

Wiltshire Pension Fund

The Wiltshire Pension Fund ('the fund') is part of the Local Government Pension Scheme (LGPS) ("the scheme") and is administered by Wiltshire Council for local authorities within Wiltshire and other local government associated organisations. It meets the cost of pension benefits due to current and former employees of these organisations.

General

The scheme is governed by the [Public Service Pensions Act 2013](#). The fund is administered in accordance with the following secondary legislation:

- the [Local Government Pension Scheme Regulations 2013](#) (as amended)
- the [Local Government Pension Scheme \(Transitional Provisions, Savings and Amendment\) Regulations 2014](#) (as amended)
- the [Local Government Pension Scheme \(Management and Investment of Funds\) Regulations 2016](#).

It is a contributory defined benefit pension scheme administered by Wiltshire Council to provide pensions and other benefits for pensionable employees of Wiltshire Council, the town and parish councils in Wiltshire and a range of other scheduled and admitted bodies. Teachers, police officers and firefighters are not included as they come within other national pension schemes. The fund is overseen by the Wiltshire Pension Fund Committee, which is a committee of Wiltshire Council.

Membership

Membership of the scheme is voluntary and employees are free to choose whether to join, remain or make their own personal arrangements outside the scheme.

Organisations participating in the Wiltshire Pension Fund include the following:

- Scheduled bodies, which are automatically entitled to be members of the fund.
- Admitted bodies, which participate in the fund under the terms of an admission agreement between the fund and the employer. Admitted bodies include voluntary, charitable and similar not-for-profit organisations, or private contractors undertaking a local authority function following outsourcing to the private sector

Membership details are set out as below:

Membership	31 March 24	31 March 23
Active	24,569	23,549
Deferred	39,041	40,669
Pensioners	22,129	21,240
Total number of members in the pension scheme	85,739	85,458

Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the fund in accordance with the [Local Government Pension Scheme Regulations 2013](#) and ranged from 2.75% to 12.5% of pensionable pay for the financial year ended 31 March 2024. Employers' contributions are set based on triennial actuarial funding valuations. The last valuation was 31st March 2022 (the rates applied from April 2023), with the next scheduled on 31st March 2025.

Benefits

Prior to 1 April 2014, pension benefits under the scheme were based on final pensionable pay and length of pensionable service. From 1 April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is uprated annually in line with the Consumer Prices Index.

A range of other benefits are also provided including early retirement, disability pensions and death benefits, as explained on [the LGPS website](#).

Responsibility for the Report

Wiltshire Council

The Council must arrange for the proper administration of the Wiltshire Pension Fund. It needs to ensure an economic, efficient and effective use of resources in carrying out this administration and that the fund's investments are safeguarded.

The Council has delegated this responsibility to the Wiltshire Pension Fund Committee. It also, however, must ensure that one of its officers has responsibility for the financial aspects of that administration, this being the Director of Finance & Procurement (S151 Officer).

Wiltshire Pension Fund Committee

There are seven elected members of the Committee, comprising five Wiltshire Councillors and two Swindon Borough Council members. In addition, there is two representatives of the admitted bodies and two observers representing staff interests. Details of the membership of the Committee in 2023/24 are shown in the Wiltshire Pension Fund Annual Report.

Included amongst the powers delegated by the Council to the Committee are requirements to:

- arrange and keep under review the investments of the fund through one or more properly authorised investment managers, and to
- appoint investment managers and external advisers as necessary to support the work of the Committee.

Local Pensions Board

The Local Pension Board was established in April 2015 to assist the Administering Authority in securing compliance with the scheme regulations and the effective and efficient governance and administration of the Fund. It is made up of 3 scheme members' representatives and 3 scheme employers' representatives along with a non-voting independent chairman. The LPB has an oversight function to ensure the Fund is compliant with the Pensions Regulator.

The Fund will liaise closely with the Local Pension Board, so they can fulfil their duties providing support and advice to the Administering Authority.

S151 Officer

The S151 Officer is responsible for preparing the financial statements of the Wiltshire Pension Fund, which must show the financial position of the Fund at the accounting date and its income and expenditure for the year.

In preparing the statements, suitable accounting policies must be selected and applied consistently, and judgements and estimates made where necessary that are reasonable and prudent and comply with the appropriate accounting Code of Practice.

Proper accounting records must be maintained and kept up to date and all reasonable steps must be taken to prevent and detect fraud and other irregularities.

Audit

Grant Thornton UK LLP act as the external auditor of the Council, and therefore the pension fund.

Investment Management Policy

Overall responsibility for investment policy lies with the Wiltshire Pension Fund Committee, which reports directly to Wiltshire Council.

The Investment Strategy is reviewed regularly by the Fund, at least once every three years in line with the Government guidance.

The current strategy has the dual aim of increasing returns and reducing risk by increasing diversification and alternative approaches. Details of the strategy are provided in the Investment Strategy Statement (ISS) which can be supplied upon request or viewed at www.wiltshirepensionfund.org.uk.

Safe custody of all investments is the responsibility of State Street Global Advisors and as such, they are registered in the name of, and are held by, its nominee companies or, alternatively, by overseas agents.

The Wiltshire Pension Fund

Fund Account			
For the year ended 31 March 2024			
	Notes	2023/24	2022/23
		£'000	£'000
Dealings with members, employers and others directly involved in the Fund			
Contributions	5a	152,999	132,956
Transfers in from other pension funds	5b	15,937	8,887
		168,936	141,843
Benefits	6	(113,218)	(99,203)
Payments to and on account of leavers	7	(11,225)	(7,731)
		(124,443)	(106,934)
Net additions from dealings with members		44,493	34,909
Management Expenses	8 & 9	(44,800)	(37,506)
Net additions inc. Fund management expenses		(307)	(2,597)
Returns on investments			
Investment income	10	35,737	28,559
Profits and losses on disposal of investments and changes in market value of investments	12a	242,339	(185,650)
Net return on investments		278,076	(157,091)
Net (increase)/decrease in the net assets available for benefits during the year		277,769	(159,688)
Opening net assets of the scheme		3,070,699	3,230,387
Closing net assets of the scheme		3,348,468	3,070,699

The following notes on pages 6 to 32 form an integral part of these financial statements

The Wiltshire Pension Fund

Net Asset Statement			
At 31 March 2024			
	<i>Notes</i>	31 March 2024	31 March 2023
		£'000	£'000
Long Term Investments			
Brunel Pension Partnership		722	707
		722	707
Investment assets			
Pooled funds		2,614,417	2,322,305
Other investments		675,440	718,020
Cash deposits		30,029	9,708
		3,319,886	3,050,033
Total Investment Assets			
		3,320,608	3,050,740
Total net investments			
	12	3,320,608	3,050,740
Current assets	17	23,581	25,946
Long term debtors	17a	6,955	0
Current liabilities	18	(2,676)	(5,977)
Long term liabilities	18a	0	(10)
Net assets of the scheme available to fund benefits at the end of the reporting period			
		3,348,468	3,070,699

Notes

Related notes form an integral part of these financial statements

1. Basis of Preparation

The statement of accounts summarises the fund's transactions for the 2023/24 financial year and its financial position at 31 March 2024. The accounts have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2020/21* (the Code) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

Paragraph 3.3.1.2 of the Code requires disclosure of any accounting standards issued but not yet adopted. IFRS 16, introduced on 1 January 2019, is due to be adopted by the Code for accounting periods commencing on or after 1 April 2024. This new accounting standard largely removes the distinction between operating and finance leases by introducing an accounting model that requires lessees to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. This will bring assets formerly off-Balance Sheet onto the Balance Sheet of lessees. Implementation of IFRS 16 is not expected to have a material impact on the pension fund because it does not hold any assets as a lessee.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year nor do they take into account the actuarial present value of promised retirement benefits. IAS26 requires the actuarial present value of promised benefits to be disclosed. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. A separate report has been prepared by Hymans Robertson and is enclosed below in note 24.

The accounts have been prepared on an accruals basis except where otherwise stated, i.e. income and expenditure are accounted for as it is earned or incurred, rather than as it is received and paid.

The accounts have been prepared on a going concern basis.

2. Summary of Significant Accounting Policies

The principal accounting policies of the Fund are as follows:

Fund account – revenue recognition

a) Contributions

Contributions are received from employer bodies in respect of their own and their pensionable employees' contributions.

Normal contributions are accounted for on an accruals basis as follows:

- Employee contribution rates are set in accordance with Local Government Pension Scheme regulations, using common percentage rates for all schemes which rise according to pensionable pay.
- Employer contributions are set at the percentage rate recommended by the fund actuary for the period to which they relate.

Employer deficit funding contributions are accounted for on the basis advised by the fund actuary in the rates and adjustment certificate issued to the relevant employing body. Additional employers' contributions in respect of ill-health and early retirements are accounted for in the year the event arose. Any amount due in the year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

Employer augmentation contributions are accounted for in accordance with the agreement under which they are being paid.

b) Transfers to and from other schemes

Transfers in and out relate to members who have either joined or left the fund.

Individual transfers in/out, i.e. those sums paid to, or received from, other pension schemes relating to previous periods of employment, have been brought into account on a cash basis. Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (Note 5b).

Bulk (group) transfers are accounted for on an accruals basis at the point when the members are transferred in accordance with the terms of the transfer agreement.

c) Investment Income

- Dividends, interest and coupon receipts have been accounted for on an accruals basis. Income on pooled investments is accumulated and reflected in the valuation of units.
- Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.
- Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.
- Changes in the value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund account – expense items**d) Benefits payable**

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

Refunds of contributions have been brought into account on the basis of all valid claims approved during the year.

e) Taxation

The fund is a registered public service scheme under Section 1(1) of Schedule 36 of the [Finance Act 2004](#) and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. As Wiltshire Council is the administering authority, VAT input tax is recoverable on all expenditure.

Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

f) Management expenses

The fund discloses its pension fund management expenses in accordance with the CIPFA guidance [Accounting for Local Government Pension Scheme Management Expenses \(2016\)](#) as shown below. All items of expenditure are charged to the fund on an accruals basis as follows:

Administrative expenses	All staff costs relating to the pensions administration team are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.
Oversight and governance	All costs associated with governance and oversight are separately identified, apportioned to this activity and charged as expenses to the fund.
Investment management expenses	Investment management expenses are charged directly to the Fund as part of management expenses and are not included in, or netted off from, the reported return on investments. Where fees are invoiced directly these are included on an accruals basis. Where fees are netted off valuations by investment managers, these expenses are shown separately in Note 12 and the change in value of investments is grossed up to account for this. Transactions costs which have been passed through the investment portfolios (which include costs directly attributable to the Fund's investment portfolios, such as fees, commissions, stamp duty and other fees) are identified via year end transparency reporting provided by the managers, and are accounted for and disclosed separately in Note 9. Fees and costs associated with the underlying funds in multi-manager portfolios are also accounted for and disclosed separately in Note 9. The costs of the investment team are charged to the Fund, as well as a proportion of the time spent by officers on investment management activity.

Net Asset Statement

g) Financial assets

Wiltshire Pension Fund and nine other shareholders each hold a 10% share in Brunel Pension Partnership Ltd (company number 10429110) so no fund is deemed to have a significant influence. This long-term investment has been included in the accounts at the Fund's share of the total equity in Brunel Pension Partnership as taken from the latest audited accounts.

All other financial assets are included in the accounts on a fair value basis in line with the SORP as at the reporting date using the valuations for the Fund's assets based on the figures provided by the Fund's custodian, State Street Global Advisors. A financial asset is recognised in the net assets statement on the date the fund becomes party to the contractual acquisition of the asset. Any amounts due or payable in respect of trades entered into but not yet complete at 31 March each year are accounted for as financial instruments held at amortised cost and reflected in the reconciliation of movements in investments and derivatives in Note 14a. Any gains or losses on investment sales arising from changes in the fair value of the asset are recognised in the fund account.

The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13. For the purposes of disclosing levels of fair value hierarchy, the fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

Valuation of Investments

Investments are shown in the accounts at market value, determined on the following basis:

- (i) **Unquoted securities**
Unquoted securities have been valued according to the latest trades, professional valuation, asset values or other appropriate financial information.
- (ii) **Pooled investment vehicles**
Pooled investments are stated at bid price for funds with bid/offer spreads, or single price/net asset value where there are no bid/offer spreads, as provided by the investment manager.

(iii) Foreign Currency Transactions

All investments held in foreign currencies are shown at market value translated into sterling using the WM 4PM rate on 31 March 2024.

Foreign currency transactions are accounted for on the basis of the equivalent sterling value of the underlying transactions, by applying the relevant exchange rate ruling at the time. Any profit or loss arising on currency transactions either realised or unrealised, will be reflected in the Net Asset Statement.

(iv) Cash and cash equivalents

Cash comprises cash in hand and demand deposits and includes amounts held by the fund's external managers.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

h) Financial liabilities

A financial liability is recognised in the net assets statement on the date the fund becomes legally responsible for that liability. The fund recognises financial liabilities relating to investment trading at fair value as at the reporting date, and any gains or losses arising from changes in the fair value of the liability between contract date, the year-end date and the eventual settlement date are recognised in the fund account as part of the Change in Value of Investments.

Other financial liabilities classed as amortised cost are carried in the net asset statement at the value of the outstanding principal at 31 March each year. Any interest due not yet paid is accounted for on an accruals basis and included in administration costs.

i) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of International Accounting Standard (IAS) 19 and relevant actuarial standards. As permitted under the Code, the fund has opted to disclose the actuarial present value of promised retirement benefits by way of a separate report which has been prepared by the fund's actuary Hymans Robertson and is enclosed below after note 23.

j) Additional Voluntary Contributions (AVCs)

The Wiltshire Pension Fund provides an additional voluntary contribution (AVC) scheme for its members, the assets of which are invested separately from those of the pension fund.

AVCs are not included in the accounts in accordance with Section 4(1)(b) of the [Local Government Pension Scheme \(Management and Investment of funds\) Regulations 2016](#) but are disclosed for information in note 19.

k) Contingent assets and contingent liabilities

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by the occurrence of future events.

A contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events.

Contingent liabilities can also arise in circumstances where a provision would be made, except that it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

Contingent assets and liabilities are not recognised in the net asset statement but are disclosed by way of narrative in the notes.

3. Critical Judgements in Applying Accounting Policies

Pension Fund Liability

The net pension fund liability is re-calculated every three years by the appointed actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines and in accordance with IAS19.

Assumptions underpinning the valuations are agreed with the actuary and are summarised in the actuarial position statement. This estimate is subject to significant variances based on changes to the underlying assumptions.

Actuarial re-valuations are used to set future contribution rates and underpin the fund's most significant investment management policies, for example in terms of the balance struck between longer term investment growth and short-term yield/return.

4. Assumptions made about the Future and Other Major Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates are made considering historical experience, current trends and future expectations. However, because balances cannot be determined with certainty, actual results could be different from the assumptions and estimates made.

The items in the net asset statement at 31 March 2024 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Pooled Property Investment	Valuation techniques are used to determine the carrying values of directly held freehold and leasehold property. Where possible these valuation techniques are based on observable data, otherwise the best available data is used.	Changes in the valuation assumptions used, together with significant changes in rental growth, vacancy levels or the discount rate could affect the fair value of property-based investments by up to 10% ie an increase or decrease of £43m on carrying values of £426m.

5a. Contributions receivable		
	2023/24	2022/23
		£000
Employers' contributions		
- Normal	105,205	99,710
- Augmentation	606	2,123
- Deficit recovery contributions*	17,661	3,954
	123,472	105,787
Employees' contributions		
- Normal	29,431	26,985
- Additional contributions	96	184
	29,527	27,169
	152,999	132,956
Analysis of contributions by type of employer		
	2023/24	2022/23
	£000	£000
<i>Contributions from employees (Including Additional Contributions)</i>		
- Wiltshire Council	10,993	10,094
- Other scheduled bodies	17,573	16,007
- Admitted bodies	961	1,068
	29,527	27,169
<i>Contributions from employers (Including Augmentations)</i>		
- Wiltshire Council	42,213	40,195
- Other scheduled bodies	62,666	61,208
- Admitted bodies	18,593	4,384
	123,472	105,787
Total contributions receivable	152,999	132,956

* Deficit funding contributions are paid relevant by employers for the three years commencing from 1 April 2019 with a minimum specified in the Rates and Adjustment Certificate to improve the Fund's funding position. The recovery period at the last valuation over which the deficit funding is recovered is mainly 20 years for scheduled bodies and 14 years or the length of the employer's contract (whichever is the shorter) for admitted bodies.

5b. Transfers in from other pension funds		
	2023/24	2022/23
		£000
Individual transfers	15,937	8,887
	15,937	8,887

6. Benefits Payable		
	2023/24	2022/23
	£000	£000
By category		
Pensions	96,719	83,007
Commutation and lump sum retirement benefits	14,178	13,072
Lump sum death benefits	2,321	3,124
	113,218	99,203
	2023/24	2022/23
	£000	£000
By type of employer		
Wiltshire Council	54,091	49,288
Other scheduled bodies	49,358	44,296
Admitted bodies	12,503	11,135
Provision for Underpayment	(2,734)	(5,516)
	113,218	99,203

7. Payments to and on account of leavers

	2023/24	2022/23
	£000	£000
Individual transfers	10,749	7,256
Refunds to members leaving service	477	483
State Scheme Premiums	(1)	(8)
	11,225	7,731

8. Management expenses

	2023/24	2022/23
		£000
Administration costs	3,114	2,475
Investment Management expenses (Note 9)	40,587	33,860
Oversight & Governance costs	1,099	1,171
	44,800	37,506

The fund discloses its pension fund management expenses in accordance with the CIPFA guidance [Accounting for Local Government Pension Scheme Management Expenses \(2016\)](#).

8a. External Audit Costs

	2023/24	2022/23
	£000	£000
Payable in respect of external audit	103	19
	103	19

External audit costs are also included in oversight and governance costs in note 8 above.

9. Investment management expenses

	2023/24				
	£000				
	Total	Management fees	Performance fees	Transaction Costs (Explicit)	Transaction Costs (Implicit)
Pooled funds equity	3,344	2,834	0	281	229
Fixed income unit trusts	3,755	2,060	0	1,474	221
Infrastructure funds	5,392	2,933	1,501	958	0
Private Debt	1,650	624	0	1,026	0
Private Equity	3,591	1,935	0	1,656	0
Emerging market multi-asset	2,610	1,265	0	883	462
Pooled property Investments	13,766	3,312	0	10,439	15
	34,108	14,963	1,501	16,717	927
Custody fees	30				
Costs associated with investment pooling	1,243				
Indirect costs incurred in managing investment portfolios	5,206				
	40,587				

	2022/23				
	£000				
	Total	Management fees	Performance fees	Transaction Costs (Explicit)	Transaction Costs (Implicit)
Pooled funds equity	4,075	2,883	-	916	275
Fixed income unit trusts	4,756	2,076	-	2,284	396
Infrastructure funds	7,284	2,999	3,068	1,218	-
Private Debt	515	192	-	323	-
Private Equity	2,271	1,298	-	973	-
Emerging market multi-asset	3,673	1,354	-	777	1,541
Pooled property Investments	11,397	3,409	-	7,962	25
	33,970	14,211	3,068	14,453	2,238
Custody fees	30				
Transition costs					
Costs associated with investment pooling	326				
Indirect costs incurred in managing investment portfolios	(466)				
	33,859				

10. Investment income	2023/24	2022/23
	£'000	£'000
Income from equities	21	136
Pooled property investments	8,438	10,967
Pooled investments - unit trusts & other managed funds	24,483	14,642
Interest on cash deposits	1,389	1,260
Stock lending income	15	33
Other	1,391	1,522
Total before taxes	35,737	28,559

11. Stock lending

During 2023/24, the Pension Fund participated in a securities lending programme administered by Brunel Pension Partnership, for the Pension Fund's active global equities portfolio. Securities in the beneficial ownership of the Council to a value of £4.2m (0.13% of the total fund value) were on loan at 31 March 2024. Collateral held for these securities had a market value of £4.4m, which represents 106% of the value of the shares on loan. Income earned from this programme amounted to £0.015m in the year.

	2023/24	2022/23
	£m	£m
Market value of securities on loan	4.2	4.5
<i>(percentage of total Fund value)</i>	0.13%	0.13%
Market value of collateral	4.4	4.7
Collateral %	106%	105%
Income earned in year	0.015	0.033

12. Details of investments held at year end

	31 March 2024 £'000	31 March 2023 £'000
INVESTMENT ASSETS		
Pooled funds		
- Fixed income unit trusts	775,015	683,270
- Infrastructure funds	327,199	251,990
- Global equity	1,210,241	1,101,932
- Emerging market multi-asset	301,961	285,113
	2,614,416	2,322,305
Other investments		
- Pooled property investments	425,968	569,823
- Private debt	158,140	97,765
- Private equity	91,333	50,433
	675,441	718,020
- Cash deposits	30,029	9,708
	30,029	9,708
Total investment assets	3,319,886	3,050,033
LONG TERM INVESTMENTS		
UK unquoted equity - shares in Brunel Pension Partnership	722	707
Net investment assets	3,320,608	3,050,740

12a. Reconciliation of movements in investments

	Value at 1 April 2023	Purchases at cost and derivative payments	Sales Proceeds and derivative receipts	Change in Market Value	Value at 31 March 2024
Pooled funds					
- Fixed income unit trusts	683,270	85,673	(33,774)	39,845	775,015
- Infrastructure funds	251,990	91,654	(16,336)	(109)	327,199
- Global equity	1,101,932	289,783	(379,213)	197,739	1,210,241
- Emerging market multi-asset	285,113	0	(1,345)	18,192	301,961
Other investments					
- Pooled property investments	569,823	1,169,504	(1,290,700)	(22,658)	425,968
- Private debt	97,765	63,155	(4,648)	1,869	158,140
- Private equity	50,433	40,439	(7,195)	7,656	91,333
Long term investments					
- Brunel Pension Partnership	707			15	722
	3,041,032	1,740,208	(1,733,210)	242,549	3,290,579
- Cash deposits	9,708			(210)	30,029
Net investment assets	3,050,740			242,339	3,320,608

12a. Reconciliation of movements in investments (cont'd)

	Value at 1 April 2022	Purchases at cost and derivative payments	Sales Proceeds and derivative receipts	Change in Market Value	Value at 31 March 2023
Pooled funds					
- Fixed income unit trusts	941,068	665	(124,773)	(133,690)	683,270
- Infrastructure funds	215,711	39,128	(38,811)	35,962	251,990
- Global equity	1,180,214	20,625	(71,546)	(27,361)	1,101,932
- Emerging market multi-asset	291,990	0	(2,408)	(4,468)	285,113
Other investments					
- Pooled property investments	506,464	1,248,464	(1,129,102)	(56,004)	569,823
- Private debt	31,381	68,872	(836)	(1,653)	97,765
- Private equity	28,503	23,635	(2,972)	1,267	50,433
Long term investments					
- Brunel Pension Partnership	838	0	0	(131)	707
	3,196,170	1,401,389	(1,370,448)	(186,079)	3,041,032
- Cash deposits	10,642			427	9,708
- Recoverable tax	113			2	0
Net investment assets	3,206,925				3,050,740

12b. Investments Analysed by Fund Manager

	31 March 2024 £'000	31 March 2023 £'000
Investments managed by Brunel Pension Partnership asset pool:		
Brunel - Paris Aligned Hedged Passive Equities	495,274	458,893
Brunel - Gilts	238,800	236,925
Brunel - Global High Alpha active global equities	295,992	245,549
Brunel - Global Sustainable Equities active global equities	287,015	253,532
Brunel - secured income	218,099	233,738
Brunel - Multi Asset Credit	238,424	148,443
Brunel - private debt	158,140	97,765
Brunel - private equity	91,333	50,433
Brunel - generalist infrastructure	34,872	28,849
Brunel - renewable infrastructure	26,503	19,300
Brunel - Property	227,861	380,540
	2,312,313	2,153,966
Long-term investment - Brunel Pension Partnership	722	707
Investments managed outside of Brunel Pension Partnership asset pool:		
CBRE Global Multi Manager - Property	0	7
Pinebridge - Bank Loans	297,791	297,903
Ninety One - Emerging Markets	301,961	285,113
Magellan Select Infrastructure Fund	0	123,737
Partners Group - Infrastructure	96,473	95,624
Cash held at custodian	30,003	9,590
Climate Opportunities - Wessex Gardens	70,170	0
Affordable Housing Portfolio	79,215	63,873
BlackRock - SALAMI Portfolio	131,960	20,220
	1,007,573	896,067
Total	3,320,608	3,050,740

12b. Investments Analysed by Fund Manager (cont'd)

The following investments represent over 5% of the net assets of the fund.

Security	Market value 31 March 2024 £'000	% of total fund
Brunel - Paris Aligned Hedged Passive Equities	495,274	14.92%
Brunel - Gilts	238,800	7.19%
Brunel - Global High Alpha active global equities	295,992	8.91%
Brunel - Global Sustainable Equities active global equities	287,015	8.64%
Brunel - secured income	218,099	6.57%
Brunel - Multi Asset Credit	238,424	7.18%
Brunel - Property	227,861	6.86%
Pinebridge - Bank Loans	297,791	8.97%
Ninety One - Emerging Markets	301,961	9.09%
	2,601,217	78.34%

The following investments represent over 5% of the net assets of the fund.

Security	Market value 31 March 2023 £'000	% of total market value
Brunel - Paris Aligned Hedged Passive Equities	458,893	15.04%
Brunel - Gilts	236,925	7.77%
Brunel - Global High Alpha active global equities	245,549	8.05%
Brunel - Global Sustainable Equities active global equities	253,532	8.31%
Brunel - secured income	233,738	7.66%
Brunel - Property	380,540	12.47%
Pinebridge - Bank Loans	297,903	9.76%
Ninety One - Emerging Markets	285,113	9.35%
	2,392,193	78.41%

13. Derivative Contracts

There is one derivative contract in portfolio, with £4m sold and settled on 8th April 2024, and fair value of £18k of unrealised loss as at 31st March 2024.

There are no balances to report for the 2022/23.

14. Fair value – basis of valuation

All investment assets are valued using fair value techniques based on the characteristics of each instrument, where possible using market-based information. There has been no change in the valuation techniques used during the year.

Assets and liabilities have been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1 – where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities, comprising quoted equities, quoted bonds and unit trusts.

Level 2 – where quoted market prices are not available, or where valuation techniques are used to determine fair value based on observable data.

Level 3 – where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

The valuation basis for each category of investment asset is set out below:

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Market quoted investments	Level 1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Unquoted pooled investments - unit trusts	Level 2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required
Pooled investments - property funds	Level 2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required
UK and Overseas property, private equity and infrastructure partnerships	Level 3	Valued using a number of different market and income valuation methods as well as comparable market transaction prices	Market transactions, market outlook, cash flow projections, last financings and multiple projections	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts
Unquoted equity holding in Brunel pool	Level 3	Valued as share of the company's equity as per the latest available audited financial statements	Earnings and revenue multiples, discount for lack of marketability, control premium	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts

14. Fair value – basis of valuation (cont'd)

Sensitivity of assets valued at level 3

	Assessed valuation range (+/-)	Value at 31 March 2024 £'000	Value on increase £'000	Value on decrease £'000
Pooled property	15.4%	407,814	470,617	345,011
Private Debt	11.3%	158,140	176,010	140,270
Infrastructure	15.5%	327,199	377,915	276,484
Private equity	24.8%	91,333	113,983	68,682
Brunel Pension Partnership	0.0%	722	722	722
		985,208	1,139,248	831,169

14a. Fair value hierarchy

The following table provides an analysis of the assets and liabilities of the pension fund grouped into levels 1 to 3, based on the level at which the fair value is observable. This has been produced from analysis provided by our custodian State Street Global Advisors, which is based on valuations provided by the investment managers.

2024	£'000 Quoted market price Level 1	£'000 Using observable inputs Level 2	£'000 With significant unobservable inputs Level 3	£'000 Total
Fixed income unit trusts	0	775,015	0	775,015
Infrastructure funds	0	0	327,199	327,199
Global equity	0	1,210,241	0	1,210,241
Emerging market multi-asset	0	301,961	0	301,961
Pooled property investments	225	17,929	407,814	425,968
Private debt	0	0	158,140	158,140
Private equity	0	0	91,333	91,333
Cash deposits	29,464	566	0	30,029
Shares in Brunel Pension Partnership	0	0	722	722
	29,689	2,305,711	985,208	3,320,608

14a. Fair value hierarchy (cont'd)

2023	£'000	£'000	£'000	£'000
	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
Fixed income unit trusts	0	683,270	0	683,270
Infrastructure funds	0	0	251,990	251,990
Global equity	0	1,101,932	0	1,101,932
Emerging market multi-asset	0	285,113	0	285,113
Pooled property investments	33,353	216,074	320,396	569,823
Private debt	0	0	97,765	97,765
Private equity	0	0	50,433	50,433
Cash deposits	3,609	6,098	0	9,708
Shares in Brunel Pension Partnership	0	0	707	707
	36,962	2,292,488	721,290	3,050,740

Wiltshire Pension Fund determines that transfers between levels of the fair value hierarchy have occurred when the investment manager for those assets notifies the Fund's custodian of the change.

14b. Reconciliation of fair value measurements within Level 3

The following tables present the movement in level 3 instruments for the year end 31 March 2024.

	31 March 2024	31 March 2023
	£'000	£'000
Opening balance	721,290	387,477
Adjustment for reclassifications	206,614	92,212
Total gains/losses	(35,594)	(27,748)
Purchases	282,308	495,336
Sales	(189,411)	(225,988)
Closing balance	985,208	721,290

15. Classification of Financial Instruments

The following table analyses the carrying amounts of financial assets and liabilities by category and net asset statement heading.

2023/24			2022/23		
Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
£000	£000	£000	£000	£000	£000
			Financial assets		
775,015			683,270		
327,199			251,990		
1,210,241			1,101,932		
301,961			285,113		
425,968			569,823		
158,140			97,765		
91,333			50,433		
722			707		
	37,827			25,049	
	6,955			0	
	15,783			10,605	
3,290,579	60,565	0	3,041,032	35,654	-
			Financial liabilities		
		(2,676)			(5,977)
		0			(10)
3,290,579	60,565	(2,676)	3,041,032	35,654	(5,987)
	3,348,468				3,070,699

Net gains and losses on financial instruments

2023/24		2022/23
		£000
	Financial assets	
242,549	Fair value through profit and loss	(186,079)
(210)	Amortised cost - realised/ unrealised gains	429
242,339	Total	(185,650)

15. Classification of Financial Instruments (cont'd)

All realised gains and losses arise from the sale or disposal of financial assets which have been derecognised in the financial statements. The fund has not entered into any financial guarantees that are required to be accounted for as financial instruments

16. Nature and extent of risks arising from financial instruments

Risk and risk management

Responsibility for the Fund's risk management strategy rests with the Pension Fund Committee. The Fund's primary long-term risk is that its assets will fall short of its liabilities (ie promised benefits payable to members). The aim of investment risk management is to minimise the risk of an overall reduction in the value of the fund and to maximise the opportunity for gains across the whole fund portfolio. The fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the fund manages its liquidity risk to ensure there is sufficient liquidity to meet the fund's forecast cash flows. The fund manages these investment risks as part of its overall pension fund risk management programme.

The Committee obtains regular reports from each investment manager and its Investment Consultant on the nature of investments made and associated risks.

The analysis below is designed to meet the disclosure requirements of IFRS 7.

16.1. Market Risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix. The objective of the fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, while optimising investment return.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the pension fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis, and manage any identified risk in two ways:

The exposure of the fund to market risk is monitored through a factor risk analysis, to ensure that risk remains within tolerable levels.

Specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments.

Other Price Risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or by factors affecting all such instruments in the market.

The fund is exposed to share price risk. The fund's investment managers mitigate this price risk through diversification.

The sensitivity of the Fund's investments to changes in market prices has been analysed using the volatility of returns experienced by asset classes. The volatility data was provided by the Fund's custodian, State Street Global Advisors, and was calculated as the monthly volatility of returns using 36 months of historical data, where available. Where this data was not available, due to the Fund holding a portfolio for less than 36 months, historical data for the strategy was provided by the investment manager, or data for an appropriate benchmark was used. Such a measure is appropriate for measuring "typical" variations in the relative values of the assets and liabilities over short time periods. It is not appropriate for assessing longer term strategic issues. The analysis assumes that all other variables, in particular, interest rates and foreign exchange rates, remain constant

Market Price - Sensitivity Analysis

Movements in market prices would have increased or decreased the net assets valued at 31 March 2024 and 2023 by the amounts shown below.

As at 31 March 2024	Value £'000	Volatility of return	Increase £'000	Decrease £'000
Brunel - Paris Aligned Hedged Passive Equities	495,274	17.60%	87,168	(87,168)
Brunel - Gilts	238,800	7.80%	18,626	(18,626)
Brunel - Global High Alpha active global equities	295,992	18.90%	55,942	(55,942)
Brunel - Global Sustainable Equities active global equities	287,015	18.90%	54,246	(54,246)
Brunel - secured income	218,099	10.67%	23,271	(23,271)
Brunel - Multi Asset Credit	238,424	9.00%	21,458	(21,458)
Brunel - private debt	158,140	11.30%	17,870	(17,870)
Brunel - private equity	91,333	24.80%	22,650	(22,650)
Brunel - generalist infrastructure	34,872	15.50%	5,405	(5,405)
Brunel - renewable infrastructure	26,503	15.50%	4,108	(4,108)
Brunel - Property	227,861	15.40%	35,091	(35,091)
Long-term investment - Brunel Pension Partnership	722	0.00%	0	0
CBRE Global Multi Manager - Property	0	15.40%	0	0
Pinebridge - Bank Loans	297,791	4.70%	13,996	(13,996)
Ninety One - Emerging Markets	301,961	17.63%	53,221	(53,221)
Magellan Select Infrastructure Fund	0	15.50%	0	(0)
Partners Group - Infrastructure	96,474	15.50%	14,953	(14,953)
Cash held at custodian	30,003	0.00%	0	0
Climate Opportunities - Wessex Gardens	70,170	15.50%	10,876	(10,876)
Affordable Housing Portfolio	79,215	15.40%	12,199	(12,199)
BlackRock - SALAMI Portfolio	131,960	13.15%	17,353	(17,353)
	3,320,608		468,435	(468,435)

As at 31 March 2023	Value £'000	Volatility of return	Increase £'000	Decrease £'000
Brunel - Paris Aligned Hedged Passive Equities	458,893	17.60%	80,765	(80,765)
Brunel - Gilts	236,925	7.80%	18,480	(18,480)
Brunel - Global High Alpha active global equities	245,549	18.90%	46,409	(46,409)
Brunel - Global Sustainable Equities active global equities	253,532	18.90%	47,917	(47,917)
Brunel - secured income	233,738	10.67%	24,940	(24,940)
Brunel - Multi Asset Credit	148,443	9.00%	13,360	(13,360)
Brunel - private debt	97,765	11.30%	11,047	(11,047)
Brunel - private equity	50,433	24.80%	12,507	(12,507)
Brunel - generalist infrastructure	28,849	15.50%	4,472	(4,472)
Brunel - renewable infrastructure	19,300	15.50%	2,992	(2,992)
Brunel - Property	380,540	15.40%	58,603	(58,603)
Long-term investment - Brunel Pension Partnership	707	0.00%	0	0
CBRE Global Multi Manager - Property	7	15.40%	1	(1)
Pinebridge - Bank Loans	297,903	4.70%	14,001	(14,001)
Ninety One - Emerging Markets	285,113	17.63%	50,251	(50,251)
Magellan Select Infrastructure Fund	123,737	15.50%	19,179	(19,179)
Partners Group - Infrastructure	95,624	15.50%	14,822	(14,822)
Cash held at custodian	9,590	0.00%	0	0
Affordable Housing Portfolio	63,873	15.40%	9,836	(9,836)
BlackRock - SALAMI Portfolio	20,220	13.15%	2,659	(2,659)
	3,050,740		432,242	(432,242)

16.2. Interest Rate Risk

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 1% change in interest rates. The analysis demonstrates that a 1% increase in interest rates will not affect the interest received on fixed interest assets but will reduce their fair value, and vice versa. Changes in interest rates do not impact on the value of cash and cash equivalent balances but they will affect the interest income received on those balances. Loans have a floating rate income stream and therefore any change in interest rates would not impact the market value of these assets.

Interest Rate – Sensitivity Analysis

	Asset values at 31 March 2024 £'000	Impact of 1% increase £'000	Impact of 1% decrease £'000
Cash held on deposit	37,827	0	0
Fixed Interest Securities	477,224	(4,772)	4,772
Loans	297,791	0	0
	812,842	(4,772)	4,772

	Asset values at 31 March 2022 £'000	Impact of 1% increase £'000	Impact of 1% decrease £'000
Cash held on deposit	25,049	0	0
Fixed Interest Securities	385,368	(3,854)	3,854
Loans	297,903	0	0
	708,319	(3,854)	3,854

16.3. Currency Risk

Currency risk represents the risk that the fair value of financial instruments will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on any cash balances and investment assets not denominated in UK sterling. When sterling depreciates the sterling value of foreign currency denominated investments will rise and when sterling appreciates the sterling value of foreign currency denominated investments will fall.

The tables below show approximate exposures to each of the two major foreign currencies based on manager benchmarks and target allocations.

31 March 2024	US Dollar £'000	Euro £'000	Yen £'000
Net Currency Exposure	243,578	83,625	1,439

31 March 2023	US Dollar £'000	Euro £'000	Yen £'000
Net Currency Exposure	232,154	140,757	(7)

16.3. Currency Risk (cont'd)**Currency Risk – Sensitivity Analysis**

The sensitivity of the Fund's investments to changes in foreign currency rates has been analysed using a 10% movement in exchange rates in either direction. This analysis assumes that all variables, in particular interest rates, remain constant.

A 10% strengthening or weakening of Sterling against the various currencies at 31 March 2024 and 31 March 2023 would have increased or decreased the net assets by the amount shown below

31 March 2024	Assets Held	Change in net assets	
	at Fair Value	+10%	-10%
	£'000	£'000	£'000
US Dollar	243,578	24,358	(24,358)
Euro	83,625	8,363	(8,363)
Yen	1,439	144	(144)
Net Currency Exposure	328,642	32,864	(32,864)

31 March 2023	Assets Held	Change in net assets	
	at Fair Value	+10%	-10%
	£'000	£'000	£'000
US Dollar	232,148	23,215	(23,215)
Euro	140,757	14,076	(14,076)
Yen	(7)	(1)	1
Net Currency Exposure	372,898	37,290	(37,290)

The Fund hedges 50% of its overseas equity holdings therefore only a proportion of the gains/losses would be experienced. One important point to note is that currency movements are not independent of each other. If sterling strengthened generally it may rise against all the above currencies producing losses across all the currencies.

16.4. Credit Risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to meet their obligations and the Fund will incur a financial loss.

The Fund is exposed to credit risk through its investment managers, custodian and its daily treasury management activities. Credit risk is minimised through the careful selection and monitoring of counterparties.

Another source of credit risk is the cash balances held internally or by managers. The Pension Fund's bank account is held at HSBC, which holds an AA- long term fitch credit rating and it maintains its status as a well-capitalised and strong financial institution. The management of the cash held in this account is managed by the Council's Treasury Management Team in line with the Fund's Treasury Management Strategy which sets out the permitted counterparties and limits. Cash held by investment managers, besides those in pooled investment vehicles, is invested with the custodian in a diversified money market fund rated AAA.

The Fund's exposure to credit risk at 31 March 2024 and 2023 is the carrying amount of the financial assets.

Summary	Balances as at 31	Balances as at 31
	March 2024	March 2023
		£000
Cash held at custodian	30,029	9,708
Bank current account - HSBC	892	(65)
Money Market Funds	6,906	15,406
	37,827	25,049

16.4. Credit Risk (cont'd)

Credit risk may also occur if an employing body not supported by central government does not pay contributions promptly, or defaults on its obligations. The pension fund has not experienced any actual defaults in recent years and the current practice is to obtain a guarantee before admitting new employers so that all pension obligations are covered in the event of that employer facing financial difficulties. All contributions due at 31 March 2024 and 31 March 2023 (£12.8m and £9.9m respectively) were received in the first two months of the financial year.

16.5. Liquidity Risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The main liabilities of the Fund relate to the benefits payable which fall due over a long period of time. The investment strategy reflects this and set out the strategic asset allocation of the Fund. Liquidity risk is mitigated by investing a proportion of the Fund in actively traded instruments in particular equities and fixed income investments. The Fund maintains a cash balance to meet operational requirements.

The following tables analyse the Fund's non-investment financial liabilities as at 31 March 2024 and 2023, grouped into relevant maturity dates.

2023/24	Carrying Amount £000	Less than 12 months £000	Greater than 12 months £000
Sundry creditors	2,056	2,056	0
Benefits payable	0	0	0
Other	620	620	0
	2,676	2,676	0

2022/23	Carrying Amount £000	Less than 12 months £000	Greater than 12 months £000
Sundry creditors	2,219	2,219	0
Benefits payable	1,022	1,022	0
Other	2,746	2,736	10
	5,987	5,977	10

17. Current assets	31 March 2024	31 March 2023
	£000	£000
Contributions due - employees	2,060	2,317
Contributions due - employers	12,905	7,728
	14,965	10,045
Sundry debtors	531	352
Receivable from Wiltshire Council	95	
Prepayments	192	208
	818	560
Cash balances	7,798	15,341
Net current assets	23,581	25,946

17a. Long Term Debtors

	31 March 2024	31 March 2023
	£000	£000
Contributions due - employers	6,955	0
Total	6,955	0

Total £6.95m long term contribution due from employers as at 31 March 2024 is solely in relation to one employer who has entered into a Debt Spreading Arrangement with the Fund in June 2023. Short term element of this debt is included in current assets, contributions from employers, in total amount £2.14m.

18. Current liabilities

	31 March 2024	31 March 2023
	£000	£000
Sundry creditors	2,056	2,219
Benefits payable	0	1,022
Payable to Wiltshire Council	620	2
Provision for pension underpayments	0	2,734
	2,676	5,977

A provision of £8.25m was made in 2020/21 for underpayment of pensions which have arisen due to discrepancies between the Funds membership database and payroll system. The provision calculated included the maximum possible underpayment adding in potential interest and compensation costs. At 31st March 2023 this provision was reduced to £2.7m and as at 31st March 2024 this provision has been further reduced to zero. These reductions reflect work done over the three year period since the provision was made to accurately identify the cases where an underpayment actually exists. Total actual repayments of £1.2m including interest arrears were paid to pensioners during 2023-24 financial year resolving any historical underpayments.

18a. Long Term Creditors

	31 March 2024	31 March 2023
	£000	£000
Brunel Pension Partnership pension reimbursement liability	0	10
Total	0	10

During 2020/21 a pension recharge agreement was signed by all 10 shareholders in Brunel Pension Partnership (BPP), in which shareholders have guaranteed that any pension costs arising in respect of BPP's participation in the LGPS defined benefit pension scheme will be underwritten by the shareholders. This is reflected as a long-term debtor on BPP's balance sheet, and as a corresponding long term liability in the Pension Funds accounts. As at 31st March 2023 this was valued at £10k and revalued in 2023/24 to zero, due to improvement in the pension funding position.

19. Additional Voluntary Contributions (AVCs)

AVC contributions are not included in the Fund's financial statements as they do not come under the requirements of Regulation 4(1)(b) of the Pension Scheme (Management and Investment of Funds) Regulations 2016 regarding regulation 69(1)(a) of the Local Government Pension Scheme Regulations 2013.

In 2023/24 Fund members paid contributions totalling £1.4million into AVC funds held with Prudential during the year. At 31 March 2024 the value of funds invested on behalf of members with Prudential was £6.5m.

In 2023/24 Fund members paid contributions totalling £0.002million into AVC funds held with Utmost during the year. At 31 March 2024 the value of funds invested on behalf of members with Utmost was £0.4m.

In 2023/24 Fund members paid contributions totalling £0.004million into AVC funds held with Clerical Medical during the year. At 31 March 2024 the value of funds invested on behalf of members with Clerical Medical was £0.7m.

20. Employer Related Assets

There were no employer related assets within the Fund during 2023/24.

21. Related Party Transactions

The Wiltshire Pension Fund is administered by Wiltshire Council. Consequently, there is a strong relationship between the Council and the Pension Fund.

The Council incurred costs of £3.362m in 2023/24 (2022/23: £2.669m) in relation to the administration of the Fund. The Council is also the single largest employer of members of the Pension Fund and contributed £53.2m to the Fund in 2023/24 (2022/23: £50.3m) in respect of employers and employees contributions, £7.8m of which was due to the Pension Fund as at 31 March 2024, and was paid in May 2024.

Part of the pension fund cash holdings are invested in the money markets by the treasury management operations of Wiltshire Council, through a service level agreement. During the year to 31 March 2024, the fund had an average investment balance of £8.7m (31 March 2023: £18.1m), earning interest of £398k (2022/23: £370k) in these funds.

Brunel Pension Partnership Limited (BPP Ltd.) was formed on the 14th October 2016 and oversees the investment of pension fund assets for Wiltshire, Avon, Buckinghamshire, Cornwall, Devon, Dorset, Environment Agency, Gloucestershire, Oxfordshire and Somerset Funds.

Each of the 10 local authorities, including Wiltshire Pension Fund own 10% of BPP Ltd. In 2017/18 the Pension Fund paid BPP £0.8m and there has been no subsequent investment. The fair value of the shareholding as at 31st March 2024 was £0.7m. During 2023/24 the Pension Fund paid BPP £1,211k (£1,033k in 2022/23) in respect of the costs of delivering investment pooling. During 2020/21 a pension recharge agreement was signed by all 10 shareholders in BPP, in which shareholders have guaranteed that any pension costs arising in respect of BPP's participation in the LGPS defined benefit pension scheme will be underwritten by the shareholders. This is reflected as a long-term debtor on BPP's balance sheet, and as a corresponding long term liability in the Pension Funds accounts, at a value of £10k in 2022-23 and zero for 2023-24. This is also included in the cost of pooling in Note 9. BPP are an employer in the Wiltshire Pension Fund as an admitted body. During 2023/24 BPP paid contributions of £1,281k into the Fund (£1,159k in 2022/23) in respect of employers and employees contributions.

21. Governance

During the 2023/24 Scheme Year two members of the Pension Fund Committee were active members of the Pension Fund. In addition, two members of the Local Pension Board were pensioner members and five were active members of the Pension Fund. Each member of the Pension Fund Committee is required to declare their interests at each meeting. No declarations were made during the year.

22. Guaranteed Minimum Pension (GMP)

Following the cessation of contracting out in April 2016 HMRC embarked on a GMP reconciliation programme with its former contracted out pension schemes including the Wiltshire Pension Fund (WPF) which concluded in December 2018. Since then the WPF has continued this project by reviewing all its relevant member benefits to ensure that the GMP it promised to pay to its members for the period that they had opted out of the State Second Pension (S2P) are correct. This continuation of the project is known as the Rectification project and seeks to verify that each member's GMP accrued between 1978 & 1997 would broadly speaking be equivalent to the S2P that would have accrued by that member on becoming a pensioner in payment after their State Pension Age (SPA).

The Rectification project sought not only to undertake an automated recalculation of all individual GMP values based on a first principles approach to arrive at each member's present-day amount, but also to assess whether there would be any consequential impact on any pensioners in payment, when compared against the current values being paid to them. In conjunction with the recalculation exercise the Pension Fund has also sought to gather clear guidance from its advisers, the LGA & the Scheme Advisory Board (SAB) to ensure that those pensioners in payment who are affected by these changes are fairly & appropriately treated. As stated in last year's Annual Report the effect of not showing the correct amount of GMP is that a member's pension will be increased by more than it should have been, however any overpayments will have been treated as costs to the WPF and will have already been included as expenditure in previous pension fund accounts, therefore requiring no restatement.

During the past couple of years there has also been considerable press coverage concerning the Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank plc in relation to GMP equalisation, the last, at the time of writing this article being the High Court judgement on 20 November 2020. The basis of this latest judgement is that pension schemes will need to revisit any individual transfer payments made since 17 May 1990 and check to see if any additional value is due. (Note: The original Court judgement in October 2018 ruled that Pension Schemes had to equalise benefits for men and women and consequently adjust any GMP benefits accrued between 1978 & 1997). However, the Fund's understanding, based on a HM Treasury statement, is that this judgement does not impact the current method to achieve equalisation and indexation in public sector.

Along with this ruling and as part of the Local Government Pension Scheme (LGPS), the WPF has recently received guidance on how it should address GMP indexation after 5 April 2021. In summary the Government has announced that there isn't the time or resource to carry out a full conversion of GMPs to normal scheme benefits. As a result, LGPS funds will continue to apply full indexation to any member with a GMP who reaches state pension age after 5 April 2021. Guidance concerning the revisiting of transfer cases due to equalisation is still to be received by the Fund on the next steps it should take.

23. Contingent Liabilities and Contractual Commitments

Capital Commitments

Outstanding capital commitments (investments) at 31 March 2024 totalled £508m (£607m at 31 March 2023). £420m of these commitments relate to amounts committed to private equity, infrastructure, secured income and private debt portfolios managed by the Brunel Pool and further £33m relates to outstanding call payments for investments in UK affordable housing portfolios. The balance of £55m relates to outstanding call payments due on unquoted limited partnership funds held in the infrastructure part of the portfolio and new capital commitment from 2023-24 agreement regarding Climate opportunities. The amounts 'called' are irregular in both size and timing from the original commitment.

Transitional protections

When the LGPS benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous

benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

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24. Actuarial Statement in respect of IAS26 as at 31.03.2024

Introduction

CIPFA's Code of Practice on Local Authority Accounting 2023/24 requires Administering Authorities of LGPS funds that prepare pension fund accounts to disclose what IAS26 refers to as the actuarial present value of promised retirement benefits. I have been instructed by the Administering Authority to provide the necessary information for the Wiltshire Pension Fund ("the Fund").

The actuarial present value of promised retirement benefits is to be calculated similarly to the Defined Benefit Obligation under IAS19. There are three options for its disclosure in the pension fund accounts:

- showing the figure in the Net Assets Statement, in which case it requires the statement to disclose the resulting surplus or deficit;
- as a note to the accounts; or
- by reference to this information in an accompanying actuarial report.

If an actuarial valuation has not been prepared at the date of the financial statements, IAS26 requires the most recent valuation to be used as a base and the date of the valuation disclosed. The valuation should be carried out using assumptions in line with IAS19 and not the Fund's funding assumptions.

Present value of promised retirement benefits

Year ended	Error! Reference source not found.4	Error! Reference source not found.3
Active members (Error! Reference source not found.)	1,107	1,017
Deferred members (Error! Reference source not found.)	774	783
Pensioners (Error! Reference source not found.)	1,333	1,368
Total (Error! Reference source not found.)	3,214	3,168

The promised retirement benefits at 31 March 2024 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2022. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, I am satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

The figures include both vested and non-vested benefits, although the latter is assumed to have a negligible value. Further, I have not made any allowance for unfunded benefits

It should be noted the above figures are appropriate for the Administering Authority only for preparation of the pension fund accounts. They should not be used for any other purpose (i.e. comparing against liability measures on a funding basis or a cessation basis).

Assumptions

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2024 and 31 March 2023. I estimate that the impact of the change in financial assumptions to 31 March 2024 is to decrease the actuarial present value by £176m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £20m.

Financial assumptions

Year ended	Error! Reference source not found.	Error! Reference source not found.
	% p.a.	% p.a.
Pension Increase Rate (CPI)	2.75%	2.95%
Salary Increase Rate	3.25%	3.45%
Discount Rate	4.85%	4.75%

Demographic assumptions

The longevity assumptions have changed since the previous IAS26 disclosure for the Fund.

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.4 years	24.2 years
Future pensioners (assumed to be aged 45 at the latest valuation date)	22.1 years	25.6 years

All other demographic assumptions are unchanged from last year and as per the latest funding valuation of the Fund.

Sensitivity Analysis

CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the obligations are set out below:

Change in assumption at Error! Reference source not found.	Approximate % increase to promised retirement benefits	Approximate monetary amount (Error! Reference source not found.)
0.1% p.a. decrease in the Discount Rate	Error! Reference source not found.	58
1 year increase in member life expectancy	4%	129
0.1% p.a. increase in the Salary Increase Rate	Error! Reference source not found.	2
0.1% p.a. increase in the Pension Increase Rate (CPI)	Error! Reference source not found.	56

Professional notes

This paper accompanies the 'Accounting Covering Report – 31 March 2024' which identifies the appropriate reliances and limitations for the use of the figures in this paper, together with further details regarding the professional requirements and assumptions.

Prepared by:-

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19 June 2024

For and on behalf of Hymans Robertson LLP

Schedule of Employer Bodies

Main Councils & Scheduled Bodies		
Wiltshire Council	Salisbury City Council	Swindon Borough Council
Dorset & Wilts Fire Authority	Wilts Constabulary Civs	
Colleges		
Wiltshire College	New College	
Town and Parish Councils		
Alderbury Parish Council	Amesbury T C	Blunsdon P C
Bradford on Avon T C	Bratton Parish Council	Calne T C
Calne Without Parish Council	Central Swindon North PC	Central Swindon South PC
Chippenham T C	Corsham Town Council	Cricklade Town Council
Devizes T C	Dilton Marsh Parish Council	Downton P C
Durrington Town Council	Haydon Wick P C	Highworth T C
Hullavington Parish Council	Idmiston Parish Council	Laverstock and Ford Parish Council
Ludgershall Town Council	Malmesbury T C	Marlborough T C
Melksham Town Council	Melksham Without P C	Mere Town Council
Purton Parish Council	Redlynch Parish Council	Royal Wootton Bassett TC
Southwick Parish Council	St Andrews Parish Council Swindon	Steeple Ashton Parish Council
Stratton St Margaret P C	Tidworth Town Council	Tisbury Parish Council
Trowbridge T C	Warminster T C	West Swindon Parish Council
Westbury T C	Whiteparish Parish Council	Wilton T C
Winterbourne Parish Council	Wroughton P C	
Academies		
Acorn Education Trust	Activate Learning Education Trust ALET	Ascend Education Trust
Athelstan Trust Bradon Forest	Athelstan Trust Malmesbury Secondary Academy	Bishop Wordsworths Academy
Blue Kite Academy Trust	Brunel Academies Trust	By Brook Valley Academy
Commonweal Academy	Corsham Secondary Academy	Diocese of Bristol Academies
Diocese of Salisbury MAT	Dorcan Technology Academy	Educate Together Academy Trust
EQUA Multi-Academy Trust	Excalibur Academies Trust	Goddard Park Primary Academy
Great Western Academy	Grove Learning Trust	Hardenhuish School (Academy)
Hazelwood Academy	Holy Cross Primary Academy	Holy Family Catholic Primary School
Holy Rood Primary Academy	Holy Trinity - Gt Cheverell	Holy Trinity- Calne Academy
King Alfred Trust	King William Street CE Academy	Magna Learning Partnership
Malmesbury Primary Academy	Mead Academy	Millbrook Academy
Morgan Vale and Woodfalls	Palladian MAT	Peatmoor Academy
Pewsey Vale Academy	Pickwick Academy Trust	Reach South Academy Trust
River Learning Trust	Shaw Ridge Academy	Sheldon Academy
South Wilts Grammar Academy	St Augustines Academy	St Catherines Academy
St Josephs Catholic College	St Josephs Devizes Academy	St Laurence Academy
St Marys Catholic Academy	The Dunstan Catholic Educational Trust	The Park Academies Trust
ULT Nova Hreod Academy	ULT Swindon Academy	White Horse Federation
Woodford Valley Primary Academy		

Admitted Bodies		
ABM Catering - JOG	Adoption West	Agincare
Alina Homecare	Aspens - St Augustines	Aster Communities
Aster Group Ltd	Aster Property Ltd	Atkins Limited
Brayborne Facility Services Limited	Brunel Pension Partnership Ltd	BSW CCG
Caterlink - Berkshire	Caterlink - Devizes	Caterlink - Gorsehill
Caterlink - Melksham Oak	Caterlink - WHF	Caterlink-Grange Federation
Cera East	Churchill Services	Classes Abroad
Cleverchefs - Ex Hse & St Marks	Cleverchefs - Magna Learning	Cleverchefs - Pickwick Academy Trust
Cleverchefs Ltd	Cleverchefs Wyndham Park	Collaborative Schools
Community First Oxenwood	Community Golf & Leisure Trust	Compass Catering - Pickwick
Compass Chartwells-St Marys	Coombs Catering Partnership	Direct Cleaning - Bulford
Compass Chartwells-St Marys	Coombs Catering Partnership	Direct Cleaning - Bulford
Direct Cleaning - Westbury Jnr	Direct Cleaning (Brunel AT)	Expedite - Brunel SEN MAT
Expedite - Westlea	First City Nursing	GLL (2014)
Great Western Hospital - SEQOL	Harrison Catering Services Ltd	Hills Group Ltd
Idverde	Idverde UK	Innovate Services Ltd 2
Lex Leisure Ltd	Liberata UK Limited	Milestone M Group Services Limited
NHS South Central & West	Orders of St John Care Trust	Oxford Health NHS Trust
Pendergate (Pickwick Aloeric)	Pinnacle FM Limited	PS Catering Management Ltd
Purgo SSL - Athelstan Bradon	Purgo Supply Services Ltd	Rapid Commercial Cleaning Services Ltd
Sansum Cleaning - Excalibur	Sansum Cleaning Solutions Ltd	Selwood Housing Society
Sodexo -DBAT	Somerset Care HTLAH	Spurgeons
Supreme Contract Services - Lawn Primary	Swindon Music Service	SWLEP - Swindon & Wilts Local Enterprise Partnership
Tenon FM	The Wiltshire Bobby Van Trust	Thera South West
Wiltshire and Swindon Sport		

These accounts form a summary from the Wiltshire Pension Fund Annual Report and Financial Statements publication. This provides information on its activities and a full detailed statement of its accounts. Requests for this report, or any other queries arising from the Wiltshire Pension Fund Accounts, should be addressed to the Chief Financial Officer, County Hall, Bythesea Road, Trowbridge, BA14 8JN.

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