



WILTSHIRE
PENSION FUND

Local Pension Board Annual Report

20 May 2021

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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 2020 to 31st March 2021 during which the LPB held 4 meetings. Due 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, during my first year as the new Independent Chair of the Wiltshire LPB, with the support of the officers and advisors to the Wiltshire Pension Fund Committee, the Board has made good progress in fulfilling its terms of reference in its sixth year, and the LPB is again able to provide assurance that the WPF is complying with its statutory duties.

The LPB is pleased that Wiltshire Council, as the Administering Authority, continues to support the Wiltshire Pension Fund staffing structure, ensuring the provision of suitable training and development to staff, and agreeing to provide additional resources to facilitate an increase in staffing numbers, as supported by the LPB, which will provide continued resilience from the ever increasing workload required by law to effectively manage the WPF.

During 2020/21 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 10 to 20. This work included a self-assessment of the compliance with TPR Code of Practice 14, as reported on page 22, and the LPB welcomes the significant improvements achieved during the year and the high level of compliance being achieved by the Fund..

During the year, the LPB made a number of recommendations in respect of various improvements to the governance and administration of the WPF, as set out in the outcomes table, and is pleased that the vast majority were accepted, and have either been completed or are in the process of being completed. These included various amendments and additions to the WPF risk register, the adoption by the Committee and Board members of a new on-line development portal provided by the Funds actuary, enhancements to the WPF key administration performance indicators, and action taken in relation to audit reports. In respect of key audit reports, the LPB has closely monitored the project being undertaken by the Fund's officers to undertake a full reconciliation of the records held on the Pensions Payroll system with those held on the Pensions Administration system. This project is on-going and will continue to be monitored during 2021/22.

The LPB has also monitored the on-going process and risks and opportunities surrounding the pooling of the fund's asset with the Brunel Pensions Partnership (BPP), and has supported the Pension Committee, in the actions taken to help to facilitate the continued improvements in the governance arrangements within the partnership.

Finally, 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”) 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 and has no decision-making authority.

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

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

<http://www.wiltshirepensionfund.org.uk/media/3560/terms-of-reference-local-pension-board.pdf>

The Wiltshire Pension Fund Local Pension Board is comprised of;

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

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

Wiltshire Council has chosen not to operate a combined Local Pension Board and Pension Committee.

In addition to making Local Pension Boards a mandatory part of the LGPS governance structure the Public Service Pensions Act 2013 also brought about a new role for The Pensions Regulator. The Regulator now has the role of overseeing good governance within all Public Service Schemes, which includes the LGPS. The Regulator can issue enforcement notices where it believes that LGPS Funds are not complying with certain pension legislation, including, in respect of Local Pension Boards, matters such as representation and ensuring that conflicts of interest do not exist on Boards.

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

The Public Service Pensions Act 2013 does require an administering authority to publish information about its pension board. The administering authority is required to publish a governance compliance statement which, in addition to information on the governance of the Fund, it 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 on its work that it has done. 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; and
- 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 here http://www.wiltshirepensionfund.org.uk/media/4115/governance_compliance_statement.pdf

LPB members register and declarations of interests

Local Pension Board as at 31 March 2021

Role	Member	Date of Appointment	Date left Office	Meetings attended in 2020/21 (maximum 4)
Independent Chairman	Mark Spilsbury	01/04/2020	-	4
Employer Member Representatives	Cllr. Richard Britton	16/05/2017	-	4
	Paul Smith	25/02/2020	-	3
	Ian Jones	26/11/2019	-	3
Scheme Member Representative	Mike Pankiewicz	14/07/2015	-	3
	Barry Reed	14/07/2015	16/09/2020	3
	Marlene Corbey*	20/10/2020	-	2
	Rod Lauder	26/11/2019	-	3

*Attendance includes being present as an observer

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

Scheme Member Representative:

Barry Reed, Unison representative, retired member

Mike Pankiewicz, Unison representative, retired member

Marlene Corbey, Unison representative, retired member

Rod Lauder, Wiltshire Council employee, active member

Full biographies for all Board Members can be found here

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

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

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

LPB approved training plan and members training logs

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

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

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

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

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

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

Degree of Knowledge and Understanding

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

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

Areas of Knowledge and Understanding

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

- Scheme approved policies (e.g. managing conflicts of interest, reporting breaches of the law or record keeping)
- Risk assessment and management
- Scheme booklets and other members' communications
- The role of Local Pension Board Members and the scheme manager (Wiltshire Pension Fund)
- Policies in relation to the exercise of discretions
- Communications with scheme members and employers
- Key policy documents on administration, funding, and investment (e.g. the administration strategy, Funding Strategy Statement or Investment Strategy Statement)

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

Achieving the required level of knowledge and skills

The Board members approved training programme covering the period 2018 to 2021 has been fully implemented and is designed to develop the necessary level of knowledge and skills for members. The strategy integrates with the Pension Fund Committee members training programme & aims to offer the widest opportunity for development. During 2020/21 the key elements of the programme were;

- To provide induction training for all new Board members. During 2020 one member of the Board was appointed, however due to Covid-19 the Board's normal induction training had to be reconfigured in so far that the usual attendance at a 3-day LGPS Pension Fundamentals Course presented by the Local Government Association was replaced within additional focus on a review of the Fund's key documentation such as the Annual Report & Accounts. Attendance for new members at the LGPS's Pension Fundamentals Course will be revisited in future years, in addition to being accompanied by the new on-line development and training portal adopted by the LPB, and the e Member's handbook and Officer led Induction training at an appropriate time. This suite of basic training on all the key areas of the LGPS will provide a thorough understanding of the scheme, its legislation and an appreciation of the different areas of work which needs to be undertaken.

In addition;

- New Board members will complete the Pension Regulator's on-line toolkit designed to provide a sound understanding of the roles and responsibilities of public service pension board members.
- During the summer of 2021, the results of an extensive self-assessment platform will be used to develop an updated training programme for all members, for the next four years as well as a members training programme for 2021-22.
- To continue to receive regular training as part of Local Pension Board meetings and to supplement knowledge by attendance at relevant on-line seminars, conferences & webinars.

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	RB	IJ	PS	MP	BR	MC	RL
21/05/2020	The Roles & responsibilities of the S151 & Monitoring officers	45	x	x	x	x		x		x
06/08/2020	National Fraud Initiative & Certificate of Existence Exercise	20	x	x			x	x		
18/02/2021	Administering Authority's Discretions Policy	20	x	x	x	x	x		x	x

The following were joint training sessions with the Pension Committee:

Date of meeting	Topics Covered	Duration (Minutes)	MS	RB	IJ	PS	MP	BR	MC	RL
16/07/2020	Investment Risk	60	x				x			x
27/11/2020	New Member Induction training	135							x	
02/12/2020	Investment Manager Presentation - PineBridge	30					x			
02/12/2020	Investment Manager Presentation - NinetyOne	30					x			
25/02/2021	Investment Manager Presentation - Partners Group	30							x	
25/02/2021	Investment Manager Presentation - BPP	30							x	
10/03/2021	Climate Change Modelling workshop	140		x	x				x	x

The following was additional training opportunities undertaken by Board Members:

Date of meeting	Topics Covered	Duration (Minutes)	MS	RB	IJ	PS	MP	BR	MC	RL
01/04/2020	TPR toolkit completion	330	x		x	x				x
02/04/2020	CIPFA LPB Spring Seminar	45	x							
19/05/2020	Taking an Employer Health Check	45				x				
06/05/2020	Helping to keep you up-to-date on what's happening in the LGPS	30				x				
18/06/2020	Mortality impact of Covid-19	30								x
24/06/2020	LGPS Local Pension Board Members' Annual Event - Webinar	45	x							x
18/11/2020	Brunel Investor Day 1 - Webinar	120	x							x
19/11/2020	Brunel Investor Day 2 - Webinar	120								x
18/02/2021	Public Sector Exit Cap (£95k) - Revocation	30								x
23/03/2021	Review of last year and the year ahead	30								x

Key:

HP – Mark Spilsbury, Independent Chair

RB – Richard Britton, Employer Representative

IJ – Ian Jones, Employer Representative

PS – Paul Smith, Employer Representative

MP – Mike Pankiewicz, Retired Member Representative

BR – Barry Reed, Retired Member Representative

MC – Marlene Corbey, Retired Member Representative

RL – Rod Lauder, Member Representative

LPB Year 3 Work plan and outcomes

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

The Local Pension Board's terms of reference which was updated in July 2020 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 that the Local Pension Board may wish to consider include (but are not limited to) the following;

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

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

- Monitor performance of administration, governance and investments against key performance targets and indicators.
- Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.
- Monitor investment costs including custodian and transaction costs.
- Monitor internal and external audit reports.
- Review the risk register as it relates to the scheme manager function of the Administering Authority
- Review the outcome of actuarial reporting and valuations.
- Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness and efficient operation and governance of the Fund.

Outcomes and LPB recommendations made to the Administering Authority (Pension Committee)

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

The creation of the Local Pension Board does not change the core role of the Administering Authority nor the way it delegates its pension functions to the Pensions Committee & in turn the Investment Sub-Committee. The role of the Local Pension Board is to oversee decisions made by the Administering Authority and to make recommendations to improve the efficient and effective administration and governance of 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
21 May 2020 (Min 36)	Scheme Legal, Regulatory & Fund update	The Board requested clarification concerning the Fund's process whereby an immediate review of the Fund's investment strategy is undertaken should the funding level drop by more than 20% from the latest actuarial valuation figure. Resolved: Advice to be sought from the Fund's actuary and investment consultants.	Advice was sought and updates were provided at both the Investment sub-Committee & Committee meetings in July 2020. It determined that no action should be taken in anticipation of a longer-term recovery.
21 May 2020 (Min 39)	Draft Investment Strategy Statement (ISS)	Considering the concerns raised over the threat to investment opportunities as a result of COVID-19 the Board sought clarification concerning the use of suitably qualified and experienced experts. Resolved: The Board endorsed the process being taken by Committee concerning Fund's long-term investment strategy and to wait until the markets stabilise.	Regular updates were provided to members of all groups during 2020 & the Head of Pension Fund Investments held weekly calls with the Fund's professional investment advisers.
21 May 2020 (Min 40)	New Employer Policy	Clarification was sought concerning whether the Fund should insist on a guarantee being in place for certain categories of employers. For admitted bodies who can only join the Fund upon signing an admission agreement the process could only be completed if	The Employer policy was approved by Committee on 16 July 2020

Date - Ref	Area	Minute	Outcome
		sufficient security was in place. Academies had a statutory right to join and were funded through the Department for Education who effectively acted as their guarantee. Resolved: To recommend the new Employer Policy to the Committee.	
21 May 2020 (Min 42)	Risk Register update	The Board recommended following risks be added to the register: failure to implement the Fund's Data Retention Strategy & failure to implement an interim investment portfolio in private markets & multi asset credit arrangements. Resolved: To recommend the changes/actions in the risk register to the Committee.	Changes to the risk register were made by officers as instructed, following which approval was provided by the Committee.
21 May 2020 (Min 43)	Administration Key Performance Indicators	The Board noted that the Administration Strategy's target days were aspirational and designed to facilitate a high level of customer service. The regulatory timeframes were quite generous and were not in line with what the Fund considered to be customers' expectations. Resolved: The Board endorsed the Fund's plans for improvement to its customer service.	Whilst the Committee accepted the Board's recommendation it requested revised targets as the initial targets set were to aspirational. These revised targets were approved in September 2020.
21 May 2020 (Min 44)	Low Volume Key Performance Indicators	This new annual low volume KPI report was designed to give visibility to the Fund's low volume regulatory requirements by collating them into one document. The KPI's included tPR breaches, ICO breaches, IDPRs, Complaints, Subject Access & Freedom of Information requests. Resolved: It was recommended that the report be managed by officers and submitted to the Committee on an exception basis only.	Officers noted the Board's recommendation and adopted the approach suggested.
21 May 2020 (Min 45)	tPR Code of Practice 14 Self-Assessment for 2019-20	An improvement was observed in the number of compliance areas which did not fall below the required standard, from ten areas identified in 2018-19 to eight in 2019-20. Of the ten areas identified in 2018-19 two had moved to a	The action plan for improvement was taken forward by officers and is primarily included within the quarterly KPI update to members.

Date - Ref	Area	Minute	Outcome
		<p>well-managed green risk status, most notably the understanding of tPR breach reporting. One risk had also shown marginal improvement being lowered from a red to an amber risk rating. Officers would continue to implement their action plan to address any failing risks.</p> <p>Resolved: To endorse the self-assessment and recommend a continuation of the officer's action plan.</p>	
<p>6 August 2020 (Min 61)</p>	<p>Scheme Legal, Regulatory & Fund update</p>	<p>Details of the McCloud judgement and the cost cap mechanism consultation had been considered and a project team had analysed the resource needed and administrative impact of the final legislation. Despite refining the membership numbers affected by McCloud it was noted that the administrative impacts were more significant than the financial ones. Once fully analysed the administrative impact on the risk register rating would be reviewed. A watching brief would continue concerning the cost cap. Resolved: The Board recommended that the risk register rating for the McCloud judgement remain unchanged.</p>	<p>The risk rating of "red" concerning McCloud was submitted to Committee is line with the Board's recommendation. The Committee agreed with the Board's recommendation.</p>
<p>6 August 2020 (Min 62)</p>	<p>Training item – NFI & Certificate of Existence exercise</p>	<p>The mortality screening existence exercise for the overseas pensioners and the LGPS National Insurance Database were discussed. The differences between the mortality register, access to records between the UK and overseas and methods for determining the death of a member were also discussed. In conclusion the Fund would use the NI database to prevent duplicate grant payments being paid.</p> <p>Resolved: The Board endorsed the communication, escalation & record checking processes for the granting of payments.</p>	<p>A Death Grant policy was presented to the Board in February 2021 and the Committee approved an updated version of the Administering Authority's Discretions Policy in December 2020.</p>

Date - Ref	Area	Minute	Outcome
6 August 2020 (Min 64)	Internal Audit update	It was noted that to the audits had specifically looked at Fund processes but had not extended to the Brunel's processes. The auditors (SWAP) recommended that Brunel share their cost transparency information but to date a full picture had not been received. As a result, the auditors were asked to look at the savings arising from the pooling with Brunel and see whether these are being realised. Resolved: To recommend that an audit of Brunel's cost savings be included in the next financial year.	An audit of Brunel's cost savings was approved by Committee for inclusion in their audit strategy for 2021/22.
6 August 2020 (Min 65)	Employer Training Policy	The Board asked if an annual report of Employer performance would go to both the WPFC and the LPB and if there could be updates in the administrative reporting showing the number of employers in each performance category and their movements since the previous report. Resolved: Once the strategy had been implemented officers would provide an annual report with the relevant information.	A report for presentation to the Board is anticipated in the 2021/22 Scheme Year.
6 August 2020 (Min 66)	Fraud Risk Prevention & Mitigation Measures	The internal Council financial risk controls were discussed including the different levels of authorisation and approval; specifically, around the different layers of checking dependant on the level and amount of payments made. The Board questioned the possibility of an increase in the risk of fraud due to the impact of COVID-19. No evidence that COVID-19 increased the risk was currently present but nationally it was noted that there was an increase in cases of fraud linked to transfers out. Resolved: Officers agreed to monitor fraud risk.	Officers have adopted the Board's recommendation and as part of the monitoring process intend conduct a review of the Fund's anti-fraud, corruption and whistleblowing policy in 2021/22
6 August 2020 (Min 67)	Risk Register update	The following risk was added to the register: a failure by Brunel to properly address shareholder concerns via their governance	The Board's recommendations for the risk register were approved by Committee.

Date - Ref	Area	Minute	Outcome
		<p>review. Other risk changes included an inability to implement a strategy to ensure Climate Change considerations and a failure to comply with the FCAs MiFID II compliance. In addition, following Committee's decision that the Fund's cyber security measures should be increased to Amber, the Board agreed that this risk rating should be increased too. The Board highlighted the transition of pooled assets to Brunel and the potential failure to deliver the projected savings. Timescales would need to be reviewed and a report made to the Board. Resolved: The Board recommended the changes/actions in the risk register to the Committee.</p>	
<p>6 August 2020 (Min 68)</p>	<p>Administration Key Performance Indicators</p>	<p>An additional column of CIPFA targets will be shown alongside the aspirational targets, to measure both basis and new measures should be added to illustrate the progress of onboarding employers onto i-Connect and members onto My Wiltshire Pension. Another measure aimed at splitting out the backlog cases and monitoring backlog work separately should also be made. As these changes, particularly the CIPFA targets were appropriate to give clarity to the Fund's financial position and performance improvement. Resolved: The Board endorsed the recommendation for the planned improvements to KPI monitoring.</p>	<p>With reference to Minute 43, 21 May 2020 the changes requested were incorporated into the Fund's KPI reporting framework.</p>
<p>6 August 2020 (Min 69)</p>	<p>Member Effectiveness Review</p>	<p>The changes to the WPFC and LPB terms of reference had been approved on 21 July 2020 by Full Council and a review of the Fund's Investment Sub-Committee terms of reference and Governance Compliance Statement would now take place to ensure consistency. Resolved: To endorse the review of the next set of documents.</p>	<p>The Committee approved the updated Investment Sub-Committee terms of reference and Governance Compliance Statement in March 2021.</p>

Date - Ref	Area	Minute	Outcome
6 August 2020 (Min 71)	Date of next meeting and Forward Plan	An action on the actions log concerning MiFID II and the Fund's requirement to gain approval from Brunel concerning their acceptance of its MiFID II compliance arrangements was asked to be removed. Resolved: The Board approved removal of this action.	The action was removed
6 August 2020 (Min 73)	Fund Data Security, Cyber Resilience & Business Continuity Planning	A report updating the Board on the Fund's approach to managing its cyber resilience, data security and business continuity planning was presented. Resolved: The Board recommended the findings of the report be submitted to the Committee for their endorsement.	The Committee approved the Fund's strategy and instructed officers to take additional measures during the Scheme Year 2021/22. Minute 197, 24 September 2020.
15 October 2020 (Min 84)	Scheme Legal, Regulatory & Fund update	Reforms to the public sector exit payments were highlighted as being challenging in respect of the proposed changes to the primary legislation, in so far that the Fund could be legally required to follow two pieces of legislation which contradicted one another. LGPS regulations changes to employer contribution rates, subject to certain conditions being met also needed to be implemented affecting the Cessation Policy and Funding Strategy Statement. However, Fund agreement to an employer's request for a flexible approach to cessation debt would still be required. A review of the employer ill health insurance policy was taking place to limit the risk to employers but provide a similar cover in a more cost-effective way. Resolved: The Board requested that all three issues be brought back to the Board until they were resolved & could be forwarded to the WPFC for approval.	The issues of public sector exit payments, LGPS regulations changes relating to employers and the employer ill health insurance policy were all brought back to the Board on a regular basis.
15 October 2020 (Min 85)	Training Update	Due to the COVID-19 restrictions preventing members from attending conferences, seminars and other events alternative training methods had been considered. Hymans Robertson on-line training portal was reviewed by	The Committee adopted the Board's recommendation to adopt the new on-line training platform being offered by the Fund's professional advisers.

Date - Ref	Area	Minute	Outcome
		<p>the Board as an addition to the existing member training arrangements. The Board agreed to adopt the training platform and indicated that WPFC members and their substitutes also adopt it.</p> <p>Resolved: The Board recommended that the Committee members & their substitutes adopt the training platform.</p>	
<p>15 October 2020 (Min 88)</p>	<p>Board Insurance</p>	<p>The annual premium for the Board's insurance was discussed, bearing in mind past legal advice. Officers had approached the Scheme Advisory Board (SAB) for updated legal guidance as well as other Board's to receive feedback of their views. The Board's insurable risk was discussed, and an assurance was requested from the Council affirming that no action would be taken against the Board for recommendations that it made.</p> <p>Resolved: To recommend that the insurance continue until written assurance is received from Wiltshire Council and SAB had provided updated legal guidance.</p>	<p>Officers agreed to ensure that the Board's insurance would continue until it had received the relevant assurance from Wiltshire Council and confirmation from SAB concerning its legal guidance.</p>
<p>15 October 2020 (Min 89)</p>	<p>Internal Audit 2020-21</p>	<p>The key findings relate to i-Connect's contributions which highlighted a process flaw in posting contribution data to the general accounting ledger. To resolve the issue employers had been asked to submit simplified returns including spreadsheets which could be uploaded to the ledger minimising the risk of errors. An integrated monitoring report would also provide clarity. In addition, the reconciliation of administration and payroll databases from the 2018-19 audit was noted. Resolved: To endorse the management actions being taken and recommend that a report on the administration and payroll database reconciliation should be submitted to the WPFC in December 2020. An audit action</p>	<p>Officers are providing regular reports to the Board & Committee on the important administration and payroll database reconciliation, which is currently on-going. Officers have also implemented a new contribution monitoring process which integrates with i-Connect.</p>

Date - Ref	Area	Minute	Outcome
		progress update should also be brought to the next Board meeting.	
15 October 2020 (Min 90)	Internal Audit 2021-22	The strategy for audits should include an audit of the expected Brunel cost savings, Pension transfers to BPP, internal financial controls and GDPR, as well as challenging the significant and newly implemented functions of i-Connect, GDPR and access controls and the Fund's treasury management arrangements. The self-assessment of the Code of Practice 14 should be excluded. It recommended that the Fund should be allowed to request SWAP audits from other service areas within Wiltshire Council to fulfil its oversight function. It noted the conclusion to the outstanding external audit for the 2018-19 Wiltshire Council accounts was on a qualification basis, which had affected the sign off the Pension Fund accounts. Resolved: The Board recommended that the audit strategy outlined above should be commissioned by the WPFC. Furthermore, if the 2019-20 accounts were not signed off the Board would require a written explanation.	The audit strategy for 2021/22 was approved by the Committee and submitted to the Council's internal auditor in January 2021. The 2019/20 accounts were signed off in April 2021.
15 October 2020 (Min 91)	The LPB's Register of Interests & Conflict of Interests Policy	Following changes to the LPB's terms of reference the Board's Code of Practice had been aligned with the administering authority's Code of Practice, rather than it operating as a standalone arrangement. Resolved: To approve the following recommendations; a) Members declarations on the Register of Interests forms should continue to be completed b) To extend the review cycle from two years to three years, subject to c) below c) On receipt of updated guidance from tPR in anticipation of a new "Single Code of Practice", review the policy & d) To update the	Officers have actioned the three of the four recommendations made by the Board. At the time of writing this report it is noted that tPR's new single code of practice is likely to come into effect by Q4 2021, at which stage officers will implement the changes required.

Date - Ref	Area	Minute	Outcome
		Board's Code of Conduct, Register and Conflicts of Interests Policy to reflect Protocol 2B	
15 October 2020 (Min 92)	Risk Register Update	The following risk was added to the risk register: a failure to implement the findings of the Goodwin case. Other risk changes included a failure to collect and account for contributions on time, an over-reliance on key officers and a failure to comply with Data Protection legislation. It was noted that website improvements concerning accessibility for members who had additional needs would be added too. Resolved: To recommend the changes/actions in the risk register to the Committee and to request that the Accessibility regulations risk be added.	The Board's recommendations for the risk register were approved by Committee.
18 February 2021 (Min 104)	Annual Report & Accounts	The Fund's 2019-20 Accounts had not been signed off at the Audit and Governance Committee's meeting on 10 February 2021, although not due to any issue with the Fund's Accounts. Officers expect the accounts to be signed off at the next meeting on 28 April 2021. Resolved: If the Accounts are not signed off in April, the Board should consider a recommendation.	The 2019/20 accounts were signed off in April 2021.
18 February 2021 (Min 110)	Training Update	It was recommended that the Board monitor the training of Board and Committee members. The Chairman noted his support for the recommendation, subject to anonymity conditions. Resolved: To monitor members' training on a no more than sixth-monthly basis	Officers noted the Board's recommendation and would adopt the approach suggested
18 February 2021 (Min 111)	Administering Authority's Discretion Policy	The key existing policy areas included a satisfactory medical before agreeing the application to pay APCs, allowing transfers of non-club pension rights and deciding to whom a death grant is paid. Resolved: The Board noted	The policy was approved by the Committee.

Date - Ref	Area	Minute	Outcome
		the amendments recommended them to the Committee.	
18 February 2021 (Min 113)	Proposed Business Plan - 2021/22	Officers highlighted the key strategic actions such as the continued rollout of i-Connect and E-Communication improvements. Where high priority actions had not been completed in 2020/21 it was due to the complexity of the issues and resources needed to complete them. Resolved: To recommend the proposed business plan for 2021/22, subject to the actions being ordered into service priority order.	Officers actioned the Board's recommendation to prioritise the objectives.
18 February 2021 (Min 114)	LPB Budget Setting 2021-22	The current climate required Council budget cuts and it was proposed that the LPB reduce its consultancy advice budget by £2,000. Resolved: To recommend the Board's budget for 2021-22 to the Committee including a reduction in budget for consultancy advice. Furthermore, the Board resolved to review its budget annually, with updates provided only on an exception basis.	Officers actioned the Board's recommendation to reduce their budget due to the current financial climate.
18 February 2021 (Min 116)	IHER Insurance Proposal	The report outlined the new approach to providing employers with insurance against ill-health retirement strain costs which is due to take effect from 1 April 2021. The Board noted the discussions with the Fund's advisers and the employer consultation, as well as the benefits for protecting smaller employers. Resolved: To note the new arrangements already recommended to the Committee	The new insurance arrangement was approved by the Committee.
18 February 2021 (Min 118)	Governance Compliance Statement (GCS) and Investment Sub-Committee (ISC) Terms of Reference (ToR)	Following the changes to the Pension Committee and LPB's ToR these documents require synchronising. GCS changes included its relationship with the ISC and the Brunel pool. It was noted that the GCS should refer to assurance from external agencies in executing the Committee's responsibilities. Resolved: To recommend the Committee	The GCS & ISC ToR were approved by the Committee.

Date - Ref	Area	Minute	Outcome
		approve the GCS and ISC ToR, noting that external assurance would be included when changes are made following the SAB's Good Governance Review	
18 February 2021 (Min 120)	Risk Register Update	A new risk concerning the Council's Evolve programme had been categorised as 'Green'. As a horizon risk officers indicated that they were aware of it, however nothing had yet been implemented Resolved: To recommend the changes/actions to the risk register to the Committee.	The Board's recommendations for the risk register were approved by Committee.
18 February 2021 (Min 121)	Investment Strategy Statement (ISS)	The ISS had been updated to include the Fund's approach to Climate change, a statement on TCFD and on its investment beliefs for approval at the Committee meeting on 30 March 2021. Resolved: To recommend approval of the changes advised.	The ISS was approved by the Committee.
18 February 2021 (Min 127)	Pensioner Payroll Database Reconciliation	Officers outlined policies they propose to adopt to enable the reconciliation. These included the management of over & underpayments & the scope of delegated decision making. A resource budget to facilitate the project was also proposed along with the arrangements to migrate historic records to the current pension database. Resolved: To recommend the approach to the Committee and request updates on the project be brought to all future meetings	The approach was adopted by Committee and regular updates will be provided to the Committee and Board by Officers during 2021/22
18 February 2021 (Min 129)	Key Financial Controls	An internal audit had made observations concerning the Fund's contribution posting and payroll reconciliations. Consequently, a process review had taken place and the new approaches to both were outlined to the Board by officers. Furthermore, the external auditors had been informed that the Fund was actively attempting to resolve the points raised. Resolved: To endorse the approach to rectifying both reconciliation issues.	Officers have implemented improvement plans in respect of both recommendations.

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

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.

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

In March 2021 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 2021.

Using the Fund's standard questionnaire composed of 84 questions covering all areas of the Fund's internal controls the Officers report outlined an overall improvement, with a reduction from 8 areas requiring improvement in 2019-20 to 1 area in 2020-21. This represented the fourth year of improvement in a row. The answers to most of the areas reviewed were found to be adequately controlled & the risks were being well managed. With the anticipated introduction of the new Single Code of Practice as well as SAB's Good Governance review in the next 12 months it was however expected that future improvements to the Fund's internal controls would still be required in order to maintain its overall compliance.

Of the 8 areas identified as requiring improvement in 2019-20, the 7 areas moving to a well-managed risk status, primarily reflect the Fund's improvements in internal controls arising from the impact of its new digital & automated platforms, particularly i-Connect. Consequently, improvements in data management and quality had occurred. This left 1 risk where no significant progress had been made and this centred around the Fund's communication and timely disclosure of information. Officers would continue to implement the existing action plan to address this risk, which concentrates on the Fund's casework backlogs so that it can reach an adequate standard. The key elements of this action plan include;

- Improved data on which to process member casework provided by automated platforms such as i-Connect;
- Increased staffing to process the backlogs, including the availability of overtime for staff;
- The introduction of a digital programme, particularly My Wiltshire Pension which would enable Fund members to enjoy a self-service facility; &
- The introduction of process automation to assist staff by enabling the Fund to bulk process straightforward casework.

On agreement with the Board the results of the March 2021 review were not subject to independent audit. In light of the ongoing improvements identified through the self-assessment process and the anticipated introduction of a new Single Code of Practice towards the end of 2021, the Board had also agreed that no South West Audit Partnership (SWAP) audit would take place in this area until 2022.

At the time of writing this report the Board is also aware that changes to strategic policy documents will need to be implemented in consideration of the new Single Code of Practice, however as the Regulator has used the Code of Practice 14 as the basis of their new Single Code it is anticipated that the performance measurement of the Fund in fulfilling its legal obligations under the new Code will continue to be fundamentally the same and be broken down into the following 4 sections;

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

Over the next 12 months Officers will focus their project plan on the introduction of the new Single Code requirements, whilst maintaining their existing compliance requirements under the old code to ensure compliance with all 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>

Internal Audit Update

In addition to an Officers self-assessment, the internal auditor's annual review provided a "Reasonable" assurance concerning the Fund's processes, however they did make three key recommendations for the Fund to take forward, two of which had been highlighted in previous years. These were;

- To continue to focus on the casework backlogs, ensuring that individual team member productivity is monitored as part of this process.
- To ensure accurate data is held by conducting full reconciliations between the Pension and Payroll databases and that these reconciliations are completed on a frequent basis.
- To tighten any internal control inefficiencies in relation to the new procedures for the i-Connect system. This being primarily focused on the contribution payments being received onto the Fund's bank account from employers against the data being received, as opposed to any data management and quality issues self-assessed by officers.

In all three instances cited above, as well as the other minor audit observations noted a progress plan against the audit recommendations had been implemented and is 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 the auditor had not signed the Fund's Annual Report and Accounts for the 2019/20 Scheme Year. During 2020/21 the Board has made several enquiries to Wiltshire Council's concerning the nature of the delayed sign off and in turn Wiltshire Council has reported 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 this assurance was requested and has been received by the Fund that the auditor is satisfied that the Fund's accounts being in good order. The Fund's accounts for 2019/20 were signed off by the Auditor in April 2021.

As a result of the delay it is noted that no recommendations for improvement have been forthcoming from the external auditor during this period.

In spite of there being no recommendations the Management Team of the Pensions Fund will continue to move forward with it known improvement issues, namely the number of projects indicated within this report designed to improve the Fund's internal controls. Key to this will be the regular reconciliations outlined within the internal audit update.

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 2019 setting out the Fund's fulfilment of this responsibility over the following 3-year period. The Strategy is accompanied the Pension Administration Strategy, which was also approved at the same time, as well as a new Customer Service policy designed to foster the continued high standards of service the Fund expects to offer its members. The Board noted the usefulness of the information provided to members and emphasised the need to keep it up to date.

The Fund's member website "My Wiltshire Pension" launched in 2019 for the benefit of active and deferred members is now well 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 not only see their pension online and provide further education material, but has also now started to offer a communication function with Pension Department staff and enable members to complete their own approximate pension forecasts.

In 2020/21 the Fund also began 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. However, members can still request to receive their statements by post if they wish. In addition, in March 2021 the Fund's launched its own new website which has granted it greater versatility in the provision of information and communication with all of its stakeholders and enabling it to embrace its compliance obligations for the future, including the new accessibility regulations.

The complete Communications Strategy can be seen here;

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

The new Wiltshire Pension Fund's website is supported by GOSS and maintained in house on a day to day basis. As stated above the website went live in March 2021, replacing the former website launched in April 2018 and replacing the bespoke Employer website which was launched in February 2020. The new website integrates both former website areas into one offering and provides greater back office versatility for Pension Fund staff, allowing them to better serve Fund members and employers.

Main website link: www.wiltshirepensionfund.org.uk

LPB operational costs for 2020-21 & Budget for 2021-22

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 2020-21 and 2021-22 can be seen below.

	2020-21 Budget £	2020-21 Actual £	2021-22 Budget £
Independent Chair Remuneration	10,300	10,300	10,351
Consultancy Fees	6,500	-	4,500
Training	3,400	190	3,400
Committee Services	3,000	3,000	3,000
Travel & Subsistence & costs	1,000	54	1,000
Catering	400	-	400
Insurance	2,800	3,192	3,200
Total	27,400	16,736	25,851

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, 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 24th June 2021.

LPB Annual timetable 2021-22 and proposed work plans

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