



WILTSHIRE
PENSION FUND

Local Pension Board Annual Report

4 July 2017

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Chairman's introduction

Welcome to the second Annual Report of the Local Pension Board (LPB) of Wiltshire Pension Fund.

The Board, which comprised 7 members recruited by Wiltshire Council, was established in 2015.

This report covers the period from 1st April 2016 to 31st March 2017 during which the Board has held 4 meetings over this period.

The focus of the LPB during 2016-17 has been on ensuring

a) the LPB governance complies with the statute and LGPS regulations that apply to it and best practice guidance issued by the national LGPS Advisory Board.

b) its members are fully conversant with their duties and responsibilities for example on the requirements of the Pensions Regulator.

c) the Wiltshire fund is fulfilling its statutory duties.

I am delighted to say that with the support of the officers and advisors to the Wiltshire Pension Fund the LPB has made good progress in fulfilling its terms of reference in its second year.

The LPB has made a number of recommendations to the Pensions Committee (see pages 13 to 20). One example being in respect of some enhancements to its risk register and business planning which have been accepted and are being implemented.

One of the most important reviews the LPB has undertaken is the funds compliance with the Pensions Regulators Code of Practice 14 (see page 22 onwards). The LPB welcomes the actions being implemented by the fund to ensure it fully complies with the Code.

The LPB has also reviewed the Pension Funds communications and stressed the need for information to be kept up to date and the importance of the fund website to fund members

Looking ahead the LPB will seek to assist and support the Wiltshire Pension Fund in respect of minimising potential governance and other risks arising from the Governments proposed asset pooling in 2018.

Last not least could I thank my fellow Board members for their commitment to their roles on the LPB and I commend this report to you.

Howard Pearce

Independent Chair

Legal basis of LPB and annual reporting

The Local Government Pension Scheme Regulations 2013 (“the Regulations”) establish Wiltshire Council as the administering authority for the Wiltshire Pension Fund, with responsibility for managing and maintaining the Fund. The Regulations further require that Wiltshire Council in its capacity as administering authority, and in accordance with the Public Service Pensions Act 2013, establish a Local Pension Board for the purposes of assisting it;

- to secure compliance with the LGPS Regulations, other legislation relating to the governance and administration of the LGPS, and the requirements imposed by the Pension Regulator in relation to the LGPS; and
- to ensure the effective and efficient governance and administration of the LGPS

The functions of the Local Pension Board do not sit neatly within the typical arrangements that apply to local authority committees, including those that apply to the Wiltshire Pension Fund’s Pension Committee. Importantly, the Local Pension Board cannot be delegated to carry out the functions and responsibilities that legally pertain to the administering authority. This sometimes leads to people describing the local pension board as having no decision making authority.

The creation of a Local Pension Boards does not change the core role of the administering authority or the way it delegates its pension functions. Instead the local pension board operates outside of the usual local authority committee structure and serves an advisory and compliance role for the Fund. The role of the Local Pension Board is sometimes likened to that of a “critical friend”.

The Regulations require that the Local Pension Board must be constituted of at least 4 members, two of whom must represent the membership of the fund and two of who must represent the fund’s employers. Employer and Scheme member representatives are required to have the capacity to represent their respective constituencies. While it is permissible for the local pension board to contain “independent” members i.e. those who are neither member nor employer representatives, such members are not permitted to vote.

The Wiltshire Pension Fund Local Pension Board is comprised of;

- 3 scheme member representatives, and
- 3 employer representatives, and
- 1 non-voting Independent Chair

The Regulations do permit an administering authority to combine its Local Pension Board with the pension committee to which it has delegated some or all of its decision making responsibilities in respect of the maintenance of the fund. Such a combined committee and board may only be created with the express permission of the Secretary of State for the Department of Communities and Local Government.

Wiltshire Council have chosen not to operate a combined local pension board and pension committee.

In addition to making Local Pension Boards a mandatory part of the LGPS governance the Public Service Pensions Act 2013 also brought about a new role for The Pensions Regulator. The Regulator

now has the role of overseeing good governance within all Public Service Schemes, which includes the LGPS. The Regulator can issue enforcement notices where it believes that LGPS Funds are not complying with certain pension legislation, including, in respect of Local Pension Boards, matters such as representation and ensuring that conflicts of interest do not exist on Boards.

While there is no statutory obligation for the Local Pension Board to publish a report, it is recognised as best practice for the Board to report on its activities for the year and its future plans.

The Public Service Pensions Act 2013 does require an administering authority to publish information about its pension board. The administering authority is required to publish a governance compliance statement which, in addition to information on the governance of the Fund, should include details of the terms, structure and operational procedures relating to its Local Pension Board.

The Board is accountable solely to the Administering Authority for the effective operation of its functions and reports to the Pension Committee at least annually and more often if deemed necessary. The subject of the Board's reports shall include;

- a) a summary of the work undertaken since the last report
- b) the work plan for last year and the programme for the next 12 months
- c) areas raised to the Board to be investigated since the last report and how they were dealt with
- d) any risks or other areas of potential concern it wishes to raise
- e) details of training received since the last report and planned
- f) details of all expenses and costs incurred over the past 12 months and projected for the next year
- g) details of any conflicts of interest identified since the last report and how they were dealt with

The Governance Compliance Statement of the Wiltshire Pension Fund can be found <http://www.wiltshirepensionfund.org.uk/governance-compliance-statement-2015.pdf>

Recruitment and appointment process of LPB members

The Council has put in place processes for the recruitment and appointment of representatives to the Wiltshire Pension Board.

Member representatives

The role of member representative was advertised on the Fund's website and the Wiltshire Council job vacancy website. Adverts contained the Board's Terms of Reference as well as additional information on the expectations of the role.

Applications were scored against the role criteria in order to produce a shortlist.

Shortlisted nominees were invited to an interview by the Administering Authority's Associate Director – Legal and Democratic Services and the Administering Authority's Associate Director – Finance (or their nominated representatives). A recommendation was then made to full council for the appointment to the Board of three nominees, two of whom represent nominations from a recognised trade union based on published criteria relating to ability to meet the capacity requirements of the role.

Full council approved the appointment of the three member representatives on 14 July 2015.

Employer representatives

In order to ensure that employer representatives are truly representative of the employers within the Fund, while at the same time providing equal opportunity for representation to all groups, the Local Pension Board employer representatives are drawn from the following three Groups;

- Group 1: Wiltshire Council;
- Group 2: Swindon Borough Council and Wiltshire Police; and
- Group 3: all other employer organizations' within the Fund.

Every employer within each of the Groups was provided with information about the role of the Local Pension Board including Terms of Reference, details of the employer representative role, a nomination form and instructions for application. Each employer was invited to put forward one suitable nominee based on the criteria provided.

Applications were scored against the role criteria in order to produce a shortlist.

Shortlisted nominees were invited to an interview by the Administering Authority's Associate Director – Legal and Democratic Services and the Administering Authority's Associate Director – Finance (or their nominated representatives). A recommendation was then made to full council for the appointment to the Board of three nominees.

Full council approved the appointment of the three member representatives on 14 July 2015.

Independent Chair

In this respect the term independent means having no pre-existing employment, financial or other material interest in either the Administering Authority or any scheme employer in the Fund and not being a member of the Fund, or a Wiltshire Councilor.

The role of the Independent Chair was advertised on the Fund's website and the Wiltshire Council job vacancy website. Adverts contained the Board's Terms of Reference as well as well as additional information on the expectations of the role.

Applications were scored against the role criteria in order to produce a shortlist.

Shortlisted nominees were invited to an interview by the Administering Authority's Associate Director – Legal and Democratic Services and the Administering Authority's Associate Director – Finance (or their nominated representatives). A recommendation was then be made to full council for the appointment of an Independent Chair.

Full council approved the appointment of the Independent Chair on 12 May 2015 subject to the subsequent approval of the majority of the employer and scheme member representatives. Such approval was given at the meeting of 16 July 2015.

LPB members register and declarations of interests

Local Pension Board as at 31 March 2016

Role	Member	Number of meetings attended (maximum 4)
Independent Chairman	Howard Pearce	4
Employer Member Representatives	Lynda Croft	4
	Sarah Holbrook	4
	Cllr. Christopher Newbury	2
Scheme Member Representative	David Bowater	3
	Mike Pankiewicz	4
	Barry Reed	3

Biographies of the Local Pension Board Members

Independent Chairman:

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

Employer Member Representatives:

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

Lynda Croft, Director of Finance, Wiltshire College

Christopher Newbury, Wiltshire Councillor

Scheme Member Representative:

David Bowater, Wiltshire Council employee, active member

Barry Reed, Unison representative, retired member

Mike Pankiewicz, Unison representative, active member

Full biographies for all Board Members can be found here

<http://www.wiltshirepensionfund.org.uk/local-pension-board/local-pension-board-personal-biographies.htm>

The register of interests for members of the Local Pension Board can be found here

<http://cms.wiltshire.gov.uk/ieListMeetings.aspx?CId=1280&Year=0>

LPB approved training plan and members training logs

The Public Service Pensions Act 2013¹ requires that members of local pension boards have an appropriate level of knowledge and understanding in order to carry out their role. Any individual appointed to a local pension board must be conversant with;

- The regulations of the Local Government Pension Scheme, including historical regulations and transitional provisions, to the extent that they still affect members; and
- any document recording policy about the administration of the scheme

Local Pension Board members must also have knowledge and understanding of-

- the law relating to pensions, and
- such other matters as may be prescribed in other legislation

The degree of knowledge and understanding required Board members is that appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the Local Pension Board.

The Wiltshire Pension Fund is committed to supporting Local Pension Board members to achieve the level of knowledge and understanding they require by providing the appropriate level of training and assistance.

Degree of Knowledge and Understanding

Members of the local pension board are expected to be conversant with the rules of the LGPS and the policies of the Fund. "Being conversant with" implies a working knowledge of what is relevant to the subject under discussion. A Board member should be have an understanding of what is relevant to their role and be able to identify and challenge a failure to comply with;

- the LGPS Regulations;
- other legislation relating to the governance and administration of the scheme;
- requirements imposed by the Pensions Regulator; and
- any failure to meet the standards and expectations set out in any relevant code of practice issued by the Pensions Regulator

Areas of Knowledge and Understanding

The areas in which Local Pension Board Members would be expected to be conversant include, but are not limited to –

- Scheme approved policies (e.g. managing conflicts of interest, reporting breaches of the law or record keeping)
- Risk assessment and management
- Scheme booklets and other members' communications
- The role of Local Pension Board Members and the scheme manager (Wiltshire Pension Fund)
- Policies in relation to the exercise of discretions

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

- Communications with scheme members and employers
- Key policy documents on administration, funding, and investment (e.g. the administration strategy, funding statement Strategy or statement of Investment principles)

Achieving the required level of knowledge and skills

At its meeting of 16 July 2015, the Board agreed to develop a training strategy and plan for acquiring the necessary level of knowledge and skills. Among the recommendations were;

- That all Local Pension Board members complete a self-assessment form in order to identify any areas on which they require immediate further training.
- To use the results of the self-assessment to develop a training programme.
- That Board members attend a 3 day LGPS Pensions Fundamentals Course presented by the Local Government Association. The course covers all the key areas of the LGPS and provides a thorough understanding of the scheme, its legislation and an appreciation of the different areas of work.
- That Board members complete the Pension Regulator’s on-line toolkit designed to provide a sound understanding of the roles and responsibilities of public service pension board members.
- To continue to receive regular training as part of Local Pension Board meetings and to supplement knowledge by attendance at relevant seminars and conferences.

The Local Pension Board’s training plan can be viewed here [Wiltshire Local Pension Board Training Plan](#)

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

Date of meeting	Topics Covered	HP	MP	DB	BR	CN	LC	SH
7 April 2016	Triennial Valuation 2016							
20 July 2016	Investment Pooling & the Brunel Pension Partnership							
20 October 2016	2016 Valuation update							
6 April 2017	Data Protection & Quality Standards							
N/A	TPR On-line Toolkit							

The following were joint training sessions with the pension committee:

Date of meeting	Topics Covered	HP	MP	DB	BR	CN	LC	SH
9 June 2016	Members Investment Training Away Day							
14 October 2016	Brunel Pension Partnership Engagement Day							

The following were additional training opportunities undertaken by Board Members:

Date of meeting	Topics Covered	HP	MP	DB	BR	CN	LC	SH
13 April 2016	LGPS Asset Pooling Conference							
17 May 2016	PLSA Local Government Conference							
6 June 2016	Responsible Investor EU 2016							
27 July 2016	LGPS Communications Training							
10 August 2016	Investment Pooling Q&A sessions							
6 September 2016	LGC Investment Conference							
29 September 2016	GAD LGPS Section 13 Training Event							
7 October 2016	Responsible Investment ESG Manager Selection – LGPS pooling							
13 October 2016	Unison Regional Forum for Local Pension Board Members							
17 November 2016	SPS LGPS Fund event							
12 December 2016	Unison LGPS Annual Frum							
19 January 2017	Unison Regional Forum for Local Pension Board Members							

Key:

HP – Howard Pearce, Independent Chair

MP – Mike Pankiewicz, Member Representative

DB – David Bowater, Member Representative

MP – Barry Reed, Retired Member Representative

CN – Councillor Newbury, Employer Representative

LC – Lynda Croft, Employer Representative

SH – Sarah Holbrook, Employer Representative

LPB Year 2 Work plan and outcomes

The primary function of the Local Pension Board is to assist the Administering Authority in securing compliance with the LGPS Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme. In the pursuit of this aim it is for the Local Pension Board to set its own work plan.

The Local Pension Board's terms of reference require that it develop and report to the Wiltshire Pension Fund Committee, at least annually, on its work plan for the year. Examples of the areas that the Local Pension Board may wish to consider include (but are not limited to) the following;

- Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.
- Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant legislation and in particular the Pension Regulator's Code of Practice No. 14.
- Review the compliance of scheme employers with their duties under the Regulations and relevant legislation.
- Review such documentation as is required by the Regulations, including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.
- Review scheme members and employers' communications as required by the Regulations and relevant legislation.
- Monitor complaints and performance on the administration and governance of the scheme.
- Review the Internal Dispute Resolution Process and Pensions Ombudsman cases.
- Review the arrangements for the training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.
- Review the complete and proper exercise of employer and administering authority discretions.
- Review the outcome of internal and external audit reports.
- Review draft accounts and Fund annual report.

The second core function of the Local Pension Board is to ensure the effective and efficient governance and administration of the Scheme. Again, the Local Pension Board may determine the areas it wishes to consider, including but not restricted to:

- Monitor performance of administration, governance and investments against key performance targets and indicators.
- Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.
- Monitor investment costs including custodian and transaction costs.
- Monitor internal and external audit reports.
- Review the risk register as it relates to the scheme manager function of the Administering Authority
- Review the outcome of actuarial reporting and valuations.

- Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness and efficient operation and governance of the Fund.

The Local Pension Board's agreed workplan for 2015/16 – 2017/18 can be found here under Item 19.

[Agenda for the Local Pension Board, Thursday, 6th April 2017](#)

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 and Investment Sub-Committee which are 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 or Investment Sub-Committee. The role of the Local Pension Board is to oversee decisions made by the Administering Authority and to make recommendations to improve the efficient and effective administration and governance of the pensions function, including funding and investments.

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

	Area	Action	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.	Being done at each meeting
7 April 2016	Scheme, Legal, Regulatory and Fund update	Resolved: To note the updates from the Head of Pensions. To request that a report on insurance cover for the Local Pension Board be brought to the next meeting.	Insurances being considered
7 April 2016	The current Risk Register for the Wiltshire Pension Fund for review.	Resolved: To note the Risk Register and measures being taken to mitigate risks. To recommend that the Fund include the academisation of schools as a risk on the register.	Added to Risk Register & implications to be considered by Committee
7 April 2016	The officers review of the Wiltshire Pension Fund's compliance with the Regulators Code of Practice.	Resolved: To note the outcome from the review of the tPRs Code of Practice No. 14 and recommend the implementation of the proposed actions to the Pension Fund Committee to ensure the Fund secures full compliance with this guidance.	Proposed actions noted and updates to be provided

	Area	Action	Outcome
7 April 2016	The current Governance Compliance Statement for review	Resolved: To endorse the statement and recommend that lay membership and voting rights be reviewed following the proposed asset pooling as part of the compliance process and pooling arrangements.	To be considered as part of Governance Compliance review
7 April 2016	The audit plans for 2016 for review	Resolved: To note the audit process and proposed plans for 2016. To recommend that the Fund be prepared and audited against the 2014 LGPS Regulations, Pensions Statement of Recommended Practice (SORP 2014 edition), CIPFA 2014 guidance on LGPS funds annual reports, and LGPS funds 2015/16 accounting disclosures.	Internal Audit report included compliance check against statutory requirements
7 April 2016	The current Communications Strategy and the Fund's website.	Resolved To note the Communications Strategy.	Noted
7 April 2016	The potential performance indicators that could be used to measure the impact and performance of the Board for consideration.	Resolved: To agree the initial proposals for Key Performance Indicators and request that these be further refined, in particular that further consideration be given to the measures of engagement and communications and cost-effectiveness, and reported to the next meeting. To recommend that the Board's annual statutory report be included as an annex to the Fund's annual report.	KPIs being implemented as agreed by the Committee Link to be included in Fund's Annual Report
20 July 2016	Scheme, Legal Regulatory and Fund update	Resolved: To note the proposed draft response to the LGPS amending regulations consultation. To note the legal advice that the absence of insurance indemnity cover presented minimal risk to Local Pension Board members. To await further guidance from the Scheme Advisory Board on the issue of insurance	Indemnity insurance now be considered by Board

	Area	Action	Outcome
		indemnity and to consider this at the next ordinary meeting.	
20 July 2016	Risk Register	Resolved: To note the current Risk Register and recommend that PEN020 'Pooling of LGPS assets' be coded red to reflect a high risk of resource pressures arising from asset pooling.	Included in Risk Register for Committee
20 July 2016	Review of the Wiltshire Pension Fund Statement of Accounts	Resolved: To note the draft Wiltshire Pension Fund Financial Statements 2015-16, approved for publication by the Wiltshire Pension Fund Committee subject to the completion of the audit.	Accounts published on completion of audit
20 July 2016	Internal and External Audits for 2016	Resolved: To note the update on the progress of the external audit from KPMG for 2016 and the internal audit report and agreed action plan. To request that an update is provided at the January meeting on the actions taken following the outcome of the internal audit and that external auditors also report to this meeting in the instance of material recommendations arising from that audit. To request that redundancy costs be considered at the October meeting in the instance of such issues arising from the audit.	Updated provided Board updated
20 July 2016	Statement of Investment Principles	Resolved: To note the updated Statement of Investment Principles	SIP published
20 July 2016	Update on the Business Plan	Resolved: To note the update on the Business Plan and to recommend to the Wiltshire Pension Fund Committee that it reviews the priorities or supports the recruitment of additional resource if necessary to achieve the priorities.	Priorities reviewed and reconsidered by Committee
20 July 2016	Assessing the Impact of the Local Pension Board	Resolved:	Still to be reported on

	Area	Action	Outcome
		To agree the proposed Key Performance indicators and request they be included in the Board's Annual report.	
20 July 2016	Local Pension Board Annual Report	Resolved: To approve the Local Pension Board Annual Report. To request that a benchmarking exercise of LPB annual reports be undertaken in comparison with other Boards in early 2017	Done Completed and reviewed
20 July 2016	Brunel Pension Partnership and Investment Pooling 2016	Resolved: To note the update and the joint submission of the Brunel Pension Partnership as the Fund's detailed proposal to the Government's consultation on investment reforms approved by the Wiltshire Pension Fund Committee on 30 June 2016. To endorse the need for an independent review of the Brunel Pension Partnership Business Case and to recommend that overall risks of the new manager are reviewed. To recommend that further detail is provided in the Business Case on the member and employer representation in the governance arrangements of the new pool. To recommend that a low-cost exit strategy for the Fund is negotiated and that detail be provided on the process of transferring to a new pool. To recommend that external resource is recruited to support asset pooling as necessary.	Recommendations to Committee consider when approving the Brunel Pension Partnership Business Plan and updating the Fund's Risk Register
20 Oct 2016	Scheme Legal, Regulatory and Fund update	Resolved: To note the update on scheme, legal, regulatory and fund matters in the report. To request that officers circulate the CIPFA guidance notes on investment pooling to members.	Completed

	Area	Action	Outcome
		<p>To request that the tPR checklist on publishing scheme information is used for the next Annual Report.</p> <p>To request that Cllr Newbury submit his concerns with the Code of Conduct and Conflict of Interest Policy in writing to the Chairman of Board so that a comparison with the policies of other Local Pension Boards may be undertaken and that legal advice on the policy document may be sought in respect of these concerns prior to review by the Committee.</p> <p>To request that references to the Scheme Advisory Board in the Code of Conduct and Conflict of Interest Policy are updated.</p>	<p>Added to Board Annual Report for 2017</p> <p>Completed</p> <p>Completed</p>
20 Oct 2016	Annual Benefit Statement Update	<p>Resolved:</p> <p>To note the update on the Annual Benefit Statement exercise and strategy agreed for 2017.</p>	Revised plan implemented by Officers
20 Oct 2016	Risk Register	<p>Resolved:</p> <p>To note the Risk Register and measures being taken to mitigate risks.</p>	
20 Oct 2016	2016 Valuation Update	<p>Resolved:</p> <p>To note the update on the valuation process provided by the Head of Pensions.</p> <p>To request that the presentation delivered to employers at the meeting on 13 October be circulated to attendees at that event to assist them in relaying the information to colleagues</p>	Completed
20 Oct 2016	Review of the Pension Fund Annual Report and Financial Statements	<p>Resolved:</p> <p>To request that an update be provided to the next meeting on late employer contributions and measures that could be taken to manage this.</p> <p>To note the Annual Report and Financial Statements and to recommend the following stylistic changes:</p>	Update provided

	Area	Action	Outcome
		<p>References to 'Wiltshire County Council' be amended to 'Wiltshire Council'. Paragraphs in the 'Local Pension Board' sections be brought forward to page 6 of the report.</p> <p>To recommend that the Fund's Annual Report and Local Pension Fund Annual Report be separate documents on the website.</p>	<p>Actioned</p> <p>Actioned</p>
20 Oct 2016	Review of External Audit Report	<p>Resolved:</p> <p>To note the Fund is audited against accounting standards and guidance for local authority audits, and on this basis, to note the External Audit Report 2015-16.</p>	
20 Oct 2016	Training Plans Update	<p>Resolved:</p> <p>To note the progress of the implementation of the current Board Training Plans and to revisit training plans at the January meeting</p> <p>To request that the Training Handbook be published online and that members are encouraged to make use of this resource.</p> <p>That members notify the Head of Pensions of training sessions they have attended and events they are invited to in the future.</p> <p>That Board members complete the Pensions Regulator toolkit before the end of 2016 and update the Head of Pensions accordingly.</p> <p>That at least one member of the Board attend the LGE LGPS 'Trustees' Training Fundamentals three-day course and to ask members to express their interest to the Head of Pensions.</p>	<p>Done</p> <p>Done</p> <p>One member to complete</p> <p>To complete</p>
20 Oct 2016	Review of Funding Strategy Statement	<p>Resolved:</p> <p>To note the Funding Strategy Statement and confirm that the approval of the Statement complies with the Scheme's requirements.</p>	Noted

	Area	Action	Outcome
		To request that members feedback further comments following the publication of CIPFA guidance.	
20 Oct 2016	Brunel Pension Partnership Update	Resolved: To note the update provided by the Head of Pensions. To request that the legal assurances on Brunel are released with the Business Case. To request that the consequence of asset pooling proposals on staffing and the auditing arrangements within the Fund be considered with the Business Case.	Incorporated within Business Case Considered at high level
20 Oct 2016	Minutes and Key Decisions of the Wiltshire Pension Fund Committee and Investment Sub Committee	Resolved: To note the minutes and key decisions of the Wiltshire Pension Fund Committee and Investment Sub Committee meetings. To encourage the Fund to engage in dialogue with the Scheme Advisory Board in respect of funding metrics.	
25 Jan 2017	Scheme, Legal, Regulatory and Fund update	Resolved: To note the recent scheme and regulatory changes highlighted within the report and to recommend that items on the consultation update are colour-categorised to correspond with the Wiltshire Pension Fund Risk Register. To recommend that the Pensions Regulator toolkit on data management be added to the consultation update. To recommend that the update on Scheme, Regulatory, Legal and Fund matters is also presented to meetings of the Wiltshire Pension Fund Committee.	Incorporated into update table Included Incorporated as standing item on Committee agendas
25 Jan 2017	Code of Conduct and Conflict of Interest Policy Update	Resolved: To note the updated Code of Conduct and Conflict of Interest Policy Guidelines and the request for members to review their Register of Interest and notify the Board Secretary of any changes.	Completed

	Area	Action	Outcome
25 Jan 2017	Triennial Valuation 2016	Resolved: To note the verbal update provided on the position of the 2016 Triennial Valuation.	
25 Jan 2017	Risk Register update	Resolved: To note the attached Risk Register and measures being taken to mitigate risks and to recommend that the risk of reduced resource in the Accountancy team be added to the register, due to the potential impact on the production of the accounts by June 2017.	Added to Risk Register
25 Jan 2017	Internal Audit report on the Fund's compliance with tPR Code of Practice Code 14, progress of actions from 2016 Key Controls report and audit plan for 2017	Resolved: To note the update and attached Internal Audit Report and updated Action Plan. To request that an update on actions arising from the Audit be provided to the next meeting and an example of tracking late contributions be brought to the October meeting. To request that SWAP benchmark the fund against other similar funds in a future audit report.	Pending
25 Jan 2017	Update on Training Plans	Resolved: To note the current progress of the Members training plan and to request that training undertaken by members in their capacity as employer members also be included. To recommend that officers investigate potential training to be provided by Investec. To request that when training events are offered to members, these are accompanied with a priority recommendation by officers. To request that Local Pension Board members be invited to the Brunel Pension Partnership engagement event, employer member events, and recommend that if	Done Being considered On-going Board members invited to engagement days

	Area	Action	Outcome
		<p>feasible a networking session for Local Pension Boards within Brunel be organised.</p> <p>To request that a benchmarking exercise be carried out against the training undertaken by Board members of other Funds.</p>	
25 Jan 2017	Investment Strategy Statement update	<p>Resolved:</p> <p>To note the progress of consulting on and developing an Investment Strategy Statement.</p>	Investment Strategy Statement completed and approved by Committee
25 Jan 2017	Local Pension Board Proposed Budget	<p>Resolved:</p> <p>To recommend the draft budget for the Board to the Wiltshire Pension Board and recommend that the Committee delegate authority to the Treasurer of the Fund to authorise expenditure in addition to the agreed budget and between budget headings if required between meetings of the Committee, subject to ratification at the next available meeting.</p>	Approved by Committee
25 Jan 2017	Business Plan update	<p>Resolved:</p> <p>To note the updated position from the Business Plan to date and to recommend that officers review 'low priority' actions to evaluate if they should be either de-prioritise or upgraded to a higher priority level, and establish a process by which the Committee reconsiders deadlines for actions where they are not addressed within 12 months.</p>	Business Plan reviewed and revised by Committee
25 Jan 2017	CIPFA Pension Administration Benchmarking Report	<p>Resolved:</p> <p>To note the report on the CIPFA benchmarking club results for 2016.</p> <p>To request that officers confirm details of the 'other work' that contributed to the total figure for the administration cost of the LGPS in the CIPFA benchmarking report at the next meeting.</p>	Board updated

	Area	Action	Outcome
25 Jan 2017	Brunel Pension Partnership update	Resolved: To note the update provided by the Head of Pensions on the progression of the Brunel Pension Partnership.	

LPB Actions log

At its meeting of the 22 October 2015 the Local Pension Board agreed that an Actions Log should be developed in order to track the progress of actions. The Actions Log forms part of the Board's minutes and is considered at every meeting.

The most recent action log can be found here under Item 4.

[Agenda for the Local Pension Board, Thursday, 6th April 2017](#)

Review of LPB compliance with the Pension Regulator's Code of Practice No.14

From April 2015 the Pensions Regulator assumed a new oversight responsibility in respect of Public Service Pension Schemes, including the LGPS. To assist schemes in understanding the Regulator's expectations they have issued Code of Practice No. 14 that applies specifically to the governance and administration of public service pension schemes setting out the legal requirements in these specific matters. It also provides practical guidance and sets out standards of conduct and practice expected of those who exercise functions in relation to the legal requirements. This guidance can be viewed on the following link;

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

One of the key responsibilities of the Local Pension Board is to assist the Administering Authority, Wiltshire Council, to ensure compliance with any requirements imposed by the Pensions Regulator in relation to the Scheme.

On 25 January 2017, A report from the South West Audit Partnership presented their external review of the Wiltshire Pension Fund's compliance with the Regulators Code of Practice which had been undertaken at the request of the Fund.

Representatives from South West Audit Partnership outlined that the Fund had been audited for compliance with the Pension Regulators Code of Practice No 14 and a 'Reasonable Assurance' opinion had been given. They found generally a high degree of compliance recording only the following exceptions all of which are considered to have only a low impact on the scheme:

- the code specifies the measures that the scheme is required to adopt to ensure that pension board members acquire the appropriate knowledge and understanding of scheme matters and relevant law to undertake their roles but the audit found minor omissions in the schemes framework in this respect
- not all Pension Board members have completed conflict of interest declarations
- not all member record address details are complete (although this is a known issue and there is a continual data cleansing and completeness review being undertaken by the scheme database administrator)
- Some employer contributions and deficit instalments paid to the scheme were seen to be overdue but had not been reported to the regulator (although we appreciate only 'material' overdue sums require reporting)
- not all 2015 and 2016 Annual Benefit Statements were issued within the regulatory timescale
- not all features of the scheme's documented dispute resolution procedures required by the code are in place in the documents of the scheme
- Scheme documents do not record the 'reasonable period' by which responses to disputes will be made (although we appreciate that the code does not expressly state this as a requirement)

All the above areas are being addressed by Officers and the Board is monitoring their implementation.

The full review can be viewed under Item 13 on the following agenda: [Local Pension Board Agenda, 25 January 2017](#)

This above report followed on from 7 April 2016 where the Local Pension Board received a report from officers of the Wiltshire Pension Fund setting out the work that had been done in undertaking a self-assessment of how well the Fund complies with the requirements of the Code of Practice.

The assessment was similar and measured the performance in fulfilling its legal obligations as well the areas of the Code that function as practical guidance. The Code is broken down into 4 sections;

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

The Board learned that officers felt the Fund, at the time, was fully compliant with all the requirements set out under Governing your Scheme, Managing Risk and Resolving Issues and partially compliant with the requirements under Administration. The two areas where further work was needed to be carried out where;

i. Scheme Record Keeping

The Fund was reviewing data against the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 ('the Record Keeping Regulations') as part of its on-going data cleansing process. The formal monitoring of performance against the targets in the Record Keeping Regulations needed to be formalised along with data improvement plans currently being worked on. There is also a need for a more formal approach to employer data audits to ensure the accuracy and timeliness of the information being received by employers and measuring this against the targets set out in the Pension Administration Strategy. This work is on-going and the Fund has now introduced KPIs and undertook data cleansing as part of the 2016 triennial valuation exercise.

ii. Provision of information to scheme members

The issuing of Annual Benefit Statements by the 31 August remained a challenging deadline and work continued to ensure this statutory date will be met. The format of the deferred statement needs to be amended to ensure it meets the legal requirements under the Regulations and a project implemented to ensure all member types receive a statement. The Fund was trying to implement Key Performance Indicators (KPIs) to allow the more accurate monitoring of workloads and compliance with the timeframes outlined in Regulation.

The focus for officers has been to undertake a review and careful project plan to ensure compliance with the statutory deadlines.

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

Summary of LPB communications outlining links to the website

At its meeting of 7 April 2016 the Local Pension Board reviewed the Fund's Communication Strategy and website.

Under the LGPS Regulations each Fund must produce a statement setting out how it will manage communications with its members, member's representatives, prospective members and the many employers who participate in the fund.

The Board noted the usefulness of the information provided to members by the Fund and emphasised the need to keep it up to date.

There was also consideration of the use of electronic communications and how these might be used to improve the information to members and achieve savings. While there is presently a low take up of electronic member communication options it was felt that employers should encourage their employees to adopt electronic communications. It was suggested that electronic annual benefit statements would be one area where considerable efficiencies and improved member experiences could be achieved.

The complete Communications Strategy can be seen here;

<http://www.wiltshirepensionfund.org.uk/communications-policy-2015.pdf>

www.wiltshirepensionfund.org.uk

[@WiltsPensions](#)



The Fund also has a requirement to publish certain information about the Local Pension Board and to communicate this to its members. The table overleaf shows the Fund's full compliance with this checklist.

Local Pension Board

Communication and Publishing Local Pension Board Information - the Pension Regulator Checklist

Publishing	Yes	No	Comments
who the pension board members are	√		Published on the website
representation on the pension board	√		Published on the website
matters for which the pension board is responsible	√		Published on the website
the pension board's terms of reference	√		A link on the website
the pension board appointment process	√		This was published on the website. Full details can be found in the Terms of
who each pension board member represents	√		Member biographies are published on the website
employment and job title (where relevant and any other relevant position held by each board member	√		Published under the member biographies
any specific roles and responsibilities of individual pension board members	√		Published on the website

Communication to members	Yes	No	Comments
maintaining information on a website that members can access	√		Page dedicated to the local pension board kept up to date on the website
displaying the information in notices at employers offices	√		Information is published in the Electric Wire which employers make available to employees
including information in regular communication to members	√		Information sent to home addresses in annual newsletters, AGM held annually
LPB information available to scheme members	√		Page dedicated to the LPB available to scheme members on the website, information at AGM
Contact name provided	√		Contact names available on the website
details on how the information is made available	√		This information is made available in the Terms of Reference

LPB operational costs for 2015-16 & Budget for 2016-17

The cost of the Wiltshire Pension Fund Local Pension Board is part of the overall running costs of the Fund and should be seen in the context of its role in assisting with the good governance and administration of the Fund.

The budget for the Local Pension Board is approved by the Pension Fund Committee as part of the process of setting the Fund's budget for the year. Any expenditure in excess of the agreed budget must be approved by the Wiltshire Council Associate Director, Finance.

The budget for 2016-17 and 2017 – 18 can be seen below.

	2016-17 Budget £	2016-17 Actual £	2017-18 Budget £
Independent Chair Remuneration	9,214	9,216	9,214
Independent Advisor Fees	7,000	5,000	7,000
Training	12,000	5,000	6,000
Printing	1,000	0	1,000
Committee Services Recharge	3,000	2,067	3,000
Travel & Subsistence & costs	800	331	800
Catering	400	0	400
Total	33,414	21,614	27,414

The main change in the budget reflects a change in the phasing of training costs. A sum of £6,000 was provided for pre-appointment training for Board members in 2016-17 but this has not been used in year and this has not been provided for again in 2017-18.

Assurance of the LPB Annual Report

It is the role of the Local Pension Board to assist Wiltshire Pension Fund as the Administering Authority for the Wiltshire Pension Fund to secure compliance with;

- The LGPS Regulations and related legislation
- The requirements of the Pensions Regulator; and
- to ensure the effective and efficient governance and administration of the Scheme

The Local Pension Board is not intended to replace existing bodies such as the Wiltshire Pension Fund Committee or Investment Sub-Committee. Nor is the Board responsible for the auditing of the Wiltshire Pension Fund.

In carrying out its role, the Local Pension Board has;

- Considered the minutes of the Pension Fund Committee and Investment Sub-Committee
- Considered the main policies and documents of the Wiltshire Pension Fund
- Considered the Funds Business Plan, Audit Report and Risk Management Strategy
- Received a report on the Fund's compliance with the Pension Regulator's Code of Practice No. 14
- Received legal and regulatory updates on LGPS matters
- Received training from external advisers and Fund officers.

The funds external auditors have reviewed the LPB annual report as part of their annual audit of the Wiltshire Pension Fund but they do not provide any assurance over its contents.

This Report is intended for the information of Wiltshire Council and the Scheme members and employers who participate in the Wiltshire Pension Fund. This Report has been formally noted by the Wiltshire Pension Fund Committee at their meeting of **[27 September 2017]**

Assessing the Impact of the LPB

The purpose of these measures and key performance indicators (KPIs) is to measure and assess the performance, impact, and achievements of the LPB.

	Topic	Description of measure	How assessed	Assessment April 2016 to April 2017
1	Conflicts of interest	LPB members have no or only minimal conflicts of interest with any fund investments or pensions paid by the fund	All LPB members conflicts of interest are disclosed on the LPB public register	Achieved
2	Participation and engagement	Attendance at quarterly meetings and valued inputs to the fund management between meetings	Full attendance at LPB meetings. Comments made on meeting papers. Other contributions to LPB and fund business between meetings by email or phone.	Partly achieved Some meeting absences.
3	Pensions knowledge	LPB members level of understanding of the LGPS, the fund objectives, the fund compliance, and its relative performance	All LPB members passed all modules of the TPR public sector pensions training, attended LGPS fundamentals and all in-house fund training at LPB meetings, and all LPB training logged	Partly achieved Member training underway.
4	Work planning	LPB members contribute to the development of the LPB work plan and its implementation	LPB has a defined work plan for at least one year ahead which is reviewed at each meeting and updated accordingly	Achieved
5	Influence	LPB members recommendations to positively contribute to the development of the overall fund strategy and policies drawing on their collective and individual	Recommendations made by LPB acted upon by the fund and used in redrafting of policies or to adapt processes to assist with the internal implementation and	Achieved

		experience and expertise.	communication of the fund compliance and stewardship.	
6	Compliance	LPB work ensures compliance with the TPR code of practice on enforcement	LPB members agreed breaches policy and reviewed fund compliance against TPR code.	Achieved
7	Governance	LPB work ensures fund complies with statutory governance standards	Fund governance compliance statement and its achievement based on DCLG standard and assessment measures and refers to role of the LPB.	Achieved
8	Administration	Fund participation in annual CIPFA LGPS funds annual administration survey	LPB work encourages fund administration to adopt best LGPS practice	Achieved. Fund compared its charges made to non-complying employers with other funds.
9	Efficiency and Effectiveness	LPB work encourages fund to actively benchmark its performance	LPB assessment of fund governance, administration, investment, and costs per member being within the range of similar sized LGPS funds	Achieved
10	Value for money	Costs of LPB	LPB actual spend less than budgeted spend	Achieved
11	Communications and reporting	LPB meetings, papers, minutes and annual reports	All available and published on fund website	Achieved
12	Enhanced fund reputation	Input by LPB members help funds external reputation to be enhanced	Positive feedback on fund and LPB in meetings, in letters, or in the news media, or Pension	Partly achieved Too early to assess

			Fund Awards. Improving rank position in relation to other LGPS funds in national surveys.	
13	Succession planning for LPB members	Fund have high quality people saying they want to be future members of LPB	Ease of external recruitment of new or replacement LPB members based on number and suitability of future applicants.	Not achieved Too early to assess

LPB forward look to 2016-17 and proposed work plans

The Board's workplan for 2016-17 can be found here;

<http://www.wiltshirepensionfund.org.uk/local-pension-board-forward-plan-july-2016.pdf>