

AGENDA

Meeting: Local Pension Board
Place: Council Chamber - County Hall, Bythesea Road, Trowbridge, BA14 8JN
Date: Thursday 5 May 2022
Time: 10.00 am

Please direct any enquiries on this Agenda to Kieran Elliott, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718504 or email kieran.elliott@wiltshire.gov.uk

Press enquiries to Communications on direct lines (01225) 713114/713115.

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Membership:

Mark Spilsbury (Chairman)	Ian Jones
Marlene Corbey (Vice-Chairman)	Mike Pankiewicz
Laura Fisher	Paul Smith

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Public Participation

Please see the agenda list on following pages for details of deadlines for submission of questions and statements for this meeting.

For extended details on meeting procedure, submission and scope of questions and other matters, please consult [Part 4 of the council's constitution](#).

The full constitution can be found at [this link](#).

For assistance on these and other matters please contact the officer named above for details

PART 1

Items to be considered when the meeting is open to the public.

1 Membership

To note any changes to the membership of the Board.

2 Apologies

To receive any apologies for absence or substitutions for the meeting.

3 Minutes (Pages 7 - 20)

To approve and sign as a true and correct record the Part I (public) minutes of the previous meeting held on 17 February 2022.

The Board's action log is also attached for members' information.

4 Declarations of Interest

To receive any declarations of disclosable interests or dispensations granted by the Standards Committee.

5 Chairman's Announcements

To receive any announcements through the Chairman.

6 Public Participation

The Board welcomes contributions from members of the public.

Statements

If you would like to make a statement at this meeting on any item on this agenda, please register to do so at least **10 minutes prior** to the meeting. Up to 3 speakers are permitted to speak for up to 3 minutes each on any agenda item. Please contact the officer named above for any further clarification.

Questions

Those wishing to ask questions are required to give notice of any such questions in writing to the officer named above (acting on behalf of the Corporate Director), no later than 5pm on **Wednesday 27 April 2022** in order to be guaranteed a written response prior to the meeting. Any question received between the above deadline, and no later than 5pm on **Monday 2 May 2022**, may only receive a verbal response at the meeting.

Please contact the officer named on the first page of this agenda for further advice. Questions may be asked without notice if the Chairman decides that the matter is urgent.

Details of any questions received will be circulated to Board members prior to the meeting and made available at the meeting and on the Council's website.

7 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee** (Pages 21 - 26)

To consider the Part I (public) minutes from the last meetings of the Wiltshire Pension Fund Committee held on 3 March 2022 and 5 April 2022.

Please note that the minutes from the meeting held on 5 April 2022 will be published as an agenda supplement.

8 **Business Plan and Budget 2022/23** (Pages 27 - 48)

To consider a summary of the Committee's approval of the Fund's Business Plan and Budget presented by the Head of the Wiltshire Pension Fund.

9 **Scheme, Legal, Regulatory and Fund Update** (Pages 49 - 52)

To consider a report providing an update on the latest Scheme, Legal, Regulatory and Fund developments for the Board's information.

10 **Training Update** (Pages 53 - 54)

To consider the Hymans Robertson six monthly report.

11 **Key Performance Indicators (KPIs)** (Pages 55 - 64)

To receive a report presenting the Fund's administration Key Performance Indicators (KPIs) for review by the Board.

12 **Low Volume Performance Report** (Pages 65 - 74)

To receive a report from the Fund Governance and Performance Manager on the Fund's performance measurements for 2021/22.

13 **Draft LPB Annual Report 2021/22** (Pages 75 - 92)

To present the draft Local Pension Board annual report for 2021/22.

14 **Pension Administration Strategy** (Pages 93 - 142)

To review the updated Pension Administration Strategy document.

- Note: The Communications Strategy was approved in

December 2021.

15 **Employer Charging Policy**

To review the updated administration charging policy.

Please note that the report and any relevant appendices will be published as an agenda supplement.

16 **Audit Update** (Pages 143 - 150)

To consider a report updating the Board on activity arising from the 2022/23 audit plan. Notably:

- Key Financial Controls
- Cyber Security
- Risks PEN030 and PEN060

17 **tPR Code of Practice 14 Self Assessment for 2021/22** (Pages 151 - 154)

To consider a report updating the Board on the findings of an internal review of the Fund's compliance with the Pension Regulator's Code of Practice 14 for the Fund Year 2021/22.

18 **Key Financial Controls** (Pages 155 - 162)

To receive an update on the Fund's key financial controls which includes the Local Pension Board's outturn report.

19 **Fund Annual Report & Accounts and Audit Update**

To receive a verbal update from the Head of the Wiltshire Pension Fund.

20 **Risk Register Update** (Pages 163 - 172)

To consider a report presenting the Risk Register for the Fund for review by the Board.

21 **Urgent Items**

Any other items of business which, in the opinion of the Chairman, should be considered as a matter of urgency. Urgent items of a confidential nature may be considered under Part II of this agenda.

22 **Date of Next Meeting and Forward Work Plan** (Pages 173 - 184)

To note that the next ordinary meeting of the Board will be held on 18 August 2022.

To review and approve the Board's new Scheme Year Forward Work Plan which is attached for members' consideration.

23 **Exclusion of the Public**

To consider passing the following resolution:

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 24 - 26 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.

PART II

Item(s) during consideration of which it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed.

24 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee** *(Pages 185 - 194)*

To consider the Part II (private) minutes from the last meetings of the Wiltshire Pension Fund Committee held on 3 March 2022 and 5 April 2022.

Please note that the minutes from the meeting held on 5 April 2022 will be published as an agenda supplement.

25 **Brunel Governance Review Update**

To receive a verbal update on the Brunel Pension Partnership governance arrangements and Shareholder NED meeting by the Head of the Wiltshire Pension Fund.

26 **Minutes** *(Pages 195 - 204)*

To approve and sign as a true and correct record the Part II (private) minutes of the previous meeting held on 17 February 2022.

Local Pension Board

MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 17 FEBRUARY 2022 AT VIEW THE ONLINE MEETING HERE.

Present:

Mark Spilsbury (Chairman), Paul Smith (Vice-Chairman), Marlene Corbey, Laura Fisher, Rod Lauder and Mike Pankiewicz

Also Present:

Cllr Richard Britton, Cllr Elizabeth Threlfall, Jennifer Devine, Christopher Moore, Richard Bullen, Andy Cunningham, Kieran Elliott and Cllr Steve Heyes

74 Membership

It was noted that there were two impending changes to the membership of the Local Pension Board; firstly, the requirement to elect a Vice-Chair for the forthcoming year, and secondly, Rod Lauder's upcoming departure from the Local Pension Board.

The Chairman thanked Rod Lauder for his input and dedication throughout his time on the Board and wished him well for the future. Richard Bullen, Fund Governance and Performance Manager, explained the process for recruiting a new member to the Board.

Resolved

The Board elected Marlene Corbey as the Vice-Chair of the Local Pension Board for the forthcoming year, 2022-23.

The Board agreed to allow officers to work with the Chairman to finalise the recruitment process for a new Board member.

75 Apologies

Apologies were received from Ian Jones.

76 Minutes

The Part I (public) minutes of the previous meeting held on 11 November 2021 were considered.

Richard Bullen, Fund Governance and Performance Manager, noted that all of the actions arising from the Board's action log would be considered in later

Agenda Items. The Board's insurance was then raised, and it was noted that the Board was insured until 31 March 2022. Officers would liaise with Aon concerning the Board 2022-23 insurance policy, likely to be aligned with other Pension Boards across the country.

Resolved

The Board approved and signed the Part I (public) minutes of the previous meeting held on 11 November 2021 as a true and correct record, and the Board's action log was noted.

The Board noted that officers would liaise with Aon over the Board 2022-23 insurance cover.

77 **Declarations of Interest**

There were no declarations of interest.

78 **Chairman's Announcements**

There were no Chairman's announcements.

79 **Public Participation**

There were no statements or questions from the public or Councillors.

80 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee**

The Part I (public) minutes from the last ordinary meetings of the Wiltshire Pension Fund Committee held on 25 November 2021 and 16 December 2021 were considered. Following which, it was:

Resolved

The Board noted the Part I (public) minutes from the last ordinary meetings of the Wiltshire Pension Fund Committee held on 25 November 2021 and 16 December 2021.

81 **Scheme, Legal, Regulatory and Fund Update**

Andy Cunningham, Head of Pension Administration and Relations, updated the Board on the various Scheme, Legal, Regulatory and Fund updates.

Reference was made to the Triennial Valuation, and it was confirmed that officers had liaised with the actuary with regard to the plan for 2022 and that the next steps would be for officers to present a report to the Wiltshire Pension Fund Committee (WPFC) at their next ordinary meeting which would look to approve some of the approaches to risk relating to key assumptions. It was highlighted that the final results would be received in October 2022 but that key decisions had to be taken early in order to agree assumptions, methodology

and approach. Officers noted that the valuation was important as it aids in the determination of contribution rates applied from April 2023.

The Chairman asked that all updates brought to the WPFC were also brought to the Board to which officers agreed.

Richard Bullen, Fund Governance and Performance Manager, provided a brief update on cyber risk and MiFID II and confirmed that a cyber security assessment quote had been received from Aon which was within the budget cap permitted. The Chairman of the WPFC and the s151 officer were being consulted concerning the scope of the audit/internal review. The Board reaffirmed the importance of the cyber security assessment and indicated that the scope outlined should be more extensive. This view was supported by the Chair of the WPFC who was in attendance. Additionally, the Board were made aware that there were three outstanding member self-certifications and although it was not a legal requirement, it was considered best practice.

Resolved

The Board noted the report.

82 **Training Update**

Richard Bullen, Fund Governance and Performance Manager, updated the Board.

Members were encouraged to contact officers with regard to any additional training so that their training logs could be updated. Furthermore, officers highlighted the Hymans-Robertson online training tool available to members and noted that reports had been received to say that activity had been quiet. It was further noted that three Committee members were still to complete the mandatory tPR training (the Pensions Regulator).

Reference was made to Pages 41 – 52 of the Agenda Pack which contained training on breaches of law. It was noted that on receipt of the new tPR Single Code of Practice, officers would review changes to the Fund's breach policy. The policy had not been updated since 2015, although it was reviewed in 2018. Officers explained what a breach was and what constituted a breach, who was responsible and the steps to follow if one occurred. Officers then went on to explain each step in more detail with examples, as shown in the slides, and reiterated that if members were ever unsure, they should seek advice from an officer. It was highlighted that officers were looking to make a change to review the policy on a three-year basis but that breaches should be reported annually, thus fostering an atmosphere of transparency and openness in the Fund's operations. Strong record keeping would also aid in the event that a 'Red' breach needed to be reported to tPR as all of the necessary information would be easily accessible.

In response to a question, officers clarified that there had one been one 'Red' breach last year but that the breach itself had not been materially significant

enough to escalate further, and members were reassured that there were none at the time of the meeting. It was noted that the breach in question had only been recorded as 'Red' because of the existing, inflexible Fund policy wording and not because it fulfilled the wider tPR interpretation of a reportable breach.

The Chairman noted all of the above and requested that the three members who were still to complete the mandatory training were sent a reminder and the appropriate Chairman notified if a response was not received.

Resolved

The Board noted the update.

The Board recommended that the Fund's breach policy was reviewed every three years.

The Board requested that officers send a reminder to Members who had not completed their mandatory training.

83 **Business Plan 2022-25**

Jennifer Devine, Head of Wiltshire Pension Fund, gave a brief verbal update and explained that historically, a draft would have been brought to the Board but with the recent leadership structure changes, officers wanted to further understand any issues and where more resources were needed. A review was currently being carried out by Aon into the resourcing and performance of the administration function, to help determine where the key issues were, and where more resourcing might be needed to support the Fund in delivering a top quality service. Once the Aon review had been completed then it was noted that these results would help inform actions for the Business Plan and Budget from next year. It was again confirmed that any potential actions would be discussed with the Board after the WPFC.

84 **LPB Budget 2022-23**

Chris Moore, Pension Fund Accounting and Investments Officer, presented the report and highlighted the forecast for the end of the year which was calculating an underspend.

A question was asked as to the forecasted cut to the consultancy budget, and it was explained that this was because there were no specific works set forward by the Board. Additionally, with regard to the insurance cover it was highlighted that the premium could be significantly higher and as such, it was noted that there should be a contingency in place.

With regard to the training budget, it was asked if there were any proposal to have future training opportunities circulated to members, to which officers agreed to see what was available but also highlighted the Hymans-Robertson online training tool which could be further utilised by members.

The Chairman noted the need for further discussions regarding the Board insurance and expressed eagerness for the results of the Aon review which would aid the decision.

Resolved

The Board agreed the draft Local Pension Budget and recommended to the Pension Fund Committee that this is included in the Fund's Administration budget for 2022-23.

The Board agreed to monitor their budget on a quarterly basis. The Local Pension Board budget monitoring will form part of the quarterly budget report which is reviewed by the Pension Fund Committee.

85 **Key Financial Controls**

Chris Moore, Pension Fund Accounting and Investments Officer, presented the report to members.

It was explained that the report had evolved to include a summary dashboard which would be reviewed monthly alongside new graphs and tables for reporting cash flows and forecasting which looked at historic data to aid monitoring. Attention was then drawn to Paragraph 18, and it was noted that officers were following up with the one outstanding employer. The WPF Annual Reports and Accounts for financial year ending 2020 was then highlighted and it was noted that these were being brought forward to the Audit and Governance Committee alongside the Council Accounts in due course for formal sign off and once this had been completed then the Accounts for year ending 2021 could be brought together with the Accounts for year ending 2022.

With regard to the late contribution payments, it was clarified that there was no penalty as officers prioritised fostering relationships with employers to encourage best practice, however it was highlighted that a charge for additional administration could be incurred.

The Chairman raised Paragraph 5 of the report and expressed disappointment in the delays. Officers confirmed that the delay in the 2020-21 Accounts sign off would be added onto the Breach Log and Members agreed that it should be recorded at an 'Amber' rating. Furthermore, the Chairman noted that he felt the matter of cyber security should be taken forward urgently and that independent assurance should be sought on the technical and complex issue of accurate cyber security arrangements. Officers shared the Chairman's concern and, alongside other members, noted that stronger communication between Fund officers and the Council's ICT department was needed. Officers additionally noted that they would approach Aon and request to change the scope of the review to a more technical perspective.

Resolved

The Board noted the progress made against resolving the issues identified within the report, and the progress made to develop accounting and control improvements.

The Board proposed that the Terms of Reference for the Cyber Security Review be finalised as soon as possible and should include a technical examination from an independent IT consultant who should review the information provided to date by the two key providers, together with further discussion with other providers as required, in order to give an independent opinion of the adequacy of the current cyber security arrangements.

86 **Key Performance Indicators (KPIs)**

Andy Cunningham, Head of Pension Administration and Relations, introduced the report presenting the Fund's administration KPIs.

Officers explained that they were trialling a reporting system called 'Insights' which they were likely to purchase as it aided in producing data in a quicker way which would make it easier to embed and therefore have a positive impact on the KPIs as it would provide more real time information.

Page 67 of the Agenda Pack was referred to and the two figures that were not close to 100% were highlighted. It was noted that the 'Transfers Out' figure was lower as Fund members could access the relevant information themselves, hence it was less of a priority for officers to rectify. Regarding the other figure, 'Joiners', was cited as being an ongoing technical issue as officers continued trying to collate the different ways in which starters were set up but it was confirmed that this was close to being solved and as such, the figure would soon rise. The continued backlogs were then raised, and officers noted that they were slowly coming down and that resourcing third party administration to clear the aggregation cases was being considered. Officers acknowledged the expense that would come with it but reinforced that they believed it was the best method going forward. It was emphasised that as they were not the only Fund to encounter this problem, there were a number of organisations in the market that could provide the specific support needed. Jennifer Devine, Head of Wiltshire Pension Fund, noted that this was being examined within the Business Plan as at the current rate it was being reduced by could take up to 9 years to clear. It was cited that the potential cost of outsourcing could be anywhere up to £300k but that officers were waiting for further guidance from Aon.

In response to a question, officers clarified that the figure thresholds for Page 67 were set out in the disclosure legislation but that the template was one adopted from CIPFA as it was required for the Annual Reports and Accounts. However, it was noted that the legislation was becoming harder to interpret due to them being written before the digital age.

i-Connect was raised by the Chairman who sought clarification on when officers were expecting Swindon Borough Council (SBC) to be onboarded. Officers explained that they were struggling to engage with SBC in order to retrieve the information as to when they changed payroll systems; this change has meant that officers have had to in effect, restart the process. A timeline of 3-4 months was estimated but it was reiterated that this was dependant on SBC's cooperation. The Vice-Chairman, Paul Smith, highlighted his role in SBC and stated that he would be happy to help improve communication flows.

Resolved

The Board noted the current situation and the Fund's plans for improvement.

87 Pensioner Payroll Database Reconciliation

Andy Cunningham, Head of Pension Administration and Relations, updated the Board on the progress of the project.

A change to the layout of Paragraph 3 was highlighted and it was explained that a table was included to ease monitoring and to reflect the scope expansion to include all dependants. It was confirmed that a lot of resource was being used on the project but due to the complexity of the project progress was slow.

In response to a question with regard to procedure, officers explained that each person was being written to as their case was being reviewed as each letter was bespoke and specific to that person's circumstances and as such, if a person had any questions, then they should first make contact with the officer who had sent them their letter.

The Chairman made reference to the £8.25m provision that had been made in the 2021 accounts and asked for an update. Jennifer Devine, Head of Wiltshire Pension Fund, confirmed that officers had taken a prudent view and had calculated that figure by assuming that all cases needed to be rectified, however it was confirmed that officers now expected the final figure to be much lower but again could not provide an exact figure due to the number of cases still outstanding.

Resolved

The Board noted the update.

88 Investment Governance

Jennifer Devine, Head of Wiltshire Pension Fund, introduced the report and provided updates to the Board.

It was noted that many of the areas in which the Fund were moving forward with were not legally required but were instead considered best practice such as: setting objectives with the Fund's investment advisers that would be the basis of

their annual reviews and signing up to the Stewardship Code 2020. Additionally, with regard to Levelling Up it was noted that a strategic allocation of 5% had been made to affordable housing.

Reference was also made to an online magazine version of the full Stewardship Code 2020 report that officers were intending to create to provide further accessibility to lay people. It was explained that the main report would be approximately 50 pages long and as such, the magazine would be approximately 15 pages which would include case studies, pictures, charts and so forth to further connect with members. It was noted that engagement on the magazine would be monitored which would help to inform similar ideas in the future.

Resolved

The Board agreed to:

- a) Use the paper as a basis to monitor progress made and actions taken towards various investment governance issues.**
- b) Review and endorse the process for approval of 2020 Stewardship Code reporting, and the Treasury Management Strategy**
- c) Note the information provided on Levelling Up.**

89 Scheme of Sub-Delegation

Richard Bullen, Fund Governance and Performance Manager, updated the Board on the changes to the Scheme of Sub-Delegation.

It was explained that the review was conducted every three years and as such, was last reviewed in 2018. Although it was a Wiltshire Council and not a Wiltshire Pension Fund document, officers were asking the Board to look at the content of the document. Officers noted that they were looking to work with Wiltshire Council to make changes to the main document and guidance to delegations in order to bring it in line with current governance practice.

In response to a question, it was clarified that following the last member effectiveness review in 2018, the Council's constitution had been looked at more generally and lots of changes were made, in particular, rewriting the Terms of Reference for the WPFC and synchronising these with the Board's Terms of Reference. The recent developments with regard to the decommissioning of the Investment Sub-Committee, leadership structure changes, and the relationship between Wiltshire Council and Swindon Borough Council membership also needed to be addressed.

The Chairman requested that a change be made to Appendix 1 to make clear the advisory nature of the Board. He also raised concerns that many of the

items were noted under the Board and not the WPFC. Officers agreed and noted that it was a presentational issue that could be rectified, and clarity could be added to show the difference between the Board and WPFC's roles.

Resolved

- 1) The Board noted officer conclusions and proposed that changes be made to the structure of delegations and controls to incorporate changes arising, namely officer titles and recommendations arising from the anticipated Good Governance Review and Single Code of Practice. Furthermore, the Board gave consideration to the breakdown of responsibilities outlined in the "Guidance to Delegations" Appendix 1 and agreed that the changes include:**
 - a) Where required, changes also arising from published guidance, and**
 - b) Ensuring that the governance arrangements of both the Fund and BPP are clearly reflected with each other, as appropriate.**

- 2) The Board requested that the Pension Fund decision making table be amended to make clear the advisory scrutiny role of the Board and the functions where the Board will undertake detailed reviews with oversight from the Committee.**

90 Risk Register Update

Richard Bullen, Fund Governance and Performance Manger, updated the Board in relation to the changes made to the Fund's Risk Register.

PEN052 was highlighted and it was clarified that although Covid-19 was still present, all of the processes and procedures for the Fund's operations were in place and as such, the risk had been moved down to green.

The Chairman noted concern regarding PEN60 and PEN30 and the indication that there would be a corporate recharge by Wiltshire Council and questioned what improvements would be included. Jennifer Devine, Head of Wiltshire Pension Fund, confirmed that officers believed that there would be no improvements in 2022 and noted that the issue was raised frequently however, they believed that it was not considered a priority due to stretched resources within the central Wiltshire Council finance team. The Chairman expressed his disappointment and noted that he felt it was essential that the Board and WPFC work together to address the issue.

Resolved

The Board noted the attached Risk Register and recommended the changes/actions made by officers in points 6 – 8 to the Committee.

The Board requested that work is undertaken between corporate finance officers and pensions officers with regard to PEN30 & PEN60, to implement a more transparent recharge system for implementation in the 2023-24 financial year, with regular updates of progress included in all of the Key Financial Controls reports brought to the Board.

91 **Urgent Items**

There were no urgent items.

92 **Date of Next Meeting and Forward Work Plan**

The next ordinary meeting of the Local Pension Board would be held on 5 May 2022.

93 **Exclusion of the Public**

The Board considered the recommendation to exclude the public. After which, 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 21-22 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.

94 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee**

The Part II (private) minutes from the last ordinary meeting of the Wiltshire Pension Fund Committee held on 16 December 2021 was considered. Following which, it was:

Resolved

The Board noted the Part II (private) minutes from the last ordinary meeting of the Wiltshire Pension Fund Committee held on 16 December 2021.

95 **Brunel Governance Review Update**

An update was provided by Jennifer Devine, Head of Wiltshire Pension Fund.

(Duration of meeting: 10.00 - 11.55 am)

The Officer who has produced these minutes is Kieran Elliott of Democratic Services,
direct line 01225 718504, e-mail kieran.elliott@wiltshire.gov.uk

Press enquiries to Communications, direct line ((01225) 713114 or email
communications@wiltshire.gov.uk

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Wiltshire Pension Fund Board - Actions Log					
Minute reference	Section	Meeting Action	Task owner	Target date for completion	Completed and reported to last meeting
118 (18/02/21)	Governance (GCS)	Officers should change the Governance Compliance Statement to include external assurance in conjunction with any confirmed changes arising from the Scheme Advisory Board's Good Governance Review	RB	27/10/22	
23 (20/05/21)	Accounts (Fund Report & Accounts 2019/20)	With reference to the continued delay in the sign-off of the Administering Authority accounts for 2019/20, the Board recommends that the Pension Committee requests an update from Wiltshire County Council on the position for the next meeting of the Pension Committee.	JD	24/06/21	17/02/2022 - Minute 85
61 (11/11/21)	Administration (Payroll Reconciliation)	To request future monitoring reports every 6 months on the reconciliation project and the move to an integrated pensioner payroll system	AC	05/05/22	Agenda
66 (11/11/21)	Governance (LPB Insurance)	To wait for the new quote for the Scheme Year 2022/23 and consider the Board's protection arrangements at that time	RB	05/05/22	Agenda
74 (17/02/22)	Governance (Membership)	The Board agreed to allow officers to work with the Chairman to finalise the recruitment process for a new Board member	RB	25/04/22	25/04/22
85 (17/02/22)	Governance (Key Controls - Cyber Security)	The Terms of Reference for the Cyber Security Review should include a technical examination from an independent IT consultant who should review the information provided to date by the two key providers. The independent opinion should quantify the adequacy of the current cyber security arrangements.	RB	28/07/22	
89 (17/02/22)	Governance (Scheme of sub-Delegation)	To propose changes be made to the structure of delegations and controls & consider the breakdown of responsibilities outlined in the "Guidance to Delegations"	RB	27/10/22	

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Wiltshire Pension Fund Committee

MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 3 MARCH 2022 AT COUNCIL CHAMBER - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr Steve Heyes (Vice-Chairman), Cllr Gordon King, Cllr Vijay Manro, Cllr Christopher Newbury, Cllr Jonathon Seed, Cllr Elizabeth Threlfall, Mike Pankiewicz, Tracy Adams and Claire Anthony

Also Present:

Anthony Fletcher, Kieran Harkin, Marlene Corbey, Andy Cunningham, Jennifer Devine, Richard Bullen, Christopher Moore, Liam Robson and Stuart Figini

94 **Apologies**

There were no apologies for absence received.

95 **Minutes of the Previous Meeting**

The Part I (public) minutes of the previous meeting of the Wiltshire Pension Fund Committee held on 16 December 2021 were considered. The Part I (public) minutes of the last ordinary meeting of the Local Pension Board held on 17 February 2022 were also considered. Following which:

Resolved

The Committee approved and signed the Part I (public) minutes of the previous meeting held on 16 December 2021 as a true and correct record.

The Committee noted the Part I (public) minutes of the last ordinary meeting of the Local Pension Board held on 17 February 2022.

96 **Declarations of Interest**

Cllr Richard Britton declared a non-pecuniary interest in Agenda Item 14 by virtue of being part of the Board of Directors for Selwood Housing.

97 **Chairman's Announcements**

The Chairman noted that an email with regard to investments in Russia had been circulated to Members ahead of the meeting and invited Jennifer Devine, Head of Wiltshire Pension Fund, to update the Committee further.

It was clarified that the situation was rapidly changing, and further updates would be circulated as and when more information was received. It was noted that the best investment strategy would be to divest from Russian investments and that officers were having discussions with Brunel and Mercer to help facilitate this, but that this was challenging at the time of the meeting due to Russian markets being closed.

The Chairman explained that the contract with MJ Hudson with regard to the role of the Independent Adviser was up for renewal and as such it was confirmed that Anthony Fletcher would be renewed for one year while further considerations as to their role within the Committee was given.

The Chairman additionally thanked Cllr Steve Heyes for stepping into the role of Vice-Chairman.

98 **Public Participation**

There were no statements or questions from the public or Councillors.

99 **Review of Actions Arising from Previous Meeting**

Jennifer Devine, Head of Wiltshire Pension Fund, noted that there were no updates or investment focused actions arising from the previous meetings of the Wiltshire Pension Fund Committee held on 25 November 2021 and 16 December 2021.

100 **Responsible Investment Update**

Liam Robson, Pension Fund Accounting and Investment Officer, and Jennifer Devine, Head of Wiltshire Pension Fund, presented the report updating Members on responsible investment issues.

Paragraphs 9-12 were explored, and Members asked for further clarification. Officers established that during the training session conducted on 29 November 2021, Members had identified 5 Sustainable Development Goals (SDGs) out of the 17 United Nations SDGs, that they could consider prioritising as representing the strongest investment case. It was explained that to look at each of the 17 SDGs in detail through mapping the entire investment portfolios would incur significant costs and data that officers felt was unnecessary, and as such, it was officers' intention that the 5 identified SDGs could instead inform more specific questions for investment managers without such a cost. Cllr Newbury expressed concern that it seemed as if the discussions and conclusions made in the training session, which was an informal meeting, were being drawn out and recommended for endorsement when he felt not enough detailed analysis had been given. Officers clarified that those discussions were being revisited during the Committee meeting before any actions were taken and that Members held the right to reject the recommendations if they saw fit.

Members then discussed their decision to prioritise the 5 SDGs and the Chairman moved that the statement as detailed in Paragraph 12 of the report should be approved.

A vote was undertaken, following which the motion was carried.

Cllrs Christopher Newbury, Elizabeth Threlfall and Jonathon Seed requested their votes against the motion be recorded.

Discussions were then had surrounding the fiduciary duty of the Wiltshire Pension Fund (WPF) and if setting goals such as those would impact on making safe investments, alienate investment opportunities and subsequently negatively impact returns. Reference was then made to the results of the Climate Change Modelling presented by Mercer in 2021 and how investing responsibly was shown to deliver stronger returns.

Further reference was made to the internal legal opinion sought from Elizabeth Muir, Wiltshire Council Solicitor, which was presented to the Committee in 2021 in the form of a memo. Cllr Newbury reiterated his misgivings and stressed that he felt the internal legal staff did not have the necessary expertise to answer the questions surrounding fiduciary duty, and that an external specialist legal advisor should be sought for advice. Cllr Newbury proposed that the Committee seek an external legal opinion (from leading counsel) on the lawfulness of the changes the Wiltshire Pension Fund Committee made in 2021 to the Investment Strategy Statement, in particular with regard to the aim of achieving “net zero across all portfolios” within a fixed timeframe, without the meaning of that aim having been established.

One Member of the Committee questioned the motion and sought advice from Democratic Services as to the legality of the proposal. It was confirmed by Democratic Services that the motion was just and lawful and that a vote should take place.

During the debate, Anthony Fletcher, MJ Hudson, explained how ESG considerations had impacted on investment decisions over the years, the difference in today's world was that people were more aware of these issues and as such, focussed and spoke on them more. Other Members of the Committee echoed this but also noted that it was not in the Fund's best interest to restrict investment managers and investment choices. Officers reaffirmed the Fund's mission and sole purpose, which was explicitly written on the front page of the Responsible Investment Policy. It was further reiterated that officers have not made a single decision that was not focussed on returns, appropriate advice was always sought and that a lot of time and effort had gone into identifying risks and working with Mercer to produce hard figures within the modelling so that the risk (and associated financial impact) could be quantified. Additionally, it was highlighted that the WPF was a large Fund and that long term issues such as climate change would affect the investments and as such action needed to be taken on how to tackle these issues in order to protect the financial interests of the Fund.

Members of the Committee sought further clarification as to the reasoning behind the motion and why internal legal advice would not suffice. Cllr Newbury reiterated that he felt that it was an incredibly specialised area of law and felt that it would be best to seek a specialist for their advice. He further noted that he had raised this issue in 2021 with Frank Cain, Head of Legal Services, and the then Director of Legal and Governance, Ian Gibbons. Officers confirmed that Brunel's position was exactly aligned with the WPF's; they took the same view on climate risk and considered the matter an integral part of fiduciary duty. Concerns were raised as to the potential cost of seeking external legal advice.

A vote was undertaken, following which the motion failed.

Cllrs Christopher Newbury, Elizabeth Threlfall and Jonathon Seed requested their votes for the motion be recorded.

After which, the recommendations as detailed in the report were proposed on block by the Chairman, following which:

Resolved

- 1) The Committee agreed to use the report as a basis for monitoring the progress that is being made towards implementing responsible investment policy.**
- 2) The Committee noted the progress made against the Responsible Investment Plan 2021/22 actions.**
- 3) The Committee noted the conclusions of the SDG investigative research and agreed that this can be placed on hold until a later date/after the strategy review.**
- 4) The Committee adopted the statement regarding priority SDGs.**

101 **Date of Next Meeting**

The next ordinary meeting of the Wiltshire Pension Fund Committee focusing on administration matters will be held on 31 March 2022.

The next ordinary meeting of the Wiltshire Pension Fund Committee focusing on investment matters will be held on 26 May 2022.

102 **Urgent Items**

There were no urgent items.

103 **Exclusion of the Public**

The Committee considered the recommendation to exclude the public. After which, 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 11 - 16 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.

104 **Minutes**

The Part II (private) minutes of the previous meeting of the Wiltshire Pension Fund Committee held on 16 December 2021 were considered.

Resolved

The Committee approved and signed the Part II (private) minutes of the previous meeting held on 16 December 2021 as a true and correct record.

105 **Private Markets Brunel Cycle 3 Update**

Jennifer Devine, Head of Wiltshire Pension Fund, gave an update on Brunel's Private Markets Cycle 3.

Resolved

The Committee approved to use the report as a basis to ask questions of Brunel.

The Committee approved commitments of £140m to Brunel's private equity cycle 3 portfolio, and £160m to Brunel's private debt cycle 3 portfolio.

106 **Investment Quarterly Progress Report**

Chris Moore, Pension Fund Accounting and Investments Officer, and Jennifer Devine, Head of Wiltshire Pension Fund, presented the Investment Quarterly Progress Report.

Resolved

The Committee agreed to use the investment reports and the update provided by officers and advisers at the meeting as a basis for monitoring

the investment performance and implementation of the strategic asset allocation.

107 **Affordable Housing Selection**

Jennifer Devine, Head of Wiltshire Pension Fund, presented the Affordable Housing Selection to the Committee.

Resolved

- 1) The Committee agreed to use the report as a basis to understand the process followed to select managers for the affordable housing portfolio.**
- 2) The Committee endorsed the final manager selection.**
- 3) The Committee approved that officers continue to work with Mercer on the final tranche of capital.**
- 4) The Committee approved that when the final tranche of capital is committed, a further updated is provided to the Committee.**

Members of the Committee had a comfort break between 12.08pm – 12.15pm.

108 **Presentation by BPP**

Representatives from the Brunel Pension Partnership delivered a presentation to the Committee.

109 **Presentation by Pinebridge**

Representatives from Pinebridge delivered a presentation to the Committee.

(Duration of meeting: 10.00 am - 1.40 pm)

The Officer who has produced these minutes is Kieran Elliott of Democratic Services, direct line 01225 718504, e-mail kieran.elliott@wiltshire.gov.uk

Press enquiries to Communications, direct line ((01225) 713114 or email communications@wiltshire.gov.uk

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE

5 April 2022

Includes LPB Recommendation – Minute 90

WILTSHIRE PENSION FUND BUDGET 2022/23

Purpose of the Report

1. This report seeks Members' approval for the 2022/23 Business Plan and Budget for the Wiltshire Pension Fund, as shown in the attached Appendices.

Background

2. In order to set the direction of travel for the Wiltshire Pension Fund over the next few years, various pieces of work have been carried out, to identify priority areas to focus on, and what resource might be required:
 - a) Aon (an independent actuarial firm) were commissioned to conduct a review of the administration function, looking at performance and resourcing. Representatives from Aon will attend the meeting to present their findings.
 - b) SWAP have now carried out their annual internal audit review into the Fund's key financial controls. Officers also highlighted to SWAP areas of concern which had not previously been looked at as part of the internal audit. This has led to an increased number of recommendations. In addition, the report contains two "priority 1" recommendations. One is around monitoring, and includes recommendations on improved performance reporting, and use of integrated payment systems. The other is around the ongoing situation with the backlogs of work. The additional recommendations, and the fact that there are two "priority 1" recommendations, has contributed to an overall assurance level of "No assurance". SWAP's full report is attached as Appendix 3. Representatives from SWAP will attend the meeting to present their findings.
 - c) As part of Aon's review, a staff engagement survey was carried out, which identified other recommendations.
 - d) Heywoods, the provider of Altair, the Fund's administration system, have also reviewed the Fund's use of the system, and made some recommendations around support which can be provided to help the Fund progress with implementing integrated payment systems etc.
3. At the current time, there are significant improvements needed, as identified by the Aon review and internal audit, and summarised below. A business plan for the coming year has been developed (Appendix 4), incorporating the recommendations from these recent reviews, as well as other known actions for the coming year. The business plan focusses on delivering the required improvements, and highlights the budgetary impact for each action. The business plan has been set for one year only, in order to tackle immediate service priorities, but also contains information on the desired longer-term deliverables.
4. The budget for 2022/23 is based on the assumption that the Committee will want to deliver the recommended improvements, and approve the business plan as drafted. Detail explaining how the 21/22 budget has evolved to the 22/23 budget, including the improvements noted in the business plan, is shown below, as well as the effect of several of these one-off costs falling away in later years.

Setting a new vision for the Fund

5. In order to focus the team on delivering improvements and outcomes for the Fund's customers (i.e. the scheme employers and members) a new vision for the Fund has been included in the business plan: "**Our vision is to deliver an outstanding service to our scheme employers and members**". The vision will be delivered by targeting 16 strategic vision goals, which are focussed on outcomes for the employers and members. The goals and the vision are supported by a set of seven values, which define how the team needs to work to deliver these outcomes. The business plan contains the vision, goals, and values in full.

Key findings and recommendations of the Aon review and SWAP report

6. As mentioned above, the Aon review looked at the priority areas for focus, and the resourcing of the team. In general, the review concluded that based on the ongoing work coming in, the Fund does appear to have an appropriate level of resource. However, Aon commented that this was an unexpected finding, given the level of backlogs and some of the KPI performance statistics. Investigation therefore needs to be done to determine why performance isn't better – part of the solution to this will be **action 7** in the Business Plan 22/23, launching weekly KPIs, and **action 3**, developing a plan to hit 100% of KPI targets. Overall team resource will be reviewed in **action 6**.
7. Both the Aon review and the SWAP report commented on the backlogs, with SWAP rating this as "priority 1". In order to clear the backlogs within a "reasonable" timeframe, defined by Aon as 2 years, the Fund would need an additional 2-6 FTEs. Continuing at the current rate, the backlogs will take around 6 years to clear, possibly longer, since some of this work is currently done on overtime, which is optional for staff, who may choose to stop doing this in light of proposed changes by Wiltshire Council to reduce overtime payments to be at time (not time and a half). Steps to tackle this area are included in the Business Plan 22/23 as **action 5**, with proposals to outsource this area of work.
8. It is critical that the backlogs are cleared. Backlogs of work create inefficiencies in the way that officers are able to run the Fund, but also impact on the members. Although the backlogs do not exist in high priority areas (such as retirements), falling behind on updating records with aggregations can impact on members. Records not being up to date mean that members may not have an accurate view of the value of their benefits, which could affect their ability to financially plan for their future.
9. The Aon review recommended that work should be done to progress and complete the ongoing pensioner payroll reconciliation project, which is not progressing as fast as expected with the current level of resource. The best approach here is likely to be taking a simplified approach to cases with lower value (under £5 per month) differences, and obtaining additional support for the cases with higher value differences. **Action 4** in the Business Plan 2022/23 tackles this issue with a plan to outsource part of the work.
10. Resolving the pensioner payroll reconciliation project is another critical action. At the current time there is still not a conclusive assessment of the financial impact that this project has on the Fund. For every month that goes by where cases are still unresolved, overpayments may be made which it will not be possible to recover, and members may continue to receive underpayments. Correction of these cases is time-sensitive, particularly during the current squeeze in living standards, meaning that receiving a correction of a prior underpayment could have a significant impact on a member.

11. The SWAP report (section F) discusses ways to mitigate against this issue re-occurring, with “priority 1” actions around reconciling between systems going forward, and also implementing the integrated payment modules in Altair. This has already been pre-approved by Committee in June 2021, and the plan is that this should now go ahead as a phased approach. The integrated systems should be implemented shortly, and the payroll will go live for new pensioners only. This will help with the migration to Oracle, the Council’s new general ledger system, as the migrating payroll will be static. The Fund can then collaborate with the Council teams to migrate the rest of the payroll over to the integrated Altair payroll once the reconciliation work is complete, at a mutually convenient time. **Action 8** in the Business Plan 22/23 addresses this piece of work, with a recommendation for consultancy support to ensure the success of the project.
12. Successfully implementing the integrated payments systems (including payroll) is critical to strengthening controls, and minimising the risk that members are paid incorrect benefits going forwards.

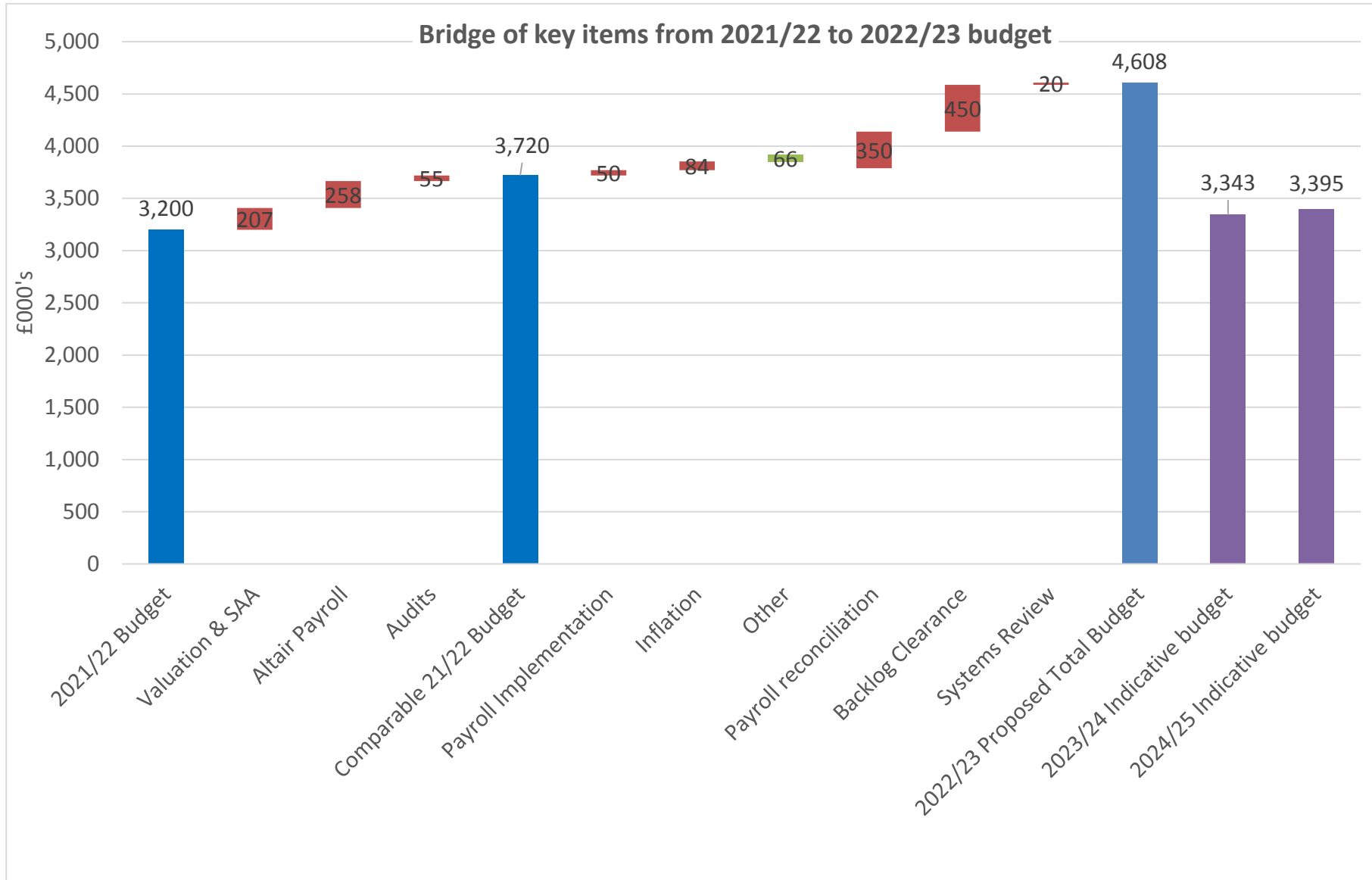
Key improvement areas (i.e. Actions 4 & 5, to outsource certain pieces of work)

13. In general, it would be lower risk to outsource large problem areas rather than recruit new staff to the team. The outsourcing provider would retain the responsibility to resource the project and deliver against pre-agreed timescales and costs. However, this option can be more expensive. Comparisons of internal vs external cost are shown below:
14. Using the assumptions from the Aon review of how many staff would be required, the number of productive hours per year, and the time taken to complete cases, it would likely cost around £400k to set up an in-house team of staff on fixed-term contracts to clear the backlogs. Based on a previous quote obtained, the backlogs would cost around **£450k to outsource**. Therefore, this amount has been used in the budget, as although it is higher there would be more certainty over the cost and less risk of the project not being delivered successfully.
15. Using similar assumptions as above for the pensioner payroll reconciliation, additional staff to complete this project would cost around £300k. An estimate of the cost from an external provider was around £350k for the higher value cases, and £550k-£700k for all cases including the lower value ones. As mentioned above the best value option would be to outsource the higher value cases, and develop a vastly simplified methodology for the lower value cases, which could be completed internally. Therefore, an amount of **£350k for outsourcing higher value cases** has been included in the budget.

Key features of the proposed 2022/23 budget

16. The chart on the following page shows a summary of the 2021/22 budget, and how this has been developed to arrive at the 2022/23 budget. The full budget is shown in Appendix 1.
17. The first blue bar, £3,200k, shows the budget from 2021/22, plus additions which were approved during the year by Committee. The main changes from last year’s budget are as follows:
 - a) The addition of £207k to deliver the triennial actuarial valuation and the review of the strategic asset allocation – both mandatory exercises.
 - b) £208k to purchase the integrated Altair payroll and one-off payment systems, which was already approved by Committee in June 2021.

- c) £55k to cover the cost of the specialist audits, including the cyber security audit, which have been commissioned by the Committee.
18. The second blue bar incorporates these 3 items, and shows a comparable figure based on last year's budget plus necessary and/or preapproved additions, of £3,720k. This then bridges to the proposed budget for 22/23 as follows:
- a) £50k addition for consultancy support to implement the integrated payment systems, and ensure this is successfully completed.
 - b) £84k addition for inflation (including cost of living pay increases).
 - c) Less other net savings of £66k.
 - d) £350k addition for outsourcing part of the payroll reconciliation.
 - e) £450k addition for outsourcing the backlogs.
 - f) £20k addition for a review to help identify key areas of focus and resourcing for the Fund's systems team.
19. This arrives at the final blue bar, the proposed budget of £4,608k. Although this budget is significant, it incorporates several pieces of one-off expenditure. The purple bars show indicative budgets for 23/24 and 24/25 to illustrate this non-recurrent expenditure.
20. It is likely to be the case that the costs of the large, outsourced projects (i.e. the payroll reconciliation and the backlogs) may partially end up falling into the following year depending on the exact timings of the work, but this will not affect the total spend being proposed.



Investment management fees and related costs

- 21. The fees and costs for managing the investment portfolios are reported separately, following the year end (i.e. in the next cycle of Committee meetings). These costs are dependent on asset values and so are difficult to predict and budget. The costs and savings of pooling are monitored regularly and reporting to the Committee on a quarterly basis.
- 22. The costs of implementing investment pooling are set out in the Brunel Pension Partnership budget. This budget developed in consultation with clients, reviewed by the Brunel Oversight Board, and then formally approved by a Special Reserve Matter (requiring signature by all 10 shareholder funds). The Brunel budget was discussed and supported by Committee at the meeting on 16 December 2021.

Summary

- 23. The proposed business plan for 22/23 aims to deliver some significant improvements to service delivery. The budget has been set to support this. The budget for 22/23 therefore contains several large, one-off pieces of expenditure, and represents a large increase compared to recent years. The internal audit report and the Aon review contain several recommendations for improvements, ranging from top priority to less significant. Completing the large improvement projects, specifically outsourcing the backlogs and part of the pensioner payroll reconciliation, will enable staff to focus on delivering the other recommendations.
- 24. A comparison of the 2022/23 and 2021/22 budgets on a cost per member basis is shown below:

	2022/23	2021/22
Administration	£38.80	£24.11
Oversight and Governance	£14.59	£10.85
Investment administration	£2.50	£2.63

Budget Monitoring 2021/22

- 25. The forecast outturn for 2021/22 is for an underspend against the budget of £130k (4%). The key items of underspend versus plan have been within admin staffing, legal fees and administration costs. The underspends have offset the additional cost for the Aon review of fund performance which was not included in the original budget (but which was instructed under authorisation from the Committee chair and Treasurer of the Fund). The fund budget report incorporates additional costs approved by Committee in the year, including costs for affordable housing and renewable infrastructure portfolio construction. Appendix 2 contains a detailed schedule of costs versus budget.

Environmental Impact of the Proposal

- 26. There are no direct, known environmental impacts from these proposals, although the effect of climate risk on the Fund's investments, and steps to mitigate this risk for the financial benefit of the Fund, is dealt with as part of the business plan.

Safeguarding Considerations/Public Health Implications/Equalities Impact

27. There are no known implications at this time.

Risk Assessment

28. The approval of this budget is essential to continue the good governance of the Fund, and to deliver improvements which have been identified as high priority by independent assessments. When viewed in relation to the overall value of assets, these controllable costs represent 0.15% of the total Fund value.

29. If the proposed budget is not approved, then there will be significant delays in working through the Fund's backlogs and in completing the pensioner payroll reconciliation project. This could result in reputational damage and/or an increased number of complaints.

30. In line with good governance practice, officers will bring budget monitoring reports back to Committee quarterly.

Proposals

31. The Committee is asked to:

- a) Approve the Business Plan 2022/23, including the vision, strategic vision goals, values, and actions for the year.
- b) Approve the Pension Fund budget for 2022/23 shown in Appendix 1 totalling £4.608m (0.15% of total fund value).

ANDY BROWN
Treasurer to the Pension Fund

Report Author: Jennifer Devine, Head of Wiltshire Pension Fund

Unpublished documents relied upon in the production of this report: NONE

Appendices

Appendix 1 – Pension Fund Budget 2022/23
Appendix 2 – Budget monitoring for 2021/22
Appendix 3 – SWAP internal audit recommendations
Appendix 4 – Pension Fund Business Plan 2022/23

Appendix 1 - Pension Fund Budget 2022/23

Wiltshire Pension Fund Budget

£000's	2019/20	2020/21	2021/22		2022/23	2023/24	2024/25
	Actual	Actual	Forecast	Budget	Budget	Budget	Budget
Investment administration staffing costs	119	114	205	210	198	202	206
Investment administration travel/conferences/training costs	0	2	5	8	8	8	8
Total investment administration costs	120	116	210	217	206	210	214
Pension scheme administration staffing costs	996	1,036	1,150	1,208	1,267	1,293	1,319
Staff training	19	22	23	23	28	29	30
Corporate charges	311	311	311	311	311	317	311
Pension administration systems and data cleansing	310	354	350	357	622	415	427
Other administration costs	107	51	54	89	970	91	94
Total scheme administration costs	1,743	1,775	1,888	1,988	3,199	2,144	2,181
Oversight & governance staffing costs	246	180	221	221	238	243	248
Training and conferences	8	0	24	27	28	24	25
Subscriptions, memberships and levies	34	32	46	48	36	37	38
Actuarial services	214	154	129	153	319	146	151
Audit	10	37	27	27	83	29	29
Legal fees	13	11	30	48	49	51	52
Advisory fees	142	196	323	298	279	287	287
Corporate charges & other costs	149	165	146	146	146	147	146
Total oversight & governance costs	815	775	947	969	1,178	964	976
Local Pension Board costs	14	14	25	25	25	26	24
Total operational running costs	2,692	2,679	3,070	3,200	4,608	3,343	3,395
Number of Members	80,824	82,454	82,454	82,454	82,454	82,454	82,454
Total Running Cost per member (Admin & Governance)	£ 31.83	£ 31.09	£ 34.69	£ 36.17	£ 53.39	£ 38.00	£ 38.57

Appendix 2 – Budget Monitoring 2021/22

Wiltshire Pension Fund Budget 2021/22

£000's	Prior Year		2021/22			
	2019/20	2020/21	Forecast	Budget	Variance	% Variance
Investment administration staffing costs	119	114	205	210	5	2%
Investment administration travel/conferences/training costs	0	2	5	8	3	34%
Total investment administration costs	120	116	210	217	8	3%
Pension scheme administration staffing costs	996	1,036	1,150	1,208	58	5%
Staff training	19	22	23	23	0	0%
Corporate charges	311	311	311	311	0	0%
Pension administration systems and data cleansing	310	354	350	357	8	2%
Other administration costs	107	51	54	89	34	39%
Total scheme administration costs	1,743	1,775	1,888	1,988	100	5%
Oversight & governance staffing costs	246	180	221	221	0	0%
Training and conferences	8	0	24	27	3	12%
Subscriptions, memberships and levies	34	32	46	48	1	3%
Actuarial services	214	154	129	153	24	16%
Audit	10	37	27	27	0	0%
Legal fees	13	11	30	48	18	38%
Advisory fees	142	196	323	298	(24)	-8%
Corporate charges & other costs	149	165	146	146	0	0%
Total oversight & governance costs	815	775	947	969	23	2%
Local Pension Board costs	14	14	25	25	0	0%
Total operational running costs	2,692	2,679	3,070	3,200	130	4%
Number of Members	80,824	82,454	82,454	82,454		
Total Running Cost per member (Admin & Governance)	£ 31.83	£ 31.09	£ 34.69	£ 36.17	£ 1.48	4%

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Vision and Long-term Plan

Wiltshire Pension Fund (WPF) administers the pensions for the >80,000 members of our scheme, for our c.180 employers. It is our responsibility to ensure that the members' records are kept accurate and up to date, and that the correct benefits are paid on time. We need to responsibly manage the Fund's investments in order to ensure that we generate sufficient investment returns to help maintain the employers' contributions rates at stable and affordable levels. For our members, their pension represents a significant asset, which will help secure their financial future into retirement.

The purpose of the WPF Business Plan 2022/23 is to set out the Fund's vision, goals, culture, improvement plan and actions for the coming year, and longer-term strategic direction.

The Fund has undertaken many improvements over the last 3-year business planning cycle, prioritising process improvement and efficiency, and promoting the use of self-service options for both scheme employers and members. In the next phase, the Fund needs to focus on further improving service delivery, by clearing backlogs of work and achieving service standards.

The Fund has commissioned various pieces of independent work in order to identify areas for improvement, and help highlight the priorities for this Business Plan. Part of the improvements needed involve developing standard weekly KPI reporting. Until this is properly underway, delivering regular and reliable data, it will be challenging to prepare a detailed plan looking ahead over 3 years. For this reason, this Business Plan looks at the next 12 months in terms of detailed actions, and sets out the longer-term direction of travel below. A new business plan will be developed in a year's time, and consideration at that point will be given as to whether a 3-year plan can be created.

The Fund's focus needs to be firmly set on achieving outcomes for our customers, i.e. the scheme employers and members. Everything that we do needs to keep this in mind, and decisions need to be made with an eye to the end goal of delivering an outstanding service, as set out in the Fund's vision:

Our vision is to deliver an outstanding service to our scheme employers and members

Everyone's role in the team either directly contributes to the vision, or creates the foundations and environment which make it possible. We will measure success against the vision by monitoring our progress against various service-related KPIs, targets, and actions.

Over the next three years, the Fund needs to build on previous improvements, and achieve the following key deliverables:

- Resolve the differences in the pensioner payroll reconciliation (i.e., the differences between the pension payable on the administration system, and the payroll system)
- Completely remove the backlogs of work

- To be reliably delivering against the legal requirements and service level targets (KPIs)
- Complete the on-boarding of all employers onto the iConnect system
- Fully implement integrated payment systems, for the pensioner payroll and other one-off payments (for example lump sums, refunds etc), to realise stronger controls and efficiencies
- Improved governance around the Fund’s relationship with the administering authority

Strategic Vision Goals

The vision is supported by 16 strategic vision goals (SVGs), which are focussed on outcomes. The goals broadly map to outcomes for employers, members, investments, and governance, but across the team staff are encouraged to think about how their work maps to different goals.

The SVGs run through everything that we do. In order to maintain a focus on achieving the vision, all actions in this Business Plan are mapped to SVGs. SVGs will also be used when setting goals and objectives for the teams and staff at an operational level.

<p>1 Stable and affordable contributions</p> 	<p>2 Straight-forward administration</p> 	<p>3 Clear service measures and responsibilities</p> 	<p>4 Employers are advocates for the scheme</p> 
<p>5 Correct pension, paid timely</p> 	<p>6 Accurate up-to-date records</p> 	<p>7 Service administered effectively and cost-efficiently</p> 	<p>8 Members understand their benefits</p> 
<p>9 Safeguard the assets</p> 	<p>10 Strong risk-adjusted returns</p> 	<p>11 Responsible ownership and stewardship</p> 	<p>12 Positive impact</p> 
<p>13 Robust processes, controls and risk management</p> 	<p>14 Widely adopted self-service solutions</p> 	<p>15 Transparency and information sharing</p> 	<p>16 Compliance and best practice</p> 

Our Culture

In order to help us achieve our strategic goals, and deliver our vision, we need to adopt certain outlooks and ways of working. We aim to demonstrate the following values, and embed them firmly in our culture:

<p>Working together as One Fund</p> <p>1</p> <p>We work together as One Fund, demonstrating the values of transparency, accountability, ownership, critical thinking, respect, and agility</p>	<p>High performing team</p>  <p>We aspire to be role models and leaders, through our commitment to develop knowledge and training</p>	<p>Data driven decisions</p>  <p>We use data to inform and evidence our decision making, and to measure our progress and successes</p>	<p>Efficiency through technology</p>  <p>We collaborate, and challenge our systems and processes, to create innovative solutions and drive continuous improvement</p>	<p>Long term thinking</p>  <p>We always act with the long term in mind, whether we are setting our investment strategy, planning improvements, or working towards our net zero by 2050 goal</p>	<p>Clear communications</p>  <p>We communicate with all our stakeholders in a clear, concise, relevant and effective way</p>	<p>Smarter working</p>  <p>We maintain focus on our core objectives, and work in a proactive and disciplined way, to promote simplicity and efficiency in everything we do</p>
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As well as having goals and objectives set which map to the SVGs, annual staff appraisals will look at ways that the values have been modelled. As part of team meetings, staff will take part in several activities throughout the year to encourage them to think of their work in terms of the SVGs and values, and to fully incorporate them in the way the team works.

Identifying Priority Areas

As part of developing this Business Plan, various independent reviews have been commissioned in order to identify the priority areas, set out as follows:

Review	Supplier	Purpose of review	Date done
Administration review	Aon	To identify the key areas of focus for Fund administration, and on the levels of resourcing required	Jan-Mar 2022
Staff engagement survey	Aon	To identify areas where improvement is needed in terms of staff engagement, training, communications etc.	Feb 2022
Key Financial Controls audit	SWAP	To review the processes and controls across the whole fund as part of the approved internal audit programme	Feb-Mar 2022
Systems Overview	Heywoods	A review of the Fund's use of the administration system (Altair) with a view to determining whether the Fund is making best use of the system	Jan-Mar 2022

As a result of these reviews, an improvement plan has been developed and is attached as Annex 1. High priority improvements are mapped to a specific Business Plan action, and lower priority improvements are wrapped up in a single action (25) to follow and complete the improvement plan. The Business Plan actions identify key non-business-as-usual pieces of work for the coming year, and so by their nature focus on high priority projects and pieces of work.

Business Plan Actions for 2022/23

	Action	Description	Target SVGs	Budgetary Impact	Priority	Resource Impact
1	Actuarial valuation	The triennial actuarial valuation of the Fund, as at 31 March 2022, needs to be carried out over the next year.	1, 9, 10, 16	£177,000	Mandatory	High
2	Strategic Asset Allocation (SAA) review	A review of the SAA needs to be carried out triennially, in conjunction with the actuarial valuation, in order to ensure that the Fund is set to deliver the required investment returns for an appropriate level of risk.	1, 9, 10, 11, 12	£30,000	Mandatory	High
3	Hit as close to 100% as possible of legal requirements and develop improvement plan for achieving KPI targets	Once the standardised weekly KPI reporting (action 7) is up and running, we will be able to identify specific processes to focus on and develop a detailed plan. The focus will initially be on aiming to achieve 100% of the legal requirements, and prioritising cases like retirements and deaths.	5, 6, 7, 16	nil	High	Low
4	Complete the payroll reconciliation project	The long-running reconciliation project between the administration system and the ledger needs to be concluded, so that we have assurance that all pensioners are being paid the correct amount.	5, 6, 7, 16	£350,000	High	High
5	Outsource the backlogs	The Aon review indicates that the backlogs could take 6 years to clear at the current rate. Additional resource is needed to clear these, and outsourcing would be the preferred option (i.e. not recruitment).	2, 6, 7, 16	£450,000	High	High
6	Review the resourcing of the team	The Aon review carried out analysis of resourcing levels and made various recommendations. Further internal	1-16	Unclear at this stage	High	Medium

	Action	Description	Target SVGs	Budgetary Impact	Priority	Resource Impact
		analysis is required here, taking into consideration actions 8 and 14 at the same time.				
7	Launch weekly KPIs	The Fund has historically produced KPIs for admin processes on a quarterly basis. Moving to weekly will be a key driver in improving performance. Weekly stats will show performance and movements in caseloads, and aging of open cases. Forward looking KPIs will identify cases about to go out of date, so that preventative action can be taken. Stats will be used by managers to identify issues and plan workloads, and shared with teams for awareness of their impact on the Fund's vision.	5, 6, 7, 16	nil	High	Low
8	Implement integrated payments	Adopting integrated payroll and one-off payments (e.g. lump sums, refunds etc) systems will create efficiencies and improve controls.	2, 5, 7, 9, 13, 16	£50,000*	High	High
9	Implement renewable infra and affordable housing portfolios	The Fund has made strategic allocations to renewable infrastructure and affordable housing, which need to be implemented over the next year in consultation with advisers.	1, 9, 10, 11, 12	£65,000	High	High
10	Complete iConnect onboarding	Onboarding of all employers onto iConnect was targeted to complete by 31 March 2022, but there are still several employers outstanding. Although the Fund does not have full influence over this, we will work collaboratively with employers to ensure all are onboarded by 31 March 2023 and that we can realise the control and data benefits of iConnect.	2, 3, 6, 7, 13, 14	nil	High	Medium

	Action	Description	Target SVGs	Budgetary Impact	Priority	Resource Impact
11	Treasury management (TM) strategy implementation	The new TM strategy needs to be fully implemented, and a new liquidity portfolio implemented.	9, 10, 13	nil	Medium	Low
12	Performance measurement reporting improvements	In order to improve visibility of the Fund's overall performance for Local Pension Board, Committee, and senior officers, a new whole Fund performance report will be developed, to show standardised, concise information on KPIs, projects, key financial controls, customer service measures etc.	3, 5, 6, 7, 10, 13, 16	nil	Medium	Low
13	Become signatories of the 2020 Stewardship Code	The Fund developed plans for reporting in line with the 2020 Stewardship Code during 2021/22, and will make a submission to achieve signatory status during 2022/23.	9, 10, 11, 15, 16	nil	Medium	Low
14	Systems review	The Aon review recommended that a detailed review is carried out to determine the exact responsibilities of the Systems and Data team, which should also incorporate a review of all systems procedures and controls and the Fund's overall objectives in this area.	2, 5, 6, 7, 13, 16	£20,000	Medium	High
15	Participate in Brunel climate stocktake	The Brunel climate stocktake will help inform the partnership's approach to climate risk, including how the portfolios are shaped going forward. We will be actively involved in this review in order to represent Wiltshire's position.	9, 10, 11, 12	nil	Medium	Low
16	Collaborating with investment managers to ensure climate risk is appropriately addressed	Collaborating with legacy managers and the Brunel pool to ensure that portfolios are fit for purpose from a perspective of sustainability and climate risk, can be aligned to our broader climate objectives, and that data provision is adequate to allow for a meaningful assessment of progress against targets.	9, 10, 11, 12, 15, 16	nil	Medium	Low

	Action	Description	Target SVGs	Budgetary Impact	Priority	Resource Impact
17	Employer report cards	Employer report cards will address the quality and timeliness of data submitted via iConnect and in relation to contributions, as well as timeliness of payment of contributions. The full member experience is partly our service KPIs, but also partly determined by the employer's provision of the relevant data in a timely manner - this will also be covered by the report cards. This will help to clarify roles and responsibilities.	2, 3, 5, 6, 15, 16	nil	Lower	Low
18	Risk monitoring and reporting improvements	The framework around risk monitoring and reporting needs improving, to improve ownership taken for specific risks, to integrate consideration of risks more fully operationally, and to improve clarity in reporting risks to Committee and the Local Pension Board.	13, 15, 16	nil	Lower	Low
19	Review internal audit arrangements	The Committee has approved various specialist audits as part of the audit plan. We will investigate potential providers to deliver these audits, as well as any other high-priority areas where we need specialist advice. Action 23 is part of this, so the potential budgetary impact for that review is included under that action.	3, 6, 7, 9, 13	£20,000	Lower	Medium
20	Complete Member Self Service (MSS) sign-up campaign	The Fund's strategy is to write out to members who have not signed up to MSS every 3 years. We will complete this campaign, and investigate options to further promote MSS through use of email signatures, the website, and campaigns through the scheme employers.	4, 8, 14, 15	£10,000	Lower	Medium
21	Customer service excellence review	An independent customer service assessment will provide evidence of good practice and recommendations for improvement.	2, 3, 4, 5, 6, 7, 16	£2,000	Lower	Low

	Action	Description	Target SVGs	Budgetary Impact	Priority	Resource Impact
22	Employer training and engagement (carried forward)	We will develop the training materials on the employer website, including videos, simple guides etc. We will expand the approach to direct interaction with employers, to proactively address issues with fulfilling requirements, welcome new contacts, and help with any iConnect issues.	2, 3, 4, 14	nil	Lower	Low
23	Good governance review compliance	In advance of the recommendations of the Good Governance Review becoming mandatory, an independent review will map current arrangements to the new requirements, and make recommendations to ensure compliance.	16	£10,000	Lower	Medium
24	Collaborate with partner funds to define the direction of travel for the Brunel Pension Partnership	We will be actively involved in setting the direction of travel for the Brunel pool, to ensure that Brunel delivers the intended fee savings and investment performance in a cost-efficient way, evidenced through meaningful reporting in line with client requirements, and retains a focus on ensuring that all activities deliver value and map to positive outcomes for the partner funds.	9, 10, 11, 12	nil	Lower	Low
25	Complete lower priority actions from the improvement plan	The improvement plan (Annex 1) sets out recommendations from the Aon review and SWAP's latest internal audit. High priority actions have been mapped to specific Business Plan actions, however all actions need to be completed.	5, 6, 7, 9, 13	nil	Lower	Low

*£50k to assist with implementation. The systems costs were already approved by Committee during 2021/22.

Annex 1 – Improvement Plan

	Improvement	Source	Mapping to Business Plan Action
Data/Systems			
1	Systems review – the Aon review recommended that a detailed review is carried out to determine the exact responsibilities of the Systems and Data team, which should also incorporate a review of all systems procedures and controls and the Fund’s overall objectives in this area.	Aon review	14
2	Pensioner payroll reconciliation – Aon recommend that a pragmatic approach to resolving lower-value differences is adopted, and that additional resource is considered to complete the project in a timely manner. SWAP recommend that a full reconciliation is carried out on a regular basis.	Aon review and SWAP internal audit review	4
3	Amendments – staff should be reminded to save evidence for amendments on the file, and ensure they are processed in a timely manner.	SWAP internal audit	25
4	Immediate payments – consider purchasing this module to improve processes and controls.	SWAP internal audit	8
5	iConnect – consider ways to proactively progress the iConnect project, for example site visits.	SWAP internal audit	6, 10
6	Status 3s – review the data stored for status 3 members (i.e. those where the Fund has no liabilities, e.g. members who have transferred out) and determine a way to remove any personal data which is no longer necessary.	SWAP internal audit	25
Controls			
7	Reconciliations – the movement in the payroll reconciliation needs to be reviewed and signed off by a manager.	SWAP internal audit	25
8	Contributions – a central schedule for employer contribution rates needs to be developed, and roles and responsibilities for resolving contributions issues needs to be clarified with staff.	SWAP internal audit	25
9	Lump sums – issues around meeting deadlines, peer review and adequate evidence/data need to be resolved.	SWAP internal audit	25
10	Transfers in – the process to ensure that transfers in funds which are received (and posted to the ledger)	SWAP internal audit	25

	Improvement	Source	Mapping to Business Plan Action
	are also posted to the members account on Altair needs to be properly embedded and followed.		
11	Recharge – ensure this is provided by the Council on a costed basis.	SWAP internal audit	25
Performance			
12	KPIs – reconsider what information is included in the current KPIs and ensure consistency of presentation. Review the process of distributing tasks to team members and ensure there is a robust process to monitor KPIs and team capacity / backlog.	Aon review and SWAP internal audit review	7, 12
13	Disclosure requirements – address areas where performance is lowest and target 100% achievement	Aon review	3, 7
14	Performance – investigation of processes where performance against internal targets is poor.	Aon review	3, 7
15	Older cases – consider whether additional information is required.	Aon review	7
16	Backlogs – consider how these can be cleared in a timely manner. Review the backlog of aggregations, frozen refunds, and members over 75 who are not yet in receipt of benefits, and take necessary steps to ensure this is progressed where possible.	Aon review and SWAP internal audit	5, 7
17	Leavers – for leavers under the normal pension age, the assumption should be deferred benefits, to avoid inefficiencies in sending out retirement packs and then terminating these cases when the member elects deferred benefits.	Aon review	25
18	Joiners – investigate the reasons why a significant number of joiners are not receiving their notification of joining within the timeframe, which may in part be resolved by continued iConnect onboarding.	Aon review and SWAP internal audit	10, 25
19	Transfers out – recommence monitoring of the timeliness of transfer out quotes.	Aon review	25
Team			
20	Resourcing – various recommendations around resourcing, which will be picked up in the round.	Aon review	6
21	Communication – improve communications between management and officers, via regular, relevant meetings.	Aon review	25
22	Targets – implementing targets and objectives for all admin staff.	Aon review	25

	Improvement	Source	Mapping to Business Plan Action
23	Training – improve training and development opportunities for administration officers.	Aon review	25
24	Workload meetings – regular meetings for employer services and member services officers to understand challenges and constraints across the whole team.	Aon review	25
25	Sharing KPIs – to emphasise the impact officers have on member experience.	Aon review	7
26	Projects – review the project methodology used to manage the Funds projects and implement changes to help improve oversight and efficiency.	SWAP internal audit	6

Scheme, legal, regulatory and Fund update

Organisation	Subject	Link	Status	Comments	Risk Ref
HM Treasury	Reforms to public sector exit payments.		No change since the last meeting	After revoking the Restrictions on Public Sector Exit Payment Regulations in early 2021 but promising replacement legislation, we are yet to hear what type of replacement regulations will be implemented or when this may apply.	PEN021
MHCLG	Fair Deal Consultation	https://www.gov.uk/government/consultations/local-government-pension-scheme-fair-deal-strengthening-pension-protection	No change since the last meeting	Officers have responded to the consultation but have yet to hear anything further from MHCLG. The next step is likely to be either another consultation or the introduction of legislation. Due to the Parliamentary backlog, further progress may not be seen until 2022 or 2023.	PEN040
	<i>Changes to the Local Valuation Cycle and the Management of Employer risk Consultation</i>	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/800321/LGPS_valuation_cycle_reform_consultation.pdf	No change since the last meeting	<p>Scope:</p> <ol style="list-style-type: none"> 1). Amendments to the local fund valuations from the current three-year (triennial) to a four-year (quadrennial) cycle. 2). A number of measures aimed at mitigating the risks of moving from triennial to quadrennial cycles. 3). Proposals for flexibility on exit payments. 4). Proposals for further policy changes to exit credits 5). Proposals for policy changes to employers required to offer LGPS Membership (allowing further education, sixth form colleges to close entry to new employees) <p>Reform progress:</p> <p>The Government has introduced legislation in relation to items 3 and 4. The changes resulting from item 4 are already embedded in the Fund's cessation policy and the changes from item 3 were covered in a paper revising the Fund's cessation policy in the December 2020 committee pack. We are unaware of any further developments on the other areas.</p>	PEN044
	Consultation: Taking action on climate risk	https://www.gov.uk/government/consultations/taking-action-on-climate-risk	No change since the last meeting	MHCLG are shortly expected to release draft regulations and statutory guidance for consultation on how schemes will need to take action on climate risk. The DWP have already issued a consultation for occupational pension schemes – this is the link provided – and the	PEN041

Organisation	Subject	Link	Status	Comments	Risk Ref
		improving-governance-and-reporting-by-occupational-pension-schemes-response-and-consultation-on-regulations		<p>MHCLG consultation will apply to the LGPS and is expected to be virtually identical.</p> <p>The Fund is in a good place here as the Committee has already done significant work to address this risk, via modelling, education (both of Committee members and the wider scheme membership), transparent reporting and meaningful actions.</p>	
The Department of Work and Pensions (DWP)	Pension dashboard project	https://pensionsdashboardproject.uk/industry/about-the-pensions-dashboard-project/	Updated	<p>DWP consulted on draft regulations earlier this year, and the consultation closed on 13 March 2022.</p> <p>The consultation raises some issues due to the different rules that apply in the LGPS in comparison to other schemes. Such as: excluding deferred refunds, issues around missing starter notifications and the value of benefits if the vesting period is not met etc.</p> <p>The public sector staging date is April 2024.</p> <p>The Fund's software provider, Aquila Heywood, is designated as an 'Integrated Service Provider' and is part of the national working party to help deliver the Pensions Dashboard. The Fund intends to work with Aquila Heywood to provide the data required.</p>	PEN038
Financial Reporting Council	Proposed revision to the UK Stewardship Code	https://www.frc.org.uk/investors/uk-stewardship-code	Updated	<p>The Financial Reporting Council (FRC) published the revised Stewardship Code on 24th October 2019 which sets substantially higher expectations for investor stewardship policy and practice.</p> <p>During April 2022, officers submitted an application to gain signatory status of the new Code, to the FRC.</p>	
Scheme Advisory Board (SAB)	Cost cap mechanism & McCloud case		Updated	<p>The Fund's software provider is currently releasing software updates in stages in anticipation of the final remedy legislation being laid before parliament. Primary legislation is currently being finalised but no draft changes to the LGPS Regulations have been released. It is anticipated that the remedy legislation will apply from 1 October 2023, with backdated affect across the remedy window of 1 April 2014 to 31 March 2022.</p>	PEN042

Organisation	Subject	Link	Status	Comments	Risk Ref
				<p>In preparation of this, as part of i-Connect onboarding, officers continue to update part-time hours histories for active staff. For other categories, there is little work officers can do until the final remedy is in force (even if the administration software is fully updated). Correcting part-time hours histories remains a Fund priority.</p> <p>As part of the 2022 Triennial Valuation, there will be an assumption about the impact of remedying legislation and therefore the financial impact will be 'baked in'. At Fund level, the financial impact is likely to be small but the employer level impact will vary depending on each employer's membership profile.</p> <p>The cost cap floor, which was breached, is likely to be remedied by McCloud although that is currently being disputed by the Unions.</p>	
	Goodwin Case		No change since the last meeting	<p>With some similarities to McCloud, another discrimination case affecting public service schemes including the LGPS, this time on the grounds of sexual orientation whereby it has been shown that it is discriminatory for female partners of members who are in a same sex or opposite sex marriage to receive different survivor benefits from one other.</p> <p>Although the funding costs will be small, this will be a further administration and communication burden to address.</p> <p>Little information has still been provided of the impact on the LGPS, but the DfE has started a consultation in relation to the Teacher's Pension Scheme to start the process of altering the scheme rules. It is expect MHCLG will undertake a similar process for the LGPS in due course.</p>	PEN056
	Good Governance Project (formerly known as the Separation Project)	http://www.lgpsboard.org/images/PDF/BoardFeb18/PaperBItem50218.pdf	No change	<p>Hymans-Robertson, on behalf of the SAB, has released its report on phase II which outlines a number of specific recommendations.</p> <p>Hymans Robertson and SAB are now moving towards Phase III of the project and a proposal is going to MHCLG to implement the proposals.</p> <p>The timeframes for implementation are still unclear.</p>	PEN039

Organisation	Subject	Link	Status	Comments	Risk Ref
The Pension Regulator (tPR)	Single code of practice		No change	<p>tPR have released a consultation concerning its intention to produce a single code of practice covering all pension schemes (rather than over 15 at the moment).</p> <p>Whilst some of the exercise is merely one of administrative consolidation, tPR have also used this as an opportunity to make some changes.</p>	PEN050
	Finance Act 2022		New	<p>The normal minimum pension age will increase from 55 to 57 from 6 April 2028 (the general intention was the minimum age would always be 10 years less than the state pension age).</p> <p>Act allows certain pension age protections to apply but DLUHC are yet to advise how these might apply in the LGPS.</p> <p>The Stage Pension Age is due to be reviewed again next year (under the Pensions Act 2014, it should be reviewed every 6 years). As a reminder, the LGPS normal pension age for post 2014 service is set as being equal to the State Pension Age.</p>	

LGPS On-line Learning Academy (LOLA)

Period Ending - 31 March 2022

In Progress results - By Module

Group	Module 1 - An introduction to the LGPS	In progress percentage	Module 2 - LGPS Governance & Oversight Bodies	In progress percentage	Module 3 - Administration & Fund Management	In progress percentage
Committee	0	0%	1	11%	1	11%
Board	1	14%	1	14%	1	14%
Group	Module 4 - Funding and Actuarial Matters	In progress percentage	Module 5 - Investments	In progress percentage	Module 6 - Current Issues	In progress percentage
Committee	1	11%	1	11%	2	22%
Board	0	0%	1	14%	1	14%

Completed results - By Module

Group	Module 1 - An introduction to the LGPS	Completion percentage	Module 2 - LGPS Governance & Oversight Bodies	Completion percentage	Module 3 - Administration & Fund Management	Completion percentage
Committee	5	56%	4	44%	4	44%
Board	5	71%	5	71%	5	71%
Group	Module 4 - Funding and Actuarial Matters	Completion percentage	Module 5 - Investments	Completion percentage	Module 6 - Current Issues	Completion percentage
Committee	2	22%	2	22%	0	0%
Board	5	71%	2	29%	1	14%

Training Summary

Group	Overall In progress results	Group	Overall Completion results	Group	Overall In progress results	Group
Committee	11.11%	Committee	31.48%	Committee	11.11%	Committee
Board	11.90%	Board	54.76%	Board	11.90%	Board

1. Disclosure Requirements (CIPFA template) – Quasi-legal performance measures

Disclosure Regulations for the period 01/01/2022 to 31/03/2022

CIPFA Point	Disclosure Requirement	Complete at End of Period	% Complete Within Legal Target	Change
Deaths – Initial letter acknowledgement death	2 months	182	96.2%	-3.8%
Deaths – Letter notifying amount of dependant's benefit	2 months	60	96.7%	-3.3%
Divorce quote – Letter detailing cash equivalent value and other benefits	3 months	40	100.0%	0.0%
Refund – Process and pay a refund	2 months	124	99.2%	-0.8%
Retirements – Letter notifying estimate of retirement benefits	2 months	306	98.4%	-1.6%
Retirements Active – Letter notifying actual retirement benefits	2 months	278	97.8%	-1.1%
Retirements Deferred – Letter notifying actual retirement benefits	2 months	204	99.0%	-0.4%
Transfers in – Letter detailing transfer in quote	2 months	14	100.0%	0.0%
Transfers out – Letter detailing transfer out quote	2 months	100	97.0%	9.1%
Joiners - notification of date of enrolment	2 months	1853	97.4%	+17.5%
Deferment - calculation and notify deferred benefits	2 months	1423	68.2%	-30.6%

Explanatory notes

The table above is based on a template produced and updated by CIPFA for insertion within LGPS Funds annual report. It is based on what are collectively known as the 'disclosure requirements' which broadly means that the Fund is required to supply certain information to members (or their next of kin).

* **Transfers out quote and estimates:** We have included this measure as it is part of the template but members have instant access to figures through MSS too.

** **Joiners:** This measures the time taken to confirm to a member that we have set them up in the Scheme. However, it is an employer responsibility to begin the deduction of contributions with effect from the member's start date and also to inform the member of their start date.

We have also removed very low volume task as percentages are not a good measure of performance.

Performance commentary for the quarter

The table shows either 100%, or close to 100% completion, in all areas except deferments where the percentage decreased due to identification and clearance of missed cases over the last few months.

Technical issues for joiners are now fixed, which is reflected in the higher percentage (this also relates to an audit action).

2. tPR Data performance measures

(Note: There is no change since the last meeting, but data has been included for completeness)

Measure	Score	Change since last period
Common Data	98.7% (at 1 Nov 2021)	-0.5% since July 2021
Conditional (Scheme Specific) Data	95.0% (at 1 Nov 2021)	+0.1% since July 2021
Annual Benefit Statement production rate	99.5% (at 31/08/2021)	+2.6%

Explanatory

The Pension Regulator (tPR) helps regulate each LGPS's Fund compliance with various legislation. It has various enforcement powers such as setting improvement plans and fining.

In respect of administrative performance, tPR focuses on two types of measures as explained separately below. The Fund is required to submit its scores against this measures each year as part of its Scheme Return.

tPR target's for all of these scores is 100% although there is an informal acceptance that scores are likely to often be slightly less.

a). Common and Conditional/Scheme Specific data scores

Common data scores test the Fund's data quality (existence and accuracy of data) against various data measures it expects all Pension Funds to hold (e.g. name, address etc). Conditional/Scheme Specific data scores are those data types which are needed for the administration of that specific scheme. For the LGPS, the Scheme Advisory Board (SAB) has determined the relevant data items.

Note: It was somewhat onerous and costly to do this analysis so at present the Fund only revisits these scores annually, normally in August-October, in order to complete it's annual return to the tPR.

b). Active Annual Benefit Statement (ABS) production

The Fund is required under the LGPS Regulations to produce active ABSs by the 31 August of each year (related to the member's pension as at 31 March of that same year). The Fund currently uploads all ABSs to the MSS member portal (My Wiltshire Pension). It only sends out paper statements to members who have opted in to receiving paper statements.

Both sets of scores are reviewed annually

Performance commentary for the year

The **common and conditional scores** for this year have remained close to last year.

The Fund is already above average and some of the remaining gap to 100% is hard to fill due to factors outside of the Fund's control.

For the Common Data metric, virtually all the remaining data issues relate to missing postal addresses, where the member has failed to keep us up to date when they have changed address. Furthermore, as the Fund's main form of communication is now electronic, the member's postal address is becoming less important and it is more difficult to identify if it is correct.

For the Scheme Specific measure, many of the errors are of a technical nature due to the way the metric is calculated but these require further review.

The active Annual Benefit Statement score for this year has exceeded the business plan target of 99% and it follows a pattern of steady improvement since 2018 (2020: 96.9%, 2019: 95.0%, 2018: 93.9%). Due to improved systems (e.g. i-Connect) and processes, and despite additional checks being added, this has also been achieved using reduced levels of resources from previous years.

3. Internally set targets (Fund)

While the figures in appendix 1 outline the (quasi) legal requirements using a CIPFA template, and appendix 2 outlines the tPR's own metrics against which it may take action, appendix 3 outlines internally set, aspirational service level targets.

The Fund's administrative performance priority is its performance against the targets in appendices 1 and 2 but the following sets of information set's out internally set targets to help met the goals of the Fund's business plan.

a). Administration payment processing scores (higher priority administrative tasks): 1 January 2022 – 31 March 2022

The following table shows the Fund's process times against the timeframes set out in the administration strategy. It covers the high priority tasks, processing data on lower priority administrative tasks (such as deferrals and aggregations) will be shared at a later date. The tasks which are deemed as higher priority are the ones which relate to making a payment to the member (or a beneficiary).

Members are now able to instantly access benefits estimates and therefore there is no longer a disclosed target related to this.

KPI Category	Description	Target (in working days)	Complete at End of Period	% Complete Within Customer Target
Active to Retirement	Time from retirement form received to case complete less time out of office (with member/employer)	10	277	73.3% (+2.5%)
Deferred to Retirement	Time from instruction to pay out deferred benefits to case completed (less out of office time)	10	160	77.5% (-21.2%)
Processing of Death cases - Death Grant	Time from family questionnaire returned to case completed (less out of office time)	10	26	53.8% (-16.8%)
Processing of Death Cases - Dependant Pension	Time from family questionnaire returned to case completed (less out of office time)	10	60	41.7% (-39.3%)
Processing of Death cases - Notification	Time from informal notification of death until family questionnaire sent out + time to set up any follow on work (death grant/dependant pensions)	5	126	65.9% (-14.9%)
Refund of contributions	Time to process refund from the date of instruction from the member (less query time)	10	124	96.8% (-3.2%)

b). i-Connect onboarding progress (22 April 2022)

The following table shows the progress in onboarding employers on to i-Connect. The long-term target is now to onboard all employers on to i-Connect as soon as possible.

	Number onboarded	Number left to onboard	Completion rate
Active members	13,043	c10,000 (total = 23,099)	56.5%
Employers	122	57 (total = 179)	68.2%

Outstanding employers updates (major employers)

***Swindon Borough Council and FS4S** joined and then left i-Connect initially due to reporting issues and then to changing payroll system. Officers are still working closely with both organisations to resolve the remaining issues. If these two organisations were added again, this would add an additional 21 employers, as they provide payroll services for other employers, and around another 25% of active members.

***New College** has also merged payroll systems, which has delayed onboarding and officers are escalating matters with **Wiltshire Police** over the delays to date.

***Other smaller employers** are gradually being onboarded but each one requires a significant amount of support and hence progress is slow.

c). MSS (My Wiltshire Pension) take up

RECORDS	
ACTIVE	23 March 2022
Registered	8,918
Total	19,291
Percentage	46.2%
DEFERRED	
Registered	9,109
Total	23,665
Percentage	38.5%
TOTAL	
Registered	18,027
Total	42,956
Percentage	42.0%

The table to the left shows the number of registered members as at 22 April 2022

d). Backlog monitoring (not updated)

Prior to making a number of process improvements to the refunds, deferreds and aggregations processes, the Fund accumulated processing backlogs in certain areas. Officers define a backlog for a process where there are more than 300 outstanding cases. Where this is the case, officers plan to ring-fence this area of work and manage the backlog area of work separately although this is not in place as at the date of this report.

At present, there are two areas which meet this criteria and current situation in respect of these processes are outlined:

i). Deferred/Refunds

Cases where the member has left and we need to calculate their pension entitlement, but they are not old enough to be able to start receiving their benefits.

3158 cases (25 lower since last quarter)

ii). Internal aggregation cases

These cases are where the member has more than one record at Wiltshire Pension Fund which should be combined together. Members are not financially disadvantaged by delays in completing this work.

3179 (up 144 since the last quarter)

Commentary:

a). Administration Strategy KPIs – Fund

Table 1 continues to show a mixed performance picture which is a continued priority for staff under the new Business Plan.

b). & c). i-Connect and My Wiltshire Pension (MSS) onboarding

i-Connect take up amongst small employers has improved although difficulties encountered with onboarding large employers such as Swindon Borough Council, FS4S, Wiltshire Police and New College remain and officers continue to work closely with those organisations to onboard them as soon as possible. The main issue is their ability to produce the data in the format required, particularly whilst changing, or having changed, payroll system.

MSS sign-ups are broadly in line with industry-norms after successful attempts to encourage more members to sign up and these figures are unlikely to change materially in future now, although some small improvements are still evident in the last few months.

d). Backlog monitoring

As part of the 2022 Business Plan, it has been agreed to seek external support to reduce down the number of outstanding aggregation and deferred cases.

4. Internal targets - Employers

a). i-Connect submission performance

Note: Newly onboarded employers are not included with the performance statistics as typically more support is needed in the initial months and therefore the normal deadlines do not apply.

i). Timeliness measure of submissions

All employers onboarded on to i-Connect are required to submit their return by the 19th of the month following the month the data relates to.

Month		Dec			Jan			Feb		
		On-time	Late		On-time	Late		On-time	Late	
iConnect Submissions	Large (250>)	5	1	83%	6	0	100%	6	0	100%
	Medium (50-250)	13	4	76%	15	2	88%	18	2	90%
	Small (10-50)	26	5	84%	28	1	97%	28	1	97%
	X Small (<10)	29	10	74%	34	2	94%	36	0	100%
Total		73	20	78%	83	5	94%	88	3	97%

ii). Quality measures

Data quality gradings: The Fund categorises each employer into one of three quality measures depending on the quality of the returns being produced. The middle category of Silver is the starting category. Gold means good quality returns are consistently produced, Silver means that good quality returns are mostly produced by some issues and errors occur while Bronze means that there are a number of concerns with the quality of data produced which requires frequent intervention, more checks and escalation with the employer. These categories are regularly monitored internally but not reported here.

Contributions vs data comparisons: Additionally, as part of its control checks, officers undertake a cross comparison between the data and the contributions received. A failure of this check for an employer indicates that either the contribution payment or the membership data submitted was incorrect (or both are incorrect) and further investigation with the employer is required.

The current breakdown of employers against this measure is as follows:

Month		Dec				Jan				Feb			
		Incorrect, Underpayment	Incorrect, Overpayment	Correct	% Accuracy	Incorrect, Underpayment	Incorrect, Overpayment	Correct	% Accuracy	Incorrect, Underpayment	Incorrect, Overpayment	Correct	% Accuracy
Monies Received Contributions (Total Comparison)	Large (250>)	1	3	2	33%	1	3	2	33%	2	3	1	17%
	Medium (50-250)	1	1	15	88%	0	4	13	76%	0	3	16	84%
	Small (10-50)	0	5	26	84%	4	3	22	76%	0	3	26	90%
	X Small (<10)	4	2	33	85%	2	2	32	89%	2	5	27	79%
Total		6	11	76	82%	7	12	69	78%	4	14	70	80%

b). Timeliness of contributions payments

Below is a breakdown showing the timeliness of employer contribution payments (i-Connect employers only).

Month		Dec			Jan			Feb		
		On-time	Late	% on time	On-time	Late	% on time	On-time	Late	% on time
Monies Received on time	Large (250>)	6	0	100%	5	1	83%	6	0	100%
	Medium (50-250)	17	0	100%	17	0	100%	19	0	100%
	Small (10-50)	30	1	97%	28	1	97%	28	1	97%
	X Small (<10)	36	3	92%	36	0	100%	34	1	97%
Total		89	4	96%	86	2	98%	87	2	98%

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WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
05 May 2022

PENSION FUND – LOW VOLUME PERFORMANCE REPORT

Purpose of the Report

1. The purpose of this report is to update the Board on the Fund's performance measures for 2021/22 in connection with the following areas.
 - a) ICO Data Protection breaches;
 - b) tPR breaches;
 - c) Freedom of Information (FOI) requests;
 - d) Complaints;
 - e) Internal Dispute Resolution Procedures (IDRPs); &
 - f) Subject Access Requests (SAR).

Background

2. As part of the Fund's good governance arrangements, it maintains a range of performance measures which sit alongside the Fund's KPI's such as administration casework, data quality & benchmarking. However, whilst officers report on high volume KPIs, such as casework completion at each quarterly meeting, it was felt that to provide meaningful analysis of low volume performance measures such as those identified above, the statistics would only warrant being presented to the Board on completion of each scheme year.
3. The scope of the compliance requirements for the maintenance of the low volume performance measures is identified below.
 - a) The Data Protection Act 2018 in respect of Data Protection breaches & Subject Access Requests
 - b) The Pension Regulator's Code of Practice 14 in respect of tPR breaches, complaints & IDRPs
 - c) The Freedom of Information Act 2000

Considerations for the Board

4. The tables illustrated in Appendix I present a summary of each of the performance measures, which are supported by both an introduction to the measure and an officer comment highlighting any themes which can be observed from the measures recorded.

Conclusions

5. In addition to the individual commentary provided in respect of each low volume performance measure set out in appendix I officers have drawn the following general conclusions from these performance measures;
 - a) **Complaints & IDRPs** – Whilst completion of the payroll reconciliation exercise has been slower than expected the preparation to complete such a complicated exercise has been considerable. A quiet success of this project, which has carried enormous reputational risk to the Fund, has been the minimal number of complaints and IDRPs

experienced. Consideration of the basis of anticipated complaints and the taking of legal advice to mitigate those complaints has led to this minimal experience.

- b) **Upholding of Complaints & IDPRs** – Of the 13 Complaints & 9 IDPRs only two were upheld and 1 partially upheld. This represents quite a low complaint success rate. In the spirit of treating customers fairly members may wish to consider whether the Fund's defences maybe overly robust in defending its interests.
- c) **Fund Website** – To improve the stakeholder experience the Fund should ensure members, employers and other all other interested parties have a convenient framework by which to make Subject Access and Freedom of Information Requests. It is recommended that such a framework is provided in a similar manner to other activities such as submitting compliments, complaints & IDPR requests.

Environmental Impact

- 6) There is no environmental impact from this report.

Financial Considerations

- 7) There are no immediate financial considerations.

Risk Assessment

- 8) There are no risks identified at this time.

Legal Implications

- 9) There are no immediate legal implications arising from this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

- 10) There are no implications at this time.

Proposals

- 11) The Board is asked to note the findings of the low volume performance report being monitored by officers on behalf of the Fund.

Jennifer Devine
Head of the Wiltshire Pension Fund

Report Author: Richard Bullen – Fund Governance & Performance Manager

Appendix I

Low Volume Performance Schedule 2021-22

A) Information Commissioner Officer (Data breaches) log

Introduction – A personal data breach is ‘a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed’ (GDPR Article 4, definition 12)

Reporting an incident to the ICO is assessed on the impact of an incident on a person’s rights and freedoms, where “impact” is risk assessed in terms of likelihood & severity of that incident. Where a person’s rights & freedoms have been compromised the individual(s) must be informed without delay. Where a breach is not reported to the ICO a justifiable reason must be recorded.

ICO breach by category	Severity rating	Total members affected	No. of breaches
Personal data sent by post to the wrong address	Green	2	2
Personal data sent by email to the wrong email address	Green	1	1
Personal data within an email chain inadvertently forwarded to unauthorised personnel	Green	1	1
Phishing email inadvertently opened	Green	1	1
Total Data Protection breaches recorded in 2021/22		5	5
Last Year 5 incidents were recorded. This represents no change in 2021-22			

Officer comment – Fund officers complete an initial risk assessment employing a formula approach, before referring incidents to the Council’s Information Governance (IG) team. In 2021/22 Fund officers classed all the incidents as immaterial personal data breaches on the basis that they all involved a single member, and all arose as a result of human error. On referral to IG it was determined that no incidents would be reported to the ICO.

Of the five incidents identified, one occurred within the Fund’s Benefits team, three within the Systems team & one was a staff member not belonging to a team. In all relevant incidents the Fund’s procedure to notify affected individual’s without delay was carried out.

B) The Pension Regulator breach log

Introduction – Where a breach is likely to be of material significance to the Regulator there is a duty to report that breach having considered the cause, effect, reaction to and wider implications of that breach. Consequently, Fund officers have a process in place to monitor, record, assess & escalate any breaches where they are determined to be significant.

Scheme Managers, Board members, Employers, Fund advisers & any other party with a vested interest in the Fund have a responsibility to report breaches to the Regulator, albeit the process would in practice be undertaken by the s151 officer. Determining whether a breach is material & should be reported can be subjective & to ensure appropriate assessment Fund officers operate a range of self-challenges in line with the Fund’s policy including a formula assessment, assessment

against the Regulator’s examples & individual review based on discussions escalated to Senior Officers & agreed mitigations to address the nature of the breach concerned.

tPR breach by category	Severity rating	No. of breaches
Late Payment of Future Service Contributions	Green	34
	Amber	35
Contributions not being paid in accordance with the Rates and Adjustments Certificate	Green	4
	Amber	32
Annual Report and Accounts 2019/20 not signed off within statutory deadline	Amber	1
Annual Report and Accounts 2020/21 not signed off within statutory deadline	Amber	1
Pensioner Payroll Reconciliation	Amber	1
Total tPR breaches recorded in 2021/22		108
Last Year 44 incidents were recorded. This represents a 245% increase.		

Officer comment – The focus of the Fund’s breach log recording covers financial controls, maintenance of key documentation & the disclosure of information to members associated with significant projects. There are two breaches which are not typically recorded on the Fund’s breaches log, which are IDPRs & casework disclosures. Both of these are reported separately, within this report & at quarterly Board meetings via the administration KPI statistics. The failure of employers to submit their contributions to the Fund as required is also reported quarterly to both the Board and the Committee via the Key Financial Controls report.

During 2021/22 no breaches were reported to the Regulator. Whilst the majority of amber breaches were caused by the late payment of future service and deficit reduction contributions by Scheme employers, as well as employers not paying their contributions to the fund in line with the Rates & Adjustments certificate, it was decided not to any of these to the Regulator. The primary reason being that a new contribution monitoring process has been put in place by the Investment & Accounting team during 2021, the robust effect of which discovered underlying issues which were not able to be identified in previous years. It is anticipated that once the surfeit of underlying issues is resolved, the volume of breaches will subside in 2022/23.

In addition, decisions were also taken to record as amber breaches the lack of auditor sign off of two sets of Annual Report and Accounts. Whilst considered serious, it was recognised that the cause was not associated with the completion of the Fund’s accounts, but the Council’s and therefore not classed as a red breach, as again, all necessary steps which could be taken, had been.

Whilst it is recognised that the payroll reconciliation during the year has in effect breached multiple laws, it has been recorded as amber on the basis that a full project plan has been implemented to correct this historic problem.

It is noted that the Fund continues to have a small number of employers who are persistently late in paying their contributions and a review of the Fund’s Escalation Policy and approach, along with the Pensions Administration Strategy has been instigated with a view to actively manage such late payers. None of these instances are considered material. Furthermore, whilst a small number of ABS

disclosures weren't issued by the statutory deadline, the improvement in the issuance percentage has been such that it was not felt appropriate to continue to identify it as a breach.

Finally, tPR breach policy was reviewed by the Board during 2021/22, who recognised it required updating. It is intended to upgrade the policy and associated documentation following publication of the Regulator's final guidance concerning its new Single Code of Practice.

C) Freedom of Information (FOI) log

Introduction – As part of Wiltshire Council's compliance requirements with the Freedom of Information Act 2000 the Pension Fund will respond to all FOI requests notified to it by the Council's Information Governance team within the statutory timeframe. The purpose of the Act is to create a general right of access to all types of recorded information held by UK public authorities, which includes the Wiltshire Pension Fund, with the aim of enhancing accountability and transparency by explaining the reasons behind the decisions being taken by the Fund.

Where reasonably possibly the Fund will aim to openly publish all relevant information about its operation. However, where a FOI request is made in respect of information which isn't already readily available, the Fund will respond to any valid request by first assessing whether it holds the information requested and secondly by establishing whether any exemption to publishing that information applies.

Information Requested	Date received	Completed within legal requirement	Resolution
Service Area - Investments Requests			
The last 3 years details of the Fund's total investments, split by amount & company/allocation	25/04/2021	Yes	Partial exemption
Quarterly breakdown for 2020 of the Fund's private equity, venture capital, mezzanine, distressed, real estate/REIT, debt and infrastructure partnership portfolios. To detail investment dates, contributions, returns, fees and net values of each investment type. Similar breakdowns were requested for the Fund's hedge fund holdings.	06/05/2021	Yes	Partial exemption
Details of any Fund investments held directly or indirectly in respect of any businesses included in the UN Human Rights Council Report into business supporting Israeli actions in occupied Palestine.	17/05/2021	Yes	Request fulfilled
Details of all alternative investment portfolio records. Information to be provided on a fund, by fund basis with aggregated values since inception for each calendar quarter in the Scheme Year 2020/21. This is to be an ongoing request and was also extended to hedge fund investments.	05/07/2021	Yes	Request fulfilled

Details of all investment related voting records, either direct or by proxy via any 3rd party between July 2020 and Jun 2021. This included a breakdown of meeting information, who cast the vote and the Fund's policy on voting.	12/07/2021	Yes	Partial exemption
Records of BPP's presentation on funds on 2nd August 2021, including consultancy documentation and reviews and IM presentations.	26/08/2021	Yes	Exemption Request refused
A breakdown of the Fund's Q1 2021 private equity, venture capital, mezzanine, distressed, real estate/REIT, debt and infrastructure partnership portfolios. To detail investment dates, contributions, returns, fees and net values of each investment type. Similar breakdowns were requested for the Fund's hedge fund holdings.	29/09/2021	Yes	Request fulfilled
Details of all the Fund's hedge fund investments. In particular, monthly holdings to 30th June 2021, by initial investment, prevailing market value and net returns.	01/10/2021	Yes	Exemption Request refused
Details of the latest quarterly investment portfolios covering private equity, private debt/private credit/direct lending and infrastructure partnerships. To include their percentage in relation to the Fund as a whole, the IM, the investment name, rates of return and dates of sale.	15/10/2021	Yes	Request fulfilled
Records of BPP's presentation on funds, including consultancy documentation and reviews and IM presentations.	05/11/2021	Yes	Partial exemption
Details of any investments, direct or indirect in relation to any entities included in the United Nations Human Rights Council report into business activity in Israel's settlements. Where an investment is identified, specific details of that investment should be published.	23/11/2021	Yes	Partial exemption
Details of performance on all Real Estate, Private Equity, Private Credit/Debt and Infrastructure investment for each quarter between Q4 2020 and Q3 2021.	24/11/2021	Yes	Request fulfilled
Records of BPP's presentation on funds, including consultancy documentation and reviews and IM presentations.	17/01/2022	Yes	Partial exemption
Full details of the Fund's most recent total investments, split by amount, investment type, institution, asset allocation	01/03/2022	Yes	Request fulfilled

Board meeting 17th February meeting pack material, with focus on investment manager and consultancy guidance in relation to potential allocations and terminations of funds	31/03/2022	In progress	Determination outstanding
Freedom of Information Requests in 2021/22	15		
Last Year 8 incidents were recorded. This represents a 188% increase.			

Officer comment – The legal requirement for completing and issuing FOI requests is 20 working days. During the Scheme Year three requests were exempted (refused) as the information wasn't available, five were partially exempted (primarily on the basis that the enquiry should be directed to BPP) & six were fulfilled, with one outstanding. In addition, officers are not aware of any redactions to any parts of the information provided having occurred. All requests during 2021/22 were investment related, with most of the requests being made on a repeated basis and received from investment analytical and research organisations. With the migration of the Fund's investments to BPP it is anticipated that an increasing number of requests will be exempted and referred to BPP.

D) Complaints log

Introduction – The threshold definition for a complaint to the Fund is lower than that of an IDPR. A complaint can be made by anyone whether they be a Member, Beneficiary or any other person with a legitimate reason to raise a statement of dissatisfaction against the Fund. The definition of "reason" can include the Fund's conduct, standards of service, action or lack of action which is not considered to be of an acceptable standard. The Pensions Administration Strategy stipulates that the Fund will respond to a complaint within 25 working days.

Nature of Complaint	Date received	Dated resolved	Resolution
Retiree challenged multiple assumed pay calculations used to calculate their pension.	21/10/2020	21/05/2021	Upheld
Overpayment of pension due to incorrect uploading to payroll	09/03/2021	-	Determination outstanding
Concerns over the Fund's requirement to execute a court order in relation to a pension sharing agreement	24/08/2021	14/01/2022	Not upheld
Poor administration led to dependent's pension not being paid. Distress payment made to widow	27/08/2021	27/08/2021	Upheld
Adjustment to annual pension. Distress payment made as insufficient notice of change was provided to member (Ref 4)	16/09/2021	22/09/2021	Went to IDRP
Employer did not calculate pensionable pay correctly (Ref 3)	03/11/2021	03/11/2021	Complaint not upheld, went to IDRP
Employer decision to enrol member into the Fund did not include backdated service (Ref 1)	08/11/2021	08/11/2021	Complaint not upheld, went to IDRP

A claim for interest & compensation was made because of a delay in the payment of a death grant, causing a tax charge to occur. (Ref 2)	10/01/2022	19/01/2022	Went to IDRP
Adjustment to annual pension	26/01/2022	08/03/2022	Not upheld
Adjustment to annual pension. Distress payment made as insufficient notice of change was provided to member (Ref 5)	26/01/2022	26/01/2022	Went to IDRP
Employer did not follow correct process on terminating a member's employment (Ref 7)	27/01/2022	01/02/2022	Went to IDRP
Adjustment to annual pension. (Ref 6)	17/02/2022	17/02/2022	Went to IDRP
Adjustment to annual pension.	25/03/2022	31/03/2022	Not upheld
Total Complaints recorded in 2021/22	13		
Complaints progressed to IDRPs	7		
Last Year 9 complaints were recorded. This represents a 44% increase.			

Officer comment – The variety of complaints reflects the administrative complexity being dealt with by the Pension Fund, although it is recognised that five of the 13 complaints are associated with the payroll reconciliation exercise, with a further three complaints relating to challenges against Scheme employers. These two groups also led to almost all the complaints which were taken forward to an IDRP. However, taking into account the level of complaints being recorded against the Pension Fund membership as a whole the activity is low. Four complaints appear to have fallen outside of the 25-day resolution target.

E) Internal Dispute Resolution Procedure (IDRPs)

Introduction – The Fund has a two stage formal complaints process for eligible complainants, with IDRP stage 1 complaints involving officers using the services of an independent external consultant & stage 2 complaints involving determinations at Corporate Director level which may include guidance from the Fund's actuarial advisers. Where a resolution can still not be reached the complainant can take their case to the Pensions Ombudsman.

Sponsoring employers of the Fund are also required to appoint a stage 1 independent adjudicator & publish a discretionary decision-making policy to ensure fair & transparent determinations.

Nature of IDPR	Date received	Dated resolved	Resolution
Stage 1 IDPRs			
Dispute: Adjustment to annual pension. Outcome: Distress payment made as insufficient notice of change was provided to member. (Ref 4)	22/09/2021	08/03/2022	Not upheld, although process improvements made
Dispute: Employer did not calculate pensionable pay correctly Outcome: Went to Stage 2 IDRPs. (Ref 3)	03/11/2021	03/11/2021	Not upheld

Dispute: Employer decision to enrol member into the Fund did not include backdated service. Outcome: Adjudicator found no evidence to support claim. (Ref 1)	08/11/2021	08/11/2021	Not upheld
Dispute: A claim for interest & compensation was made because of a delay in the payment of a death grant, causing a tax charge to occur. Outcome: The adjudicator found that whilst maladministration had occurred, HMRC legislation overrode the maladministration. The Fund made a compensation payment to the beneficiaries for distress, but no compensation was made by the Council in respect of the tax charge. (Ref 2)	19/01/2022	04/04/2022	Partially upheld
Dispute: Adjustment to annual pension. Outcome: Distress payment made as insufficient notice of change was provided to member. (Ref 5)	26/01/2022	22/03/2022	Not upheld, although process improvements made
Dispute: Employer did not follow correct process on terminating a member's employment. In turn, it became an IDR on the basis that the member didn't receive an enhanced pension from the Fund. It remained an Employer dispute. Outcome: To be confirmed. (Ref 7)	01/02/2022	-	Determination outstanding
Dispute: Adjustment to annual pension. Outcome: Distress payment made as insufficient notice of change was provided to member. (Ref 6)	17/02/2022	21/04/2022	Not upheld
Stage 2 IDPRs			
Dispute: A Stage 1 IDR case b/fwd. from 2020/21 - A member exceeded their Annual Allowance in the Scheme Year 2019/20 due to a transfer-in. As a result of administrative delays in addressing their case the member claimed that they had suffered a financial loss. Outcome: Adjudicator upheld Stage 1 IDR on the basis of maladministration and suggested compensation. Stage 2 was not upheld on the basis that the Fund must comply with HMRC rules and that the adjudicator has no power to award financial compensation.	20/05/2021	04/01/2022	Not upheld
Dispute: Employer did not calculate pensionable pay correctly Outcome: Stage 1 IDR was not upheld, however member took it to a Stage 2 IDR. Stage 2 not upheld, as considered an employer dispute. Should the employer determine a different pay figure, the Fund will recalculate any benefits. (Ref 3)	03/11/2021	02/02/2022	Not upheld
Total Stage 1 & 2 IDPRs recorded in 2021/22			9

IDRPs currently upheld in 2021/22 (including partially)	1
Last Year 3 IDRPs were recorded. This represents a 300% increase.	

Officer comment – During 2021/22 three Stage 1 IDRPs were recorded as being raised against the Fund’s sponsoring employers & three concerning the payroll reconciliation exercise. With one IDRP concerning a death grant. It is noteworthy that only one IDRP was partially upheld. Whilst dates received and resolved were a little unclear in the reporting, it may also be pertinent to state that five of the 9 IDRPs appeared to fall outside of the anticipated timeframe by which they should be completed.

F) Subject Access Requests

Introduction – Under GDPR a Subject Access Request is a right that can be exercised by a member to receive a copy of their personal data held by the Fund in accordance with Article 15. This right was later included within the Data Protection Act 2018 under Chapter 3, paragraph 45. In summary the Fund is required to provide all member specific information to a member, or their authorised representative within 30 days, however in order to administer such requests effectively Fund officers can request clarification concerning the scope of data requested. Officers will also assess the validity of any such requests prior to their fulfilment. This additional scoping of requests enables the “clock to be stopped” in relation to the fulfilment of requests and in October 2020 the ICO disclosed additional guidance detailing how such clarifications should be managed.

As a Data Controller the Fund will also work in its capacity as a Joint Data Controller with other organisations to fulfil SARs as they occur. Examples of organisations may include the Fund’s AVC Providers, the Actuary and its Scheme Employers.

Subject Access Requests	No.
Fulfilled with 30 days	2
Requests for extensions due to scope clarification	0
Not fulfilled with 30 days, or deadline extended	0
Total Subject Access Requests recorded in 2021/22	2
Last Year 5 SARs were recorded. This is a 60% decrease.	

Officer comment – During the last Scheme Year 2 requests were fulfilled, with 1 being received from a third party. It should be noted that it is the Fund’s policy to issue all personal member data to the member, unless they are deceased. The third party in this case was a Solicitor.

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
5 May 2022

Draft Local Pension Board Annual Report

Purpose of the Report

1. The purpose of this report is to present the draft Local Pension Board's (LPB) Annual Report.

Background

2. As part of its terms of reference the LPB is required to publish an annual report on the work of the Board which will be referenced in the Fund's own annual report. This covers the Board's activities over the past 12 months and looks forward to the proposed work plans for the forthcoming year.

Key Considerations for the Board

3. Attached is the proposed draft 2022 LPB Annual Report for consideration by Members of the Board. The report is based on the structure agreed by the Board. The report will be published as a standalone report on the Wiltshire Pension Fund website.
4. A review of the recommendations made by the Board has been made during the drafting of the report and it was noted that all recommendations made to the Pension Fund Committee and Fund officers were adopted. However, it is noteworthy to comment that one recommendation relating to the migration of the Fund's pensioner payroll is subject to ongoing negotiation with the Administering Authority, Wiltshire Council.

Financial Considerations & Risk Assessment

5. The cost of the annual report is included with the LPB budget, within the Fund's administration budget.
6. The annual report is an integral part of the LPB's role in ensuring the Fund is securing compliance with the regulations and therefore forms another tool in mitigating the risks outlined on the Fund's Risk register.

Legal Implications and Environmental Impact of the Proposal

7. There are no material legal or environmental impacts of these proposals.

Safeguarding Considerations/Public Health Implications/Equalities Impact

8. There are no known implications currently.

Reasons for Proposals

9. The draft LPB annual report is an important document in the governance of the Fund and the formal reporting of the activities of the Board. Therefore, it is important the Board Members approve the document. The Report will also be used by the Wiltshire Pension Fund Committee to ensure that they have considered and taken forward all the recommendations made by the Board concerning the management of the Fund.

Proposals

10. The Board is asked to approve the attached draft LPB Annual Report subject to any amendments suggested and agreed at the meeting.

Jennifer Devine
Head of the Wiltshire Pension Fund
Report Author: Richard Bullen, Fund Governance & Performance Manager

Unpublished documents relied upon in the production of this report: NONE

Appendix 1 – LPB Annual Report 2022



Local Pension Board Annual Report

5 May 2022

Wiltshire Council
Where everybody matters

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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 2021 to 31st March 2022 during which the LPB held 4 meetings. Owing to the Coronavirus all of these meetings were held virtually, with the public having full access to all of the non-confidential agenda items, via a weblink available on the Wiltshire County Council website.

The focus of the LPB has been on ensuring the LPB and WPF governance complies with the Public Service Pensions Act, all of the relevant LGPS regulations, LGPS best practice guidance issued by the national LGPS Advisory Board or CIPFA, and 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 Board continued to make good progress in fulfilling its terms of reference during the 2021/22 financial year, and the LPB is again able to provide assurance that the WPF is complying with its statutory duties.

During 2021/22 the LPB undertook a wide range of work, as set out in the "Outcomes and LPB recommendations made to the Administering Authority" section of this Annual Report, on pages 8 to 12, which provides details of the work undertaken and the recommendations made to the Pensions Committee, all of which were accepted by the Committee.

During the year, a number of key areas were examined in detail by the Board given their importance to the Fund and its members. These included:

- **Pensions/Payroll Database Reconciliation.** A significant number of discrepancies between the records held on the Pensions Administration system and the payroll system were identified which needed to be investigated and corrected as appropriate. Significant progress was made during the year, and it is pleasing to be able to report that additional budgetary provision has been agreed by the Pension Committee to complete this task during 2022/23, to ensure that all pension payments are correct.
- **Data Security, Cyber resilience and Business Continuity Planning.** A detailed examination of this area, in relation to the two external suppliers of IT services to the Wiltshire Fund, led the Board to recommend, to the Committee, that an external examination by an IT specialist was required in order to provide further assurance to the Board and Committee. This was accepted, and Aon Consulting have been appointed to undertake this review and report back to the Board and Committee.

In terms of further governance and administration issues, the Board also highlighted administration backlogs which, unless significant additional resources were made available, would have taken 6+ years to clear, and would have had a negative impact on other areas of pensions administration performance. It is again pleasing to report that the Committee was supportive in providing additional resources in the 2022/23 budget which should facilitate the removal of these backlogs.

In March 2022 a self-assessment of the compliance with TPR Code of Practice 14 was undertaken, as reported on page 12 of this report. This review confirmed that whilst most of the areas reviewed were found to be adequately controlled and the risks well managed, a number of areas (some of which had been highlighted by the Board during the year), fell below the standards required.

An action plan to address these issues has been formulated and will be submitted to the May 2022 meeting of the Board. This will be monitored by the Board during 2022/23 to ensure that effective action is taken.

The Board has also regularly examined the risk register of the fund and the outcomes from internal and external audit reports, as set out in the “Outcomes” table and in the audit section of the annual report on page 13. In relation to the internal audit findings, an action plan to address all of the improvement areas highlighted will be submitted to the May 2022 meeting of the Board, and to subsequent meetings to enable the Board to ensure that adequate action is being taken in relation to the weaknesses identified.

Finally, the Pension Board can only function effectively with the input of all Board members, and I would like to thank my fellow Board members for their support and commitment to their roles on the LPB during the last financial year, and I commend this report to you.

Mark Spilsbury - Independent Chair of the Wiltshire Local Pension Board.

Legal basis of LPB and annual reporting

The Local Government Pension Scheme Regulations 2013 (“the Regulations”) established Wiltshire Council as the administering authority for the Wiltshire Pension Fund. The Regulations further require that Wiltshire Council 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 to local authority committees, including the Pension Fund’s Pension Committee. Importantly, it cannot be delegated to carry out the functions and responsibilities that legally pertain to the administering authority and has no decision-making authority.

The creation of a Local Pension Board does not change the way the administering authority delegates its pension functions, it 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, who can two of whom act for the membership and two who will act for the fund’s employers. While it is permissible for the Local Pension Board to contain “independent” members, such members are not permitted to vote. Details of how the Chair and members of the Local Pensions Board 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, however the express permission of the Secretary of State for the Dept. of Levelling Up, Housing & Communities is required. Wiltshire Council has chosen not to operate a combined Local Pension Board and Pension Committee.

The Public Service Pensions Act 2013 also brought about a new role with the LGPS for The Pensions Regulator. The Regulator now oversees the good governance within all Public Service Schemes, adopting the same powers of enforcement as it does over other Schemes.

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. In addition, 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 reporting only to the Pension Committee on its work that it has done, typically in the form of recommendations. The scope 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 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 over the past 12 months and projected for next year; and
- g) details of any conflicts of interest identified and how they were dealt with.

The Governance Compliance Statement of the Wiltshire Pension Fund can be found here http://www.wiltshirepensionfund.org.uk/media/4115/governance_compliance_statement.pdf

LPB members register and declarations of interest

Role	Member	Date of Appointment	Date left Office	Number of meetings attended in 2021/22 (maximum 4)
Independent Chairman	Mark Spilsbury	01/04/2020	-	4
Employer Member Representatives	Clr. Richard Britton	16/05/2017	16/05/2021	0
	Paul Smith	25/02/2020	-	3
	Ian Jones**	26/11/2019	10/03/2022	2
	Laura Fisher*	03/09/2021	-	2
Scheme Member Representative	Mike Pankiewicz	14/07/2015	-	3
	Rod Lauder**	26/11/2019	17/02/2022	4
	Marlene Corbey	20/10/2020	-	4

*Attendance includes being present as an observer

**Nominations for replacements in progress

Biographies of the Local Pension Board Members

Independent Chairman:

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

Employer Member Representatives:

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

Laura Fisher, HR Consultant, Wiltshire Council

Scheme Member Representative:

Mike Pankiewicz, Unison representative, retired member

Rod Lauder, Wiltshire Council employee, active member

Marlene Corbey, Unison representative, retired 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 to carry out their role. Members 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 must be appropriate for the purposes of enabling the individual to properly exercise their role. The Wiltshire Pension Fund is committed to supporting members to achieve the level of knowledge and understanding they require by providing the appropriate training and assistance.

Degree of Knowledge and Understanding

Members must “be conversant with” the rules of the LGPS and the policies of the Fund i.e. a working knowledge of what is relevant to the subject under discussion. A Board member 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 requirements set out in any relevant tPR code of practice

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

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
- 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
- Communications with scheme members and employers
- Key policy documents on administration, funding, and investment

Achieving the required level of knowledge and skills

The Board members approved training programme covering the period 2021 to 2025 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. In line with the CIPFA 2021 guidance the Fund approved and published its member training policy, which can be found here: [link](#)

The Local Pension Board's training plan can be viewed here

[Wiltshire Local Pension Board Training Plan](#)

This year the Local Pension Board received the following training sessions:

Date of meeting	Topics Covered	Duration (Minutes)	MS	PS	IJ	LF	MP	RL	MC
20/05/2021	The Role of the Scheme Advisory Board	20	✓	✓				✓	✓
17/02/2022	Breaches of Law refresher	20	✓	✓		✓	✓	✓	✓

The following were joint training sessions with the Pension Committee:

Date of meeting	Topics Covered	Duration (Minutes)	MS	PS	IJ	LF	MP	RL	MC
24/06/2021	Administering Authority's Discretions Policy	20					✓		✓
08/07/2021	Impact investing and affordable housing	150	✓		✓		✓	✓	✓
02/09/2021	Investment Manager presentation - Magellan - Listed Infrastructure	30					✓	✓	
14/09/2021	Climate Change Scenario Modelling & Analysis	120	✓	✓	✓				✓
30/09/2021	Analytics for Climate transition	30	✓				✓		
19/11/2021	New member Induction training	150				✓			✓
25/11/2021	Investment Manager presentation - Partners - Unlisted Infrastructure	45					✓		
25/11/2021	Investment Manager presentation - NinetyOne - Emerging Markets	45					✓		
29/11/2021	Climate Change Investment Training	240	✓				✓	✓	✓
16/12/2021	Valuation training 2022	60	✓				✓	✓	
09/02/2022	Private Markets	120				✓			✓
03/03/2022	Private Markets, Infrastructure and Renewal Infrastructure & Private Debt	45					✓		✓
03/03/2022	Global Secured Credit Fund	45					✓		✓

The following was additional training opportunities undertaken by Board Members:

Date of meeting	Topics Covered	Duration (Minutes)	MS	PS	IJ	LF	MP	RL
n/a	TPR on-line toolkit completion	420				✓		
n/a	LOLA - Module 1 - An introduction to the LGPS	60	✓	✓	✓	✓		
n/a	LOLA - Module 2 - LGPS Governance & Oversight Bodies	60	✓	✓	✓	✓		
n/a	LOLA - Module 3 - Administration & Fund Management	75	✓	✓	✓			✓
n/a	LOLA - Module 4 - Funding and Actuarial Matters	60	✓	✓	✓			✓
n/a	LOLA - Module 5 - Investments	70	✓					
n/a	LOLA - Module 6 - Current Issues	25	✓					
01/04/2021	Review of Code of Practice consultation	30						✓
18/05/2021 & 19/05/2021	PLSA Conference	810	✓					✓
26/05/2021	Climate Change – Focusing on Long Term Opportunities and Risks	60						✓
30/06/2021	PLSA ESG webinar	45					✓	
02/07/2021	PLSA ESG webinar	45						
15/09/2021	ESG Summit	30		✓	✓			
21/09/2021	Setting a Course to Net Zero	60						✓
27/09/2021	Brunel Investor Day - Session 1	120						
27/09/2021	Brunel Investor Day - Session 2	120	✓					
29/09/2021	Diversity	30						
12/10/2021	LGPS Fundamental training - Day 1	285						
20/10/2021	LGPS Actuarial Procurement Frameworks	30						✓
07/11/2021	TPR Pension Scams	45						
09/11/2021	LGPS Fundamental training - Day 2	285				✓		
09/11/2021	Pension Scams	45						
30/11/2021	LGPS Administration challenges & changes	60						✓
02/12/2021	LGPS Fundamental training - Day 3	270				✓		

Key:

HP – Mark Spilsbury, Independent Chair

PS – Paul Smith, Employer Representative

IJ – Ian Jones, Employer Representative

LF – Laura Fisher, Employer Representative

MP – Mike Pankiewicz, Member Representative

RL – Rod Lauder, Member Representative

MC – Marlene Corbey, Member Representative

Richard Britton, a former Employer Representative, has his

training record recorded in the Fund's Annual Report and

Accounts

TPR – The Pension Regulator

LOLA – LGPS On-line Learning Academy

PLSA – Pension & Lifetime Savings Association

LPB workplan and outcomes

In pursuit of the Local Pension Board's aim to assist the Administering Authority as set out in the Legal Basis section, it has set up a work plan intended to operate in conjunction with the workplan of the Fund whilst being committed to its own primary function.

To achieve this Local Pension Board's terms of reference requires that it develops and reports to the Wiltshire Pension Fund Committee, at least annually, on its work plan for the year. Examples of the areas work it considers it will include (but are not limited to) can be found in paragraphs 80 and 81 of its terms of reference. <http://www.wiltshirepensionfund.org.uk/media/3560/terms-of-reference-local-pension-board.pdf>

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.

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. 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 its pension function, including funding and investments.

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

Date - Ref	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
20 May 2021 (Min 12)	Low Volume Key Performance Indicators	Resolved: In view of the low level of activity recorded within the annual report the Board recommended that the content is only submitted to the Committee on an exceptional basis, where it is felt that a material operational need is present that would warrant the attention of the Committee	The Board recommendation was accepted
20 May 2021 (Min 14)	Responsible Investment (IR)	Resolved: To request the receipt of biannual updates from officers	Officers accepted the Board's request
20 May 2021 (Min 18)	Risk Register update	Resolved: To recommend the following risks be reviewed by the Committee and that risk PEN022 be amended to make it clear that it	Committee meeting dated 24 June 2021, minute 17. The Board's

Date - Ref	Area	Minute	Outcome
		covers the payroll/pensions reconciliation due to GMP and other issues. <ul style="list-style-type: none"> • PEN007b, PEN021 & PEN045 To maintain red risks <ul style="list-style-type: none"> • PEN022, PEN041, PEN042 PEN048, PEN052 & PEN055 	recommendations were accepted
20 May 2021 (Min 22)	Pension Payroll Database Reconciliation	Resolved: The Board a) Confirmed its support for the recommendations approved by the Pensions Committee on 30 March 2021 in relation to the reconciliation (See Committee minute 264) b) Recommended that before any recovery processes are started, the Fund obtains advice on its legal position concerning the recovery, or partial recovery, of over-payments of pension. Past case law and the robustness of decision making should also form part of that advice.	Officers sought legal advice from the LGA & Eversheds Sutherland. Subsequent recommendations were approved by Committee on 24 June 2021, minute 23.
20 May 2021 (Min 23)	New pensioner payroll and immediate payments system	Resolved: The Board supports, and recommends to the Pension Committee, the proposals for a new system	The Committee accepted the Board's recommendation, however both groups remain in negotiation with Wilshire Council concerning the arrangements
20 May 2021 (Min 24)	Key Financial Controls	Resolved: The Board have concerns with the continued delay in the auditor's sign-off of the Administering Authority accounts for 2019/20 and recommended that the Pension Committee requests an update from the Council by their next meeting.	Updates have been received from the Council however the 2019/20 Annual Report & Account remain unsigned
24 August 2021 (Min 41)	Risk Register update	Resolved: To recommend the following risks be reviewed by the Committee. <ul style="list-style-type: none"> • PEN009, PEN011, PEN012, PEN024, PEN026, PEN052, PEN055 & PEN058 To maintain red risks <ul style="list-style-type: none"> • PEN022, PEN041, PEN042 & PEN048 To make dormant risks <ul style="list-style-type: none"> • PEN014, PEN020 & PEN046 To split risk PEN058 into <ul style="list-style-type: none"> • PEN058a & PEN058b 	Committee meeting dated 30 September 2021, minute 40. The Board's recommendations were accepted
24 August 2021 (Min 41)	Fund Data Security, Cyber resilience & Business Continuity Planning	Resolved: To a) Reduce the PEN018 risk rating to Amber. b) Liaise with Aquila Heywood in respect of the recommendations regarding AH. c) Recommend a report is produced for the December Committee meeting by the Council's ICT dept. Plus, officers address the key recommendations in the SWAP audit, namely, officers establish a common	The risk register rating was initially reduced to Amber but has since been raised to Red again. Since these recommendations it has been recommended by the

Date - Ref	Area	Minute	Outcome
		framework of compliance borders with ICT and that ICT update the Committee on SWAP's recommendations. d) Agree access to SWAP audits and draft an IT security and resilience policy e) That a member of ICT attend the December Committee meeting & f) that future cyber security summaries are submitted on an exception basis, or where a provider has not provided evidence as required by the Fund	Board and approved by the Committee that an external review of the Fund's cyber security arrangements takes place. Aon Consulting have been appointed to undertake this review in 2022.
11 November 2021 (Min 58)	Training update	Resolved: a) To recommend to the Pensions Committee the approval of the new members training policy b) To approve and adopt the 4-year knowledge and skills framework and to recommend that the framework be adopted and approved by both the Committee and senior officers of the Fund c) To approve and adopt the training plan for 2022/23 and to recommend that this training plan be approved by the Committee	Committee meeting dated 16 December 2021, minute 81. The Board's recommendations were accepted
11 November 2021 (Min 59)	Annual Benefit Statement 2021 review	Resolved: To agree not to report the minor shortfall in statements (0.5%) as a tPR breach	Officers agreed the Board's recommendation
11 November 2021 (Min 61)	Pension Payroll Database Reconciliation	Resolved: To request future monitoring reports every 6 months and the move to an integrated pensioner payroll system	Officers agreed the Board's recommendation
11 November 2021 (Min 62)	Audit update	Resolved: a) To recommend to the Committee that they approve the scope of audits and auditors for 2022/23. Namely, the Fund's Annual Report & Accounts, Key Financial controls, BPP Pension transfers, BPP cost transparency, compliance against tPR Code of Practice, Fund's Pensioner Payroll reconciliation, Investment governance, Cyber Security, Statutory Returns and Administering Authority internal arrangements b) To recommend that within the 2022/23 budget appropriate provision is made for the appointment of specialist auditors & c) To recommend to the Committee that it reaffirms the terms of reference it expects appointed auditors to adhere to.	Committee meeting dated 16 December 2021, minute 80. The Board's recommendations were accepted
11 November	Investment Strategy Statement	Resolved: To recommend to the Committee that the updated ISS be approved	Committee meeting dated 25 November 2021, minute 64. The

Date - Ref	Area	Minute	Outcome
2021 (Min 65)			Board's recommendation was accepted
11 November 2021 (Min 67)	Risk Register update	<p>Resolved: To recommend the following risks be reviewed by the Committee. a)</p> <ul style="list-style-type: none"> • PEN030 <p>To add new risks</p> <ul style="list-style-type: none"> • PEN060 & PEN061 <p>To maintain red risks</p> <ul style="list-style-type: none"> • PEN022, PEN041, PEN042 & PEN048 <p>b) That, with the proposed increase of risk PEN030 from green to amber, a new audit be added to the 2022/23 audit plan, to examine the adequacy of the Administration Authority internal arrangements in the context of the contract management framework requirements for external contracts</p>	Committee meeting dated 16 December 2021, minute 80. The Board's recommendations were accepted with the exception of the cyber security risk PEN018 which was increased to Red.
17 February 2022 (Min 82)	Training update	<p>Resolved: a) To recommended that the Fund's breach policy was reviewed every three years & b) To request that reminders be sent to Members who had not completed their mandatory training</p>	Committee meeting dated 5 April 2022, minute xx. The Board's recommendations were accepted
17 February 2022 (Min 84)	LPB Budget 2022/23	<p>Resolved: To recommend that the Local Pension Board's budget be submitted to the Pension Fund Committee that this is included in the Fund's administration budget for 2022-23</p>	Committee meeting dated 5 April 2022, minute xx. The Board's recommendations were accepted
17 February 2022 (Min 85)	Key Financial Controls	<p>Resolved: That the Terms of Reference for the Cyber Security Review be finalised & include a technical examination from an independent IT consultant concerning the information provided by the Fund's two key software providers.</p>	Officers agreed the Board's recommendation and updated the terms of reference
17 February 2022 (Min 88)	Investment Governance	<p>Resolved: To review and endorse the process for approval of 2020 Stewardship Code reporting, and the Treasury Management Strategy</p>	Committee meeting dated 5 April 2022, minute xx. The Board's recommendations were accepted
17 February 2022 (Min 89)	Scheme of sub-Delegation	<p>Resolved: a) Recommended changes be made to the Scheme of sub-delegation document, namely officer titles and guidance arising from the Good Governance Review and new Single Code of Practice b) That changes to the guidance to the delegations, appendix be made, namely groups responsibilities and that the Fund &</p>	Officers agreed the Board's recommendation

Date - Ref	Area	Minute	Outcome
		BPP's arrangements are clearly reflected & c) That the Board's role was clearly highlighted as an advisory & scrutiny role.	
17 February 2022 (Min 90)	Risk Register update	<p>Resolved: a) To recommend the following risks be reviewed by the Committee.</p> <ul style="list-style-type: none"> • PEN043, PEN052 & PEN057 <p>To maintain red risks</p> <ul style="list-style-type: none"> • PEN018, PEN022, PEN042 & PEN048 <p>To make dormant risks</p> <ul style="list-style-type: none"> • PEN057 <p>b) In addition, work should be undertaken regarding PEN30 & PEN60, concerning the corporate recharge for implementation in the 2023-24 financial year. Regular updates on progress should be received in the Key Financial Controls reports</p>	Committee meeting dated 5 April 2022, minute xx. The Board's recommendations were accepted

LPB Actions log

The Local Pension Board use an Actions Log to track the progress of its 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

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. This guidance can be viewed on the following link;

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

Self-assessment against Pension Regulator's Code of Practice 14

In March 2022 Officers of the Wiltshire Pension Fund undertook an internal review of its compliance against the Regulators Code of Practice the results of which were submitted to the Board in May 2022.

Using the Fund's standard questionnaire composed of 84 questions covering all areas of the Fund's internal controls officers reported a fall in the Fund's compliance with the Code of Practice for the first time in 5 years. Whilst answers to most of the areas reviewed were found to be adequately controlled & the risks well managed, the notable areas falling below the required standard were identified as data retention, systems access & contribution reconciliation. In addition, in line with the Board's observation concerning breach reporting the Fund's breach policy had also been recorded as falling below the required standard. Finally, further observations were also made in connection with the low regularity of contract management reviews, which again followed a Board recommendation relating to the failure to procure & contract manage service providers appropriately & a risk relating to casework backlogs which had made no significant improvement in the last scheme year.

In conjunction with the Fund's new business plan approved by the Pension Fund Committee on 5 April 2022, an action plan is to be prepared to address the areas falling below the required standard for compliance. This new business plan incorporated the findings made by the South-West Audit Partnership (SWAP) audit report dated March 2022 (see below) and is supported by the findings of the Fund's Code of Practice self-assessment.

On agreement with the Board the results of the March 2022 review would not subject to independent audit. With the anticipated introduction of a new Single Code of Practice in 2022, the Board agreed that no SWAP audit would take place until 2023.

Internal Audit Update

The South-West Audit Partnership (SWAP), the internal auditor's annual review provided a "no assurance" rating in March 2022, making a range of recommendations for the Fund to take forward. The key findings of their report are stated below;

- New enrolments are not always processed in line with SLAs, reconciliations are time consuming and not reviewed.
- Employer contribution rate checks were not robustly controlled and there is not clear ownership for escalating issues.
- Lump sum payments were not always processed in line with SLAs, supporting documentation was not always saved on file & there was inadequate segregation of duties between the person processing calculations and approving payments.
- Accounting errors noted when processing members transferring into the Fund.
- Amendments are not always processed in line with SLAs and supporting documentation is not always saved on file
- The process of distributing tasks to team members and ensuring robust monitoring of SLAs and team capacity/backlogs requires review. A formal quality assurance process should be implemented to ensure work is carried out correctly
- Weaknesses identified in the management of the Fund's projects
- There was a backlog of historic tasks relating to aggregations, frozen refunds, retired members and no liability members
- Pensions system access review – the action to implement a schedule of software licenses for systems used within the Fund has not been implemented

In all instances a progress plan against the audit recommendations has been implemented and will be regularly submitted to the Local Pension Board for monitoring.

External Audit Update

Whilst an external audit had been undertaken by Deloitte the Board noted that for the third year in a row the auditor had not signed the Fund's Annual Report and Accounts. This year's accounts being the 2020/21 Scheme Year. It is noted that whilst the 2018/19 Accounts had finally been signed off, the signing of the Annual Report & Accounts for 2019/20 was still outstanding. During 2021/22 the Board made several enquiries to Wiltshire Council concerning the nature of the delayed sign offs and in turn Wiltshire Council continued to report that the nature of the auditor's delay lay with the Council's accounts and not the Fund's.

It is noted that the Fund's accounts are joint accounts with the Administering Authority, Wiltshire Council, and therefore the auditor will sign off the Fund's accounts at the same time as the Council's accounts. In light of the assurance provided by the Council that the auditor was satisfied with the Fund's accounts being in good order, it was felt that no further action could be taken by the Board. However, recognition of all the delayed signings of Accounts have been recorded on the Fund's TPR breach log. As a result of the delay, it is noted that no recommendations for improvement can be forthcoming from the external auditor for this period.

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 Communication Strategy was approved in December 2021 setting out the Fund's fulfilment of this responsibility over the following 3-year period. The Strategy is accompanied the Pension Administration Strategy, as well as a new Customer Service policy with a focus on customer KPIs designed to foster the continued high standards of service the Fund expects to offer its members.

"My Wiltshire Pension" The Fund's members self-service portal is embedded into the Fund's digital arrangements with its membership continuing to grow as a result of both an ongoing campaign to sign new members up, as well as the rolling out of additional functionality allowing members a greater self-service experience. This service allows members to see their pension online, amend details, carry out approximate pension forecasts, as well as a new function being introduced where eligible members can retire online.

The Fund continues to publish members annual benefit statements online via "My Wiltshire Pension" improving its publication percentage rates by the statutory deadline and fulfilling its aim to operate in a more environmentally friendly & cost-effective manner. We have been working with our members through targeted communications to ensure we have supported them through this transition however, members can still request to receive their statements by post if they wish.

In addition, to the above the Fund's website provides a platform for unlimited resources to our members which we are continuously building upon through a variation of mediums ensuring accessibility for our members and employers alike. The website offers dedicated areas for our members, employers and pensioners enabling us as a Fund to create bespoke, appropriate and informative content through GOSS.

The complete Communications Strategy can be seen here;

https://wiltshirepensionfund.org.uk/media/6142/Communications-strategy/pdf/Communications_strategy.pdf?m=637506307791730000

Main website link: www.wiltshirepensionfund.org.uk

LPB operational costs for 2021-22 & budget for 2022-23

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 additional expenditure must be approved by the Wiltshire Council's Corporate Director of Resources & Deputy Chief Executive, s151.

The budget for 2021-22 and 2022-23 can be seen below.

	2021-22 Budget £	2021-22 Actual £	2022-23 Budget £
Independent Chair Remuneration	£10,609	£10,339	£10,672
Consultancy Fees	£4,000	£4,000	£2,000
Training	£3,400	-	£2,000
Committee Services	£3,000	£3,000	£3,000
Travel & Subsistence & costs	£1,000	£106	£1,000
Catering	£400	-	£400
Insurance	£2,800	£1,521	£3,760
Total	£25,209	£18,966	£22,832

Assurance of the LPB Annual Report

It is the role of the Local Pension Board to assist Wiltshire Council 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, nor be 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
- 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, 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 29th July 2022.

LPB Annual timetable 2021-22 and proposed work plans

[The Board's workplan for 2021-22](#)

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
05 May 2022

PENSION ADMINISTRATION STRATEGY REVIEW

Purpose of the Report

1. The purpose of this report is to update the Board on proposed changes to the Fund's Administration Strategy and to seek any comments or recommendations the Board has before it goes out for employer consultation and then for approval by Committee.

Background

2. Under the Local Government Pension Scheme (LGPS) Regulations 2013, each LGPS Fund in England and Wales is empowered to produce and implement a Pension Administration Strategy, with an accompanying Service Level Agreement, which will apply to all employers in its Fund.
3. The aim of this attached draft strategy is to set out the quality and performance standards expected of all Scheme employers within the Wiltshire Pension Fund (WPF) and of the Fund itself. It seeks to promote good working relationships, improve efficiency and enforce quality between Scheme employers and the Administering Authority. It also provides details on how performance levels will be monitored and the action that might be taken if they fall below the stated expectations.
4. This strategy is updated from its December 2019 version and ensures the governance and administration requirements of the Pension Regulator (tPR) are properly addressed which now fall to the Fund and its employer organisations.

Considerations for the Board

5. The revised Pensions Administration Strategy has been revised in conjunction with other planned key aspects of pensions administration, in particular to ensure:
 - a). All (high volume) targets outlined within the strategy are easily, accurately and efficiently measurable using appropriate reporting software (i.e. Altair Insights), allowing for managers to frequently monitor performance (at least weekly) and report to the Board and Committee on the normal quarterly basis. At a management level, this allows for a timely review of case failures and to determine what future corrective action would be desirable.
 - b). A work allocation system can be implemented which allocates work out in accordance with aiming to meet these turnaround times (replacing the current system).
 - c). The targets reflect the split of cases used within the 'office', making the figures highly relevant and meaningful to processing staff, and the variation of case types.
6. Officers will now report the performance of employers to them using Employer Report Cards on a frequency which is suitable for their size.
7. The following key changes have been made to this Strategy:

a). The revised strategy now states that all employers are required to use i-Connect to submit data to the Fund and that the Fund considers a failure to do so as a form of poor performance. Furthermore, as such, all relevant employers target now only refer to i-Connect submissions.

b). The strategy also outlines that member self-service, wherever possible, is at the centre piece of the Fund's administration strategy and therefore processes which a member could conceivably self-serve, if they wished to do so, are treated as lower priority to those where Fund officers must complete the required work.

c). Employer and Fund targets have been split out into different appendices, a summarised list has been created for employers of higher volume tasks, a tolerable threshold (minimum acceptable KPI level) has been introduced and work has been split into high, medium and low priority levels.

d). Various miscellaneous updates have been made to the escalation policy, to align the strategy to the new Business Plan, the way work is actually managed within the pension administration team and updates to workflows have also been made.

8. Officers have self-assessed the compliance of this Strategy against Regulation 59 of the LGPS Regulations 2013.
9. The current draft of the Pension Administration Strategy will go out to consultation with employers after Fund officers have received any comments from the Local Pension Board. Once feedback from both sets of parties have been received, these will be considered, summarised and pass on to Committee, with the intention of approving the final document in July 2022.
10. The planned implementation date is from 1 August 2022 and will be published on the WPF website and circulated to all Scheme employers and external payroll providers.

Environmental Impact

11. There is no environmental impact from this report.

Financial Considerations

12. There are no direct financial implications involved with the implementation of this Strategy. However, in the longer term this Strategy should lead to more efficient benefits administration operation and the ability to redirect resources for the benefit of scheme members.

Risk Assessment

13. There are no risks identified at this time.

Legal Implications

14. There are no immediate legal implications arising from this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

15. There are no implications at this time.

Proposals

16. The Board is asked to note the proposed, revised Pensions Administration Strategy and outline and comments or recommendations it has.

Jennifer Devine
Head of the Wiltshire Pension Fund

Report Author: Andy Cunningham – Pensions Administration Lead

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Wiltshire Pension Fund
Administration Strategy
2022

DRAFT

Implementation date: TBC

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1. Introduction
2. Objectives
3. Our commitment to members
4. Working with our Employers

Appendix 1: Service Level Agreement (Employers)

Appendix 2: Service Levels (Fund only)

Appendix 3: Employer Escalation Policy

Appendix 4: Oversight, scrutiny and continuous improvement

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1). Introduction

This is the Pension Administration Strategy of the Wiltshire Pension Fund (“WPF” or “The Fund”), administered by Wiltshire Council (the “Administering Authority”). The WPF is one of 89 Local Government Pension Scheme (LGPS) Administering Authorities nationwide. The WPF comprises of around 180 Scheme employers and approximately 81,000 Scheme members. WPF mainly administers the LGPS for employers located in the Wiltshire geographical area, although it also administers the scheme on behalf of a number of organisations located elsewhere but with links to the county. WPF’s administration costs are funded from a small proportion of the assets of the Fund (i.e. from employee and employer contributions and investment returns).

This strategy outlines the administrative policies and performance standards the Fund and its sponsoring employers need to achieve to enable the provision of a cost-effective and high-quality pension administration service, in line with its Business Plan, and to meet statutory requirements. It seeks to promote good working relationships, improve efficiency and establish a culture of quality between Scheme employers and the Fund. It also provides details of how performance levels will be monitored and the actions that might be taken if they fall below the stated expectations.

It has been finalised following consultation with sponsoring employers of the WPF and will be kept under review and revised to reflect changes to LGPS regulations and the Fund’s policies as necessary. It has been formulated in keeping with the requirements of regulation 59 of the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended).

A number of bodies oversee, support and provide scrutiny of administration officers. For instance, the Local Pension Board, Wiltshire Pension Fund Committee, internal and external auditors, Scheme Advisory Board, MHCLG and the Pension Regulator.

The Pension Regulator (tPR) has enforcement powers in relation to breaches of legislation.

In recent years, there has been an ever-increasing demand on Pension Funds to maintain high quality data, demonstrate the ability to process work in timely manner and meet increasing customer expectations (for example, in relation to having instantly available data and to be able to self-serve). This updated Administration Strategy reflects these changing demands as well as a desire to meet pension practice and deliver an excellent service.

i-Connect and Self-service

Two key aspects of the Fund’s Administration Strategy are as follows:

i-Connect: From the effective date of the Administration Strategy, the Fund **requires** all employers to use i-Connect to submit LGPS pensions data, on a monthly basis, to the Fund. i-Connect has many benefits in terms of automatically cross-checking and validating basic data at the point of submission, allowing the Fund to maintain up to date, high quality data, enabling Scheme members to self-serve effectively across a range of processes and receive timely information and for the Fund to ensure it is compliant with a range of data quality and processing requirements.

Fund officers can provide extensive support to employers to help them to onboard. In exceptional circumstances, if an employer is unwilling to engage with this requirement, the Fund will consider

escalation measures and the application of an administration surcharge in reflection of the additional work required for employers which do not use i-Connect.

My Wiltshire Pension: The Fund encourages all active and deferred members to use My Wiltshire Pension wherever possible (and in future, it will encourage pensioner members too once additional functionality becomes available). My Wiltshire Pension has a wide range of benefits for members: it not only allow members to see their current pension benefits at any given point in time, it also enables members to run forecasts, submit documents securely, run quotes and replaces the need for paper communications in many instances, speeding up processing times. Further information on this is available on the Fund’s website.

Future Fund Administration aspirations

The Fund is planning to move towards an integrated pension payroll and pension administration system. From a member’s perspective, this will enable an improved service and the administration will be contained within a single team and all pensioner data will be visible on My Wiltshire Pension (rather than a separate system). There are also significant process benefits which help with the administration of pensioner benefits.

Other Fund administration improvements will be outlined in the Fund’s Business plan on its website, as updated from time to time.

Application of this policy

The Administration Strategy applies to WPF and all its participating employers (at any given point in time). It automatically applies to all new employers.

2). Objectives

The Fund’s overall vision, as stated in its business plan, is to: “...deliver an outstanding service to our scheme employers and members”

The Administration Strategy aims to help the Fund achieve many of its strategic goals:

2 Straight-forward administration



3 Clear service measures and responsibilities



5 Correct pension, paid timely



6 Accurate up-to-date records



7 Service administered effectively and cost-efficiently



14 Widely adopted self-service solutions



16 Compliance and best practice



In particular, the Pension Administration Strategy objectives are that:

- The WPF and its Scheme employers are aware of and understand their respective roles and responsibilities as defined in the Service Level Agreement targets (Appendices 1 & 2);
- The strategy aligns itself with its compliance and governance requirements;
- Accurate records are maintained for the purpose of calculating pension entitlements and Employer liabilities, ensuring that all information and data is communicated accurately, on a timely basis and in a compliant manner;
- Performance standards are clear and easily measurable to help identify areas for improvement; and
- All parties are clear on the approach that the Fund takes to escalating any administration issues and dealing with any cases of poor performance.

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3). Our commitment to members

Outlined below are the areas of work we will administer on behalf of each group of members.

The target timeframes for each are reviewed from time to time in order to seek to achieve an optimal balance between customer expectation, achievability, legal requirements and cost.

The latest timeframes and their effective dates can be found in Appendix 2.

3.1. New Members

a). New Joiner Information: Upon receipt of notification from the member's employer that the member has started a new employment, we will send each member a starter pack and My Wiltshire Pension registration details (if the member is not already registered) in the post

b). Transfers in from previous pension schemes: All members* have the right to transfer in benefits to the Scheme within the first 12 months of starting a new employment.

If a member has built up a pension elsewhere in the LGPS, or in another employment within Wiltshire Pension Fund, in most cases the aggregation of membership will become automatic after 12 months. As necessary, we will work with the other Fund to complete the aggregation in a timely manner. In some cases, the member needs to make an election. The options available will be outlined in the starter pack.

If the member has built up a non-LGPS pension elsewhere, we will provide them with a quote, if requested, and confirmation of the final transfer if they decide to go ahead with the transfer. These types of transfers are not automatic.

*Subject to employer's agreement for non-club transfers in.

3.2. Existing members: change of details

We encourage all members to use My Wiltshire Pension to update their personal details such as their address and their expression of wish details. This allows their details to be updated instantly and securely. However, members can contact us separately to perform these updates if they do not use My Wiltshire Pension.

Some details such as change of name, for example due to marriage, need to be accompanied by appropriate evidence.

3.3. Leaving members

a). Leaver options notification

Upon receiving notification from the employer that a member has left, we will email or write to the member to outline the options available to them. These could include to take a refund of benefits (if the member has minimal service), deferred benefits or to transfer out.

b). Deferred benefits

If you are entitled to a deferred benefit, we will update their pension record and we will then produce deferred benefits statements each year for you (see section 3.4 for further details).

c). Refunds

If a member is eligible to receive a refund, we will contact them to advise of this and ask them to complete an option form either via post or on My Wiltshire Pension. Upon receiving the correct documentation and confirming eligibility, we will make payment of the refund to their bank account.

d). Transfer Out quote and completion

In most cases, members are able to obtain a transfer value quote on My Wiltshire Pension. If a transfer out quotation has been requested by a Financial Advisor on your behalf, then the quotation will be issued directly to you rather than to the financial advisor.

Subject to WPF being satisfied that the new provider meets the eligibility requirements under the relevant legislation, following the member's instruction and other scheme's confirmation, the Fund will then make a transfer out to the other scheme.

e). Estimates of retirement benefits

For all estimates of retirement benefits, we encourage members to use My Wiltshire Pension wherever possible. By exception, the Fund is able to provide estimates by other means.

f). Retirement quotations

i). From active status: Upon notification that a member wishes to retire, we will either send a quotation of the benefits payable upon receiving all the relevant information from the employer; or

Provide a quote using My Wiltshire Pension (as this new service becomes available)

ii). From deferred status: When the benefits are payable in full, we will write or email the member and invite them to use My Wiltshire Pension Fund to access their quote. By exception, we will issue a quote via the post or email.

In all the scenarios outlined above, if the member has an AVC this timeframe is likely to be longer as we will need to wait for the AVC fund value from the provider before we can send the member the necessary figures.

g). Retirement payments

Lump sums: We will process the payment of any lump sum upon receiving all the required documentation and after the retirement date has passed.

First monthly pension: The first monthly pension will be paid on the next available payroll run.

Note: In both cases, if the member has an AVC this timeframe is likely to be longer as we will need to wait for their AVC to have been disinvested by the provider and for payment to be made from the AVC provider to us.

h). Death benefits

Upon receiving notification of a member's death, we will contact the next of kin (or another appropriate contact) once established and request further information in the form of a family questionnaire. If we are only notified of the death by a third party, we may use a tracing agent to receive a copy of the death certificate and attempt to establish the next of kin.

We will use the information on the family questionnaire to help establish if a death grant or dependant pensions are due. Once all required information is received, we pay out any death benefits due.

We encourage members to complete their expression of wish information on *My Wiltshire Pension* (or by sending us a form) to provide clarity to the Fund over the member's wishes.

3.4. Existing members: Annual Communications

a). Annual Benefit Statements (ABSs)

We will produce an Annual Benefit Statement by 31 August each year, showing the value of the member's benefits at 31 March of the same year. In all cases, we will publish the statement onto member's My Wiltshire Pension account.

All members are able to opt in to receive a paper version of the statement in addition to this. We will only send out paper statements if members opt into paper correspondence (this only needs to be done once).

b). Pension Saving Statements (PSS)

If you exceed the Annual Allowance, we will issue you a PSS by the 6 October following the end of the relevant tax year, showing your Pension Input Amount as at the previous 5 April for the pension

benefits you hold with us, including any impact of any unused allowance from the previous 3 years which can be used to offset the amount by which it exceeded the annual allowance.

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4). Working with our employers

Engagement with our employers is key to helping us deliver an effective service for both members and employers and to meet our statutory requirements. The Fund is committed to working closely with employers to build positive working relationships to ensure we work together to create efficiencies and meet service standards. As part of the Fund's Business Plan 2022, it plans to introduce 'Employer Report Cards', which is basically a way of feeding back on employer's performance so that all employers are able to identify where any issues may lie. The Business Plan, also adds focus to implementing i-Connect and improving employer training and engagement as set out below.

The Fund **requires** all employers to use the i-Connect portal to submit monthly data because of the advantages it brings to all parties, including members. The Fund reserves the right to treat an unwillingness to use the i-Connect portal as a form of poor performance and to apply administration surcharges to employers relative to excess work involved (if all other avenues to resolve the failure to onboard have been exhausted).

4.1. Communication, training and support

The Fund has a dedicated Employer Relationship Manager who helps coordinate and oversee all employer matters and provide support and information. The Fund is committed to delivering resources which meets the needs and demands of its employer base. As such, the Fund undertook a survey last year to help understand employer preferences and it used the feedback to help determine its offering. The current range of approaches used is outlined below:

- a). Employer Strategic Focus group: The group is an informal way for the employers to engage with the Fund (via the officers and the employer representatives on the Pension Fund Committee) on strategic issues. The group has been established to facilitate a 2-way dialogue, and to enable the employer representatives to feedback employers' views to the Committee. Further information can be found on the Fund's website.
- b). Employer newsletters: The Fund will periodically send employer newsletters with the purpose of:
 - Advising employers when there are any changes to policies, strategies, scheme rules, procedures or forms;
 - Informing employers of key events or members communications; and
 - Making employers aware of other important Fund developments.
- c). Employer forums and webinars: Employer forums also take place periodically and have a similar purpose to newsletters, but they also provide an opportunity to ask questions and to meet colleagues.
- d). Employer's Guide: The employer's guide is produced and maintained as a technical reference point, training tool and outlines roles and responsibilities. It is currently held on the Fund's website.
- e). Employer website: As well as the website hosting the employers guide, it also provides employers with access to the Fund's templates, forms and other supporting information about the Fund.

f). Face to face/Teams meetings, email and phone: Individual employer meetings are available on request by either the employer or WPF. We will also seek to proactively engage with employers to aid understanding and to resolve issues. Pension team members are also always available during office hours to provide support over email or phone.

g). Training sessions: WPF will provide training sessions for employers on a quarterly basis and upon request, if required. These training sessions will be aimed at staff in the following areas:

Payroll – In areas such as Pensionable Pay, Assumed Pensionable Pay and monthly contributions.

HR - New staff, policies, absences and retirements. The support will also cover the role of the external payroll provider, what you are asking of them and making sure there are no gaps in an employer's processes.

Finance – Triennial valuation, setting contribution rates and assumptions and strain costs.

Further information on the Fund's approach to communications can be found on the website in the Fund's Communication Strategy.

4.2 Nominated contacts

To enable the WPF to communicate efficiently with employers, we require all employers to nominate a lead person in each key area related to Fund administration:

- a) Payroll
- b) HR
- c) Finance
- d) Communications

*Smaller employers, or employers with few active members, may use one person to receive all the communications in all areas, to pass on to the relevant parties within their organisation.

4.3. Service standards

In order to meet the vision, set out in the Fund's Business Plan and the Fund's statutory requirements, the Fund has developed a set of service standards for both the Fund and employers split down by process.

All employers are required to meet the timeframes outlined in Appendix 1 and to use i-Connect for monthly data submissions.

The Fund will monitor employer's performance against the standards set out in the relevant appendix and report these back to employers at appropriate intervals after taking account the size of the employer's active membership and whether any performance issues or concerns have been identified. Where issues arise, the Fund will follow the processes outlined in the Fund's escalation policy. If the Fund decides to apply surcharges, these will be in line with the details of 4.7.

4.4. Other responsibilities

In order to fulfil an employer's general statutory roles and responsibilities, the Fund requires employers to:

- Enter in a Memorandum of Understanding with the Fund (to cover data protection matters) using the Fund's standard format, as amended from time to time;
- Ensure their approach to data retention maintains data which may be required for pension administration purposes for a sufficient time as advised by the Fund;
- Formulate and maintain an employer's discretion policy; and
- Formulate and maintain any other documents which may be required from time to time in relation to the fulfilment of an employer's legal requirements to assist with the administration of the pension scheme.

4.5. External payroll providers

The WPF is willing to exchange data directly with any employer's external payroll provider, but ultimately the responsibility for the accurate and timely submission still sits with the participating employer. The Fund may require that certain employer approves major data submissions from an external payroll provider, such as end of year submissions or information submitted on i-Connect.

However, if the Fund is unsatisfied with the performance of an external payroll provider, it will initially raise issues with the payroll provider concerned but then revert back to the employer if these prove unsuccessful, as the per the details of the escalation policy outline in the appendix.

Furthermore, if the Fund continues to remain unsatisfied with the ability and willingness of the external payroll provider to provide the information necessary, the Fund may require that the employer approves all data submissions from the payroll provider prior to receipt by the Fund.

4.6. Ensuring compliance with statutory requirements and levels of performance

It is the responsibility of the Administering Authority, Scheme employers and WPF to ensure compliance with all statutory requirements.

tPR imposes a statutory obligation on Administering Authorities, as scheme managers, and the Local Pension Board to report failures which are likely to be of material significance. All breaches of statutory requirements are recorded in the Fund's breaches log and material breaches are reported quarterly to the Pension Fund Committee and Local Pension Board. Where particular employers are consistently failing to meet the standards required, these employers will also be notified to the Board.

This log may also be published on the WPF website within the WPF's Annual Report. Where there is a material breach which represents a reportable event to tPR then tPR would also expect to see an improvement plan implemented to rectify this position. Each Scheme employer's performance is monitored against the standards set out in this document, in particular in Appendix 1. Reporting to Committee and Board will include both quality and timeliness of each Scheme employer's data provision.

Where the Fund identifies areas of improvement or poor performance for one of more employers, the Fund will use the Employer Escalation policy outlined in the Appendix. In all cases, the Fund will offer support to help the employer make the improvements required.

The Fund's own administration performance is overseen by the Pension Fund Committee and Local Pension Board and the Fund is required to self-report breaches of legislation and data quality scores to the Pension Regulator. The Fund's targets are outlined in the appendices.

4.7. i-Connect onboarding requirements and surcharges

The submission of monthly data via the i-Connect portal is now a mandatory requirement of the Fund to enable us to meet our statutory requirements in relation to data quality and processing times.

We require:

- Existing employers to onboard on to i-Connect by as soon as possible.
- New employers to onboard on to i-Connect within 3 months of joining the Fund.

For smaller employers, the process does not involve any special reporting requirements as the system relies on manual data entry onto i-Connect and then adjustments each month afterwards as necessary. For larger employers, a specific report is required.

The Fund has a dedicated Employer Services team on hand to support employers through every step of the process.

In exceptional circumstance, where employers do not engage with the Fund and officers have exhausted all other avenues of support and attempts to engage the employer, the Fund will consider the application of the surcharges, proportionate to the size of the employer and in line with the provisions for employer poor performance outlined with the LGPS Regulations.

The Fund will also consider reporting the matter to the Pension Regulator.

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Appendix 1: Service Level Agreement - employers

Important: A failure to meet the timeframes stated may result in the Fund’s applying the process outlined in its Escalation Policy.

1). High level Summary of key responsibilities:

Task	Deadline
Pay contributions and send remittance	19 th of calendar month following the date of contribution deduction
Submit i-Connect return	19 th of calendar month following the date of contribution deduction
Pay any AVC/APC/ARC/Added Years contributions to AVC provider and additional contributions to the Fund.	19 th of calendar month following the date of contribution deduction
Retirement forms: Complete and send to the Fund	At least two working days before the date of retirement
Death in Service form: Complete and send to the Fund	Within 5 working days of the death
Fund individual member additional data requests: Respond to the relevant officer	5/10 working days depending on priority level of the task.
Refund contributions through payroll (less than 3 month opt outs)	Next available payroll
Advise the Fund of a change payroll provider and TUPE transfers	At least 3 months before the changes occur.
Other tasks (infrequent) – See below for detail.	Other tasks – See below for further detail.

Note: For any employer which is still in the process of transitioning to i-Connect, the Fund will outline the additional data requirements and deadlines that will apply until the employer is fully onboarded on i-connect.

2). More detailed explanation (by task)

A). Paying contributions, submitting i-Connect returns, refunds through payroll (All employers – monthly)

Description	Performance Target
<p>1a). (All employers) Paying employee and employer contributions to the Fund.</p> <p><u>Note:</u> Employee contributions: Employee contributions should be deducted based on the relevant year's contributions bands, as advised by the Fund each year. Employer contributions: Employer contributions are outline on the Fund's website and are set by the actuary.</p> <p>1b). Submit remittance advice, in the format determined by the Fund and revise from time to time, to accompany the payment</p>	<p>19th calendar day of the month following the month of deduction.</p>

<p>2). (All employers) Submit an i-Connect return through the i-Connect portal.</p> <p>Further information is available on our website regarding the exact data requirements. Note: This process replaces the need to provide starter, leaver and change of details notifications.</p> <p>Important: It is essential that the information provided is checked before submission to ensure the Fund is able to calculate and maintain members' pensions correctly. Any errors or suppressions, i.e. the target update file cannot be applied because of the issue, should be resolved prior to processing.</p>	<p>19th calendar day of the month (following the month of deduction)</p>
<p>3. (If applicable) Pay any other additional payments due to the Fund</p> <p>Payment of additional fund payments (for example strain costs) in relation to early payment of benefits from flexible retirement, redundancy, business efficiency retirement and any other payment due under Wiltshire Pension Fund charging policy as stated on our website.</p>	<p>To be received within 30 calendar days of receipt of the invoice from Wiltshire Pension Fund, or within the timescales specified if different.</p>
<p>4. (If applicable) Pay across Additional Voluntary Contributions (AVC) and other Additional contributions:</p> <p>Arrange payment of contributions to the relevant AVC provider(s) and all other additional contributions (added years, APCs and ARCs should be payable to the Fund.</p>	<p>Pay over contributions to the AVC provider(s) and the Fund by the 19th calendar day of the month</p>

B). Other key employer responsibilities (currently performed outside of i-Connect)

Currently, the following regular information needs to be submitted outside of i-Connect as and when the relevant situation arises:

Task	Employer Target timeframe
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<p>Retirement Form: Submit a fully completed and accurate retirement form for voluntary retirements*, redundancies age 55+, ill health retirements and members reaching age 75. Ill Health retirement forms should also be accompanied by an ill health certificate.</p> <p><i>*Officers are investigating changing the process for voluntary retirements which may alter this requirement.</i></p>	<p>At least 2 days <u>before</u> the member's retirement date</p>
<p>Death in service form: For any deaths of LGPS members whilst still employed, complete and submit a death in service form to the Fund.</p>	<p>5 working days.</p>
<p>Data requests: Provide accurate and timely pay figures and other data. Most commonly this would be CARE or Pension Remuneration figure requests but it could also relate to any other key data needed to process a case.</p>	<p>5 working days, if the data requested relates to a process which will result in a payment to the member (or a beneficiary) – e.g. a retirement process, or a requirement to meet a statutory deadline (for example, send a pension saving statement).</p> <p>10 working days otherwise.</p> <p>For larger data requests, a timeframe will be set at the time of the request.</p>
<p>Refunds through payroll: If a member opts out within 3 months of starting, the contributions deducted should be refunded through payroll (as required by the LGPS Regulations).</p>	<p>As per description.</p>

C). Other ad-hoc employer responsibilities

Other ad-hoc and less frequent employer responsibilities are outlined below:

1). Review of Tier 3 Ill Health Benefits

Description		Employer target (working days)
1.1	To review Tier 3 ill-health pensions in payment after 18 months of commencement and, if required after 3 years.	As per description
1.2	To notify member in writing if Tier 3 pension ceases.	As soon as is reasonably practical after IRMP advice.
1.3	To notify member of any uplift from Tier 3 to Tier 2 benefits.	Provide Fund with relevant ill health certificate signed by IRMP within 10 days and notify the member as soon as is reasonably practical

2. Early payment of deferred benefits on grounds of ill health

Description		Employer target (working days)
2.1	Acknowledge any request for early payment on ill-health grounds made by the member (and former employee)	Request acknowledged within 5 days.
2.2	Employer to arrange for IRMP referral	Within 15 days
2.3	Notification to member of any award determined.	Within 10 days of decision being made following IRMP assessment.

3). Additional Pension Contributions (APCs)

Description		Employer responsibility and target (working days)
3.1	Send any new, completed APC contacts to the Fund.	Employer to deduct extra contributions from member's pay based on the instructions set out on the form within 10 days of instruction from the Fund or the next available payroll, whichever is soonest
3.2	Lost pension contract (enquiry/application sent to scheme employer) Note: Applications for buying back the lost pension must be within 30 days of the member returning to work for the member to only pay 1/3 and the employer to contribute 2/3. (If there is an administrative delay the employer can extend the 30 day limit to share the cost)	Employer to provide a quote to the member detailing the amount of lost pay/pension as soon as the members return to work is confirmed. Employer to provide application to the Fund within 10 days of receipt of members election to proceed.

4. Internal Dispute Resolution Procedure (IDRP) Stage 1 Appeal against determination of scheme employer

Description		Employer target (working days)
4.1	Acknowledgement sent to applicant on receipt of Stage 1 application	Within 5 days of request
4.2	Forms to be issued to the employer's Stage 1 adjudicator	Within 2 days

4.3	Stage 1 adjudicator to give written notice of the decision to the applicant and a copy to the employer and to the Fund (this should also include information on further appeal rights under Stage 2)	Within 2 months of the date on which the application was received If no such notice can be given by this date an interim reply should be issued with an explanation as to the reasons for the delay and an expected decision date
4.4	The Employer to act on any actions arising from the Stage 1 decision The Fund to act on any actions arising from the Stage 1 decision, if appropriate after the employer has carried out their actions (this could include recalculation of the applicant's benefits)	Within 10 days of receiving the decision

5. Internal Dispute Resolution Procedure -Stage 2 – Appeal against the employer

	Description	Employer target (working days)
5.1	Acknowledgement sent to applicant on receipt of Stage 2 application	Within 5 days of request
5.2	Forms to be issued to the fund/employer's Stage 2 adjudicator	Within 2 days

5.3	Stage 2 adjudicator to give written notice of the decision to the applicant and a copy to the employer and to the Fund (this should also include information on further appeal rights)	<p>Within 2 months of the date on which the application was received</p> <p>If no such notice can be given by this date an interim reply should be issued with an explanation as to the reasons for the delay and an expected decision date</p>
5.4	<p>If applicable the Employer to act on any actions arising from the Stage 2 decision</p> <p>The Fund to act on any actions arising from the Stage 2 decision, if applicable after the employer has carried out their actions (this could include recalculation of the applicant's benefits)</p>	Within 10 days of receiving the decision

6. TUPE and Employer Discretions

6.1	<p>TUPE transfers out (if they occur):</p> <p>Inform WPF of all cases where a prospective new employer or admitted body may join the fund as the result of reorganization or TUPE transfers and to pay all charges due under WPF charging policy.</p>	<p>Notify the Employer Relationship Manager at least 3 months before the date of the transfer or reorganisation and ideally before any tender process commences (if relevant).</p>
6.2	<p>Change of payroll provider: Advise the Fund of the change and work with Fund officers to put appropriate processes in place and to enable staff to be trained.</p>	At least 3 months before the change occurs
6.3	<p>Employer Discretions Policy</p>	To produce and maintain an employer's discretion policy with 3 months of joining the

		Fund and within 3 months of being advised of any changes to legislation.
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Appendix 2: Fund Service Targets

The Fund has split its processes into three different priorities levels, which are defined as follows, in order to manage its resources effectively.

Priority Level	Definition
High priority	<ul style="list-style-type: none">• The process is expected to result in a payment directly to the member (or a beneficiary) in the near future; or• Key statutory deadlines exist.• Answering queries related to high priority case work.
Medium priority	<ul style="list-style-type: none">• The process does not result in a payment directly to the member, but the task still needs to be completed by Fund officers and a failure to complete the task in a timely manner could result in subsequent complications or delays (for example to high priority cases).• All standard queries (except those related to high priority cases).
Low priority	<ul style="list-style-type: none">• The member is able to self-serve this information using My Wiltshire Pension but has requested for the Fund to provide this information instead.

Note: All timeframes stated below exclude 'out of office' time, whether that is waiting for a response from the employer, member or an (independent) third party such as another Pension Fund.

The priority levels help determine the Fund's management of tasks in busy times and inform the setting of target levels, the approach to governance reporting and the level of urgency assigned to taking remedying action.

Overview and 'tolerable' thresholds

In recognition, of the complexity that exists in certain cases and the reliance the Fund sometimes has on other parties, the Fund is aware there will be occasions where it is unrealistic for these targets to be met for certain cases. Therefore, the Fund has set a tolerable performance threshold (the minimum acceptable levels) which includes an allowance for these exceptions. The tolerable percentage is defined as the percentage of successful completions in each category that the Fund considers to be the minimum acceptable level of performance without further action being required.

A summary of all higher volume processes is outlined in the table below. This is followed by a more detailed description for each target (which also includes the lower frequency events).

Task number	Priority Level	Task Description	Turnaround time (Working days) – excludes ‘out of office’ query time)	KPI (Minimum Acceptable level)	Disclosure Regulations requirement
1.1/1.2	High	Active to retirement quotes	5 days (unless the request is received before the retirement date, in which case, 10 days)	95%	1 month after NPA
1.3	High	Process actual retirement	10 days	95%	None
2.1	High	Retirement from deferred status – issue quote from request (only applicable if online process not used)	10 days	95%	1 month
2.2	High	Retirement from deferred status – process benefits from date of instruction.	10 days	95%	None
5.1	High	Death benefits – acknowledgement of death	5 days / 10 days	95%	None
5.2	High	Notification of benefits payable to dependants – process and sending letter	10 days	95%	None
5.3	High	Death grants – make determination and process	10 days / 20 days	95%	None
6.1	High	Refund payment requests – process	10 days	95%	None
7.1	High	Scheme employer led estimate requests (redundancy) – issue quote	10 days	95%	None
11.1	High	Produce Annual Benefit Statements	31 August	99%	31 August
11.2	High	Send out AVC statements (legacy providers only)	31 August/within 4 weeks of receipt	100%	31 August
11.3	High	Issue Pension Saving Statements for Annual Allowance	6 October	95%	6 October
12.1	Medium	Issue starter packs	1 month from date of receipt	95%	1 month

13.1	Medium	Early leaver disclosure notification	2 months from date of receipt	95%	2 months
14.1	Medium	Deferral of benefits – process	20 days from the date deferred benefits are established	80%	None
15.1	Medium	Internal aggregation: A1, B1, D1	2 months from date that need to aggregate occurs (a new starter or leaver)	80%	None
15.2	Medium	Internal aggregation: D2, D3	1 month from the date of the member's election	80%	None
15.3	Medium	Internal aggregation: A2, B2 & C2	1 month from election or 13 months from starting otherwise	80%	None
15.4	Medium	External aggregation – transfer in	1 month from receiving payment and all required information.	80%	None
15.5	Medium	External aggregation – transfer out	1 month from all information being in place	80%	None
17.1	Medium	Divorce – issue quote	20 days	80%	3 months from request
17.2	Medium	Divorce – Implement Pension Sharing Order	25 days from receipt of all required information	80%	4 months from receipt of all information
18.1	Medium	Transfer in – quotation	15 days	80%	2 months from date of request
18.2	Medium	Transfer in – Issue member with letter	20 days	90%	None
19.1	Medium	Transfer out – Make payment	20 days	90%	None
20.1	Medium	Respond to general enquiries	5 days / 10 days	90%	None
21.1/21.2	Low	Member led estimate – issue estimate	20 days	80%	2 months
21.3	Low	Transfer out quote – provide quote	20 days	80%	3 months
21.4	Low	New Expression of wish completion	20 days	80%	None
21.5	Low	Change of name or address	20 days	80%	None

High priority processes – more detailed explanation

1. Retirements (from active status)

	Description	Fund target (working days)	Disclosure Legal Requirement
1.1	<p>Voluntary Retirement: Quote and options issued</p>	<p>The Fund will issue the member with a quote and claim forms within 5 days of receipt of all the required retirement information (and AVC fund value if applicable), or 10 days if the request is received before the retirement date.</p> <p><i>(Note: This process is currently being reviewed and may be replaced with a member-led process)</i></p>	<p>No later than 1 month after Normal Pension Age.</p> <p>OPPS Regs 2013 20(2)</p>
1.2	<p>Ill Health and redundancy retirement: Options issued</p>	<p>The Fund will issue the member with a quote and claim forms within 5 days of receipt of the retirement notification and ill health certificate (and AVC fund value if applicable).</p>	<p>No later than 1 month after Normal Pension Age.</p> <p>OPPS Regs 2013 20(2)</p>
1.3	<p>Retirement benefits paid (all active retirement types)</p>	<p>The Fund will process benefits for payment within 10 days of receipt of correctly completed member forms (and receipt of AVC funds, if applicable).</p> <p>The lump sum will be paid on next council pay run (usually a further 5 working days after the Fund has processed the benefits).</p> <p>The first monthly pension will be paid on next available pensions payroll run.</p> <p>Note: No retirement benefits can be paid out before the retirement date.</p>	<p>N/A</p>

2). Retirements from deferred status (excluding ill health) early payment

Description		Fund target (working days)	Legal Requirement
2.1	Retirement quote and options issued	The member will be issued with a quote and claim forms within 10 days of request (if member has an AVC then fund value will also need to be received by the provider) Note: This process is also available online.	1 month
2.2	Retirement benefits paid	Benefits processed for payment within 10 working days of correctly completed forms (and receipt of AVC fund, if applicable). Lump sum payment made on next council pay run (usually a further 5 working days after the Fund has processed the benefits) First monthly pension paid on next available pensions payroll run	N/A

3. Early payment of deferred benefits on grounds of ill health

Description		Fund target (working days)	Legal Requirement
3.1	Member notified of benefits due, in relation to the award determined by the employer	The Fund will send a letter or email within 10 days of the fund obtaining all relevant information required by the employer	N/A
3.2	Retirement benefits paid.	The Fund will process the benefits for payment within 10 days of receipt of correctly completed member forms. The lump sum will be paid on next council pay run (a further 5 days) The first monthly pension will be paid on next available pensions payroll run.	N/A

4. Review of Tier 3 Ill Health Benefits

Description		Fund target (working days)	Disclosure Legal Requirement
4.1	To review Tier 3 ill-health pensions in payment after 18 months of commencement and, if required after 3 years.	The Fund will issue a reminder letter to the employer 25 days prior to the 18-month review.	N/A
4.2	To notify member in writing when Tier 3 pension ceases.	(If applicable) The Fund will stop the Tier 3 pension in payment and notify the member within 10 days of all required documents from employer.	N/A
4.3	To notify member of uplift to Tier 2 benefits.	(If applicable) The Fund will award and notify the member of the Tier 2 uplift within 10 days of receipt of the all required documents from the employer.	N/A

5. Death benefits

Description		Fund target (working days)	Legal Requirement
5.1	Acknowledgement of death and request for further information made	Next of Kin/Family member notifications: The Fund will send an acknowledge and request for further family details within 5 days of being notified of the death.	N/A

		<p>Third party notifications (e.g. tracing agents, National Fraud Initiative): The Fund will write to the last known address of the deceased within 10 days of receiving the third-party notification, to try to establish the next of kin.</p> <p>If no response is received, the Fund will contact a tracing agent within 3 months of the third party notification to establish the next of kin and executor of the estate (if any).</p>	
5.2	Notification of benefits payable to dependants	<p>The Fund will send a final confirmation letter of amounts payable and process the payments within 10 days of receipt of all required information.</p> <p>The first monthly payment will be paid on the next available pay run.</p>	<p>2 months from date of notification of the death.</p> <p>OPPS Regs 2013 – Reg 21.</p>
5.3	Death grant paid	<p>Complex cases: Determination and payment instruction made within 20 working days of the Fund receiving all required information (excludes query time)</p> <p>Non-complex cases: Determination and payment instruction made within 10 working days of the Fund receiving all the required information (excludes query time)</p>	N/A

6. Refund payments

	Description	Fund target (working days)	Legal Requirement
6.1	Refund payments	The Fund will process the refund ready for payment within 10 days of receipt of all necessary information from the member/employer. The actual payment will be made within a further 5 days.	None

7. Estimate requests (employer led)

Description		Fund target (working days)	Legal Requirement
7.1	Scheme employer led estimate requests (redundancy/flexible retirement)	<p>The Fund will issue the employer with the strain costs and a summarised member quote within 10 days of receipt of all the required information.</p> <p>If the employer requests that the Fund issues a detailed quote direct to the member, this will be issued within 5 days.</p>	N/A

8. Complaint management

Description		Fund target (working days)	Legal Requirement
8.1	Responding to scheme members complaints	The Fund will issue an acknowledgement of the complaint within 5 days of its receipt.	None
8.2	Issuing full response to members complaints	A full response to the complaint will be issued within 25 days	None
8.3	Monitoring IDRPs cases in accordance with Stage 1 and Stage 2 reviews	An IDRPs response will be issued within 2 months (see the Fund's full IDRPs procedure)	None

9. Internal Dispute Resolution Procedure (IDRP) Stage 1 – Appeal against determination of WPF

Description		Fund target (working days)	Legal Requirement
9.1	Acknowledgement sent to applicant on receipt of Stage 1 application	Within 5 days of request	N/A
9.2	Forms to be issued to the Fund's stage 1 adjudicator	Within 5 days of request	N/A
9.3	Stage 1 adjudicator to give written notice of the decision to the applicant and a copy to the Fund (this should also include information on further appeal rights under Stage 2)	<p>Within 2 months of the date on which the application was received</p> <p>If no such notice can be given by this date an interim reply should be issued with an explanation as to the reasons for the delay and an expected decision date</p>	<p>Within 2 months of the date on which the application was received</p> <p>If no such notice can be given by this date an interim reply should be issued with an explanation as to the reasons for the delay and an expected decision date</p> <p>LGPS Regs 2013 75 (1)</p>
9.4	The Fund to act on any actions arising from the Stage 1 decision	Within 10 days of determination of receiving the decision	N/A

10. Internal Dispute Resolution Procedure (IDRP)- Stage 2

Description		Fund target (working days)	Legal Requirement
10.1	Acknowledgement sent to applicant on receipt of Stage 2 application	Within 5 days of request	N/A

10.2	Forms to be issued to the fund/employer's stage 2 adjudicator	Within 10 days	N/A
10.3	Stage 2 adjudicator to give written notice of the decision to the applicant and a copy to the employer and to the Fund (this should also include information on further appeal rights)	Within 2 months of the date on which the application was received If no such notice can be given by this date an interim reply should be issued with an explanation as to the reasons for the delay and an expected decision date	Within 2 months of the date on which the application was received If no such notice can be given by this date an interim reply should be issued with an explanation as to the reasons for the delay and an expected decision date
10.4	If applicable the Employer to act on any actions arising from the Stage 2 decision The Fund to act on any actions arising from the Stage 2 decision, if applicable after the employer has carried out their actions (this could include recalculation of the applicants benefits)	Within 10 days of receiving the decision	Within 2 months of receiving all documentation from member/employer or to provide a holding reply for a further 2 months with explanation as to why no decision can yet be reached. LGPS Regs 2013 75(1)

11. Annual member statements

	Activity	Fund (and legal) target
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11.1	<p>Annual Benefits statements (ABS) All active and deferred members are issued an ABS for the year ending 31st March</p>	All ABSs to be published on My Wiltshire Pension by 31 st August or sent via post if the member has requested paper statements.
11.2	<p>Additional Voluntary Contribution (AVC) annual statements The Fund's is required to send out year end statements from the legacy AVC providers to relevant members. The legacy AVC provider produces the statements.</p>	All legacy AVC statements to be issued by 31 st August following the most recent year or within 4 weeks of receipt if later. Prudential are responsible for issuing their own statements.
11.3	<p>Pension Saving Statements (PSS) for Annual Allowance All members who have exceeded the standard Annual Allowance are issued a PSS for the year ending 5th April</p>	All PSSs to be issued by 6 th October following the tax year end date (providing the employer has submitted all required data)

Medium priority processes

12). Starters Packs

Description		Fund target (calendar days)	Legal Requirement
12.1	To issue a starter pack	To issue a starter pack with one calendar month of the date starter notifications were due to be uploaded to i-Connect (19 th of the month following submission)	1 month from receipt of data from the employer. (OPPS Regs 2013 6(5)) Also, 2 months from the start date (OPPS Regs 2013 6(6))

13). Early leaver disclosure information

Description		Fund target (working days)	Legal Requirement
13.1	Early leaver options letter	To provide a generic statement of the member's rights within 2 months of receipt of the leaver information (unless specific leaver information has already been provided). For members eligible to receive a refund, to advise members of the refund and transfer amount within 2 months of receipt of the leaver information.	2 months from date of leaving OPPS Regs 2013 16(3)

14). Deferred benefits

Description		Fund target (working days)	Legal Requirement
14.1	Confirmation of deferral of benefits.	Member notified of deferred benefit entitlement within 20 days of the leaver notification (excluding any time where WPF is waiting for a query response from the employer)	None

15). Internal and external (intra-fund) aggregation of LGPS benefits

Description		Fund target (working days)	Legal Requirement
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15.1	Internal aggregation of active member benefits with frozen refund benefits (A1, B1, C1, D1)	The Fund aggregate these benefits within 2 months of receiving notification from the employer of the new starter or leaver information (as relevant). Note: the member has no other option in these circumstances.	None
15.2	Internal aggregation of active member benefits with pre-2014 benefits (D2 & D3)	The Fund will notify the member of the option to aggregate these benefits as part of the starter pack issued by the Fund. The Fund will aggregate these benefits within 1 month of receiving a positive election form.	None
15.3	Internal aggregation of active member benefits with pre/post or post 2014 benefits (A2, B2 & C2)	The Fund will notify the member of the option to aggregate or keep these benefits as part of the starter pack issued by the Fund. If the Fund does not receive an election from the member, the Fund will formally aggregate these benefits within one month of 12 month election window expiring (i.e. after 13 months from starting) If the Fund does receive a positive election within the 12 month window, the Fund will aggregate the benefits within 1 month of receiving that election. If the Fund receives a negative election, no further action will be required.	None
15.4	Intrafund/external aggregation – transfer in	The Fund will process the aggregation with 1 month of receiving the required data and payment from the other Fund. The Fund will attempt to identify such aggregations, using the NI database, on a quarterly basis.	None
15.5	Intra-fund/external aggregation – transfer out	The Fund will process the aggregation and make payment within one month of receiving all the required information, including a positive	None

		election. If no election is received, the Fund will make the payment within one month of the 12 month election window expiring.	
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16). Additional Pension Contributions (APCs)

Description		Fund target (working days)	Legal Requirement
16.1	Extra pension contract (application sent direct to the fund)	On receipt of extra pension application from a member, to issue the employer with an instruction to deduct extra contributions within 10 days of application from the member and to update the pension record within 10 days of application.	N/A
16.2	Lost pension contract	To set up a contract on the pension database within 10 days of receiving the application from the employer	N/A

17. Divorce: Provision of quote

Description		Fund target (working days)	Legal Requirement
17.1	Issue pension quotation to member.	Within 20 days of all required information being received	3 months from date of request. (Source: The Pensions on Divorce etc. (Provision of Information) Regulations 2000)
17.2	Implementation and notification of Pension Sharing Order (PSO).	Within 25 days of receipt of all required information being received	4 months from receiving all required information and admin charges.

18). Transfers in

Description		Fund target (working days)	Legal Requirement
18.1	Transfer in quotation	Member issued with a quotation within 15 days of receiving CETV of previous pension benefits.	2 months from date of request OPPS Regs 2013 14(4)
18.2	Transfer in completion confirmation	Member issued with confirmation letter within 20 days of receiving all Funds and other information required.	N/A

19). Transfer out payments

Description		Fund target (working days)	Legal Requirement
19.1	Transfer out payments	Payment made to new pension scheme within 20 days of receipt of all relevant documents	N/A

20). General enquiries

Description		Fund target (working days)	Legal Requirement
20.1	Responding to scheme members email and written requests	Response issued within 10 days <u>Note:</u> In some circumstances this may be an acknowledgement of receipt with next steps outlined rather than a full resolution.	None

Low priority processes

These tasks are treated as lower priority processes, because in all cases, members can generate this information themselves using the member self-service portal, My Wiltshire Pension.

21. My Wiltshire Pension tasks

	Description	Fund target (working days)	Disclosure Legal Requirement
21.1	Member led estimate requests (active members)	Member issued with quotation within 20 days of the Fund receiving all required information.	2 months from date of request (automatically fulfilled through self-service) OPPS Regs 2013 Reg 16(3)
21.2	Member led estimate requests (deferred members)	Member issued with quotation within 20 days of completion of estimate request form	2 months from date of request (automatically fulfilled through self-service) OPPS Regs 2013 Reg 16(3)
21.3	Transfer out quotation (including requests from Financial advisors)	Member issued with required information within 20 working days of receiving all the required information.	3 month from the date of request (automatically fulfilled through self-service functionality) OPPS The Occupational Pension Schemes (Transfer Values) Regulations 1996, 11 (1B)
21.4	Entering or altering expression of wish details.	Within 20 working days of receiving of receiving all the required information.	
21.5	Change of name or address	Within 20 working days of receiving of receiving all the required information.	

Appendix 3: Employer escalation policy

1. Introduction

The purpose of this policy is to outline the Fund's approach to resolving any data, processing and payment issues with employers.

The Fund wishes to work closely in partnership with all its participating employers to enable it to efficiently and effectively administer their employees and former employees' pensions. The Fund also works in a highly legislated, complex environment which means that its data requirements are not always straightforward, yet it is required to process data within certain timeframes to remain compliant with legislation and also to provide high quality customer service to members. The Fund also considers onboarding on to i-Connect to be a mandatory employer requirement and therefore, a failure of an employer to onboard onto i-Connect will also be considered under this policy

The aspiration of the Fund is always to focus on preventative approaches with employers, such as training and support, to limit the occasions when an escalation of issues is necessary. As part of the Fund's 2022 business plan, the Fund is committed to providing improved employer training materials and periodic performance reporting to employers.

2. Scope of this policy

The policy covers the Fund's approach to all data and payment issues outlined within the Pension Administration Strategy.

3. Approach

The Fund will monitor employers' performance against the targets set out within the Pension Administration Strategy and will use the approach outlined in section 4 where the timeframes are breached.

In all cases, the Fund wishes to work closely and support the employer to resolve the issues identified.

The approaches outlined in section 4 are a guide to the approach the Fund will use, and the Fund reserves the right to take an alternative approach where it is necessary and proportionate to do so.

4. Escalation approaches by process

a). i-Connect administration submissions (if relevant) and payment of contributions – indicative process

	Issue identified	
	Return or contributions not received by the deadline	Materially incorrect or a poor-quality return is received
<p>i). Monthly i-Connect upload</p> <p>ii). Rectifying queries identified by i-Connect.</p> <p>iii). Payment of employer and employee contributions (Starts at step 2).</p>	<p>Step 1: <u>7 days prior to deadline (i-Connect only)</u> A reminder email will be sent by the i-Connect system to the appropriate i-Connect employer contact, as identified by the employer.</p> <p>Step 2: <u>3 Working days after deadline</u> If an i-Connect file has still not been processed, then a late reminder email will be sent by the i-Connect system. For late contribution payments, the Fund’s accounts team will contact the designated contact.</p> <p>Step 3: <u>7 Working days after deadline</u> If no response is received, the Employer Services/Accounts team will make further contact with the employer and escalate the matter to more senior roles within the employer’s structure.</p> <p>Step 4: <u>If step 3 does not promptly resolve the matter</u> If issues remain, the Fund will consider and apply further steps such as:</p> <ul style="list-style-type: none"> • Escalation to more senior roles within the employer and/or the Fund; and/or • The implementation of an administration surcharge; • Write to Scheme members (employees to make them aware of the issues) and/or • Reporting the matter to the Pension Regulator. 	<p>1.) The Fund’s Employer Services team will highlight any errors or suppressions that have not been resolved prior to processing. They will send an email to the appropriate employer contact, as identified by the employer within 10 working days of submission. Issues must be resolved by the employer prior to the next monthly submission.</p> <p>2.) If issues are not resolved by the employer prior to the next monthly submission the matter will be referred to the Employer Relationship Manager who will phone and/or email the employer contacts, escalating to more senior roles within the employer’s and Fund’s structure as necessary.</p> <p>3). If errors persist, the Fund will consider and apply further steps such as:</p> <ul style="list-style-type: none"> • Escalation to more senior roles within the employer and/or the Fund; and/or • The implementation of an administration surcharge; • Write to Scheme members (employees to make them aware of the issues) and/or • Reporting the matter to the Pension Regulator.

Repeated issues:

In addition to the escalation approach above, if after resolving the issues relating to a particular month, similar issues occur again on more than one occasion, the Fund reserves the right to move towards the final steps on the escalation process labelled above.

b). Individual benefit administration cases and other ad-hoc requests – indicative process

Note: For particularly urgent cases, the timeframes outlined below may be condensed.

Issue identified	
Information not received by the deadline or in the stated timeframe	Materially incorrect or poor-quality information is received
<p>Step 1: <u>Deadline missed</u> A member of the Employer or Member Services team will send a reminder email and, if appropriate, a phone call.</p> <p>Step 2: <u>5 working days after the reminder in step 1</u> If no response is received, a further email will be sent to the same email address and also to the employer's main pension contact. A phone call may also be made.</p> <p>Step 3: <u>10 working days later</u> If no response is received, the matter will be referred to the Employer/Member Services Manager or Employer/Member Services Work Management Officer who will phone and email the employer contacts, escalating to more senior roles within the employer's structure.</p> <p>Step 4: <u>If step 3 does not resolve the matter</u> If issues remain, the Fund will consider and apply further steps such as:</p> <ul style="list-style-type: none">• Escalation to more senior roles within the employer and/or the Fund; and/or• The implementation of an administration surcharge;• Write to Scheme members (employees to make them aware of the issues) and/or• Reporting the matter to the Pension Regulator.	<p>1). A member of staff will summarise the area of concern and email the appropriate employer contact with these, offer further explanation and support and set out a timeframe for re-submission.</p> <p>2). If problems persist, the team will offer further support and assistance, including if appropriate and practical, a face to face visit.</p> <p>3). If the employer does not engage with the support offered or fails to respond, steps 2 onwards from the adjacent column will apply.</p>

Repeated issues:

In addition to the escalation approach above, if after resolving the issues relating to a particular month, similar issues occur again on more than one occasion, the Fund reserves the right to move towards the final steps on the escalation process labelled above.

d). General data and employer engagement issues

Where general data or employer engagement issues arise, normally as highlighted by the Fund analysis of an employer's data submission against the timeframes within this document, the Employer Relationship Manager, or a suitable colleague, will initially offer support and training and seek the engagement of a senior member of the employer concerned. If the approached outlined is unsuccessful, the matter will be raised internally with the Fund and the Fund will take an approach which is proportionate with the issue faced which could be further support or the levy of additional administration charges, as outlined in section 5 below, and reporting to the Pension Regulator.

5). Administrative charges

In conjunction with the Fund's charging policy, where the Fund considers that it has incurred additional costs (including officer's time) as a result of an employer's poor level of administrative performance, Regulation 22 of the Local Government Pension Scheme Regulations 2013 allows the Fund to recover these costs.

The Fund very much considers this approach a last resort which it will only use if it feels it has exhausted all other reasonable means of improving the employer's performance.

Where such a situation arises, the Fund will apply a charge based on a double of the hourly rate of staff involved multiplied by the estimated number of hours involved. The Fund will raise an invoice for such a charge and provide a breakdown of the charge and send it to the employer accordingly.

Note i: Where orders or instructions issued by The Pensions Regulator, the Pensions Ombudsman or other regulatory body require financial compensation or a fine to be paid by Wiltshire Pension Fund, or by any officer responsible for it, and it is due to the default, omission or otherwise negligent act of the employer, the sum concerned will be recharged to the employer.

Note ii: In addition, where the Fund incurs costs related to the stage 1 review of the Internal Dispute Resolution Procedure (IDRP) which are due to an employer's action or lack of action, these costs will be charged to the employer. Similarly, the employer will pay for all costs where the IDRP is aimed solely at the employer and the costs will be apportioned between employer and Fund where the IDRP is targeted at both the Fund and employer.

Appendix 4: Overriding legislation

Introduction

Overriding legislation dictates the minimum standard by which the WPF and Scheme Employers must meet in providing various items of information. In addition, regulatory guidance sets out a number of requirements for the Fund and scheme employers to provide information to each other, scheme members, prospective scheme members and dependants.

Relevant legislation

In discharging their roles and responsibilities under the LGPS Regulations, the Administering Authority and scheme employers are required to comply with the following regulations, which require scheme employers to supply information on time.

- The Occupational Pensions Schemes (Disclosure of Information) Regulations 1986;
- The Pensions Act 1995;
- The Disability Discrimination Act 1995;
- The Data Protection Act 2018;
- The Freedom of Information Act 2000;
- The Pensions Act 2004;
- The Finance Act 2004;
- The Discretionary and Compensation Regulations 2006;
- The Age Discrimination Act 2006;
- The Pensions Act 2008;
- Employment Rights Act 2010;
- Public Services Pension Act 2013;
- The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014;
- The Pensions Regulators Code of Practice no.14 Governance and Administration of Public Service Pension Schemes

The Pensions Acts provide for fines to be levied on Pension Scheme Administrators, where information is not processed in a timely manner.

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WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
05 May 2022

INTERNAL AUDIT UPDATES

Purpose of the Report

1. The purpose of this report is to present an actions log to members following the Internal Audit Report for the Wiltshire Pension Fund prepared by the South West Audit Partnership (SWAP) in March 2022.
2. In addition to the SWAP audit, officers will also provide members with updates on key activities requested by the Board. They will be provided verbally and will include.
 - a) A cyber security update; &
 - b) An update in relation to PEN030: The procurement & contract management of service providers, which in this respect is focused on services provided by the Administering Authority & PEN060: A Good Governance review between the Fund and Administering Authority.

Background

3. SWAP undertook the internal audit, reporting on the Fund's key financial controls, in which they returned a "no assurance" opinion. As a result of the auditor's findings officers have prepared the attached actions log (Appendix 1) for presentation to the Board, which aims to highlight the progress made by officers against the recommendations made by SWAP.

Considerations for the Board

4. The deadlines for progressing the recommendations made by SWAP have been split into three milestones, namely the 31 May, 31 July, and 31 October 2022. Consequently, whilst the actions log covers all actions, in light of the deadlines agreed, officers have chosen to focus primarily on 31 May deadlines, which includes one of the two priority 1 recommendations made by SWAP.
5. Due to the complex nature of the other priority 1 recommendation, "Monitoring", which involves further development of a suite of KPI reports and a subsequent dashboard, that can be used to enable a robust process task distribution and performance monitoring of staff, this recommendation has been given an extended deadline of 31 July.
6. The areas of action with an agreed deadline of 31 May include.
 - a) New Enrolments – Priority 2 rating
 - b) Contributions – Priority 2 rating
 - c) Transfers into the Fund – Priority 2 rating
 - d) Operational Backlog – Priority 1 rating
 - e) System Access review follow up – Priority 2 rating

Environmental Impact of the Proposal

7. There is no known environmental impact of this proposal.

Safeguarding Considerations/Public Health Implications/Equalities Impact

8. There are no known implications at this time.

Financial Considerations & Risk Assessment

9. There are several financial considerations connected with this audit report, all of which were approved as part of the Fund's budget setting, by the Committee at their meeting on 5 April. Details of the financial considerations are discussed as part of the business plan & budget priorities update.
10. As part of the review of the risk register, officers have sought to assess and update the risk register where necessary to appropriately reflect the risks associated with a "no assurance" audit opinion.

Proposals

11. The Board is asked to:

- a) note the progress made by officers in respect of the recommendations made by SWAP and to offer guidance, if required; and
- b) note the verbal updates provided by officers in connection with other key activities requested by the Board.

JENNIFER DEVINE
Head of Wiltshire Pension Fund

Report Author: Richard Bullen: Fund Governance & Performance Manager

Unpublished documents relied upon in the production of this report: NONE

Appendices:

Appendix 1 – SWAP Audit Report – March 2022 actions log

Appendix 1:

Table 1 – Key Controls Report March 2022 - Progress against outstanding internal audit recommendations:

No	Priority score	Issue	Recommendation	Agreed management action	Agreed management timescale	Progress at 05 May 2022
1	2	New Enrolments	<p>1 new joiner spreadsheet received from an employer outside of i-Connect had not been saved in the SharePoint repository. Another 2 were entered into the Altair system after the expected SLA deadline.</p> <p>12 new joiner enrolments were sent activation keys and new joiner letters after the expected SLA deadline</p> <p>Reconciliations should be signed off by the Employer Services and Systems Manager</p> <p>Reconciliations could be time-consuming, taking up to 2 weeks to complete</p>	<p>We will remind staff to ensure new joiner spreadsheets are saved in the SharePoint repository.</p> <p>We will monitor the timeliness of the distribution of new joiner letters and activation keys and take further action if this is not improved.</p> <p>We will ensure reconciliations are appropriately signed off. We will also review the reconciliation process itself to see if efficiency improvements can be made.</p>	31 May 2022	<p>We have reminded all staff to ensure they consistently save spreadsheets in the appropriate place.</p> <p>The starter process has now been updated.</p> <p>Managers and the Board/Committee can monitor whether this has had the desired impact from the regular KPI report (disclosure table).</p> <p>The new pensioner reconciliation process is now being signed off, as recommended, by the Employer Services and Systems Manager.</p> <p>The new pensioner reconciliation process had already been altered before the date of the audit to speed it up considerably and it now takes 1-2 days. This reconciliation process would not be necessary once an integrated payroll system is in place and therefore, no further action is planned, as the time taken to do this is unlikely to be proportionate to the benefits.</p>
2	2	Contributions	<p>Finalise the process which states the contribution rates each employer should pay and develop a mechanism to ensure the correct rates are recorded and controlled going forward</p> <p>No clear ownership within the Fund for resolving contributions issues</p>	<p>We will ensure the employer contribution rates schedule is finalised and procedures are put in place to make sure it is well controlled going forward.</p> <p>We will discuss roles and responsibilities with the team to ensure there is clear ownership with raising and resolving issues.</p>	31 May 2022	<p>A mechanism is in place to ensure the correct contribution rates are shared amongst all relevant team members but further work is required to ensure the current information held is accurate in all cases through internal discussion and research and liaison with the actuary.</p> <p>The process for resolving issues has been discussed and agreed upon internally as part of the review of the Administration Strategy, in particular the appendix covering the escalation policy, and therefore roles and responsibilities should now be clear.</p>

3	2	Lumpsum Payments	<p>Death Payments: Supporting information letters & final payment authorisations issued after the SLA deadline A death grant decision form not on file & 1 payment sign off processed by the same person involved in the calculation</p> <p>Transfers Out: Letters of calculation were generated after the SLA deadline & letters of calculation were not peer reviewed</p> <p>Retirements: Members were contacted after the SLA deadline & payments were not followed up in a timely manner when documents had not been received from the member. In addition, payments were authorised by the same person involved in producing the actual calculation or peer reviewing it. My Wiltshire Portal - Form filled out and returned to the Fund via email, unsigned, however the payment was still processed. Plus, bank details will soon be auto populated to the Altair database, but this is not yet in place. It isn't clear what date should be used for retirement calculations, the retirement date, or the date payable.</p>	<p>We will monitor the timeliness of processing lumpsum payments and take further action if this is not improved.</p> <p>We will remind staff of the importance of saving necessary documentation to support transactions on members files.</p> <p>We will review the payments approval process and structure to ensure payments are always approved independently by someone who has not been involved in calculating the payment.</p> <p>We will investigate the bug in the My Wilshire Portal which is preventing members from submitting documents and ensure any forms received from members via email are signed.</p> <p>We will advise staff which date should be used when processing retirement payments and update process notes accordingly</p>	31 October 2022	<p>We have reminded staff to ensure they save all required supporting documentation.</p> <p>The issues related to the SLA/KPI deadlines has been identified in the Business Plan and various actions are underway to make improvements (such as weekly KPI reporting).</p> <p>We have reviewed the approval process and advised staff to not peer review and authorise the same case (note: cases were never completed processed by the same member of staff in any cases, but we accept the need for this minor alteration).</p> <p>The issue with the My Wiltshire Pension portal has been resolved and further changes are planned over the next few months.</p>
4	2	Transfers into the Fund	Money received from members previous funds is recorded in the SAP system on the general ledger as an asset, but the corresponding liability is not	We will carry out a reconciliation to identify transfers in that have been processed in the SAP system but not in Altair. We will	31 May 2022	The reconciliation is being carried out quarterly and is reported to the Local Pension Board and Committee as part of the Key Financial Controls report. A new process

			always recorded on the members file in the Fund's Altair system. This can result in a false representation of assets and liabilities in the Fund's accounts.	ensure Altair is updated with any missing liabilities and embed the new process to monitor transfers in are accurately processed going forward.		has been developed, and has been communicated to the relevant team members. We will monitor progress.
5	2	Amendments	<p><u>Name change</u> Name changes did not have a marriage certificate saved on the file to evidence the name change.</p> <p><u>Nomination change</u> Nomination changes were processed after the expected SLA deadline.</p> <p><u>Address change</u> Address changes were processed after the expected SLA deadline. Target notifications occasionally not saved on the members file as evidence.</p>	<p>We will remind staff of the importance of saving evidence to support any changes made in Altair.</p> <p>We will monitor the timeliness of processing amendments and take further action if this is not improved.</p>	31 October 2022	<p>We have reminded staff to ensure that all required documentation is saved.</p> <p>Members are able to 'self-serve' when making nomination and address changes and hence the SLA timeframes have been reviewed as part of a review of the Administration Strategy.</p>
	1	Monitoring	<p>Workflow backlog tasks go back to 2013, see further details under finding H below. The Fund was unable to quantify how much work was in the backlog or clarify if the status of tasks was correct. This makes managing deadlines difficult and prevents the Fund from producing forward looking KPIs.</p> <p>A monthly performance dashboard needs to be finalised and updates should be reported to the Pensions Committee. A one-off payments module should be purchased so BACs payment runs can be directly produced out of the Altair system. In our previous reports we have raised</p>	<p>We will review the process of distributing tasks to team members and ensure there is a robust process to monitor SLAs and team capacity / backlog. KPIs will be reported to the Pensions Committee regularly.</p> <p>We will finalise the monthly performance dashboard and report updates to the Pensions Committee regularly.</p> <p>We will carry out a full reconciliation between Altair and SAP and ensure this is done on a regular basis.</p>	31 July 2022	<p>Officers bought a reporting tool in late 2021 (Insights) which will be used to build a better process for monitoring and allocating work. This process will progress over the next few months, after necessary "house-keeping" work has first taken place</p> <p>Work is also under way to purchase the one-off payments module described.</p> <p>Spot-checking of work by managers will be re-prioritised.</p> <p>The Fund is still waiting for the Council to provide a proposal to determine the level of the recharge in a more robust way. Progress on this piece of work is being reported to the Local Pension Board and Committee on a quarterly basis, as part of the Key Financial Controls report.</p>

			<p>actions to carry out a full reconciliation between Altair and SAP, this has not been done.</p> <p>No quality assurance over the Fund's processing is conducted by management to ensure work is carried out correctly.</p> <p>The Fund maintains its own operating budget. Some services are provided by the Council and then recharged to the fund. However, the Fund does not receive underlying data from the Council to substantiate the amounts recharged.</p>	<p>We will consider if the one-off payments module in Altair should be purchased.</p> <p>We will review and embed the formal quality assurance process to help ensure work is carried out by the team correctly.</p> <p>We will liaise with the Council to obtain underlying data to support the amounts recharged to the Fund by the Council yearly.</p>		
Page 148	2	Projects	<p>There is not a formal project plan, issues or risk log for the i-Connect Enrolments project and further work could be done to proactively bring the project to a close</p> <p>The Pensions Payroll Reconciliation project Gantt chart does not include task statuses, so project slippages are unclear. Meeting actions are not formally captured, and progress reports not produced or communicated to the Pensions Committee</p>	<p>We will review the project methodology used to manage the Funds projects and implement changes to help improve oversight and efficiency.</p> <p>We will consider ways to proactively progress the i-Connect project, for example employer site visits.</p>	31 July 2022	<p>Officers have reviewed the way these projects are managed and made several minor alterations.</p> <p>i-Connect continues to be proactively managed to maximise onboarding, including escalating matters with employers. This goal also forms part of the Business Plan. Officers will be reviewing the remaining employers who did not onboard for year end (Mar-22) and will determine a tailored approach for each employer. This is also being dealt with through the revised Administration Strategy. A new project will be set up to complete i-Connect onboarding.</p>
	8	1	Operational Backlog	<p>Aggregations The Fund has accumulated processing backlogs for aggregations, clearing it remains an ongoing issue. Updates are reported to the Committee but an improvement plan to help clear the back log has not been drafted</p> <p>Frozen refunds If a member leaves the scheme in the vesting period they can be</p>	<p>We will review the backlog of aggregations, frozen refunds and retired members and take necessary steps to ensure this is progressed where possible.</p> <p>We will develop controls to monitor backlog in these areas going forward and report updates to the Pensions Committee regularly.</p>	31 May 2022

			<p>entitled to a refund of their contributions. Where a member doesn't opt to be refunded their fund remains as a frozen refund. The backlog of frozen refunds now amounting to circa 2 million pounds and dating back to 1974.</p> <p>Retired members</p> <p>There are 107 members on the Altair system who are over 75 years old and therefore have reached an age that their pension must be paid. The Fund are currently looking at the ones overdue and determining the next steps required.</p> <p>Status 3 members</p> <p>Exit-No liability members still have personal member data recorded in the Altair system. This can be a breach of data protection regulations. In the Funds Data Retention Policy, it is stipulated that members' personal data should be minimised after 7 years of leaving the Fund and deleted after 15 years. There are 4652 member files where the information should be minimised and 14809 member files which should be deleted.</p>	<p>We will review the data stored for status 3 members and determine a way to remove any personal data which is no longer necessary.</p>		<p>Officers will send out a reminder communication for less than 5 year cases. However, during this timeframe he member is entitled to seek to transfer out in this timeframe (and it is often financially beneficial for them to do so), and therefore no further action is possible. Some of the oldest cases are unlikely to reach a resolution due to difficulties in tracing the member (or because they may have died in the meantime) in which case the refund will be unable to be paid.</p> <p>Retired members – Officers are currently working through these cases are contacting all members concerned.</p> <p>Status 3 cases – Officers have reviewed its Data Retention Policy and now propose that a revised policy is implemented which would result in fewer minimisations and deletions. In the meantime, whilst the revised policy goes through the approval process, officers are in the process of minimising and deleting records in line with the proposed policy (which results in fewer minimisations and deletions in all cases)</p>
9	2	System Access Review Follow Up	<p>The Fund carried out a systems access review and several actions were raised. Progress against the actions raised had occurred apart from one. Issue 1.6 of the report remains outstanding, this states that the Fund should create a schedule of software licenses used by the Fund.</p>	<p>We will create a schedule of software licenses for systems used within the Fund. Going forward the results of the annual access review will be reported to the Head of Service</p>	31 May 2022	<p>Officers have contacted the auditor concerning this query to seek additional clarity and following this discussion, we believe the required schedule already exists and no further work is required.</p>

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WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD
5 May 2022

PENSION FUND – TPR CODE OF PRACTICE 14 REVIEW

Purpose of the Report

1. This report updates the Board on the findings of an internal review of the Wiltshire Pension Fund's compliance with the Pension Regulator's Code of Practice 14 for the Fund year 2021-22.

Background

2. The 2021-22 review was undertaken in two stages. Firstly, a self-assessment by officers covering the Fund's compliance with the Pension Regulator's Code of Practice 14, in relation to the areas of internal controls, governance, administration & resolving issues based on an independent questionnaire originally provided by Aon Consulting. Secondly, by the completion of random sample testing of 10% of the officer responses based on a recommendation made by the South-West Audit Partnership (SWAP) in 2019 that a separate evidence-based review of officer responses should take place.
3. The results of the 2021-22 self-assessment highlighted a reduction in the Fund's compliance with the Code of Practice. In 2020-21 the number of risks requiring improvement stood at one, however this has now increased to eight.
4. In consideration of the two-stage process outlined in paragraph 2 the "Consideration for the Board" section below has also been split into two parts. Firstly, a summary of the self-assessment for 2021-22 & secondly a summary detailing the sample testing undertaken.

Considerations for the Board

Self-assessment analysis

5. The questionnaire posed 83 questions covering all areas of the Fund's internal controls & the answers to almost all the areas reviewed were that the Fund was found to be adequately controlled and well managed.
6. However, eight areas have been identified as requiring improvement in 2021-22. The notable areas falling below the required standard are consistent with those reflected in March 2022 SWAP audit. These include, data retention, systems access & contribution reconciliation. In addition, and in light of the Board's observation concerning breach reporting made at their meeting on 17 February 2022 (Minute 82), the Fund's breach policy has also been recorded as falling below the required standard. A further observation was also made in connection with the low regularity of contract management reviews, both externally and internally, highlighted again by the Board's risk register recommendation **PEN030 – Failure to procure & contract manage service providers appropriately**. In addition to the seven worsening risks identified, one risk relating to backlogs had made no significant progress during the 2021-22 scheme year.
7. In conjunction with the Fund's new business plan approved by the Pension Fund Committee on 5 April 2022, which incorporated the findings made by the SWAP audit

report, an action plan has been prepared by officers to address the areas falling below the required standard for compliance. This new business plan also included approval of an £800k budget within the Fund's overall 2022-23 budget to outsource the management of the Fund's backlogs.

Independent Sample Testing

8. The arrangements by which the sample testing processes were completed remained consistent with previous testing and was in line with SWAP's 2019 recommendations. As part of this testing, no question tested last year was included within this year's review. To complete the testing the Governance & Performance Manager sought to independently evidence the responses made & then detail the supporting evidence in the table below.

Sample Risks reviewed			
Risk No.	Description of risk	Response	Evidence
C8	Does the Board's agenda have a conflict of interest as a standing item?	Yes	Published meeting agendas reviewed
E8	Are internal controls reflected in 3 rd party contracts and are the controls adequately reported?	The management of the Fund and the Council's procurement dept. ensure internal controls are reflected. However, evidence of regular reviews of those controls being followed are not clear.	Evidence is not present that a regular process of contract management reviews is taking place.
F6	Are records retained for as long as they are needed?	A data retention strategy is in place and trial testing of data minimisation and deletion has occurred. Record retention will be actioned in March 2022.	Whilst an approved strategy has been in place for two years, no actioning of that strategy had taken place until highlighted by the recent SWAP report. Evidence of actual data minimisations and deletions remain outstanding.
F11	Do the data processes meet with the requirements of GDPR 2016 and the data protection principles?	A system access policy is in place with new user profiles created within the admin system. Reviewed a minimum of twice a year.	Generally, processes are in place. Regarding system access, it is recognised that a policy is in place, however the current policy appears to have had the reporting requirements removed, therefore evidence of review is not available.
H13	Does the Administering Authority use a tracing service?	The Fund uses Target Professional Services as its tracing agent.	A current contract with Target Professional Services is present.
I6	Does the Administering Authority notify and advertise the procedure appropriately? <i>Procedures being new joiners and IDRP</i>	A new starter pack provides a brief guide to new members. The website also provides guidance on the IDRP process.	In support of the Scheme Employers the Fund's website provides all essential information to its members.

J2	Are appropriate procedures in place to meet their legal obligations for identifying and assessing breaches?	Yes.	Yes, the policy was last reviewed by the Board in February 2022 and will be reviewed again after the new Single Code of Practice has been published. A summary of the logged breaches is reported to the Board annually.
J3	Are breaches being recorded in accordance with the agreed procedures?	Yes.	Yes, whilst a policy is in place both officers and the Board recognise that the policy requires review to bring it into line with preferred practice.

Conclusions

Self-assessment analysis

9. Whilst it is recognised that there has been a decrease in the number of areas being fully compliant, it should also be recognised that good progress has been made by Fund's officers in most areas of compliance, particularly around the development of the Fund's digital & automated platforms. Furthermore, since the publication of the recent SWAP audit, it is noteworthy to comment that action has already been taken to address areas of non-compliance. For information the specific areas identified as being non-compliant are listed below.

New areas of non-compliance

- a) E8 – Do these procedures apply equally to outsourced services, are internal controls reflected in contracts with third party providers and is there adequate reporting in relation to those controls? (Ref: PEN030)
- b) F6 – Are records retained for as long as they are needed? (Ref: SWAP finding H)
- c) F11 – Do the Administering Authority's member data processes meet the requirements of GDPR 2016 and the data protection principles? (Ref: SWAP finding H & I)
- d) G6 – Does the Fund maintain a record of any investigations and communications with employers? (Ref: SWAP finding B)
- e) G8 – Is there a satisfactory process in place to assess the materiality of any payment failures and ensure that those which are material are reported to the Regulator within a reasonable period? (Ref: SWAP finding B)
- f) J2 – Does the Administering Authority have appropriate procedures in place to meet their legal obligations for identifying and assessing breaches? (Ref: Minute 82)
- g) J3 – Are breaches being recorded in accordance with the agreed procedures? (Ref: Minute 82)

The area of compliance which remains unchanged

- a) H9 – Is all other information provided in accordance with the legal timescales? (Ref: SWAP finding H)

Independent Sample Testing

10. The evidence gathered by the sample testing identified one variance between the responses provided by the Fund's management team & the independent evidence reviewed (F11 – Data Protection processes). The variance was in connection with the

Fund's system access control policy & is viewed as a timing of recording and interpretation variance. Officers believe that a review of the Fund's system access policy should take place to ensure that appropriate reporting is provided to evidence reviews. Officers were satisfied that all other responses reported by the management represent a true & fair view of the Fund's compliance with the Pension Regulator's Code of Practice 14.

Environmental Impact

11. There is no environmental impact from this report.

Financial Considerations

12. There are no immediate financial considerations resulting from the reporting of the Fund's compliance with tPR Code of Practice 14.

Risk Assessment

13. Any risks reflected in this report shall be reflected in the Risk Register.

Legal Implications

14. There are no immediate legal implications arising from this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

15. There are no implications at this time.

Proposals

16. The Board is asked to note the internal self-assessment undertaken. In line with the SWAP audit report recommendations, officers will ensure that all non-compliant areas identified will be included within a Fund action plan for improvement.

Jennifer Devine
Head of the Wiltshire Pension Fund

Report Author: Richard Bullen – Fund Governance & Performance Manager

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
5th May 2022

KEY FINANCIAL CONTROLS REPORT & LPB BUDGET OUTTURN

Purpose of the Report

1. The purpose of this report is to highlight the significant issues in relation to the Fund's key financial controls.

Background

2. Officers in the investments and accounting team have been reporting on various key accounting measures for some time and have developed a program of planned improvements to various processes and controls. The purpose of this report is so that the Committee and Local Pension Board can easily review key areas and monitor progress against planned improvements. This report will be an evolving format, with the aim that it will develop into a dashboard over time.

Key Considerations for the Committee / Risk Assessment / Financial Implications

Accounts and Annual Report

3. Final audit sign off of the full Wiltshire Council Accounts for 2019/20 and 2020/21 continues to be delayed, the Pension fund accounts form a part of the full Council accounts and the delay, which is due to an issue within the Wiltshire Council figures, has meant the pension fund accounts have not received their final audit opinion for inclusion in the annual report.
4. All work has been completed by the auditors on the Pension Fund accounts for 2019/20 and 2020/21. To ensure we comply with The Pensions Regulator (TPR) requirement to publish the report, it is available on the website with a note stating the audit opinion will be included when available.
5. Officers have continued to monitor progress towards final publication and sign off of the Wiltshire Council Accounts through dialogue with the Council Finance team. It is currently understood that final sign off for the 2019/20 accounts is expected imminently. The Wiltshire Council Audit Committee of 1st March 2022 delegated authority to Officers and the Chair of the Audit Committee to sign off the accounts once final outstanding items have been completed. Once this has been completed audit work can be completed on the 2020/21 accounts which are planned to be signed off at the same time as the 2021/22 accounts, which is planned for 23rd November 2022.
6. The first planning meeting for the 2021/22 accounts have been held with the Auditors (Deloitte). The scope and dates for interim work were agreed and timescales for the final audit set out. The Fund had been planning for the final accounts and annual report to be taken to the 28th July 2022 Committee meeting for sign off. To meet this publication date the auditors agreed to accelerate their work programme. Publication in July will ensure the accounts and annual report are relevant and up to date for all stakeholders. As with the 2021/22 report this would make Wiltshire one of the first funds in the UK to publish.
7. Following agreement of this audit timeline Deloitte have written to delay the audit work until September / October 2022, due to staffing shortages. This is very disappointing as it

will delay audit work and finalisation of the accounts. Officers plan to complete work on the accounts and all supporting papers in line with original timescales. This will allow publication of an unaudited set of accounts with a suitable note setting out this caveat, this will ensure relevant and timely information can be available to stakeholders.

8. To improve engagement with members Officers plan to produce another graphically designed one pager with relevant information engagingly presented to share with members, this was well received last year.

Payroll reconciliations

9. Work is still ongoing within the administration team to reconcile and correct discrepancies between the Altair pension admin system and SAP payroll records.
10. The £8.25m provision made for this discrepancy was disclosed in the accounts for 2020/21 and accounted for as an extra cost in year. This represents a worst-case estimate, the final position is likely to be lower than this. Calculation of the final value requires completion of all steps by the admin team to review cases. A review is underway of this provision to provide a revised figure for the 2021/22 annual accounts. As part of this review, many unexpected differences have been identified. Additional work will need to be done to understand these differences and potentially to align the systems if needed.
11. New payroll elements and accounting system codes have been established to track reconciling payment values and amounts being reclaimed. The first payments were made in February 2022.

Integrated Systems

12. Project Evolve is ongoing within Wiltshire Council, this will deliver a replacement to the existing SAP payroll and accounting software by December 2022. The pension team are members of implementation working groups.
13. Officers are working with the payroll and Evolve implementation teams to transfer existing pensioners to the new payroll system. At the same time Officers will prepare plans to implement an integrated payroll and one-off payments system within Altair.
14. Following implementation of the systems a plan will be prepared to transfer pensioners from the evolve system onto the new integrated payroll within Altair. This would take place once the reconciliation process between Altair and payroll is completed and post implementation of Evolve when the Council payroll team would have available resources. More detail on these plans are included in the business plan and future papers.

Internal Audit and Specialist Reviews

15. SWAP have completed their internal audit, covered in Item 17 on this agenda.
16. Following the recent restructure of the management of the pension fund team, the Head of Wiltshire Pension Fund has commissioned an audit into the key issues and resourcing of the admin function, which has been carried out by Aon. This report helped to inform the business plan and budget for 2022/23.

Quarterly Financial Performance Dashboard

Wiltshire Pension Fund - Key Financial Controls Dashboard				
Control Area	RAG	Items reviewed under this control area	Comments on Performance	Ongoing Actions
	Mar-22			
1. Employer Contributions	Green	Timely and accurate payment of employer contributions each month.	See summary performance table for full details. Almost all employers paying on time and with the correct rate. One small employer with a recurring issue during the quarter, site visit from the employer relationship manager arranged to escalate and resolve the matter. Single large late payment in Jan 22 due to a larger employer having problems with payment following implementation of a new payroll system. This new system is still causing data issues but payments are now being received.	Work ongoing to tie together i-connect data submissions and contributions receipts to provide a single consistent record of employer information and payments. Work ongoing to consolidate a single schedule of employers contribution rates and formalise the process for ensuring this remains up to date.
2. Payroll	Yellow	Monthly payroll sign off process checking starters and leavers plus reconciliation of Altair to Payroll	Monthly sign off process for the payroll working as planned. Pension increase applied to April 2022 payment for the majority of pensioners.	Improvement required to the monthly Altair to SAP payroll reconciliation process to ensure ongoing accuracy of payroll payments.
3. Cashflow, banking and capital calls	Green	Maximum and minimum cash balances, private markets capital calls and distributions and treasury performance.	See summary performance table for full details. Higher average cash balance in the quarter in anticipation of capital call notices.	New treasury management policy approved by committee, procurement process commenced to appoint an investment manager to provide an ETF liquidity sleeve.
4. Balance Sheet Reconciliations	Green	All balance sheet control codes are reviewed for accuracy and outstanding issues.	All control codes have been reviewed and checked, no unexplained balances as at year end.	New process for VAT reconciliation implemented with the central council finance team.
5. Altair Checks	Yellow	Check between the ledger and pension admin system (altair) that any transactions, such as payments or receipts match the admin system.	All reconciliations have been undertaken and discrepancies have been found across all items.	New process to review each reconciliation discrepancy between the finance and admin teams is being established to clear historic items and stay on top of new issues. Implementation of a payments module in the admin system could eliminate the need for these time consuming reconciliations.
6. Financial Budget Reporting	Green	Review of year to date and forecast operating budget performance, or any unusual monthly movements on the overall fund account.	Annual expenditure under budget for operational items for the year. Budget agreed by Committee for 2022/23 financial year.	None
No material concerns	Green			
Minor issues outstanding	Yellow			
Major issues outstanding	Red			

17. The following table provides further details for performance dashboard item 1. Employer contributions.

Quarter	Payroll Month	Paid contributions £000's				Average late and overdue contributions total days		Number of employers payments status		
		Total Payment	On Time Payment	Late Payment	Late Payment %	Days Late Recd	Days Overdue	On time	Late	Not Received
Q1	Apr-21	34,641	7,625	18	0.2%	20.0	-	162	14	-
Q1	May-21	7,707	6,912	794	11.5%	18.5	-	161	15	-
Q1	Jun-21	7,613	7,606	7	0.1%	28.0	-	170	6	-
Q2	Jul-21	7,700	6,880	820	11.9%	15.1	-	166	7	-
Q2	Aug-21	7,538	6,766	772	11.4%	8.1	-	166	8	-
Q2	Sep-21	7,513	7,138	72	1.0%	9.6	-	163	13	-
Q3	Oct-21	7,611	6,913	698	10.1%	6.4	-	168	7	-
Q3	Nov-21	7,644	6,856	788	11.5%	14.8	-	163	13	-
Q3	Dec-21	7,628	7,475	154	2.1%	6.8	-	167	9	-
Q4	Jan-22	7,620	4,617	3,004	65.1%	4.6	62.0	158	16	2
Q4	Feb-22	7,669	6,908	761	11.0%	2.0	34.0	166	8	3
Q4	Mar-22	9,209	8,366	842	10.1%	1.2	3.0	163	6	7
Total	Q1	49,961	22,143	819	3.7%	22.2	-	493	35	-
Total	Q2	22,751	20,784	1,664	8.0%	11.0	-	495	28	-
Total	Q3	22,883	21,243	1,640	7.7%	9.4	-	498	29	-
Total	Q4	24,498	19,891	4,607	23.2%	2.6	33.0	487	30	12

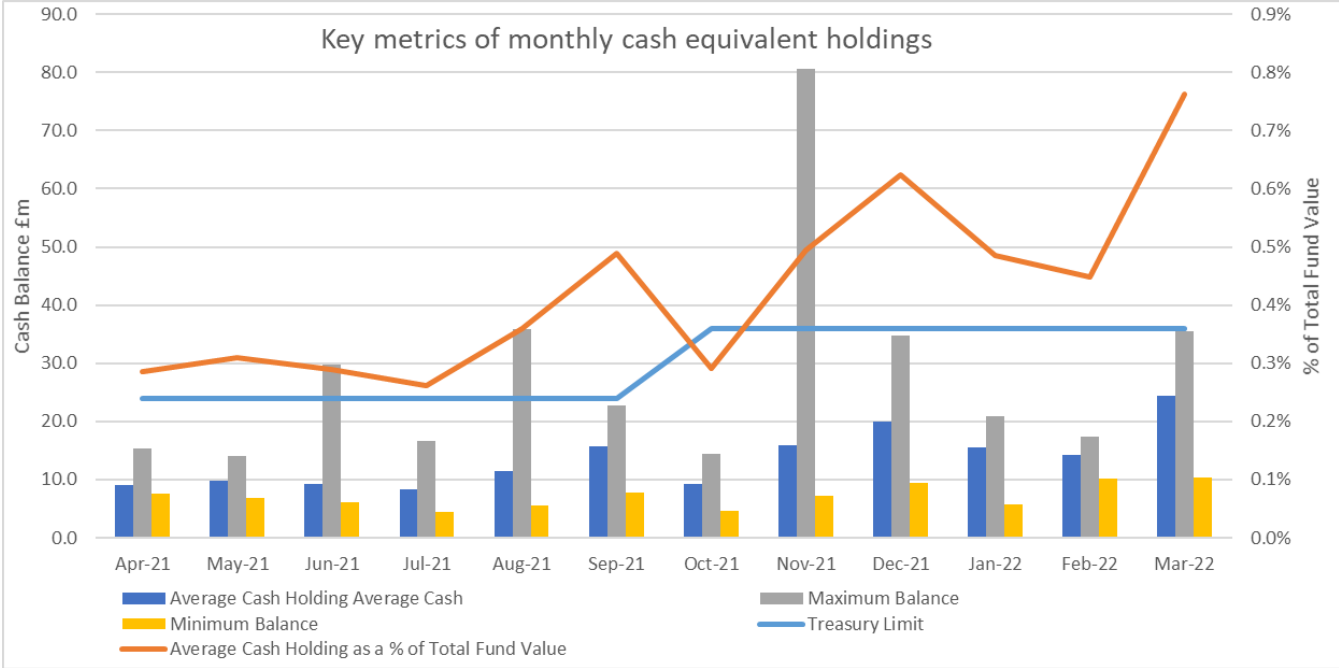
18. Twelve payments remain outstanding as at 21st April 2022, 8 of the payments relate to one employer with multiple admission agreements. The outstanding payment are being chased and the employer relationship manager will be making a site visit to resolve the matter with the employer with multiple late payments.

19. The majority of late payments are received within a day or two of the deadline and all employers who have not paid are contacted immediately after the deadline day to remind them to pay. Persistently late payments or employers where we have problems are escalated to the employer relationship manager for resolution or further training.

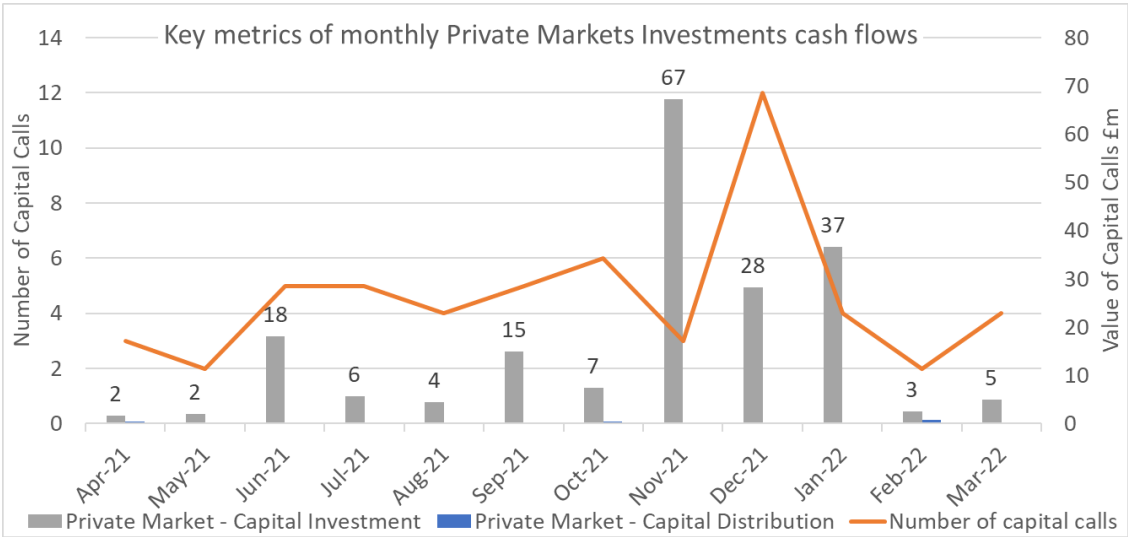
20. The following table provides further details for performance dashboard item 3. Cashflow, banking and capital calls. This table sets out the actual and forecast cashflow movements each month for 2021/22. The table separates the cashflow between operating cashflow, such as income from employers and payment of pensions and investing which includes rebalancing strategies or meeting private markets capital calls.

Summary Cashflow statement for Wiltshire Pension Fund														
£m equivalent	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	2021/22
	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22		
Opening Cash Balance	6.8	9.9	7.1	7.6	8.4	20.0	8.0	7.7	11.7	20.3	15.5	10.5		6.8
Operating Income	37.1	8.9	8.5	8.5	8.5	8.3	8.3	9.1	9.3	8.7	7.2	14.0		136.5
Operating Expenditure	(9.5)	(11.7)	(9.8)	(10.1)	(9.8)	(11.0)	(11.0)	(9.3)	(12.6)	(9.0)	(10.3)	(10.0)		(124.1)
Investing Private Market - Capital Investment	(1.7)	(2.1)	(18.2)	(5.7)	(4.4)	(14.9)	(7.4)	(67.2)	(28.3)	(36.6)	(2.6)	(5.0)		(193.9)
Investing Private Market - Capital Distribution	0.5	0.0	0.1	0.0	0.3	0.0	0.4	0.3	0.0	0.0	0.7	0.0		2.3
Investing Listed Market - Capital Withdrawal	0.0	2.0	20.0	8.0	63.0	5.6	9.3	71.1	40.0	32.0	0.0	119.0		370.0
Investing Listed Market - Capital Investment	(25.0)	0.0	0.0	0.0	(46.0)	0.0	0.0	0.0	0.0	0.0	0.0	(100.0)		(171.0)
Investing Other	1.7	(0.0)	0.0	0.1	(0.0)	0.0	0.1	0.0	0.1	0.0	(0.0)	(1.0)		1.0
Closing Cash Balance	9.9	7.1	7.6	8.4	20.0	8.0	7.7	11.7	20.3	15.5	10.5	27.6		27.6
Maximum Balance	15.3	14.1	29.7	16.6	35.9	22.8	14.4	80.5	34.7	20.9	17.4	35.5		
Minimum Balance	7.5	6.8	6.2	4.4	5.5	7.9	4.7	7.2	9.5	5.7	10.2	10.3		
Average Cash Holding	9.1	9.9	9.3	8.4	11.5	15.7	9.3	15.8	20.0	15.5	14.3	24.4		
Average Cash Holding as a % of Total Fund Value	0.3%	0.3%	0.3%	0.3%	0.4%	0.5%	0.3%	0.5%	0.6%	0.5%	0.4%	0.8%		
Number of capital calls	3	2	5	5	4	5	6	3	12	4	2	4		
Number of listed market withdrawals	0	1	1	2	3	2	3	2	5	2	0	3		
Net Cashflow from Operating	27.6	(2.8)	(1.3)	(1.6)	(1.3)	(2.7)	(2.7)	(0.3)	(3.3)	(0.2)	(3.1)	4.0		12.4
Net Cashflow from Investing	(24.5)	(0.1)	1.9	2.4	12.9	(9.3)	2.4	4.2	11.9	(4.6)	(1.8)	13.1		8.4

- 21. The fund has been holding a higher level of cash equivalent assets since the treasury limit was raised in October 2021 to ensure capital calls can be met in a timely manner. The average cash equivalent holding as a % of total fund assets remains small at around 0.5% to minimise the detrimental effect of cash drag on overall performance.
- 22. In March 2022 the average cash holding as a % of the fund reached a higher value following information received from Brunel of large forecast private market capital calls which were subsequently delayed.



23. Cashflow activity for private markets capital calls have steadily increased over the year as commitments made to Brunel Cycle 2 portfolios (Private Debt, Private Equity, Infrastructure & Secured Income) begin to be called. December saw a record number of capital calls (12) prior to the Christmas break, with a smaller number of higher value capital calls in January, maintaining the pace of capital being deployed into the private markets portfolios. February and March have seen a reduction in volume and value of capital calls, but more are anticipated for April and May 2022.



24. Officers have drafted a new Treasury policy which was approved at the last Committee meeting. To implement the new policy officers are undertaking a procurement exercise to appoint an investment manager to provide the ETF liquidity sleeve. Updates on the progress of this exercise will be provided via this report.

Planned improvements and key items to monitor

25. The team has been making improvements to accounting processes in several areas. A summary of planned improvements, current issues and progress to date, is shown below:

Improvement / Issue	Last RAYG* rating	Current RAYG* rating	Comments
Payroll reconciliation			Work is still ongoing to complete payroll reconciliation process by the admin team. New system codes have been established to track historic under payments being made and over payments being recovered. The first payments for historic underpayment have been made and no requests for repayment of overpayments have been made yet.
Integrated systems			New plans are now being worked on to implement an integrated payroll and a one-off payments system within Altair. The payroll will be set-up, tested etc. and then pensioners would transfer to the new Evolve system and be moved to the Altair payroll in batches when the reconciliation work is complete and the payroll team have capacity. One-off payments will be implemented this year, in order to quickly realise control and efficiency benefits.
Evolve			SAP financial system will be replaced by Q1 2023. The pension fund is now a member of the finance implementation working group. The new system is in development to meet the Council and pension fund needs.
An overall review of reconciliations, and improved management information			Reconciliations are being reviewed and where required redesigned. Summary performance measures for each reconciliation are reviewed monthly and a new feedback process to address discrepancies will be established with the administration team.
Treasury management			New Treasury Management Policy has been agreed. Procurement underway to appoint an investment manager to provide the Liquidity Sleeve ETF product.
Wiltshire Council – Wiltshire Pension Fund SLA charge			Pension Fund officers have provided details of services received to Wiltshire Council Officers who are undertaking an exercise to provide accurate and up to date costs for services

Improvement / Issue	Last RAYG* rating	Current RAYG* rating	Comments
			provided to be included in an SLA charge.
*RAYG = Red/Amber/Yellow/Green			
			Significant concern
			Not started
			Work has commenced
			Significant progress made
			Completed/situation under control

LPB Budget Outturn for 2021/22

26. The year end financial position was an underspend of £10k due to unspent budget for consultancy and training. The following table provides a breakdown of the budget and costs and the agreed budget for 2022/23.

Local Pension Board Budget (£'s)	2021/22			2022/23 Budget
	Actual	Budget	Variance	
Independent Chair Remuneration	10,339	10,609	270	10,672
Consultancy Services	-	4,000	4,000	2,000
Training	-	3,400	3,400	2,000
Committee Services	3,000	3,000	-	3,000
Travel & Subsistence Costs	106	1,000	894	1,000
Catering	-	400	400	400
Insurance	1,522	2,800	1,278	5,760
Total	14,966	25,209	10,243	24,832

Environmental Impacts of the Proposals

27. There is no known environmental impact of this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

28. There are no known implications at this time.

Proposals

29. The Committee is asked to use this report to monitor progress against resolving the issues which have been identified, and the progress made to develop accounting and control improvements.

Report Author: Chris Moore, Pension Fund Accounting and Investments Officer

Unpublished documents relied upon in the production of this report: NONE

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WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
05 May 2022

WILTSHIRE PENSION FUND RISK REGISTER

Purpose of the Report

1. The purpose of this report is to update the Board in relation to changes to the Fund's Risk Register (see Appendix).

Background

2. The Committee approved a Risk Register for the Wiltshire Pension Fund at its meeting on 12 May 2009. A reconfiguration of the Risk Register took place during 2019 to make it a more dynamic document and the new design was approved by the Committee on 18th July 2019. Members requested that whilst a full Risk Register is maintained by officers only the following risks need to be highlighted to Committee on a quarterly basis.
 - New risks;
 - Risks which have changed or been re-categorised;
 - Risks which are rated red; and
 - Risks which are considered to have been mitigated & stabilised & can be recommended for approval to the register's ceased/dormant category for continued monitoring by officers only.
3. Under the reconfigured Risk Register strategy, the identification of risks will be more evidence based using the Scheme update, Business Plan, Audit recommendations, Minutes of meetings, the Fund's KPI dashboard and the Brunel and investment pooling data as sources of information for risk identification.

Key Considerations for the Committee / Risk Assessment

4. The significance of risks is measured by the interaction of the likelihood of occurrence (likelihood) and the potential impact of such an occurrence (impact). This register uses the Council's standard "4x4" approach, which produces a risk status of Red, Amber, or Green (RAG).
5. During April 2022 the Chair of the Committee provided general feedback on the risk register. Along with the recommendations made by SWAP in their audit report in March 2022, the Chair's feedback has been reflected within the register and where this has resulted in a change to the risk rating, that change has been made.
6. In addition to the Chair's feedback on the Fund's risks themselves, feedback was also provided on the risk framework within which the Fund manages its risk register. Officers note that they accept many of the recommendations made by the Chair and will include these within a wider review of the Fund's risk management framework, due to commence on publication of the Pension Regulator's new Single Code of Practice. This review will in turn form part of the Fund's new Effective System of Governance.
7. During the last quarter no "new risks" were identified.

8. The evidence-based review of the register identified the following risk had changed or need to be recategorized.

- **PEN009: Failure to comply with Data Protection Legislation (GDPR & Data Protection Act 2018):** (From Green to Amber) Based on the findings of the SWAP audit report published in March 2022, this rating has been increased to reflect progress concerning the execution of the Fund's data retention and system access practices.
- **PEN011: Lack of expertise of Pension Fund Officers and Service Director, Finance:** (From Green to Amber) Based on a Committee recommendation, following a review of the risk register this risk rating has been increased. The recommendation appears to consider that there is a likelihood that there may be gaps in officer expertise due to the outsourcing of casework and other strategic projects to 3rd party administrators. Move from Closed to Ongoing.
- **PEN012: Over-reliance on key officers:** (From Green to Amber) Based on a Committee recommendation, following a review of the risk register this risk rating has been increased. The recommendation appears to consider that there is a likelihood that there may be gaps in officer expertise generally, placing an over-reliance on certain officers to cover for colleagues. Move from Closed to Ongoing.
- **PEN030: Failure to procure & contract manage service providers appropriately:** (From Green to Amber) Based on a Committee recommendation, following a review of the risk register this risk rating has been queried. The recommendation appears to consider that there is a likelihood that this risk is not being appropriately rated, when considering against the potential failure of oversight which may exist, where the charges levied by the Authority, as one of the Fund's top five service providers are not being quantified appropriately by means of service level agreements, or measures of performance. However, this may be an oversight as this risk had already been increased to Amber last December. Move from Closed to Ongoing.
- **PEN037: Failure to implement a strategy to address the administration backlogs:** (From Amber to Red) Based on the findings of the SWAP audit report published in March 2022 the strategy to review the administration backlogs was reconsidered and an updated strategy included within the Fund's 2022/23 business plan. The primary aim of the new strategy will be to outsource the backlog to 3rd party administrator, with a view to clearing it over the next 12 months.

9. Risks remaining "red", high risk:

- **PEN018: Failure to set in place appropriate Cyber Security measures:** (Red) In accordance with Committee Minute 90, dated 16 December 2021, the Fund's cyber security risk rating was increased to red until the Fund receives sufficient assurance from the Council's IT Dept. that this risk is being fully managed. Whilst measures are believed to be in place, active assurance is still required. An external consultant is being appointed to provide members with an independent professional opinion on how this risk should be managed.
- **PEN022: Rectification of records with GMP and non GMP issues – Time-consuming, costly & may causes reputational damage:** (Red) Potentially incorrect liabilities being paid by the Fund because of GMP and other pension component values missing, incorrectly recorded, or incorrectly valued. Consequently, progress with the Pensioner Payroll Database reconciliation project may impact on the Fund's liabilities and its reputation.
- **PEN042: Significant retrospective legislation changes related to the McCloud case:** (Red) Following the release of the Government's consultation

document in July 2020 analysis of the Scheme's members who may be affected was undertaken. Indications suggest that potentially c27k members may be affected, as well as increasing the work on several supplementary administrative tasks. The impact actuarially speaking is likely to be minimal. Final regulation is expected by October 2023 and officers have put in place a project plan to gather the data required to fulfil the regulations. Members requested that it be kept as a red risk until the administrative impact is completely clear.

- **PEN048: The transition of the pooling of LGPS assets with BPP fails to deliver the projected savings:** (Red) Progress and updates should continue to be regularly reported to Committee. An independent audit was conducted in 2021 and has been presented to the Board & Committee for consideration. A further audit has been commissioned for 2022.

10. It is recommended that the following two risks removed from the Dormant/Closed & Dynamic statuses and be deleted from the register on the basis that they are no longer relevant. These risks are.

- **PEN024: The implementation of Brexit causes investment volatility or unexpected legislative changes:** No longer relevant (Green).
- **PEN047: There is uncertainty around the ability of Brunel to resource its property portfolio offering:** No longer relevant (Green).

Financial Implications

11. No direct implications.

Legal Implications

12. There are no known implications from the proposals.

Environmental Impacts of the Proposals

13. There is no known environmental impact of this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

14. There are no known implications currently.

Proposals

15. The Board is asked to note the attached Risk Register and recommend the changes/actions made by officers in points 8 to 10 to the Committee.

ANDY CUNNINGHAM
Head of Administration

Report Author: Richard Bullen, Fund Governance & Performance Manager

Unpublished documents relied upon in the production of this report: NONE

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Ref.	Risk	Cause	Impact	Primary Risk Category (CIPFA)	Risk Owner	Level of risk (Inherent)	Impact	Likelihood	Inherent risk score	Controls in place to manage the risk	Impact	Likelihood	Residual risk score	Further Actions necessary to manage the risk	Level of risk (Residual)	Direction of Travel	Risk Action Owner	Date for completion of action
Horizon Risks																		
PEN061	Failure of internal auditors to conduct audits commissioned by the Committee in accordance with an agreed terms of reference	The Committee & Board must ensure that audits they commission are being executed as originally prescribed in terms of their scope, quality and timeliness. Both groups need to satisfy themselves that all audits are being carried out on a best value basis, by internal auditors appropriately skilled to conduct those audits and that any signing off of audits are not being unduly delayed	Commissioned audits which are delayed, whether they be financial, procedural, compliance or otherwise driven can carry significant risk to the integrity of the Fund. New processes require robust review by suitably skilled internal auditors and 3rd party delays whether arising from the audit partnerships themselves, or secondary approvals can create a consequential impact on the operational effectiveness of the Fund. Both the Committee & the Board require robust independent assurance to ensure that their oversight can remain comprehensive	ACCOUNTING & AUDITING	Jennifer Devine	Medium	2	3	6	Commissioned audit plans by the Fund should not just cover the scope and content of the audit, but require internal auditors to submit a clear process and timescale to the Committee and the Board who can reassure themselves that audits are being carried out to the standards believe.	1	1	1		Low	↑	Jennifer Devine	On-going
PEN060	Failure to complete the review into potential conflicts of interest between the Fund and its Administering Authority	Wiltshire Council is experiencing a period of immense strain on its services, exacerbated by limited central government funding and the pandemic. In response to this strain it has undertaken a review of its services and formulated a strategy of restructure	Areas of potential conflict include 1) Senior AA officers not recognising that they may be conflicted when taking a decision 2) Not ensuring the AA has in place protocols to manage a conflict of interest with its Pension Fund 3) Not ring fencing the services paid for by the Fund from when wider AA policy changes occur, such as staff re-deployments 4) Not quantifying the corporate recharge, or that financial distribution between service areas & introducing SLAs to enable performance measurements of the AA services procured 5) Not enabling the Fund greater freedom relating to best value procurement and employment 6) Viewing the Pension Fund as an equal partner concerning its own requirements & 7) Not embracing changes to improve Fund governance published by outside bodies such as SAB	GOVERNANCE	Andy Brown	Medium	3	2	6	The Committee & the Board should seek to identify and address potential conflicts of interest with the Committee being willing to actively manage situations with the AA where it considers that the membership of the Fund, or the Fund itself is not being appropriately served	1	1	1	Engagement in connection with the scoping of services is seen as a priority by the Committee, along with linking the services provided to the corporate recharge fee requested by the Administering Authority.	Low	↑	Andy Brown	On-going
PEN059	Service disruption is created during the implementation of the Council's Evolve Programme - Pension Payroll software	Wiltshire Council intends to introduce a replacement for SAP. The intended procurement process is due to be completed by September 2021 & the implementation by December 2022.	SAPs replacement could have a significant impact on the Fund's ability to pay its pensioners, particularly where the project management of the de-implementation and implementation are not synchronised	GOVERNANCE	Andy Brown	Low	1	2	2	As part of the Fund's oversight of its Payroll, it is recommended that the Committee request periodic strategic updates during the course of 2021 & 22 from the Fund's s151 Officer to be able to assess the level of risk & whether any mitigations need to be identified. Consideration by the Fund concerning the migration of its payroll to its own separate payroll software service is being undertaken, however this may be at odds with the Council's priorities	1	1	1	The current payroll system is to be phased out and a new integrated system with the Pensions Administration database is approved & is set to be introduced. However, the Council requires the Fund to use the new payroll system which isn't necessary designed for the purpose. Auditors to be involved to oversee the reconciliations and controls to be put in place. The project plan should be discussed with the Auditor. Project management completion timelines are increasing the risk of success of this migration.	Low	→	Andy Brown	Dec-22
PEN058	Service disruption is created during the implementation of the Council's Evolve Programme - Non Pension Payroll software	Wiltshire Council intends to introduce a replacement for SAP. The intended procurement process is due to be completed by September 2021 & the implementation by December 2022	SAPs replacement will impact on multiple services areas provided by the Council to the Fund. For the Fund's non-pension payroll functions this will most notably include HR, AP & IT services. However, it could effect all service relationships the Fund has with the Council.	GOVERNANCE	Andy Brown	Low	3	1	3	As part of the Fund's oversight of its IT services, it is recommended that the Committee request periodic strategic updates during the course of 2022 from the Fund's s151 Officer to be able to assess the level of risk & whether any mitigations need to be identified.	1	1	1	Auditors to be involved to oversee the controls being put in place concerning non-pension payroll transfers of software, notably Accounts Payable & general accounting practices. The project plan should be discussed with the Auditor. Evolve risks remain for the Fund in all aspects of the Evolve Programme.	Low	→	Andy Brown	Dec-22
PEN056	Failure to implement the findings of the Goodwin vs the UK case in relation to discrimination which will affect public service pension schemes on the grounds of sexual orientation	Following a male to female transsexual post operative procedure the claimant stated that her human rights had been infringed when she was still treated as a man for National Insurance contributions purposes, as she continued to make payments after the age at which a woman would have ceased payments, thus causing harassment. A second similar claimant stated she was unable to obtain work as she was unable to provide her birth certificate revealing her gender history.	There is no remedy proposed yet, although some auditors are pressing for an allowance to be included in 2020 IAS19/FRS102 reports. Whilst the funding costs are expected to be small, this will be a further administration and communication burden to address.	ADMINISTRATION	Andy Cunningham	Low	1	1	1	The implementation of risk controls will be introduced on communication of remedies.	1	1	1		Low	→	Andy Cunningham	N/A
PEN050	Failure to comply with IPR's anticipated new Single Code of Practice Statement	The new requirements for pension scheme governance came into force on 13 January 2019 as part of the transcription of the IORP II Directive into UK law. The new EU Directive covers the activities and supervision of institutions for occupational retirement provision (IORP)	Consequently the IPR is simplifying its codes of practice as part of its 'clearer, quicker, tougher' campaign and in response to new requirements for scheme governance, the Occupational Pension Schemes (Governance) (Amendment) Regulations 2018. Codes combined notably relate to 9, 13, 14 & 15.	GOVERNANCE	Richard Bullen	Low	2	2	4	It is anticipated that early focus will be on the codes that are most affected by the new regulations, starting with internal controls & effective governance. Trustees will need to be able to demonstrate that they have an effective system of governance within 12 months of its publication	3	1	3	None, until the Single Code of Practice Statement is released which not anticipated until Summer 2022.	Low	→	Richard Bullen	N/A
PEN044	Change to valuation cycle	The Government is consulting on changing the fund valuation cycle. The next valuation will be in 2022 but it is unclear when the next one will follow.		GOVERNANCE	Andy Cunningham	Low	1	3	3	Officers will respond to the consultation stating they are not in favour of such a change	1	3	3		Low	→	Andy Cunningham	N/A

PEN042	Significant retrospective legislation changes related to the McCloud case	An age discrimination case taken to Court by a group of firefighters and Judiciary employees	Increased contribution rates for employers and high levels of administration time and complication.	ADMINISTRATION	Andy Cunningham	High	3	4	12	None - Whilst it now appears almost certain that a change will take place, it is still unclear exactly what the change will be, its magnitude and how the Fund can mitigate it. It is noted that the Valuation results have made no allowance for the consequences of the McCloud case, primarily due to the prudence applied to the investment return expectations of 75%, but also due to the implementation of actuarial guidance.	2	4	8	a) On actuarial guidance it is anticipated that whilst a review will be required the financial impact may be minimal as in most cases the underpin check for a member's benefits will not bite. b) Following the release of the Government's consultation document in July analysis of the Scheme's members who may be affected has been undertaken. Early indications suggest that c27k members from all status types will need to be reviewed, however cases where the underpin bites continues to be considerably less. Supplementary impacts such as the Annual Allowance, transfers & dependent benefits will also need to be considered, as well as changes to the Fund's internal controls to ensure that cases are reviewed as the liability falls due & that those which have been reviewed are marked accordingly.	Medium	→	Andy Cunningham	N/A
PEN039	The Fund's inability to implement the reforms associated with the Good Governance Project	SAB has requested a review of governance structures for the LGPS using a criteria of four possible governance models which might help funds to deliver good governance for their employers and members. A final consultation report is due in July 2019	Poor governance has a reputational risk impact, leading to poor service for Fund stakeholders, a lack of clarity of roles & responsibilities and potential conflicts of interest emerging	GOVERNANCE	Andy Cunningham	Low	2	2	4	Officers have contributed feedback to the consultation exercise in May 2019 and taken part in various discussions. This has helped officers gain an understanding of the likely direction of travel and help ensure the Fund is aligned and prepared (for example by making certain adjustments to the terms of reference).	2	2	4	Officer to introduce a statement of Fund principles, beliefs & precedents.	Low	→	Richard Bullen	N/A

Dynamic Risks

PEN053	Failure to implement Fund's Data Retention Strategy	Poorly implemented strategies agreed by the Board & Committee to ensure that the retention of data is properly executed in respect of both the Fund & Scheme Employers may occur.	A failure to adhere to the strategy could potentially breach GDPR compliance & create service issue in the event of data being inadvertently minimised or deleted.	ADMINISTRATION	Mark Anderson	Low	1	3	3	Heywood (Altair Database manager) to introduce a tool to minimise & delete records. Includes an export function to identify records managed via this process which can be reported on. This can be cross referenced against the membership statistics if required.	1	2	2		Low	→	Mark Anderson	N/A
PEN047	There is uncertainty around the ability of Brunel to resource its property portfolio offering	It is intended that property assets will transfer to Brunel in late 2020.	If Brunel are not adequately resourced, this could result in the portfolio not being effectively managed, and/or costs being higher than expected.	INVESTMENT PERFORMANCE & RISK	Jennifer Devine	Low	4	1	4	Officers are working with Brunel to ensure that the transition plan is appropriate before proceeding with this transition. Define reporting metrics for the Committee to make a decision.	4	1	4	BPP to build resilience in their private markets team by outsourcing more, so that there is less key person risk and the portfolios are scalable. BPP want to add several members of staff to their team and do more in house as well. The best way forward might be to commission an independent review of the best model to deliver private markets via pooling, to best serve our client requirements.	Low	→	Jennifer Devine	Jun-20
PEN045	GMP legislative changes	The Government has been planning to make a number of changes to way that GMPs work which brings about certain risks. In particular, changes to the indexation approach (which have been repeatedly delayed) and equalisation between males and females.	Both sets of plans could increase scheme costs and cause material amounts of additional administrative work.	ADMINISTRATION	Andy Cunningham	Low	2	2	4	HMRC undertook a consultation in the last quarter of 2020 requesting responses by 30 December 2020. The WPF along with many other organisations responded to that consultation and on publication of the results the Fund will seek guidance from its professional advisers in respect of both its equalisation & indexation responsibilities on the next steps it should take.	2	2	4	None	Low	→	Andy Cunningham	N/A
PEN041	The Fund's inability to implement a strategy to ensure Climate Change considerations are integral to its investment strategy	Climate change is a key environmental risk which could have a material financial impact on the Fund's returns, and as such needs to be considered, managed and monitored as part of the Committee's fiduciary duty, and to protect the investment returns of the Fund.	Failure to embed climate change considerations in the investment strategy could cause a negative impact on investment returns over the long term.	FINANCIAL MARKETS & PRODUCTS	Jennifer Devine	Medium	3	2	6	The Committee is engaged in ongoing work to help determine the most appropriate direction of travel, with expert consultancy support. Significant progress has been made so far, with the introduction of a climate change policy, amendments to the investment strategy, a flight path to enable change and a considerable amount of training and development of members by professional advisers. Work is also being done within the Brunel pool to address this risk.	2	2	4	Additional resource continues to be required, likely by the way of specialist consultancy support.	Low	↓	Jennifer Devine	On-going
PEN038	The Fund's inability to implement the DWP's Dashboard within a notified timescale.	Late communication by the DWP to specify their requirements for the Fund to comply with this new nationwide Dashboard. Potential for unexpected implementation costs and/or the Fund being unable to meet the reporting requirements.	Non-compliance would lead to a reputational risk for the Fund. A statutory requirement to contribute may also be created.	ADMINISTRATION	Andy Cunningham	Low	1	2	2	Senior officers to keep themselves apprised of developments and seek more detailed information as the project develops.	1	2	2	None	Low	→	Mark Anderson	N/A
PEN037	Failure to implement a strategy to address the administration backlogs	Failure of effectively administration the scheme could result in incorrect payments, inefficiencies in the process, failure to meet disclosure timeframes, complaints and inadequate oversight over the fund.	Poor administration resulting in incorrect payments and can lead to reputational risk issues. The mitigation of this risk is contingent on the mitigation of other risks such as PEN034 & PEN036	ADMINISTRATION	Andy Cunningham	High	4	3	12	The implementation of PEN034 & PEN036 along with addressing the internal auditors comments in their 2018/19 Key Controls report should mitigate this risk. As part of the 2022/2023 budget approval, the outsourcing of the backlog to help mitigate this risk was agreed	3	2	6	Employer training to be enhanced to assist the provision of information to officers & efficient management of backlogs. Improving peer review policy to enhance they way work is checked.	Medium	→	Jennie Green	On-going
PEN034	Failure to implement Lean process review	Low KPI performance has been identified, particularly in relation to the disclosure requirements, as a result of inefficient processes and insufficient training and support.	An end to end processing review of all repeatable processes with the key objectives of improving the customer experience and identifying and realising efficiencies. Semi-automated work allocation is required to target key items of casework more quickly	ADMINISTRATION	Andy Cunningham	Medium	3	2	6	As at April 2022, work continues to be ongoing in relation to completion of the lean processing review. This has taken longer than expected due to the considerable amount of change management, which has caused additional reviews.	3	1	3	Officer training to be enhanced to assist with the efficient processing practices. Officers have introduced a 2nd line of review strategy, where experienced officers conduct internal audits at a technical level, not just at a process level.	Low	→	Samantha Wooster	On-going
PEN022	The rectification of records with both GMP and non GMP issues is time-consuming, costly & causes reputational damage.	From 1 April 2016, State Second Pension ceases and HMRC no longer provides GMP data on members to Funds. The Fund is looking to complete the reconciliation of its pensioner payroll to include GMP as well as all other data differences.	If records for members are inaccurate there is the potential for incorrect liabilities being paid by the Fund.	ADMINISTRATION	Andy Cunningham	High	3	4	12	Large project is still ongoing and software from Heywood's is being used to process amendments to Altair on bulk. Progress was delayed due to the Fund trying to engage with Government to agree on a nationwide approach and in order to undertake further analysis of the problems identified.	2	4	8	A common approach between south-west Funds has been reached with feedback from SAB. Several papers were submitted to the Committee setting out the situation and outlining a proposed strategy. A regular update is being provided to Committee concerning member record reconciliation.	Medium	→	Mark Anderson	u/k

PEN021	Ineffective implementation of the Public Sector Exit Cap	The Treasury is consulting on draft regulations to introduce a cap of £95,000 on exit payments in the public sector, in response to concerns about the number of exit payments that exceed or come close to £100,000 and the need to ensure they represent value for money. This will include changes to LGPS regulations. Introduction of exit cap will require an additional burden on the administration team as it is likely to effect all redundancy calculations. Funds are often given little time to implement changes which brings about this risk.	Changes need to be communicated to individuals and employers and systems adapted once the revised regulations have been approved. LGPS Fund's could be in breach of the legislation in they are logistically unable to implement the cost cap mechanism once introduced. Engagement with the relevant public service HR dept's in relation to the implementation of the Exit will be essential.	LEGISLATIVE	Andy Cunningham	Low	2	1	2	The consultation is due to be completed on 9th November. Key risk controls should include: 1) Fund officers should ensure that relevant HR officers understand the implications of the Cap. 2) Review the Compensatory Regulations after they've been rewritten and LGPS Regulations too as a priority 3) Ensure Fund officers understand the new regulations & draft proforma to manually calculate options, prior to the delivery of automated calculation routines 4) Consider any TUPE transfer implications 5) Liaise with HR department concerning potential redundancy exercises in 2021 & 6) Undertake a review of Fund's documentation to include disclaimers	2	3	6	Legislation was introduced concerning the Exit Cap at the end of 2020, however this legislation is now in conflict with the LGPS regulations. Guidance is being sought to resolve these conflicts. A further review of resources may still be needed following a review of the final details & feedback from HR departments.	Medium	→	Andy Cunningham	N/A
PEN018	Failure to set in place appropriate Cyber Security measures	Over reliance by Fund is potentially being place on its Administering Authority's IT security arrangements & that of its key software database providers without proper scrutiny/reporting of their security arrangements	Impact is significant concerning the operational effectiveness of the Fund, notably in relation to the data held and the ability to calculate and process member benefits	ADMINISTRATION	Andy Cunningham	High	4	3	12	Cyber security reports to be requested on an annual basis from both Wiltshire Council's IT department & the main database manager Heywood's. Following the Committee meeting on 16/12/21 a range of recommendations were approved by the Committee due to the assurance levels received. This included the appointment of an external auditor to assess the Fund's cyber security risk.	4	1	4	During 2021 Heywood's provided a suite of documents concerning their cyber security arrangements & ICT provided a report to the Committee in December.	Low	→	Andy Cunningham	N/A

Ongoing Risks

PEN055	Failure of the Brunel Pension Partnership to properly address shareholders concerns via the governance review	Governance arrangements set in place at the outset of Brunel are due for review and it is vitally important that Wiltshire and all shareholders are satisfied with the breadth and depth of the review, and the resulting changes.	With the Wiltshire Pension Fund & other stakeholders being required to invest significant sums of money with BPP, robust governance arrangements are vital to ensure that shareholders are able to take assurance over the running of the partnership	GOVERNANCE	Andy Brown	Medium	3	2	6	Brunel's governance review is ongoing. Wiltshire has actively engaged with Brunel, by sending a letter on behalf of Committee members, to make Wiltshire's expectations clear, and also via the Head of Pension Fund Investments' input at a client group level.	3	2	6	Officers will regularly monitor the progress of the governance review and engage at all possible opportunities. Committee members will be kept informed of all developments.	Medium	→	Andy Brown	N/A
PEN052	COVID-19	COVID-19 is an infectious global virus which WHO has classed as a pandemic. The UK could be taking similar actions to other countries bad affected by this virus such as China & Italy which will cause significant business continuity issues to the pension fund	In a worst case scenario the Council's officers & service provider offices will be closed making remote working essential but difficult. In addition, it is expected that up to 20% of people will be off sick & needing to self-isolate causing service issues. Consequently issues around staffing, investment returns, employers supplying data, management of employer covenants, support from suppliers & contractors are all likely to be factors in the management of the Fund.	GOVERNANCE	Andy Cunningham/ Jenny Devine	Low	2	2	4	The Council's/Fund's Business Continuity Plan will need to be activated. Regular communication with key services & service providers should be maintained. Fund officers have already taken a series of steps to ensure ongoing service & are giving consideration to the daily government updates & Council policy in the taking of those decisions. 01/02/2022 - With Govt. rules relating to the pandemic being relaxed and the majority of the population vaccinated, risks to the operation of the Fund caused by the pandemic are considered reduced. Monitoring will continue, however there appears to be no immediate risk to ongoing service.	2	2	4	The series of steps have been specifically identified to manage this risk. In particular, maintaining the movement of money, communication with all stakeholders & essential operating practices; Consequently the following risks were focussed upon; Movement of money PEN001, PEN002, PEN003, PEN015 & PEN033. Communication with stakeholders PEN013, PEN030 & PEN033 & Essential operating practices PEN004, PEN010 & PEN037. A survey was also sent to Employers requesting information about their circumstances & a close monitoring of actual employer behaviour has been adopted & will continue to be in relation to their service obligations.	Low	↓	Andy Brown/ Andy Cunningham/ Jenny Devine	N/A
PEN048	The transition to pooling of LGPS assets with BPP fails to deliver the projected savings	The Fund needs to pool its LGPS assets with other Funds using the Brunel Pensions Partnership.	Poor implementation could be costly in terms of unanticipated costs and/or savings less than projected.	INVESTMENT PERFORMANCE & RISK	Jennifer Devine	High	4	3	12	The Fund is working with Brunel Pension Partnership on pooling arrangements. Progress and updates regularly reported to Committee. The Fund's passive portfolios have been pooled with significant fee savings, but a budget increase is also currently being proposed. The final position is still uncertain.	3	3	9	Significant amount of resource still required by officers to progress this project. On 13th February 2020 the Board recommended that a monitoring & reporting timetable being put in place concerning BPP's transition to help mitigate this risk.	Medium	→	Jennifer Devine	On-going
PEN043	Administration disruption and employer cost pressures cause by the Cost Cap review	The cost cap floor has been breached meaning the Scheme rules need to be adjusted.	Administration: Some impact on administration processes and communications - unknown at the moment as the details have not been finalised. Cost: Higher costs for employers	ADMINISTRATION	Andy Cunningham	Low	2	2	4	None until further information is available. Note: this is unlikely to happen until the McCloud case changes are finalised, as McCloud will already increase costs in itself.	2	4	8	GAD have indicated that the LGPS is in a strong financial position based on March 2019 information. GAD have made recommendations concerning consistency which will be reviewed by SAB. These include widening the cost corridor from 2% to 3% and a wider economic check on the outlook of the economy	Medium	↓	Andy Cunningham	N/A
PEN036	Failure to implement a Dashboard of KPIs for regular monitoring	Difficulties in extracting the required data from the workflow section of the administration system. Improve the range of Key Performance Indicators (KPIs) produced for the Committee and Local Pension Board to help provide transparency and clearer oversight & management of administration performance.	Failure to implement a dashboard of comparable benchmarks, will be counter to the Pension Regulator's requirements on factors such as data quality measures	ADMINISTRATION	Andy Cunningham	Low	1	2	2	Officers have implemented a suite of KPIs to be utilised at different levels. Namely, at a Statutory level, for the Committee & the Board, for use between Employers & the Fund & at management level for use at an operational level within the Pension's dept. The introduction of a new PAS document will enhance the flow of KPI information to members. Further work is required to introduce a suite of customer service based KPIs.	3	2	6		Medium	→	Mark Anderson	On-going
PEN035	Failure to maintain the Pension Administration Strategy as an effective strategy document.	The Pension Administration Strategy has not been reviewed since 2019.	To improve the administration performance of the Fund and of its participating employers. If this does not improve the Fund will be in breach of compliance requirements laid down by the Regulator.	ADMINISTRATION	Andy Cunningham	Low	2	1	2	A new Pension Administration Strategy has been approved in December 2019. It will relate to the Fund's business plan. A management dashboard is being developed in addition to the Committee & Board monitoring to ensure that the requirements of the PAS are executed effectively	2	1	2	None.	Low	→	Denise Robinson	31/03/22
PEN033	Failure to manage AVC providers	The Fund is a Data Controller with four AVC providers under management who operate to a system of policies & endorsements rather than service provider contracts. Consequently, there is a risk due to the mismatch between Fund responsibility & control in relation to the assets under management.	Failure of a AVC provider can lead to issues of reputational risk to the Fund, as well as being exposed to adverse governance & financial implications.	ACCOUNTING & AUDITING	Jennifer Devine	Low	2	2	4	A minimum of annual service review reviews have been implemented with all AVC providers, managed by the Investment & Accounting team. The review will cover customer service & investment performance.	2	1	2	None.	Low	→	Jennifer Devine	On-going
PEN030	Failure to procure & contract manage service providers appropriately	GDPR adherence, the migration of Investment Managers to BPP & external service providers all form part of the existing Contract Management strategy. Many undertaken in conjunction with the AA's Procurement dept. In addition, with approximately 1/3 of services provided by the AA, good & complete governance would require contract reviews the Fund's internal services too.	A lack of a contract management framework, including a complete suite of documents by which to measure performance against will create an inability to manage both internal & external service providers. In addition, it will limit the updating of service scopes so that the Fund's requirements remain consistent with new legislation & regulations. This will lead to increased costs & risks to the Fund.	PROCUREMENT & RELATIONSHIP MANAGEMENT	Andy Cunningham	Medium	2	3	6	A contract management framework has been developed by officers to anticipate the review of Fund contracts as they fall due. Fund officers have also attended Contract Management training provided by the Council's Procurement Department.	3	1	3	To ensure that a comprehensive best value service is being provided to the Fund the contract management framework needs to be extended to cover regular reviews of internal service providers to the Fund. Such an extension will allow suitable measurement of performance against the corporate re-charge levied by the Fund's AA.	Low	→	Richard Bullen	On-going

PEN028	Failure to introduce new administration software effectively	Implementation of new software including i-connect, payment instruction automation and a new member website. All to be completed during 2021/2022.	Delay in the payment of member benefit, poorer data quality, sub-standard communication arrangements with members & employers & slower delivery times leading to a more costly service	ADMINISTRATION	Andy Cunningham	Low	2	2	4	Individual project plan have been prepared for each implementation of software, including their GDPR implications, with individual project issue logs and risk registers. A bespoke Project team has also been established within the pension's dept. who initiate formal handovers to officers on completion of the new implementation. i-Connect, which will have the largest impact, is partially delivered with around a third of active members onboarded.	2	1	2	SQL capability to be developed within team to enhancing reporting & verify effective implementation. Nova Sail will also be introduced to leverage & optimise the software capability employed by the Fund.	Low	→	Samantha Wooster	On-going
PEN026	A lack of effectiveness of Committee meeting due to the impact of MiFID II Regulations	MiFID 2 investment regulations from Jan 2018 will classify LGPS Funds as "retail" investors. They will need to opt up to professional status	If Wiltshire Pension Fund is unable to maintain "professional" status it will limit the range of investments available and may lead to the forced sale of assets.	INVESTMENT PERFORMANCE & RISK	Jennifer Devine	Medium	3	2	6	Wiltshire Fund is now being treated as a Professional Client, having followed due process. Maintenance of the Fund's Professional Client status will require on-going compliance with the requirements including competence	2	2	4	Guidance received from officers & the Independent Adviser to the Fund has mitigated the impact of MiFID II. Officers implemented a self-assessment return completed by members concerning their competence to maintain "professional client status". A member training strategy for 2020/21 includes MiFID II related training	Low	→	Jennifer Devine	On-going
PEN025	Further academisation of Schools, the possibility of MAT breakups and cross fund movements.	Potential for further schools to convert to academy status, MATs to breakdown	Additional governance and administration risk. If all schools were to convert then the number of employers in the Fund could jump from 180 to between 400 and 500.	GOVERNANCE	Andy Cunningham	Low	2	2	4	Regular communications with schools to understand their intentions. Revised cessation policy aims to address some of the risks relating to MAT breakups.	2	2	4	The Fund is monitoring the SAB review of academies roles in the LGPS and will take actions (e.g. respond to consultations) as necessary to try to mitigate this risk further.	Low	→	Andy Cunningham	N/A
PEN017a	A lack of knowledge and expertise on the Pension Fund Committee	Lack of structured training and continuous self assessment of skills gap to ensure knowledge levels are adequate to carry out roles to the best of their ability	Bad decisions made may be made in relation to any of the areas on this register, but particularly in relation to investments. There is also a requirement for Funds to 'Comply or Explain' within their Annual Report on the skills knowledge of members of the Committee	GOVERNANCE	Andy Cunningham	Medium	2	3	6	Members are given Induction Training when they join the Committee, as well as subsequent opportunities to attend courses/seminars and specialist training at Committee ahead of key decisions. There is a Members' Training Plan and Governance Policy. Further training and advice can be called on from our consultants, independent advisors and investment managers too.	2	1	2	The results of the external knowledge assessment were presented to the Board on 11 Nov 2021 & the Committee on 16 Dec 2021. Based on the assessment a new 4 year training strategy was agreed and a training policy. Pensions is a complex subject, so the training needs of the Committee will need to be continually reviewed. Generally both Committee & Board members are taking a more active approach to training and requesting structured training in key areas.	Low	→	Richard Bullen	On-going
PEN017b	A lack of Committee Member compliance with all regulations	Lack of Member willingness or awareness to be compliant with new or existing regulations leading to breaches of legislation and reportable offences	Over reliance on officers & advisers to ensure compliance leading to a lack of oversight challenge	GOVERNANCE	Andy Cunningham	Medium	2	3	6	Member attendance at conferences & seminars enables independent information sources. Update the Look forward plan to include the introduction of an annual audit plan to ensure the fund's compliance requirements are implemented & the results of the audit reported to Committee	2	1	2	None	Low	→	Richard Bullen	On-going
PEN016	A lack of effectiveness in respect of the Fund's Treasury Management Services	The Fund's treasury function is now segregated from Wiltshire Council. This includes the investment of surplus cash in money markets.	Exposure to counterparty risk with cash held with external deposit holders could impact of Funding level of the Fund	INVESTMENT PERFORMANCE & RISK	Jennifer Devine	Low	3	1	3	The Pension Fund will review an updated Treasury Management Strategy annually. The Fund has reviewed the Treasury Management Agreement and the Committee approved a new strategy in April 2022.	2	1	2	The Council uses Sector's credit worthiness service using ratings from three rating agencies to provide a score. Surplus cash is transferred to the Custodian at month end ensuring cash balances are minimal. A minimum of annual updates by the Council need to be presented to the Committee	Low	→	Jennifer Devine	N/A
PEN015	Failure to collect payments from ceasing employers	When an employer no longer has any active members a cessation valuation is triggered and a payment is required if a funding deficit exists to meet future liabilities. The impact of COVID-19 on financial markets means the likelihood is currently increased.	Failure to collect cessation payments means the cost of funding future liabilities will fall against the Wiltshire Pension Fund	ACTUARIAL METHOD	Andy Cunningham	Low	2	2	4	The Pension Fund Committee approved a revised cessation policy on 26 March 2020 to address regulatory changes made in March 2020 (backdated to May 2018). Furthermore, all new admitted bodies require a guarantor to join the Fund which means that a stable Scheme Employer is required to act as the ultimate guarantor. Due to the current impact on COVID-19 situation on investment returns, we are currently encouraging employers to delay cessation crystallisation events where possible to avoid crystallise a large deficit.	2	1	2	A new employer cessation policy was approved in March 2020, however since then further guidance has been published nationally setting out Fund discretionary payment plans already introduced by Wiltshire. It should be noted that whatever determination the Fund makes there is a risk it will be open to challenge. In summary the Fund needs to amend our FSS & consider how this should work best and communicate out to employers accordingly. Furthermore, with regards to the spreading of exit payments & deferred debt agreements officers need to consider what changes to the existing cessation policy (sections 7 and 9) are needed for the Fund to be compliant	Low	→	Andy Cunningham	On-going
PEN013	Failure to communicate properly with stakeholders	Lack of clear communications policy and action, particularly with employers and scheme members.	Scheme Members are not aware of the rights and privileges of being in the scheme and may make bad decisions as a result. Employers are not aware of the regulations, the procedures, etc, and so the data flow from them is poor.	GOVERNANCE	Andy Cunningham	Low	2	2	4	The Fund has a Communications Manager and Employer Relationship Manager posts dedicated to these areas full-time, including keeping the website up-to-date, which is a key communications resource. The Fund also has a Communications Policy.	2	1	2	None	Low	→	Denise Robinson/ Samantha Wooster	N/A
PEN012	Over-reliance on key officers	The specialist nature of the work means that there are inevitably relatively experts in investments and the local authority pension regulations	If someone leaves or becomes ill, a large knowledge gap could be left behind.	GOVERNANCE	Andy Cunningham	Medium	3	2	6	Key people in the team are seeking to transfer specialist knowledge to colleagues by documenting procedures and notes. In the event of a knowledge gap, however, we can call on our external consultants and independent advisors for help in the short-term.	2	1	2	None - the risk will reduce once the existing team increases its level of knowledge and experience through greater time in their roles. A knowledge hub is being developed within the Fund and the LGA may create a practitioners bible which would work as a reference document for officers. Following the Accounting & Investment team restructure a key person risk has emerged in relation to supporting the Head of Pension Fund Investments.	Low	↑	Andy Cunningham/ Jennifer Devine	On-going
PEN011	Lack of expertise of Pension Fund Officers and Service Director, Finance	Lack of training, continuous professional development and continuous self assessment of skills gap to ensure knowledge levels are adequate to carry out roles to the best of their ability.	Bad decisions may be made in relation to any of the areas on this register, but particularly in relation to investments. Risk of being unable to fulfil statutory obligations and/or maintain key financial controls.	GOVERNANCE	Jennifer Devine	Medium	3	3	9	Officers ensure that they are trained and up-to-date in the key areas through attendance at relevant courses and seminars, reading, discussions with consultants and peers, etc. Formulated annual Training Plans relevant to officers are also reviewed against the CIPFA Knowledge & Skills Framework to ensure adequate expertise exists. A Fund knowledge hub is being developed.	2	3	6	The Director of Finance & Procurement is now filled on a permanent basis and other senior officer roles in the Pension Fund are now filled by permanent staff for a significant period of time. Officer training to be enhanced to assist knowledge & understanding.	Medium	↑	Andy Cunningham/ Jennifer Devine/ Corporate Directors	On-going
PEN010	Failure to keep pension records up-to-date and accurate	Poor or non-existent notification to us by employers and members of new starters, changes, leavers, etc. Early indications suggest the likelihood is increased due to the impacts of COVID-19 on employers and Fund officers.	Incorrect records held, leading to incorrect estimates being issues to members and incorrect pensions potentially being paid.	GOVERNANCE	Andy Cunningham	Medium	3	3	9	Data & systems Team constantly working to improve data quality, data validation checks carried out through external partners (e.g. the Fund's actuaries and tracing agencies), proactive checks done through national fraud initiative and the Fund's Data Improvement Plan.	3	1	3	The Fund is currently addressing new data issues identified by a review of the IPR two key data standards and other data reviews while ensuring data is of high quality is an on-going responsibility.	Low	→	Mark Anderson	On-going
PEN009	Failure to comply with Data Protection Legislation (GDPR & Data Protection Act 2018)	Poor procedures for data transfer to partner organisations, poor security of system, poor data retention, disposal, backup and recovery policies and procedures.	Poor data, lost or compromised, fines from the Information Commissioner, reputational risk of failure to meet Data Protection legislation.	LEGISLATIVE	Andy Cunningham	Medium	3	2	6	Compliance with Wiltshire Council's Data Protection & IT Policies. Annual Data Protection training given to the team. On-going cleansing of data undertaken by Systems Team. The Fund has produced a new suite of procedures and controls following the introduction of GDPR.	2	1	2	Further reviews and changes in relation to the GDPR. First internal audit (Key Controls - April 2019) identified a lack of clarity in relation to the Fund's Data Retention strategy, where no justification for retaining personal data can be made, notably Exit No-liability records. Data Cleaning must be carried out. Officers to agree with IG Data Cleaning approach. The 2nd internal audit identified the need for improvements to the Fund's DPIA arrangements.	Low	→	Mark Anderson	On-going

PEN008	Failure to comply with LGPS and other regulations	Lack of technical expertise / staff resources to research regulations, IT systems not kept up-to-date with legislation, etc	Wrong pension payments made or estimates given. Investment in disallowed investment vehicles or failure to comply with governance standards. Effect: Unhappy customers, tribunals, Ombudsman rulings, fines, adverse audit reports, etc	ADMINISTRATION	Andy Cunningham	Low	2	2	4	*Sufficient staffing, training and regulatory updates. *Competent software provider and external consultants. *Technical & Compliance post reviews process and procedures and maintains training programme for the team. *KPIs against statutory standards *Imbedding checks and controls into all processes. *Audits & internal reviews to maintain best practice	2	2	4	Review of ABS requirements to ensure on-line delivery is compliant with disclosure requirements	Low	→	Luke Webster/ Jennie Green	N/A
PEN007b	Significant rises in employer contributions for non-secure employers due to poor/negative investment returns	Poor economic conditions, wrong investment strategy, poor selection of investment managers, poor consideration of all financial & non-financial risks including ESG issues.	Poor/negative investment returns, leading to increased employer contribution rates	FINANCIAL MARKETS & PRODUCTS	Jennifer Devine	Low	2	2	4	Use of expert consultants in the selection of investment strategy and investment managers, regular monitoring of investment managers (1/4ly), regular reviews of investment strategy (annually). Monthly review of % of Fund held in each mandate. Also a flight path strategy implemented to take off risk as funding levels improve. Fund member of LAPFF & uses PIRC to proxy vote on shares in line with agreed policy for ESG issues. Compliance with Stewardship code.	2	2	4	A risk based framework is now in place to review employers long term financial stability. This informs the policy for stepping in contribution rates to assist in affordability issues where requested by an employer. It will be continuously reviewed, as part of the updating of the Investment Strategy Statement. Query over covenant reviews following expiry of PWC contract.	Low	→	Jennifer Devine	On-going
PEN007a	Significant rises in employer contributions for secure employers due to poor/negative investment returns	Poor economic conditions, wrong investment strategy, poor selection of investment managers, poor consideration of all financial & non-financial risks including ESG issues.	Poor/negative investment returns, leading to increased employer contribution rates	INVESTMENT PERFORMANCE & RISK	Jennifer Devine	Low	2	1	2	Use of expert consultants in the selection of investment strategy and investment managers, regular monitoring of investment managers (1/4ly), regular reviews of investment strategy (annually). Monthly review of % of Fund held in each mandate. Also a flight path strategy implemented to take off risk as funding levels improve. Fund member of LAPFF & uses PIRC to proxy vote on shares in line with agreed policy for ESG issues. Compliance with Stewardship code.	2	1	2	The implementation of the Stabilisation Policy limits increases for secure employers.	Low	→	Jennifer Devine	On-going
PEN006b	Significant rises in employer contributions for non-secure employers due to increases in liabilities	Scheme liabilities increase disproportionately as a result of increased longevity, falling bond yields, slack employer policies, etc. The current price of gilts lead to a worsening Funding Position.	Employer contribution rates become unacceptable, causing upward pressure on Council Tax and employers' costs.	ACTUARIAL METHOD	Andy Cunningham	Low	2	2	4	As above	2	2	4	As above	Low	→	Andy Cunningham	On-going
PEN006a	Significant rises in employer contributions for secure employers due to increases in liabilities	Scheme liabilities increase disproportionately as a result of increased longevity, falling bond yields, slack employer policies, etc. The current price of gilts lead to a worsening Funding Position.	Employer contribution rates become unacceptable, causing upward pressure on Council Tax and employers' costs.	ACTUARIAL METHOD	Andy Cunningham	Low	2	2	4	Longevity and bond yields are generally beyond the control of the Fund as are the values of the liabilities in general. However, the Fund has started the 2019 Triennial Valuation process and it is concurrently reviewing its investment strategy and implementing separate employer investment strategies. Furthermore, the Fund and each employer must have a Discretions Policy in place to help control discretionary costs (e.g. early retirements, augmented service, etc).	2	2	4	None	Low	→	Andy Cunningham	On-going
PEN005	Loss of funds through fraud or misappropriation	Fraud or misappropriation of funds by an employer, agent or contractor	Financial loss to the Fund	ACCOUNTING & AUDITING	Jennifer Devine	Medium	4	2	8	Internal Audit regularly test that appropriate controls are in place and working. Regulatory control reports from investment managers, custodian, etc, are also reviewed by audit. Due Diligence is carried out whenever a new manager is appointed. Reliance is also placed in FCA registration.	4	1	4		Low	→	Jennifer Devine	On-going
PEN002	Failure to collect and account for contributions from employers and employees on time	Non-availability of SAP systems, key staff, error, omission, failure of employers' financial systems, failure to communicate with employers effectively. LGPS 2014	Adverse audit opinion for failure to collect contributions by 19th of month, potential delays to employers' FRS17 year-end accounting reports and to the Fund's own year-end accounts.	ACCOUNTING & AUDITING	Jennifer Devine	Low	3	1	3	Robust maintenance and update of Altair and SAP systems, sufficient staff cover arrangements, sufficient staff training and QA checking of work. Officers regularly work with employers to ensure they understand their responsibilities to pay by 19th of the month. The Breaches framework now require the Fund to log material late payments.	2	2	4	The 2022 SWAP internal audit report highlighted a Priority 2 risk requesting officers ensure that a review of the member contribution processes raised in their report are undertaken promptly & to future-proof those processes to ensure appropriate efficiencies are made	Low	→	Jennifer Devine	On-going

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LOCAL PENSION BOARD - WORK PLAN 2022-23

Meeting:	LPB Term of Reference item	Description of scope as defined by the LPB ToR	05/05/22	18/08/22	27/10/22	01/02/23	No expected review in 2022/23	May-23	Guidance comments
GOVERNANCE - Board Specific									
									Comments
Election of Vice Chair	42	Appointments made as defined in the Board's Term of Reference				✓			Annual appointment between Member & Employer Reps. Member reps to be appointed in odd years
Board Annual Report	85	Recommendation under the legislation	✓					✓	Draft submission to the Board for their approval
Board Budget setting	78	Review & recommend to the Committee the budgetary requirements for the Board during the next Scheme year				✓			Review in conjunction with the Look Forward plan in order to anticipate future costs
Review Board's Terms of Reference (if and as required)	81g	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.			✓				This review should be in conjunction with the Committee ToR review to ensure continuity. Lasted reviewed in July 2020. With the ISC meetings discontinued and the Good Governance review and new Single Code of Practice published, a review in 2022/23 is anticipated.
Effective System of Governance (ORA document)	81g	Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness				✓			To prepare on publication of tPR Single Code of Practice

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		and efficient operation and governance of the Fund.							
Board Annual Training Plan Update (To include Member training policy)	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.			✓				To be completed each Scheme year for subsequent inclusion in the Board's Annual Report & the Fund's AR&A. Officer training strategy attached too.
Member Training review	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.	✓		✓			✓	To receive a six monthly update of both Committee and Board member training.
Effectiveness review	81g	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.			✓				3 year plan last raised with the Board on 12/12/2018. The LPB should also compare itself against its own core functions as set out in its ToR. Last completed on 24/01/2019
Training Item relevant to agenda	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.	✓	✓	✓	✓		✓	To be consistent with Member's training & development strategy
Code of Conduct & Conflicts of Interest Policy	80d	Review such documentation as is required by the Regulations including the Single Code of Practice and Good Governance Review			✓				3 year plan last approved on 15/10/2020. Annual reviews should be undertaken by Democratic Services in each Q4

Review Actions from previous meetings	n/a	Maintained by officers to enable Members manage their responsibilities	✓	✓	✓	✓		✓	Address primarily during pre-meeting planning meeting
Forward Work Plan Review	87	Maintained by officers to enable Members manage their responsibilities	✓	✓	✓	✓		✓	Officers to update the next Scheme year's plan in time for the new Scheme year. Annual reviews to therefore be undertaken in Q2
GOVERNANCE - Fund Specific									Comments
Review of Risk Register	81e	Review the risk register as it relates to the scheme manager function of the Administering Authority	✓	✓	✓	✓		✓	Quarterly review. Recommendations are made to the Committee, via LPB minutes. Redesign register on publication of code of practice
Fund update & comments on minutes of the Pension Fund Committee	80a	Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.	✓	✓	✓	✓		✓	Amongst other purposes Members should use the minutes to identify risks which can be added to the register
Review Governance Compliance Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.			✓				4 year plan last approved on 30/03/2021.
Review Fund Training Programme	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.			✓				Complete 4 year training plan last approved on 16/12/2021. Annual reviews undertaken in Q4 each year.

Review all Fund Declarations of Interest	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.			✓				2 year plan last approved on 12/12/2020. Annual reviews should be undertaken by Democratic Services in each Q4
tPR Code of Practice 14/record keeping compliance survey results	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.	✓					✓	Annual exercise of Self-assessment by officers & reviewed by Members. Every other year the self-assessment will be independently audited. Scope to form part of the single tPR Code of Practice
Review Fund Scheme of sub-Delegations and internal controls. This should consider the Fund's internal escalation strategy	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.				✓			3 year plan last raised with the Board on 17/02/2022. To review again in the 2022/23 to include changes arising from the new Single Code of Practice and SAB Good Governance Review.
Scheme Legal, Regulatory & Fund update	n/a	A summary for Board members the latest legal, regulatory and Fund issues affecting the Pension Fund	✓	✓	✓	✓		✓	Quarterly update by the Head of Pensions
Review service providers, both internal & external. Include advisor appointments, processes, controls & SLAs	81b	Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.			✓				Committee requested Board annually review advisors & services providers. Plus the Procurement framework by which it is done

Monitor Internal Audit Report	81d	Monitor internal and external audit reports		✓		✓			Audit recommendations actioned
Monitor External Audit Report	81d	Monitor internal and external audit reports		✓		✓			Audit recommendations actioned
Input to Annual External Audit Plan	n/a	Recommend to Committee the audit scope & timetable to be commissioned in the next Scheme year			✓				Committee to liaise with the Audit Committee concerning the scope of Council's AR&A's audit
Input to Annual Internal Audit Plan	n/a	Recommend to Committee the audit scope & timetable to be commissioned in the next Scheme year			✓				Committee to liaise with the Audit Committee concerning the scope of SWAP's audit
GOVERNANCE - Fund Plans, policies & strategies									Comments
Review Business Plan	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓			3 year plan last approved on 05/04/2022. Interim review due on 23/03/2023
Review Pension Administration Strategy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.	✓						3 year plan last approved on 17/12/2019
Review Communication strategy	80e	Review scheme members and employers communications as required by the Regulations and Relevant Legislation					Not expected		3 year plan last approved on 16/12/2021. E-communication strategy update and customer service assessment
Review Data Improvement Plan	80d	Review such documentation as is required by the Regulations						✓	All 3 year plans Data Improvement last approved on

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		including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.							30/09/2021. Data Protection Policy and Data Retention Policy last approved on 13/02/2020
Review Admin Charging Policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.	✓						2 year plan last approved on 17/12/2019
Review Admin Authority Discretions	80j	Review the complete and proper exercise of employer and administering authority discretions					Not expected		3 year plan last approved in 30/03/2021
Review Cessations policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.					Not expected		3 year plan last approved in 17/12/2020
Review Funding Strategy Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓			3 year plan last approved on 17/12/2019. Next Fund Valuation 31/03/2022
Review Compliance with FRC stewardship code	80d	Review such documentation as is required by the Regulations including the Governance					Not expected		Last approved on 05/04/2022. Annually - Consider TCFD

		Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.							requirements as part of the process
Review Investment Strategy Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓			3 year plan last approved on 25/11/2021 (Ensure inclusion of MiFID II arrangements)
Review Fund "Responsible Investment Strategy"	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.			✓				To be reviewed in conjunction with the Investment Strategy Statement. To cover Climate Change Statement. To also cover topical changes on policy relating to BPP & ESG
Review the Fund's Annual Report & Accounts	80l	Review draft accounts and Fund annual Report		✓					To ensure CIPFA compliance requirements have been applied
Review Internal Audit Reports	80k	Review the outcome of internal and external audit reports		✓		✓			Three Reports in 2022/23 - Report 1: Brunel Cost Savings, Report 2: Key Financial Controls, Report 3: Payroll Reconciliation.
Review External Audit Report	80k	Review the outcome of internal and external audit reports		✓	✓				Three Reports in 2022/23 - Report 1: AR&A's - Published by 1st December, Report 2: Cyber Security, Report 3: Good Governance Review. Recommendations to feed into

									the commissioning of the 2023/24 audit plan
Employer Admissions Policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.						Not expected	3 year plan last approved in 16/07/2020
Staff & Employer Training Policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓			Both every 3 years. Staff plan last approved in 14/11/2019 & Employer plan last approved in 06/08/2020
ADMINISTRATION									Comments
Review Fund fraud risk prevention and mitigation measures	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.						✓	Completed every 2 years and will be an update of the Fund's NFI & Certificate of Existence exercises. Last reviewed April 2020. To include Whistleblowing policy in 2022
Review Fund website contents/resilience	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.		✓					Also cover Cyber Security reporting on an annual basis. Cyber security last reviewed 16/12/2021

Payroll migration, i-Connect & Members Self-service update	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.		✓					Present as part of a Fund digital platform update. Progress report on take up and functional developments
Receive an annual report of an complaint & IDPR cases, including a review of the Fund's procedures	80f, 80g & 80h	Monitor complaints and performance on the administration and governance of the scheme & review the Internal Dispute Resolution Process & Pensions Ombudsman cases	✓					✓	Covered in Low Volume Performance Report.
Review of Data Security & Business Recovery	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.			✓			✓	Report set out the arrangements in place & when they were last tested. BCP last reviewed 26/03/2020. Sept. 21 Interim GDPR document updates 18/08/2022
Review GMP Rectification	81a	Monitor performance of administration, governance and investments against key performance targets and indicators		✓			✓		Regular update concerning SAP & Altair database reconciliation. To consider migration to new payroll system.
Board KPIs to monitor	81a	Monitor performance of administration, governance and investments against key performance targets and indicators	✓	✓	✓	✓		✓	Quarterly Administration performance reporting. Including outsourced backlog KPIs
Benchmark KPIs in Annual Report & Accounts	80f	Monitor complaints and performance on the				✓			Annual Report & Accounts must be disclosed each 1st December

information with other Funds		administration and governance of the scheme							
Review of Annual Benefit Statement process	81a	Monitor performance of administration, governance and investments against key performance targets and indicators			✓				Percentage issued, action plan to issue outstanding ABSs & process improvement review
Review employers compliance (data)	80c	Review the compliance of scheme employers with their duties under the Regulations and Relevant Legislation			✓				Ideally incorporate with ABS review process & update on Fund's Data Improvement Plan. Establish Report Cards
FUNDING & INVESTMENTS									Comments
Review Triennial Valuation Process	n/a	Consider how the whole valuation exercise was executed & what recommendations may be made to improve the process next time				✓			Next valuation currently due 31/03/2022
Review Triennial Valuation Results	81f	Review the outcome of actuarial reporting and valuations				✓			Verify that the FSS, ISS & Valuation results are consistent
Brunel Governance review	81g	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.	✓				✓		To receive an annual update on Brunel governance and operational issues
Pension Fund budget outturn	81c	Monitor investment costs including custodian and transaction costs.		✓				✓	To receive a monitoring update on the Fund's actual expenditure against its budget for the previous Scheme Year
Treasury Management Strategy	81c	Monitor investment costs including custodian and transaction costs.						✓	Annual review, including cashflow forecasting and preferred bank account

									maintenance (Last reviewed 05/04/2022)
Cost transparency of BPP, Managers & the Custodian	81c	Monitor investment costs including custodian and transaction costs.		✓					To be presented in conjunction final Annual Report & Accounts
Review Investment performance against Fund's benchmarking criteria	81a	Monitor performance of administration, governance and investments against key performance targets and indicators				✓			To be presented in conjunction final Annual Report & Accounts
Total number of Agenda Items:			14	17	23	24		16	

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