requirements of the Actuary's ongoing data needs and ensure that those needs are incorporated into the strategy.

Officers to clarify the 100-year requirement in respect of a member's & dependent's date of birth.

RESOLVED

The Board noted the data retention strategy.

85 Pension Regulator Engagement Report

The Head of Pensions referred to the tPR report which was handed out at the meeting. The report compared the findings and recommendations of the Pension Regulator's Governance & Administration Risks in Public Services Pension Scheme Engagement Report, against the WPF own governance and administration arrangements.

On review, officers considered that the Fund's current operational practices were being executed at the required standard, or that plans were in place to prepare or implement areas identified by officers as falling short of the Pension Regulator's requirements during the self-assessment. There were no areas, in the officer's opinion, where the Fund was failing to comply and only eight of the 46 tPR recommendations in which the Fund should take additional steps to ensure full compliance.

The Chairman thanked officers noting that it was a good exercise to undertake with reassuring results.

RESOLVED

The Board noted the officer self-assessment against the Pension Regulator Engagement Report & endorsed the officers' findings.

86 How did the Board do?

The Board members agreed that the meeting had been very constructive and informative with excellent reports. Officers present at the meeting and back office were praised for their hard work

87 Urgent items

There were no urgent items.

88 Date of next meeting and Forward Plan

The next meeting of the Local Pension Board would take place on the 13 February 2020.

It was noted that the 2020-21 forward work plan had been reformatted to ensure that all the responsibilities of the Board as set out in their terms of reference had been captured in the new plan. This plan would be reviewed before the next meeting.

Recommended

To review officer's *assessment of the look forward plan against terms or reference.*

To provide the Chairman with a copy of the forward work plan before the next Board meeting.

89 Exclusion of the Public

It was,

RESOLVED

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Numbers 90-91 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

90 Minutes and Key Decisions of the Wiltshire Pension Fund Committee, Investment Sub-Committee and Brunel Oversight Board

It was;

RESOLVED

To note the Part 2 minutes of the Wiltshire Pension Fund Committee and the Investment Sub Committee held on the 03 October 2019 and 05 September 2019.

91 Minutes

It was;

RESOLVED

To approve as a true and correct record the Part 2 minutes of the meeting held on 22 August 2019.

(Duration of meeting: 10.30 am - 1.00 pm)

The Officer who has produced these minutes is Craig Player, of Democratic Services, direct line 01225 713191, e-mail craig.player@wiltshire.gov.uk

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