

# AGENDA

**Meeting:** Local Pension Board

**Place:** Salisbury Room - County Hall, Bythesea Road, Trowbridge, BA14 8JN

**Date:** Monday 23 September 2024

**Time:** 10.00 am

---

Please direct any enquiries on this Agenda to Stuart Figini of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718221 or email [stuart.figini@wiltshire.gov.uk](mailto:stuart.figini@wiltshire.gov.uk)

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

This Agenda and all the documents referred to within it are available on the Council's website at [www.wiltshire.gov.uk](http://www.wiltshire.gov.uk)

---

## Membership:

Mark Spilsbury (Chairman)  
Marlene Corbey  
Laura Fisher  
James Nicholson

Mike Pankiewicz  
Karl Read  
George Simmonds (Vice-  
Chairman)

---

## **Recording and Broadcasting Information**

Wiltshire Council may record this meeting for live and/or subsequent broadcast. At the start of the meeting, the Chairman will confirm if all or part of the meeting is being recorded. The images and sound recordings may also be used for training purposes within the Council.

By submitting a statement or question for a meeting you are consenting that you may be recorded presenting this and that in any case your name will be made available on the public record. The meeting may also be recorded by the press or members of the public.

Any person or organisation choosing to film, record or broadcast any meeting of the Council, its Cabinet or committees is responsible for any claims or other liability resulting from them so doing and by choosing to film, record or broadcast proceedings they accept that they are required to indemnify the Council, its members and officers in relation to any such claims or liabilities.

Details of the Council's Guidance on the Recording and Webcasting of Meetings is available on request. Our privacy policy can be found [here](#).

## **Parking**

To find car parks by area follow [this link](#). The three Wiltshire Council Hubs where most meetings will be held are as follows:

**County Hall, Trowbridge**  
**Bourne Hill, Salisbury**  
**Monkton Park, Chippenham**

County Hall and Monkton Park have some limited visitor parking. Please note for meetings at County Hall you will need to log your car's registration details upon your arrival in reception using the tablet provided. If you may be attending a meeting for more than 2 hours, please provide your registration details to the Democratic Services Officer, who will arrange for your stay to be extended.

## **Public Participation**

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

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

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

Our privacy policy is found [here](#).

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

**PART 1**

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

**1 Membership**

To note any changes to the membership of the Board.

- Resignation – James Nicholson

**2 Attendance of non-members of the Board**

To note the attendance of any non-members of the Board present.

**3 Apologies**

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

**4 Minutes (Pages 7 - 18)**

To confirm as a true and correct record the minutes of the previous meeting held on 22 May 2024.

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

**5 Declarations of Interest**

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

**6 Chairman's Announcements**

To receive any announcements through the Chairman.

**7 Public Participation**

The Board welcomes contributions from members of the public.

**Statements**

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

**Questions**

Those wishing to ask questions are required to give notice of any such questions in writing to the officer named above (acting on behalf of the Corporate Director), no later than 5pm on 16 September 2024 in order to be guaranteed a written response

prior to the meeting. Any question received between the above deadline, and no later than 5pm two clear working days before the meeting, may only receive a verbal response at the meeting.

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

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

- 8 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee** *(Pages 19 - 34)*
- To consider the Part 1 (public) minutes of the Wiltshire Pension Fund Committees held on 20 June & 11 July 2024.
- 9 **Headlines & Monitoring (HAM) Report** *(Pages 35 - 82)* **10:15**
- A report for the Board's ongoing oversight of:
- Scheme, Regulatory, Legal and Fund Update
  - Health Check Dashboard – To 30 June 2024
  - Risk Register
  - Administration KPIs – The Improvement Plan
  - Audit update – SWAP KC actions.
- 10 **Key Financial Controls** *(Pages 83 - 88)* **10:25**
- An update by the Investment and Accounting Team Lead concerning the operational accounting arrangements, monitoring of the quarterly budget.
- 11 **Fund Annual Report & Accounts 23/24** *(Pages 89 - 232)* **10:35**
- Presentation of the draft Annual Accounts 2023/24 and ongoing concern assessment. To enable the LPB to comment.
- 12 **Responsible Investment Update.** *(Pages 233 - 258)* **10:45**
- An update reviewing the Responsible Investment Strategy including the updated policy presented by the Investment and Accounting Team Lead.
- 13 **Pension Administration Strategy** **10:55**
- The Pension Administration Lead will provide a verbal update to members and advise on the requirements for the need for an employer consultation process.
- 14 **Administration Charging Strategy** *(Pages 259 - 262)* **11:05**



the business specified in Item Numbers 22-25 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

## **PART II**

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

22 **Minutes and Key Decisions of the Wiltshire Pension Fund Committee** **12:05**  
*(Pages 307 - 326)*

To consider the Part II (confidential) minutes of the Wiltshire Pension Fund Committee held on 20 June and 11 July 2024.

23 **Brunel Governance Update** **12:15**

A verbal update from officers on the ongoing Brunel governance arrangements.

24 **Training item** **12:25**

An understanding of roles and responsibilities of MHCLG, the Pensions Regulator, the PO & SAB to be presented by the Fund Governance Manager.

25 **LPB Minutes** *(Pages 327 - 336)* **12:45**

To confirm the Part 2 (confidential) minutes of the meeting held on 22 May 2024.

**MEETING CLOSE**

## Local Pension Board

---

**MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON 22 MAY 2024  
AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14  
8JN.**

**Present:**

Mark Spilsbury (Chairman), Marlene Corbey, James Nicholson and  
George Simmonds (Vice-Chairman)

**Also Present:**

Cllr Richard Britton, Cllr George Jeans and Cllr Vijay Manro

---

25 **Membership**

The Chairman confirmed that Full Council on 20 February 2024 had ratified the appointment of Karl Read as a new member of the Board.

26 **Attendance of non-members of the Board**

The Chairman welcomed Cllr Richard Britton – Chairman of the Wiltshire Pension Fund Committee, Cllr George Jeans (Wiltshire Council) and Cllr Vijay Manro (Swindon Borough Council) – Members of the Wiltshire Pension Fund Committee, to the meeting.

27 **Apologies**

Apologies for absence were received from:

- Karl Read
- Laura Fisher
- Mike Pankiewicz

28 **Minutes and Action Tracking**

The Part I (public) minutes of the previous meeting held on 13 February 2024 was considered alongside the Board's action log.

**Resolved:**

**The Board approved and signed the Part I (public) minutes of the previous meeting held on 13 February 2024 as a true and correct record, and the Board's action log was noted.**

29 **Declarations of Interest**

There were no declarations of interest.

30 **Chairman's Announcements**

The Chairman reported that the Local Pension Board insurance had been renewed with the premium remaining the same.

31 **Public Participation**

There were no statements or questions submitted.

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

The Part I (public) minutes of the Wiltshire Pension Fund Committee meetings held on 29 February 2024 and 28 March 2024 were considered.

**Resolved:**

**The Board noted the Part I (public) minutes from the meetings of the Wiltshire Pension Fund Committee held on 29 February 2024 and 28 March 2024.**

33 **Headlines & Monitoring (HAM) Report**

The Board considered the report of Jennifer Devine - Head of Wiltshire Pension Fund which provided information highlighting key issues and developments to enable the Board to fulfil its monitoring role.

The report detailed updates in the following areas:

- Headlines
- Scheme, Regulatory, Legal and Fund Update
- TPR General Code of Practice Update
- Risk Register
- Administration KPI update – 1 January 2024 to 31 March 2024.
  - 1) McCloud and Dashboard Update
- Audit Update
  - 1) SWAP audit KPI actions 2023/24
- Training Plan 2024/25

The Fund Governance Manager commented on a new corporate approach to risk management. He indicated that the Pension Fund's risk register has a more operationally focused using a red, amber and green risk rating approach, whereas the new corporate register is adopting a 5 categories approach. It was suggested that officers prepare a detailed report highlighted the differences between the current risk register in operation within the Fund and the new corporate risk management system.



In response to questions on the current risk register changes reported within the meeting pack, officers explained that the reason for the Fund Governance risk rating change from amber to red was in part due to the protracted procurement of the Fund's strategic procurements of actuarial and investment management consulting services. It was noted that 2 of the 3 contracts had now been agreed.

Officers confirmed that they could supply KPI reporting for each quarterly report in respect of the KPI Improvement plan progress as requested by the Board. Officers were confident that the backlog would be managed appropriately, and figures would start to improve. Officers will report further about the onboarding process to i-connect at the next meeting.

Officers confirmed that the SWAP KPI audit actions would be completed by the new deadline set of 30 June. In addition, officers would be able to suggest appropriate training for members with 4 training courses a year being the optimum number. Virtual attendance would also be available.

**Resolved:**

- a) to note the Fund updates**
- b) to endorse the risk register in Appendix 2 & the summary of risk changes since the last review, as a true and fair view of the risks currently being experienced by the Fund and to recommend that endorsement to the Committee:**
- c) To note the progress concerning the KPI audit recommendations**
- d) For officers to update members at each quarterly meeting in relation to progress against the KPI Improvement Plan**
- e) For Board members to approve and adopt the training plan for 2024/25 for themselves and for the Board to recommend that this training plan be approved by the Pensions Committee**
- f) To agree that officers produce a paper detailing the current risk management system in operation within the Fund, the new 'corporate' risk management system, the perceived issues if the Fund is required to fully adopt this new process, and the desired way forward favoured by officers, in the context of the legal standing of the Fund. The report, which should include recommendations on the way forward, should be submitted for decision to the next appropriate meeting of the Wiltshire Pension Fund Committee.**

**34 Key Financial Controls (Budget outturn 2023/24)**

The Board considered the report of Christopher Moore – Pension Fund Accounting and Investment Officer, which highlighted the significant issues in relation to the Fund's key financial controls.

The Pension Fund Accounting and Investment Officer reported that the full Wiltshire Council Accounts for 2019/20, 2020/21 and 2021/22 continued to be delayed due to the Wiltshire Council figures, however, work is complete for the

accounts and annual report for 2022/23. He explained that the work to reconcile and correct discrepancies between the Altair pension admin system and SAP payroll records is almost complete. The Board noted that a small discrepancy in the final payroll on SAP is fully resolved in the April 2024 payroll.

In response to questions and comments, officers confirmed that there is no impact on the Pension Fund accounts following Deloitte's qualification and they will be signed off as qualified. In relation to late payments, officers explained that the majority of late payments were from the same employer and received within 1 to 2 days of the deadline. Regular reviews take place and officers consider there to be no red flags associated with the late payments.

**Resolved:**

**The Board agreed to use the report to monitor progress against resolving the issues which have been identified.**

35 **Low Volume Performance Report**

The Board considered a report of Jennifer Devine – Head of Wiltshire Pension Fund and Richard Bullen – Fund Governance Manager which provided an update on the Fund's performance measures for 2023/24 for eight areas identified in the report. The aim of this report being to fulfil any outstanding compliance obligations of the Fund for the scheme year, where those measures are not reported elsewhere during the year.

The report provided individual commentary for each of the low volume performance measures, as detailed below:

- a. ICO Data Protection breach log
- b. tPR breach log
- c. Freedom of Information (FOI) log
- d. Subject Access Request (SAR) log
- e. Informal Complaints log
- f. Formal Complaints log
- g. Internal Dispute Resolution Procedures (IDRPs) log
- h. Pension Ombudsman log

In response to questions, the Fund Governance Manager suggested that discussions about one ICO breach affecting a scheme employer continue outside of the meeting with James Nicholson (Board Member). He also confirmed that he considered and determines all complaints received and provided the resolution, as detailed in the appendix to the report.

**Resolved:**

**That the findings of the low volume performance measures being monitored by officers on behalf of the fund be noted.**

36 **Draft LPB Annual Report 2023/24**

The Board received the Draft Local Pension Board Annual Report for 2023/24 prepared by Richard Bullen – Fund Governance Manager.

The Chairman highlighted that he had prepared the introduction to the Annual Report and thanked the Fund Governance Manager, for his work in producing the remainder of the report.

Officers explained that the Annual Report covered the Board's activities for the previous 12 months and looked forward to the proposed work plan for the forthcoming year. It was noted that all recommendations made to the Pension Fund Committee and Fund Officers were adopted with the exception of a recommendation made on 13 February 2024. This recommendation, in respect of a request to receive a written report on Oracle testing from the Administering Authority for the benefit of the Committee was not considered by the Committee, on the grounds that the scheduling of their meeting date and the timing of Oracle's implementation "go live" date. Instead, a verbal update was received by the Committee from the Administering Authority's Deputy Chief Executive.

**Resolved:**

**To approve the draft LPB Annual Report.**

37 **Integrated Payroll System Update and Immediate Payments Updates**

**a. Integrated Payroll System Update**

The Board considered a report of Jennifer Devine – Head of Wiltshire Pension Fund and Mark Briggs – Operations Manager which provided updates on the integrated payroll system and the Council's migration of the Payroll service from SAP to Oracle.

James Franklin – Pension Administration Lead introduced the report and was pleased to inform the Board that payments were successfully made on 25 April 2024 to all pensioners and dependants, with Altair and Oracle now being fully aligned. The report highlighted a number of issues experienced by members with the April 2024 payments. The Board asked for a further update on these issues at the next meeting.

**Resolved:**

- 1. To note the progress concerning the Evolve migration and the Integrated Payroll System.**
- 2. That officers provide an update on issues raised in this report, to the next meeting of the Board.**

**b. Immediate Payments Update**

The considered a report of Jennifer Devine – Head of Wiltshire Pension Fund and James Franklin – Pension Administration Lead which provided an update on the impact to the Fund of immediate payments and payroll to scheme members following the Council's migration of the payroll service from SAP to Oracle.

The Pension Administration Lead explained that during the migration 47 Fund members received two payments totalling £228,257.81. Officers have recovered a substantial amount of the overpayments whilst £76,266.87 was currently still outstanding, and the Council's debt recovery process would now be followed.

The Board expressed its concern in relation to the amount still outstanding and the Fund members not engaging with the recovery process. It was suggested that a further update report be provided by officers for considered by the Board at its next meeting.

**Resolved:**

- 1. To endorse the proposal to discuss the options available and pass these onto the Pension Fund Committee.**
- 2. That officers provide a detailed update report on the progress being made to recover overpayments to the next meeting of the Local Pension Board.**

**38 Responsible Investment update**

The Board considered a report of Jennifer Devine – Head of Wiltshire Pension Fund which provided an update on responsible investment issues.

Christopher Moore – Pension Fund Accounting and Investment Officer introduced the report and referred to the progress against actions in the Plan 2023/24, the future publication of the Fund's Climate and Nature Report 2024, and the responsible investment road map for 2024/25 detailed in the report.

The Chair thanked officers for an excellent report and congratulated them on progress being made in this area.

The Pension Fund Accounting and Investment Officer confirmed what determined whether an investment issue is considered by the Local Pension Board of the Pension Fund Committee.

**Resolved:**

**To note the report and that it is used as a basis for monitoring the progress being made towards implementing the responsible investment policy.**

**39 Employer Covenant Risk Policy**

The Board considered the report of Matt Allen – Employer Funding and Risk Lead, providing details of a new Employer Covenant Risk Policy.

The Employer Funding and Risk Lead introduced the report explaining that the new Policy was also considered by the Pension Fund Committee on 28 March 2024 and was approved subject to the Local Pension Board reviewing and approving the Policy. He explained that this is the first policy on employer covenant risk management and that Fund actuaries Hymans Robertson and Fund employers had been consulted on the Policy. The new policy aims set out the Fund's approach to assessing employer covenant risks and the impact of employer risks within the funding strategy. The report highlighted the key sections of the new policy.

The Board noted the limited feedback from the consultation process and questioned whether employers and academies appreciated the potential of the corporate responsibility in adopting the new policy. Officers indicated that there may be a lack of understanding at this stage.

**Resolved:**

**To approve the Employer Covenant Risk Policy.**

40 **Urgent Items**

There were no urgent items.

41 **Date of Next Meeting and Forward Plan**

The next ordinary meeting of the Board will be held on 15 August 2024.

The Board also considered the new Scheme Year's Forward Work Plan.

**Resolved:**

**The Board noted the date of the next meeting and the Scheme Year Forward Plan.**

42 **Exclusion of the Public**

The Board considered the recommendation to exclude the public.

**Resolved:**

**To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Numbers 19-24 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public**

**interest in withholding the information outweighs the public interest in disclosing the information to the public.**

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

The Part II (private) minutes from the meetings of the Wiltshire Pension Fund Committee held on 29 February 2024 and 28 March 2024 were considered.

**Resolved:**

**The Board noted the Part II (private) minutes of the Wiltshire Pension Fund Committee meetings held on 29 February 2024 and 28 March 2024.**

**44 Procurement update**

The Board received a verbal update from Richard Bullen – Fund Governance Manager on the procurement of strategic service providers.

**Resolved:**

**That the update be noted.**

**45 Brunel Governance Update**

The Board received a verbal update on the report from Christopher Moore – Pension Fund Accounting and Investment Officer about the ongoing Brunel governance arrangements.

**Resolved:**

**To note the update.**

**46 SBC Update**

The Board received a verbal update from Matt Allen – Employer Funding and Risk Lead, about the submission and reconciliation of Swindon Borough Council contributions during 2023/24.

**Resolved:**

**That the update be noted.**

**47 LPB Minutes**

The Part II (private) minutes of the Local Pension Board meeting held on 13 February 2024 were considered.

**Resolved:**

**The Board approved and signed the Part II (private) minutes of the Local Pension Board meeting held on 13 February 2024 as a true and correct record.**

48 **Urgent Items**

There were no urgent Part II items.

(Duration of meeting: 10.00 am - 12.00 pm)

The Officer who has produced these minutes is Stuart Figini of Democratic Services, direct line 01225 718221, e-mail [stuart.figini@wiltshire.gov.uk](mailto:stuart.figini@wiltshire.gov.uk)

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

This page is intentionally left blank



**Wiltshire Pension Fund Board - Actions Log**

<b>Minute reference</b>	<b>Section</b>	<b>Meeting Action</b>	<b>Task owner</b>	<b>Target date for completion</b>	<b>Completed and reported to last meeting</b>
118 (18/02/21)	Governance (GCS)	Officers should change the Governance Compliance Statement to include external assurance in conjunction with any confirmed changes arising from the Scheme Advisory Board's Good Governance Review	RB	15/08/24	Agenda item
189 (24/05/2023 )	Governance - (Terms of Reference)	To review the terms of reference, in terms of ensuring that the be appointment of a Vice Chair need no longer alternate annual between a member & employer representative	RB	15/08/24	Agenda item
33 (22/05/2024 )	Administration - (KPI Improvement Plan)	Officers requested to update the Board quarterly in relation to progress against the KPI Improvement Plan	JF	15/08/24	Agenda item
33 (22/05/2024 )	Governance - (Risk Management)	Officers to produce a paper detailing the Fund's current risk management system in operation comparing it against the new 'corporate' risk management system and submit it to Committee	RB	11/07/24	11/07/24
33 (22/05/2024 )	Governance - (Training)	Board to ensure recommended training plan is approved by the Pensions Committee	RB	11/07/24	11/07/24
37 (22/05/2024 )	Administration - (Payroll)	Officers provide an update on the payroll migration to Altair at the next Board meeting.	JF	15/08/24	Agenda item
37 (22/05/2024 )	Administration - (Immediate payments)	Officers to provide an update on the progress being made to recover overpayments	JF	15/08/24	Agenda item

This page is intentionally left blank

## **Wiltshire Pension Fund Committee**

---

### **MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 20 JUNE 2024 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.**

#### **Present:**

Cllr Richard Britton (Chairman), Cllr Kevin Small (Vice-Chairman), Cllr Gordon King, Cllr Vijay Manro, Jodie Smart, Claire Anthony, Karl Read and Cllr Carole King (Substitute - Part II)

#### **Also Present:**

Cllr Nick Botterill

---

#### **43 Apologies**

Apologies for absence were received from Cllr Stuart Wheeler, Cllr Rob Yuill and Cllr Gavin Grant.

Cllr Gavin Grant had arranged for Cllr Carole King to attend in his absence.

The Chairman noted that following the Annual meeting of Full Council on 21 May 2024, the following Committee Memberships had taken place:

- Cllr George Jeans was replaced by Cllr Gavin Grant.
- Cllr Christopher Newbury was replaced by Cllr Robert Yuill but would remain as a substitute.
- Jodie Smart was formally ratified as a Non-educational Employer Body Representative.

The Chairman placed on record his gratitude for the work of Cllrs Newbury and Jeans towards the Committee over many years.

#### **44 Minutes**

The minutes of the meeting held on 28 March 2024 were presented for consideration, and it was,

#### **Resolved:**

**To approve and sign the minutes as a true and correct record.**

#### **45 Declarations of Interest**

There were no declarations of disclosable interests.

46 **Chairman's Announcements**

Jennifer Devine, Head of Wiltshire Fund, reminded Members that an email had been sent regarding an invitation to a solar farm visit and that those interested should confirm their attendance by the end of the day.

47 **Review of Actions arising from previous meeting(s)**

The Committee reviewed the actions which had arisen from previous meetings.

48 **Public Participation**

No statements or questions were submitted.

49 **Responsible Investment Update**

Chris Moore, Investment and Accounting Team Lead presented a report on the Fund quarterly responsible investment performance. The presentation covered the following points including but not limited to the progress against the actions in the Responsible Investment Plan 2023/24 with a significant amount of progress made, with only one piece of outstanding work, which was the implementation of the Clops portfolio.

It was outlined that a significant number of reports had been produced in 23/24 Q4, including the Affordable Housing Impact Report and Responsible Investment and Stewardship report and Spotlight on Social report, with summaries included and it noted that the best place to view these reports was on the Wiltshire Pension Fund website.

The fund had many achievements across the year including that the COP28 campaign including an informative factsheet was read by circa 13,000 people, the fund had received several awards relating to responsible investment and had also been invited to speak at multiple conferences.

A progress update on the implementation of the Clops portfolio was provided, with it noted that regarding the local infrastructure asset class, out of the £100m allocated to Wessex Gardens, £70m had already been drawn into a solar portfolio and that regarding listed equities, a manager had been selected pending subscription. Regarding listed/private debt, the Fund had appointed NinetyOne as the investment manager. Additionally, £10m had been allocated to World Fund who will invest in start-up companies who have the potential to deliver material carbon reduction. Detail was also provided regarding the nature-based allocation and that a selection process would start once the investment advisor procurement process was completed.

Reference was made to the delivery of the Younger Members Focus Group, which had been set up as part of the RI plan to engage younger members following the youth pensions survey undertaken previously, however low levels

of interest had been received, therefore consideration was taking place regarding how the fund could engage with younger members in another way.

The Committee discussed the presentation, with reference made to whether the Fund had considered communication from the perspective of the younger members, to which it was noted that the Focus Group had the aim of engaging with members and that the approach taken by the Fund needed to reflect what younger members needed or wanted.

Further clarity was provided regarding the progress on the implementation of the Clops investments and why they have taken slightly longer. The main reason being the team having less capacity due to vacancies meaning fund selection could not take place concurrently. Officers outlined that since summer last year, the team had been actively trying to recruit to fill a senior role and had advertised in many ways using market supplements. Since then, the team had found an Investment Analyst with a good background of experience, who was set to join the Fund on 4 July. It was also covered that resilience work had been done with the accounting team to improve career progression as well as setting up an apprenticeship programme for accountants. It was also outlined that the nature-based allocation was the final part of implementing the Clops portfolio and that once the investment advisor procurement process had been completed making an allocation to nature would be an initial priority.

The notion of local inward investment was discussed, with it outlined that managers had a UK wide remit and hadn't been directed to have a specific amount of allocation in Wiltshire, however this was a concept which was becoming more prevalent and could be considered by the Fund in the future, with a possible workshop set to take place once the new advisor was in place. It was also suggested that some Members of the scheme didn't live locally therefore there might be concern about compromising investment opportunities with such an approach, therefore requiring consideration of what would be defined as "local".

At the conclusion of debate, it was,

**Resolved:**

**The Committee agreed to use the report as a basis for monitoring the progress that is being made towards implementing responsible investment policy.**

50 **Date of Next Meeting**

The dates of the next meetings were confirmed as:

- Administration focused meeting 11 July 2024
- Investment focused meeting 19 September 2024

51 **Urgent Items**

There were no urgent items.

52 **Exclusion of the Public**

It was,

**Resolved:**

**To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Minute Numbers 11 - 16 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 1 & 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.**

53 **Minutes**

The private minutes of the meeting held on 28 March 2024 were presented for consideration, and it was,

**Resolved:**

**To approve and sign the minutes as a true and correct record.**

54 **Quarterly Investment Update**

Chris Moore, Investment and Accounting officer to present a report on the Fund quarterly investment performance.

At the conclusion of debate, it was,

**Resolved:**

**The Committee agreed to use the investment reports and the update provided by officers and advisers at the meeting as a basis for monitoring the investment performance and implementation of the strategic asset allocation.**

55 **Draft Climate and Nature Report**

Jennifer Devine, Head of Wiltshire Fund to present the draft Climate and Nature Report 2024.

At the conclusion of debate, it was,

**Resolved:**

**The Committee agreed to approve the Climate and Nature Report 2024 for publication.**

56 **Brunel Governance Update**

Jennifer Devine, Head of Wiltshire Fund provided a verbal update summarising the ongoing Brunel governance arrangements.

57 **Investment Advisors Update**

Jennifer Devine, Head of Wiltshire Fund provided members with a verbal update on the tender process to appoint an independent investment advisor and Investment Consultant.

*Chairman called the meeting to a break at 11.33am and then resumed the meeting at 11:45am.*

58 **Brunel Private Markets Presentation:**

The Brunel Private Markets team provided an update on performance of the Private Markets Investments. (Private Equity, Private Debt, Property, Infrastructure).

(Duration of meeting: 10.00 am - 12.45 pm)

The Officer who has produced these minutes is Ben Fielding - Senior Democratic Services Officer of Democratic Services, direct line: 01225 718656 or e-mail:

[Benjamin.fielding@wiltshire.gov.uk](mailto:Benjamin.fielding@wiltshire.gov.uk)

Press enquiries to Communications, direct line 01225 713114 or email

[communications@wiltshire.gov.uk](mailto:communications@wiltshire.gov.uk)

This page is intentionally left blank



## Wiltshire Pension Fund Committee

---

### MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 11 JULY 2024 AT COUNCIL CHAMBER - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

#### **Present:**

Cllr Richard Britton (Chairman), Cllr Kevin Small (Vice-Chairman), Cllr Gavin Grant, Cllr Gordon King, Cllr Vijay Manro, Cllr Robert Yuill, Claire Anthony

---

#### 59 **Membership and Apologies**

Apologies for absence were received from Cllr Nick Botterill (Observer), Andy Brown, Jodie Smart and Marlene Corbey.

#### 60 **Minutes of Previous Meetings**

The minutes of the meeting held on 20 June 2024 were presented for consideration, and it was,

#### **Resolved:**

**To approve and sign the minutes as a true and correct record.**

#### 61 **Declarations of Interest**

There were no declarations of disclosable interests.

#### 62 **Chairman's Announcements**

The Chairman made the following announcements:

1. Discussions were currently taking place regarding the Committee arrangements, to align the constitution with the practice of two separate themed meetings taking place rather than one large general Committee meeting, which had allowed for greater focus on separate aspects. Comments were requested concerning this constitutional change.
2. Discussions were currently taking place to consider awarding votes to the current non-voting observer Members and in effect making them member representatives.
3. Regarding Investment Manager presentations, it was suggested that these only be arranged on an exceptional basis should Members and Officers feel that they be required from Fund Managers.

The Chairman encouraged Members to contact him should there be any feedback and comments.

63 **Review of Actions arising from previous meeting(s)**

The Committee reviewed the Actions Log.

64 **Review of the Minutes of the Local Pension Board**

The Committee reviewed the minutes of the Local Pension Board meeting held on 22 May 2024 and the included recommendations, and it was,

**Resolved:**

**To note the minutes of the Local Pension Board meeting on 22 May 2024.**

65 **Public Participation**

No statements or questions were submitted.

66 **Headlines and Monitoring (HAM)**

Jennifer Devine, Head of Wiltshire Pension Fund, supported by other officers, presented the Headlines and Monitoring report. The report included, but was not limited to, that there had been positive developments from the Investment and Accounting team who had recruited two apprentices as well as an accounting officer who would be able to assist with training and the completion of additional tasks. Additionally, the Fund had hired an Investment Analyst who had started on 4 July and had come from an investment background. It was also noted that work had taken place on the salaries supplement, which had been taken to the Wiltshire Corporate Leadership Team and was now pending an update.

Detail was provided that the Fund was working towards an accreditation in Customer Service Excellence. An update was also provided on the low volume performance reporting and complaints activity, which covered the past year and also included Freedom of Information requests.

Information was provided regarding the Risk Register, which covered the period from January to April. It was noted that there had been improvements in relation to Compliance and Data Management, as well as Projects which had seen a number of projects closed off. The only area which had had an upturn in risk which was Fund Governance, which had been down to the procurements taking place and which had since been resolved.

Detail was provided regarding the SWAP key controls audit, where the Fund had been offered an improved assurance rating of "Reasonable", which was an increase from the previous "Limited" rating in January 2023. This reflected the hard work of officers. Reference was also made to the Members training plan, which had been recommended by the Board after review.

The Committee discussed the report with it questioned whether the risks experienced by the Fund were being flagged sufficiently and strongly in the governance structure of the Council, it was suggested that the reputational risk

of the Fund had a wider implication for the Council. It was suggested that the Chairman could attend the Audit and Governance Committee with a specific agenda item to enable greater visibility for the Fund within the wider Council, with reputational risk cited as an important matter that Councillors should understand. The Chairman agreed to give this further thought and that he would discuss the notion with Officers before further updating the Committee on his stance.

It was questioned whether the risk rating change for Data Management from amber to green was appropriate, to which Officers clarified that the report presented a snapshot in time and that the change in rating followed on from the completion of the end of the last scheme year on the old SAP system. The Officer noted that it was expected that the risk would increase again within the next report. It was also questioned regarding the Risk Register, why Fund Governance had been rated as a high risk which could be perceived as too high given the work of Officers, to which it was clarified that this had been a temporary high risk due to the key procurements which had been undertaken.

The Chairman congratulated Officers for their work regarding the improvement of the SWAP key controls audit, to which it was noted that there was still work to do concerning quality assurance issues and that the Fund was looking to recruit a Quality Assurance Officer to further manage the recommendations set by SWAP. It was also agreed that the Chairman would be given sight of the draft action plan which was being produced to complete the recommendations.

Regarding the service delivery of KPIs, a discussion took place regarding the use of the word “tolerable”, with clarity provided that in this instance the word “tolerable” represented the minimum expected performance and that in the future this would be changed.

Further detail was provided from Officers on the situation involving iConnect onboarding and how data for contributions and submissions had not matched in some cases. Assurance was provided that the Fund team was ready to onboard, pending clean data at the year end.

A discussion took place on the charging of interest for late contributions, with it noted that the Fund would have to consult on the minimum amount charged and that currently this amount did not seem to be acting as a deterrent for employers. The importance of wording was stated by Officers, and that within regulations it would not be possible to charge employers penalties and that the relationships in place might cause difficulty in enforcement. The Officer updated that currently the charging process was being discussed and would need to go through a full consultation process. It was agreed that a paper would be produced including recommendations and all possible options for the Fund relating to charging.

James Franklin, Pension Administration Lead, provided a presentation on the KPI improvement plan checkpoint update for the first 6 months. The presentation included, but was not limited to the following points:

- An overview of the backlog in December 2023 was provided with it noted that positive progress had been made by outsourcing the aggregation backlog.
- A road map was provided on where the Fund would expect to be if the proposed actions were taken.
- A status update after 6 months was provided, which included administration recruitment, the Evolve Payroll migration, training plans, the administration strategy and KPI and backlog update.
- It was also advised that the Fund had only been reporting Medium and High priority cases which has meant the backlog had been underreported. Going forward all cases will be included in the reports to Committee.
- Targets for the next 6 months were outlined, which included for the total backlog to be less than 100, remaining vacancies to be filled, death and retirement KPIs to be greater than 90% and for the Oracle to Altair migration to take place.

The Committee discussed the presentation, with it suggested that the target of less than 100 backlog cases was ambitious to which assurance was provided that this was achievable based on the training and performance of the team members in place. Clarity was also provided that the backlog had taken long to clear as the handling of deaths and retirements cases required greater attention due to reputational risk issues.

The notion of performance was discussed and how this might impact on the team over the next 6 months and that once this had passed, the team would be strong with the potential to bring in strong individuals to replace any which might be lost. Regarding the targets, it was outlined that should there be any risk of missing what had been set, the Committee would be informed and approached regarding readjustment.

At the conclusion of debate, it was,

**Resolved:**

**The Committee agreed to:**

- **Approve the risk register recommendations made by the Board and the officer assessment of risk as presented in the April version of the risk register:**
- **Note the SWAP Key Controls audit report and instruct the officers create a log to complete the recommendations stated in the report:**
- **Approve the members training plan 2024/25.**
- **To produce an administration charging paper for consideration by members.**

Richard Bullen, Fund Governance Manager, presented a paper outlining the Fund's review of its risk register design against Wiltshire Council's newly approved corporate design. The report included, but was not limited to, the benefits of Wiltshire Council recently introduced corporate risk management system. Additionally, at the Pension Board meeting on 22 May, recommendations had been made with a request that officers undertake a review of both systems in place to propose a way forward, which was set out within the paper.

Officers had also spoken to SWAP, who had made recommendations relating to the Fund's risk management system. It was therefore proposed that the Fund would continue to have its own risk register which would feed into the corporate risk management system due to different purposes and objectives across the Fund's sphere of activity to the Council's. It was outlined that the Council's risks would be owned by different officers, particularly the Corporate Leadership Team and the s151 Officer.

The Committee discussed the report with it suggested that there was comfort in the proposal due to their being a reputational risk. In addition, it was stated that the proposal could be beneficial for the Fund as having a Wiltshire Council Officer responsible for risk areas would raise awareness outside of the Pension Fund. It was also questioned whether there would be an opportunity to feed into risk appetite, to which it was suggested that Members could contact Richard Bullen.

At the conclusion of debate, it was,

**Resolved:**

**The Committee agreed to:**

**Approve the recommendations in paragraph 14 of the report:**

- **To review in detail the Council's new risk management framework (with emphasis on the new key changes as highlighted in para 6 above) and develop a plan to embed these in the Fund's current operational risk register over the next 12 months.**
- **To recommend the suggested Corporate-level risks identified in para 11 above for inclusion on the Council's risk register.**
- **To incorporate SWAP's audit recommendations into the Fund's risk register**
- **To work with the Council's risk management specialist to ensure that both the Council and Pension Fund are satisfied that the arrangements are compliant and effective for both parties.**

*The Chairman called the meeting to a break at 11:53 and resumed the meeting at 12:01pm.*

## 68 **Key Financial Controls**

Christopher Moore, Investment and Accounting Team Lead provided an update concerning the operational accounting arrangements, which included the budget outturn 2023/24 and budget monitoring for 2024/25. The update included, but was not limited to, that the final sign off for the full Pension fund accounts for 2019/20, 2020/21 and 2021/22, 2022/23 continued to be delayed. This was due to an issue with the Wiltshire Council figures, therefore meaning that the Pension Fund accounts had not received their final audit opinion for inclusion in the annual report. It was noted that Officers were dealing with Deloitte as the external auditor and had responded to every question raised. There is a delay with assurance work being provided by Deloitte to Swindon, it was stressed that this had been raised with the s151 Officer and further chasing of Deloitte would be carried out after the meeting.

A draft set of accounts for 2023/24 had been prepared despite issues caused by Oracle and that the external audit work had been commenced by Grant Thornton.

It was outlined that cashflow continued to be managed well with a high number of capital calls and large investments into the Clops fund having been made.

Regarding the budget outturn for 2023/24, the Fund underspent its operating budget of £4.4m by £345k (7%), the main cause of this being staff vacancies and absences. In year monitoring of the budget had been made impossible due to the system changeover issues.

The Committee discussed the update with it noted that the Wiltshire Council accounts for 2019/20, 2020/21 and 2021/22, 2022/23 were going to be signed off with qualification and that this position had been agreed with the auditors. The implications of the sign off of the accounts for Swindon Borough Council was discussed and that the s.151 Officer would be further alerted of the need for sign off.

At the conclusion of debate, it was,

### **Resolved:**

**The Committee agreed to use the report to monitor progress against resolving the issues which have been identified.**

## 69 **Fund Annual Report and Accounts**

Christopher Moore, Investment and Accounting Team Lead, presented the draft Annual Accounts 2023/24 and ongoing concern assessment. The report

included a draft report of the financial accounts for the year ended 31 March 2024. It was noted that the Annual Report was in the process of drafting and would be brought to the September Committee meeting, ahead of the statutory deadline of 1 December. It was also outlined that a Going Concern Report had also been added to the pack for good practice.

An overview of the Statement of Accounts was provided, including that contributions had increased year on year. It was also outlined that previously there had been provision for an underpayment issue, however this had now been resolved and therefore the provision had been removed from the accounts.

The Committee discussed the report with clarity provided that there had been no significant changes experienced with the newly appointed external auditors Grant Thornton. It was outlined that Grant Thornton had good knowledge of Brunel and that their team regularly worked with Brunel. In addition, Grant Thornton had taken to working in the office and dealing with queries in person, which had provided a positive experience. In addition, an audit plan had been produced, which could be provided to the Committee should they be interested. Further clarity was also provided on the overall membership of the Fund, with it noted that the overall membership had increased by 281 Members and that there had been an increase of 1,000 more active members. It was stated that the growth in pensioner Members could have later implications for cashflow and that this would be an area for the actuary to consider.

At the conclusion of debate, it was,

**Resolved:**

**The Committee agreed to:**

- **Note the unaudited Statement of accounts for 2023/2024.**
- **Approve the appended statement of going concern.**

70 **Pension Administration Strategy**

James Franklin, Pension Administration Lead, provided a verbal update to members and advised on the requirements for the need for an employer consultation process. The update included, but was not limited to, that originally a draft version of the strategy was going to be brought to the Committee, however due to issues such as the Oracle migration, staffing and workload this had not been possible. It was outlined that the strategy was almost complete, with key inclusions highlighted as having a KPI strategy which would move from a case basis to a transaction basis as well as reporting on every instance that work on a case had taken place to increase transparency. Reference was also made to the Charging and Escalation policy, which would need further clarity and refining, with further information to be shared with the Committee.

71 **Committee Forward Work Plan**

The Committee reviewed the Forward Work Plan with it noted that the Work Plan which had been included within the agenda pack was the one for the new scheme year and included all of the policies and strategies set to take place within this year as well as such items as the review of payroll. Members were encouraged to contact Richard Bullen, Fund Governance Manager, if they had any comments.

72 **Date of Next Meeting**

The following dates of the next meetings were confirmed:

- Investment focused meeting 19 September 2024
- Administration focused meeting 10 October 2024

73 **Urgent Items**

There were no urgent items.

74 **Exclusion of the Public**

It was,

**Resolved:**

**To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Minute Numbers 19 - 23 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 1 & 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.**

75 **Minutes of Previous Meeting**

The private minutes of the meeting held on 20 June 2024 were presented for consideration, and it was,

**Resolved:**

**To approve and sign the minutes as a true and correct record.**

76 **Local Pension Board Minutes (Part II)**

The private minutes of the Local Pension Board meeting held on 13 February 2024 were presented for consideration, and it was,

**Resolved:**



**To note the minutes as a true and correct record.**

77 **Brunel Governance Update**

Jennifer Devine, Head of Wiltshire Pension Fund, updated the Committee on the Fund's response to the Minister's letter, to be submitted by 19th July.

At the conclusion of debate, it was,

**Resolved:**

**The Committee discussed the letter and its implications and provided feedback.**

78 **Integrated Payroll System Update**

James Franklin, Pension Administration Lead, presented a payroll migration and immediate payments update. This included outstanding matters in respect of the migration from SAP to Oracle, payslip issuance.

79 **Integrated Immediate Payments Update**

James Franklin, Pension Administration Lead, presented immediate payments update covering Oracle reporting & debt recovery arrangements.

At the conclusion of debate, it was,

**Resolved:**

**The Committee agreed to ask Officers to continue to pursue the accounts which had received overpayments and to take legal steps as necessary and appropriate.**

80 **Procurement Update**

Christopher Moore, Investment and Accounting Team Lead, provided members with a verbal update on the procurement of strategic service providers.

81 **Training Item**

The Committee agreed to defer this item due to the elapsed time of the meeting.

(Duration of meeting: 10.00 am - 12.50 pm)

The Officer who has produced these minutes is Ben Fielding - Senior Democratic Services Officer of Democratic Services, direct line: 01225 718656 or e-mail: [Benjamin.fielding@wiltshire.gov.uk](mailto:Benjamin.fielding@wiltshire.gov.uk)

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

## WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD  
23 September 2024

---

### **WILTSHIRE PENSION FUND HEADLINES AND MONITORING REPORT**

#### **Purpose of the Report**

1. The purpose of this report is to provide the Board with information in relation to various standard issues, to enable the Board to fulfil its monitoring role.
  - a) Headlines
  - b) Scheme, Regulatory, Legal and Fund Update
  - c) Health Check Dashboard
  - d) Risk Register
  - e) Audit update – KC actions update
  
2. This report is intended to highlight key issues and developments. Full detail is provided in the Appendices.

#### **Report from Head of Wiltshire Pension Fund**

3. This section summarises key events across the Pension Fund over the last quarter.
  - a) Investment performance for the quarter to Jun-24 was +1.0%, slightly underperforming the combined benchmark for all portfolios. The fund value at the end of Jul-24 was £3.4bn.
  - b) The funding level at the end of May-24 was 134.0% (based on a roll-forward of the 2022 funding level). As we are transitioning to a new actuary it is not possible to obtain up to date figures at the current time.
  - c) The migration of the pensioner payroll from Oracle to Altair is in testing phase, with good progress being made.
  - d) The actuarial contract, investment advisor contract, and investment consultant tenders are now all finalised.
  - e) The Annual Report and Accounts have been completed for 2023/24, although audit work is still ongoing. The Annual Report will be published pending approval by the Committee on 19 September (verbal update to be provided at the meeting).
  - f) The Government has now issued a call for evidence as part of the pension review. This is due by 25 September and a verbal update on the Fund's response will be provided at the meeting.
  - g) Progress continues to be made against the KPI Improvement Plan, and at the current time the team are on track to deliver against the Plan's next milestone at 31 December 2024.
  - h) Pension Awareness Week took place from 9-13 September, as part of this national initiative the Fund conducted a campaign to connect members with the financial futures. This involved informative factsheets, drop-in sessions and webinars.
  - i) The salary benchmarking review has now been enacted, and this has led to being able to recruit a new principal officer in the member services team, starting soon. We are currently recruiting for some other roles. There is also significant other engagement and cultural work going on with the team, including the annual employee engagement survey. A verbal update can be provided if members would like more information.

### **Scheme, Regulatory and Legal Update (Appendix 1)**

4. A scheme update is included in paragraph 3 of this report. Regulatory & legal updates have been provided via Barnett Waddingham August 2024 LGPS Pulse circular (Appendix 1). Key additional strategic Fund updates have been incorporated within the Fund's risk register section of this report.

### **Health Check Dashboard (Appendix 2)**

5. The Health Check Dashboard is a new tool to provide a snapshot of the Fund's performance against its Business Plan objectives and these are shown under the Fund's seven pillars of customer service. Service Delivery KPIs, Investment performance, Funding level, Customer Service Excellence, Internal audit ratings, Cost per member and Staff engagement. Future updates will provide commentary on trends from Quarter to Quarter.

### **Risk Register (Appendix 3)**

6. The version of the risk register presented in Appendix 3 relates to the month of July 2024. The July 2024 version will be the version submitted to the Committee meeting on 10 October. The officer led CROC Group continue to process and moderate ratings of monthly manager reviews in a consistent manner in the interim period.
7. A summary table is provided below for members to be able to monitor the key changes between versions submitted to their meetings. The purpose of this summary is to assist Board members in making their recommendations to the Committee.
8. The summary of risk rating changes between April and July, since the Board last reviewed the risk register in May are:

<b>Risk Section</b>	<b>Section rating change</b>	<b>Key notes and mitigations during the period</b>
Fund Governance	Red to Green	a) The key reason for the decrease in this risk rating relates to the range of strategic procurements completed in the name of the Fund. The actuarial, independent investment adviser and investment management consultant services procurements have now been effectively concluded and have moved into a business-as-usual phase.
Compliance and Regulations	Green to Amber	a) Communications concerning the Govt's proposed Pensions Review, including potentially significant changes to the LGPS have raised this risk to an Amber rating. Fund officers are issuing communications of their own and liaising with professional advisers to establish the facts.
Data Management	Green to Amber	a) During the period this risk increased from Green to Red, falling to Amber by the end of the period. The key factor attributed to this fluctuation in data management was the provision of data from Wiltshire Council from its Oracle system. April, May and June i-Connect data were all late, as well as data in respect of scheme employers who use the Council as their 3 <sup>rd</sup> party payroll agent. All data has now been received, however delayed

		notification of membership movements and changes has impacted the Fund's administration. This included data to the Fund's AVC provider, Prudential. b) Delays in the provision of information from Oracle for the Fund's Accounts team has also impacted their ability to monitor and manage the Fund's budgets and complete the year end annual accounts on a timely basis.
Resourcing	Red to Amber	a) During the period several staff vacancies were filled with only a couple of key appointment left to fill. Inductions and staff training has also taken place over the period leading to a reduction in this risk. This process to make appointments to the outstanding vacancies continues.

9. Please note that a risk entitled "Reputation" was added to the risk register with effect from the May version. This risk was introduced with an Amber rating and its aim is to consider any failure to manage the Fund's reputation due to factors such as government policy, press attention, poor service delivery, controversial investments, achieve our climate targets, achieve statutory reporting requirements, breaches of law and regs, and other factors beyond the Fund's control.

#### **Administration KPIs (Appendix 4)**

10. Tables 1 & 2 show the admin performance over the period from 1 June 2024 to 31 August 2024. The Admin KPI picture has slightly improved over the period to the level we reported at the end of May 2024. The backlog has decreased by 377 cases since our last report. These figures now include cases on Reply Due (cases that could not be actioned as we did not have all if the information) previous reports did not include these cases as it was unclear what actions, if any, were needed. We have now audited these cases and the ones that remain are cases that need further work. The first part of 2024 has been focused on training which has resulted in this increase. Incoming cases are at an expected level for this time of year.
11. Table 3 provide some analysis of the open cases. Table 3 shows the number of cases older than 2 years has remained at the same level and there are no cases older than 4 years and 14 cases older than 3 years (this is due to including reply due cases in the figures). The graph under the table shows the difference between completed and received cases which shows a slight difference between the cases competed to cases we have received. The second graph shows the continued trend of cases over SLA decreasing over the period with a slight increase in August.
12. We have now included a section detailing the current position onboarding employers onto iConnect. As you can see, we now have 137 employers onboarded and we expected this number to increase once the 2023/24-year end checks have been completed and the data verified in respect of the current membership. Training has been rolled out to employers and Swindon Borough Council will the next employer onboarded, and we expect a significant uptake now year-end has been completed.

#### **SWAP Audit KC Audit Update 2024/25 (Appendix 5):**

13. During May and June SWAP conducted their Key Controls (KC) audit of Fund processes and increased the Fund's assurance rating from "Limited" to "Reasonable".
14. This improvement in rating is welcomed by Fund officers who have committed considerable time and effort in completing the recommendations set out in SWAP's last

full audit, as well as implementing a restructure of the Fund's operational working practices and KPI Improvement Plan. However, whilst an improvement rating was welcomed, officers have noted the recommendations made by SWAP as part of this audit. These are:

- Risk Register – That elements of the Fund's current risk management system require improvement, including integration with the Council's risk management framework and some gaps identified which need to be corrected (Priority 2 rating):
- Quality Assurance – To address weaknesses in the existing QA process, such as sample checking and trend analysis. (Priority 2 rating):
- i-Connect", the Employer Scorecard and Administrative Charging – To complete the implementation arrangements for these employer related activities (Priority 3 rating):
- Complaints Monitoring & Reporting - To improve Altair reporting in this area (Priority 3 rating): &
- KPIs, Reports & Monitoring of Staff Productivity – To address weaknesses in KPI accuracy and gaps in reporting areas, as well as improve data quality reporting and complete the rollout of staff productivity reporting. (Priority 2 rating)

15. The Committee approved the recommendations made by SWAP and requested an action log be prepared (Appendix 4), in order that the recommendations can be completed by the final target date of 31 December 2024. The action log states the progress made by officers, to date.

### **Financial Implications**

16. No direct implications.

### **Legal Implications**

17. There are no known implications from the proposals.

### **Environmental Impacts of the Proposals**

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

### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

19. There are no known implications currently.

### **Proposals**

20. The Board is asked:

- a) to note the Fund updates.
- b) to endorse the risk, register in Appendix 3 & the summary of risk changes since the last review, as a true and fair view and to recommend those changes to the Committee:
- c) To note the progress against the SWAP KC audit recommendations

JENNIFER DEVINE  
Head of Wiltshire Pension Fund

Report Authors: Richard Bullen (Fund Governance Manager), James Franklin (Pension Admin Lead) and Jennifer Devine (Head of Wiltshire Pension Fund)

---

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

**Appendices:**

Appendix 1 – Scheme, Legal, Regulatory and Fund updates

Appendix 2 – Health Check Dashboard

Appendix 3 – Full risk register

Appendix 4 – Admin KPIs

Appendix 5 – Key Controls Audit action log

This page is intentionally left blank





## LGPS Pulse

**August 2024**

Melanie Durrant | Partner

31 August 2024



# Welcome...

... to the August edition of BW's LGPS Pulse, our monthly news round up.

The purpose of this note is to provide you with a summary of what has been going on in the LGPS community in the past month and explain why it may be of interest to you.

Please do share it with other team members, Committee members and Board Members. The note is written to be shared with all stakeholders, so we hope you find it useful.

For more information on any topic please get in touch with your usual contact, or the team member mentioned in the relevant piece of news. An accessible version of this document is available on request.

Any feedback is welcome.

Page 42



## What LGPS news has happened this month?

### Section 13 report published

The Government Actuary's Department (GAD) released their review of the LGPS 2022 valuations under section 13 of the Public Service Pensions Act 2013, which can be found [here](#). The purpose of the Section 13 review is for GAD to report on whether the following aims are achieved for LGPS funds in England and Wales: Compliance, consistency, solvency and long term cost efficiency.

The key takeaways from the report are that the scheme appears to be in a strong financial position with funding positions improving (on average) and total contributions reducing (on average). Only a small number of flags were raised where GAD investigated a Fund in more detail.

The final report includes the following three recommendations for the LGPS Scheme Advisory Board:

**“Recommendation 1:** We recommend that the Scheme Advisory Board consider whether greater consistency could and should be achieved to allow easier comparison between funds and better understanding of risks.”

**“Recommendation 2:** We recommend that the Scheme Advisory Board continue to consider emerging issues and, where appropriate, whether guidance would be helpful to support greater consistency.

As part of greater consistency on climate risk, we recommend that work continues to refine the climate change principles document in advance of the 2025 fund valuations.”

**“Recommendation 3:** We recommend that the Scheme Advisory Board consider the following:

- Where funds are in surplus, whether additional guidance can be provided to support funds in balancing different considerations.
- Where deficits exist, how can all funds ensure that the deficit recovery plan can be demonstrated to be a continuation of the previous plan.
- Whether additional guidance is required in relation to the treatment of asset transfers from local authorities.”

We will consider the results as part of the 2025 valuation and engage with GAD as appropriate. We know there will be a continued focus on climate risk as part of the 2025 valuation and will provide more detail as we have it.

If you would like your Fund specific results summarised in a user friendly report, please speak to your usual Barnett Waddingham contact.

## Pensions Review

Following on from the Chancellor's meeting with the pensions great and good on 22 July 2024, an [HMT press release](#) and a briefing, resulting in [stories](#) of the Chancellor seeking a Canadian style model of pension schemes in the UK, we now have the [Terms of Reference](#) for the Pensions Review. The Terms of Reference make specific reference to the LGPS and the new Government are looking at: *"Improving the affordability and sustainability of the Local Government Pension Scheme in the interest of members, employers and local taxpayers."*

[Jeff Houston](#) circulated a note detailing the potential impact on the LGPS.

If you didn't get a copy of the note and would like one, please let your usual BW contact know.

## Virgin Media vs NTL Trustees

Following the Court of Appeal's 25th July ruling on the Virgin Media vs NTL Trustees case, [Garry Smith](#) circulated a note discussing what this could mean for the LGPS.

Put simply, the case is around missing actuarial certificates which resulted in an amendment to a scheme's rules being invalid and therefore historic benefits will need to be amended.

At this stage it is unknown if the LGPS will be affected but GAD and HMT are currently investigating this. The main short term impact will be employers including some narrative in their accounting disclosures as required by their auditors.

If you didn't get a copy of the note and would like one, please let your usual BW contact know.

For further information, our original blog by [Mark Tinsley](#) can be found [here](#). Please note, the focus is on the potential impact on private sector schemes.

## New publications

### LGPS policy: is it about more than just the numbers?

The 2024 General Election has come and gone, and we have a new government in place. So what, if anything has changed so far for pensions, and in particular for the Local Government Pension Scheme (LGPS)?

[Melanie Durrant](#) and [Jeff Houston](#) explore some of those changes as well as covering what others we might still expect to see [here](#).

### The changing role of investment consultancy for the LGPS

In [this](#) blog, [David Moreton](#) discusses the changing role of investment consultancy for the LGPS and how it might look different post April 2025 (the deadline for pooling assets).



## LGPC Bulletin 254

The Local Government Association (LGA) have published Bulletin 254 (August 2024) [here](#). The bulletin includes important updates on how the McCloud issue around teachers with excess service is progressing, how to record extra payments due to the underpin in the GAD transaction data, improvements to tools on the LGPS member websites, dashboard guidance and template slides for Pension Awareness Week which can be used in member presentations.

## LGPS Pensions Dashboards Connection Guide

The LGA published version 1.0 of the LGPS Pensions Dashboards Connection Guide & Version 1.0 of the AVCs and Pensions Dashboards Administrator Guide, both of which can be found [here](#). Both guides are specifically tailored to the LGPS.

The LGPS Pensions Dashboard Connection Guide is to help administering authorities identify the steps needed to connect to the pensions dashboards ecosystem. It provides a synopsis of each topic with hyperlinks to where the detailed information can be found online.

The aim of the AVC guide is to establish common approaches on the preparation and provision of AVC data to the pensions dashboards ecosystem.



## What have the BW public sector team been up to this month?

### Training

We recently circulated a flyer from [Gavin Paul](#) on LGPS training services on offer from Barnett Waddingham. As well as general governance, employer, and actuarial training, this training also covers the most recent update to the Pensions Regulator's General Code of Practice. This is a great opportunity for LGPS funds to take stock of how their governance processes match up with the Regulator's expectations.

If you didn't get a copy of the flyer, or would like to discuss it further, please let your usual BW contact know.

### SAB Gender Pensions Gap (GPG) Working Group

Since the formation of a new government, there has been very positive interest in the Gender Pensions Gap project.

There has also been interest from LGPS employers to undertake further research into GPG, with meetings held to establish the scope of this research, and how best to proceed. Jo Donnelly (Scheme Advisory Board Secretary) is having discussions to join the Pensions Equity Group, as a representative for the LGPS, which will be a positive step to exchange information on their GPG work and industry wide initiatives. All four actuarial firms who work with LGPS funds met with representatives from the Scheme Advisory Board to discuss GPG reporting.

[Chris Morton](#) will be attending the next SAB Gender Pensions Gap Working Group and we will feedback any further updates. BW can support in Gender Pensions Gap analysis. For more information please get in touch with your usual BW contact.

### LGC Investment Awards

We are also delighted to announce that Barnett Waddingham have been nominated for the Consultant/Actuary of the Year award at the LGC Investment Awards to be held on 29 November 2024. The full Shortlist can be found [here](#).

Congratulations to all our funds who were also shortlisted.

### July/August Accounting

The July and August accounting exercises for 2024 are well under way. Each LGPS fund should have received a copy of the pre and post 31 July accounting briefing notes, as well as a pre-31 August accounting briefing note.

The most recent August 2024 briefing note includes information on asset ceilings and updating mortality assumptions to use the CMI 2023 core model.

In addition to this, the most recent briefing note was accompanied by an additional note on asset ceiling considerations for academies.

If you didn't get a copy of the note and would like one, please let your usual BW contact know.

### BW Client survey 2024

Thanks to all of you who filled in our client survey last month. We are delighted with the results with you giving us an average rating of 9.4/10 for the quality of our service. We are working through the results and will be in touch with individuals funds to follow up as appropriate.



## BW public sector team news

Kelly Steele recently celebrated her 30<sup>th</sup> birthday on holiday, along with a surprise engagement. Congratulations Kelly!



Page 40

## Future Events

### LGC Investment & Pensions Summit, Birmingham

[Barry McKay](#), [Gavin Paul](#) and [Melanie Durrant](#) will be attending the LGC Investment & Pensions Summit in Birmingham from 11-13 September. Barry will be taking part in a panel titled 'Aligning the valuation, cashflow, and investment strategy' on 12 September.

We hope to see you there!

### DB Strategic Investment Forum, Loch Lomond

[Jeff Houston](#) and [Pete Smith](#) will be attending the DB Strategic Investment Forum at Cameron House, Loch Lomond from 17-18 September. Jeff will be acting as Devil's Advocate for the morning sessions on Wednesday, while Pete will be a participating in a panel on 'integrating natural capital into UK pension funds'.

### Mallowstreet LGPS Congress 2024

David Moreton will be attending on 23-25 September.

### Burns Night Conference 2025 – Save the date!

Our famous Burns Night Conference will be taking place on 23 January 2025. More information to follow but please save the date!





<https://www.barnett-waddingham.co.uk/comment-insight/public-sector/>

Barnett Waddingham LLP is a limited liability partnership that is authorised and regulated by the Financial Conduct Authority registered in England and Wales. Their registered office is 2 London Wall Place, London, EC2Y 5AU. Registered Number OC307678

However, this report is not intended to provide and must not be construed as regulated investment advice. Returns are not guaranteed, and the value of investments may go down as well as up, so you may get back less than you invest.

The information in this report is based on our understanding of current taxation law, proposed legislation and HM Revenue & Customs practice, which may be subject to future variation.

This page is intentionally left blank





# Wiltshire Pension Fund Health Check

---

A measure of the current health of the pension fund over the previous quarter, as outlined in the [Business Plan](#).

# 2024 Health Check Dashboard

Page 50



QTR2 - Apr - June 2024

\* Due to data timings Q2 is not yet available

# Service Delivery KPI's



Service delivery KPIs

Process	Tolerable Performance	Cases processed	Cases open at end	Completed on target	Of which: Already beyond SLA
Deaths	95%	424	347	77%	12
Retirements	95%	755	464	63%	59
Refunds	95%	133	9	99%	0
Complaints	95%	0	6	0%	5
Transfers Out	90%	228	279	68%	130
Transfers In	90%	52	34	44%	14
Aggregations	90%	429	1636	68%	593
Leavers	90%	1815	361	79%	12
Divorce	90%	71	21	66%	4
General	90%	992	626	74%	348
Starters	80%	1030	0	100%	0

Page 54

Q1	
Q2	
Q3	
Q4	

## Cases completed within SLA

Q1	81%
Q2	79%
Q3	
Q4	

## KPI Improvement Plan

Q1	
Q2	1177
Q3	
Q4	

Backlog cases at 01/01/2024

1375

\*Target to be at < 1000 backlog cases

Q1 Q2 - Apr - June 2024

## Sample Checking

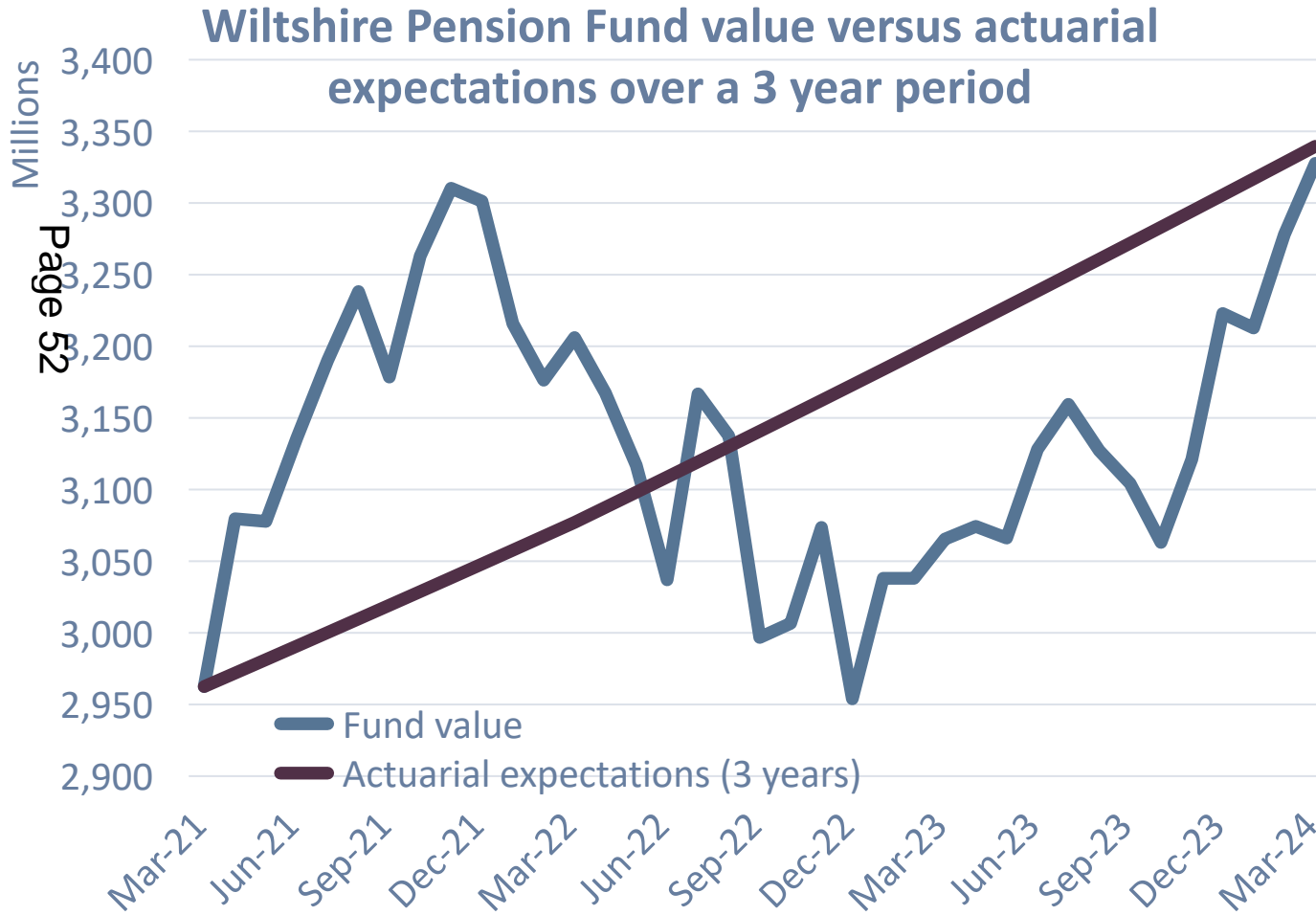
100% Correct

\*Process implemented within the last month

# Investment Performance



Investment performance



Long term actuarial investment return target  
**4.1%**

**Investment Performance**

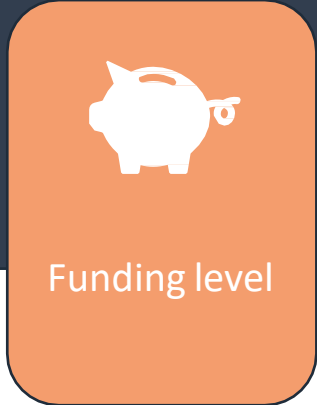
**3 Months** 3.3%  
**1 Year** 8.1%  
**3 Years** 3.4%

Q1	Orange
Q2	Grey
Q3	Grey
Q4	Grey

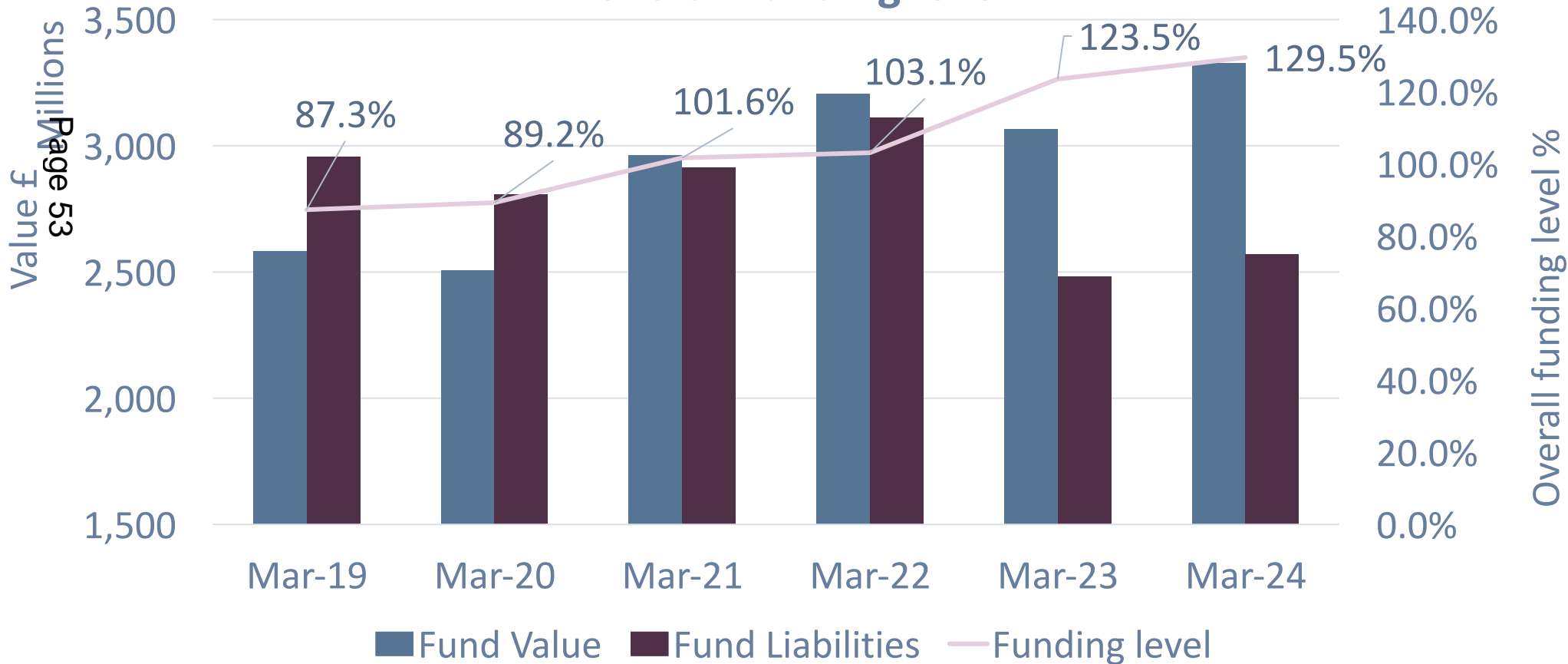
RAG	Actual 3 year return %
Green	> 4.1%
Orange	< 4.1% > 3.1%
Red	< 3.1%

The actual fund value in the graph meets the actuarial expected value due to net cash inflow of c£100m over the period. Without this the gap would be larger.

# Funding Level



Present value of Wiltshire Pension Fund assets, liabilities and overall funding level



Q1	Green
Q2	Grey
Q3	Grey
Q4	Grey

RAG	Funding %
Green	>100%
Orange	>90%
Yellow	<100%
Red	<90%

# Customer Service Excellence





Customer  
Insight



Culture



Information  
access



Delivery



Timeliness and  
Quality of  
Service

Page 54

PASS	PASS	PASS	PASS	FAIL
10 compliant, one partial.	10 Compliant, one partial.	11 compliant, one partial.	9 compliant, 3 partial (3 allowed).	7 compliant, 3 partial (2 allowed).
			Partials: Meeting and publishing <b>KPIs, customer complaints feedback.</b>	Partials: Need <b>email data</b> to monitor initial response times, <b>meet KPIs and CS levels.</b>

Q1	Fail
Q2	Partial
Q3	
Q4	

	Customer service score*
Q1 2024	3/5
Q2 2024	2.5/5 (slow service)

\*4.3/5 at time of assessment

# Internal Audit Rating

## Key Controls Audit Rating – June 2024

**Reasonable**



SWAP audit rating, illustrating appropriateness and robustness of key controls

No/Limited assurance	Red
Reasonable assurance	Orange
Substantial assurance	Green

## Internal audit actions progress

**Not yet started, but not overdue**

Not on track	Red
Partially complete	Orange
Substantially complete	Green



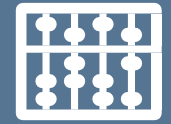
Audit ratings

Q1	Orange
Q2	Orange
Q3	Grey
Q4	Grey



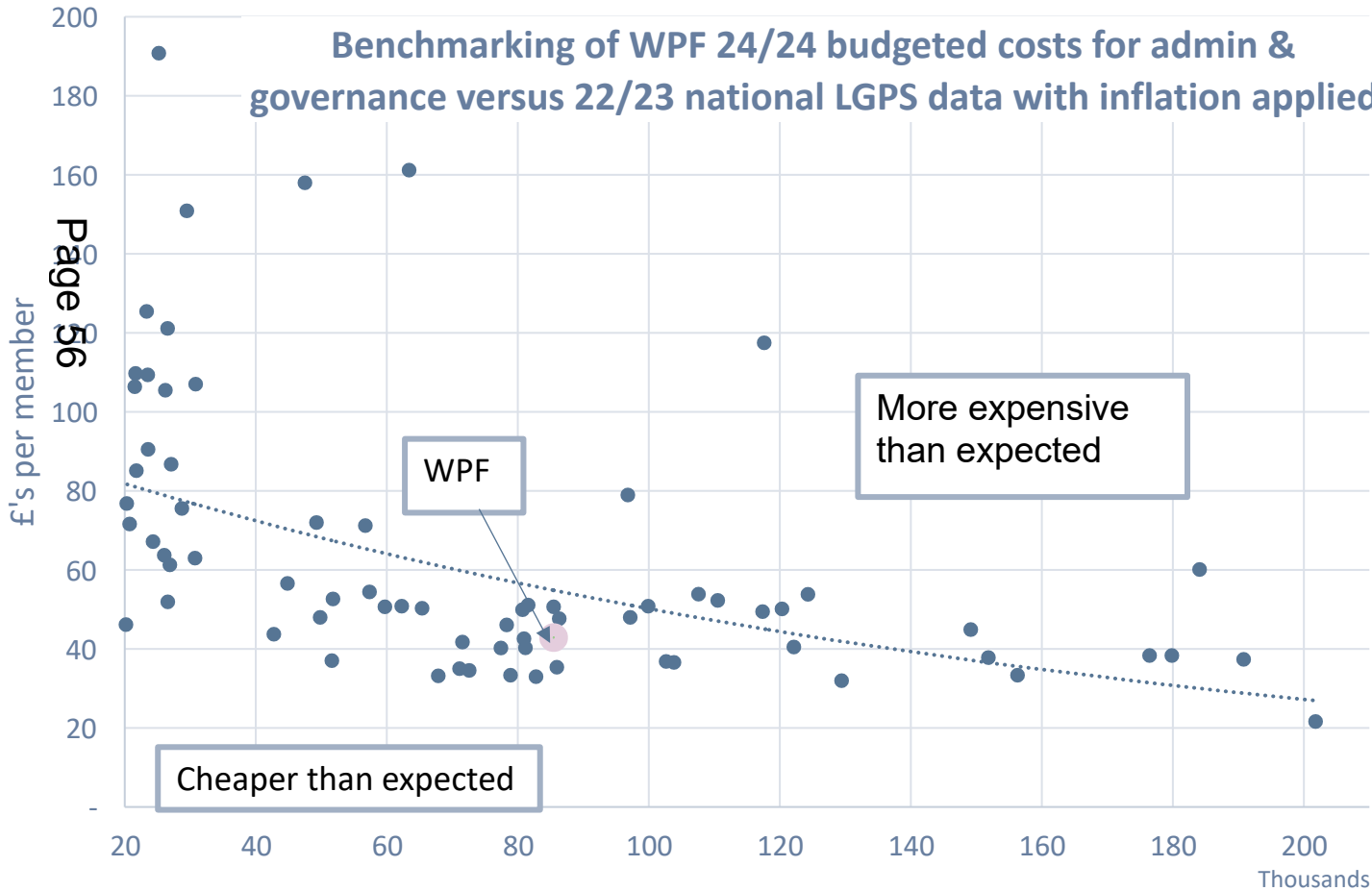
To be added in due course – PASA accreditation status

# Cost per member



Cost-per-member

Benchmarking of WPF 24/24 budgeted costs for admin & governance versus 22/23 national LGPS data with inflation applied



WPF Admin & Governance cost per member 24/25

**£45.10**

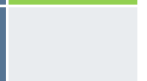
Q1



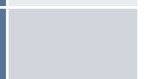
Q2



Q3



Q4



RAG

Cost per member relative to peers



Costs below the expected cost line based on size



Costs greater than expected cost line by <10%



Costs greater than expected cost line by >10%

Based on the benchmarking exercise expected Admin & Governance cost per member in 24/25 for WPF based on our size is **£55**

QTR1 - Jan - Mar 2024



# Staff Engagement



Staff engagement

## Key

<60%	<span style="background-color: red; color: white;"> </span>
61%-99%	<span style="background-color: orange; color: white;"> </span>
100%	<span style="background-color: green; color: white;"> </span>

## Fund Focus open rates

Q1	<b>60%</b>
Q2	<b>78.6%</b>
Q3	
Q4	

## Whole Fund Meeting Attendance

Q1	
Q2	<b>68%</b>
Q3	
Q4	

\*Monitoring started in May

Q1	<span style="background-color: orange; color: white;"> </span>
Q2	<span style="background-color: orange; color: white;"> </span>
Q3	<span style="background-color: lightgrey; color: white;"> </span>
Q4	<span style="background-color: lightgrey; color: white;"> </span>

Page 57

Team Productivity	Member Services	Employer Services
Q1	<b>94%</b>	<b>79%</b>
Q2	<b>86%</b>	<b>77%</b>
Q3		
Q4		

## 2023 Staff Engagement Survey Result



Agreement levels

**68%**

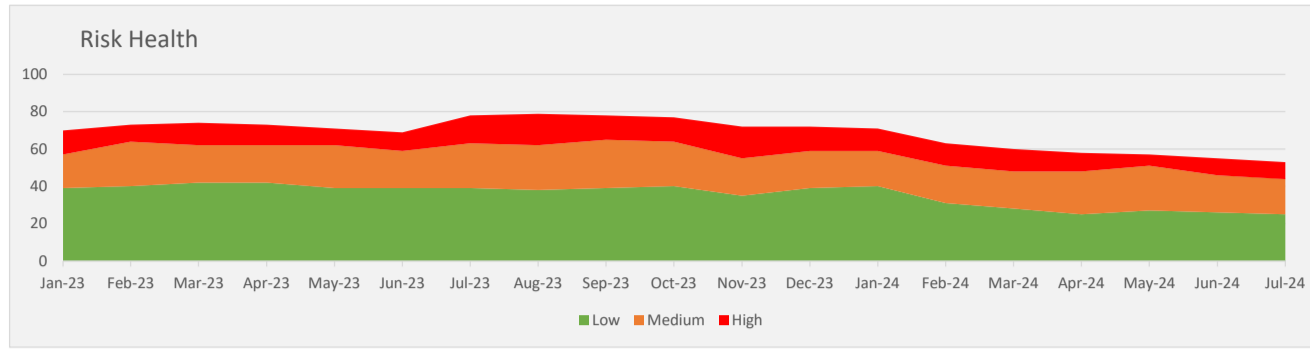
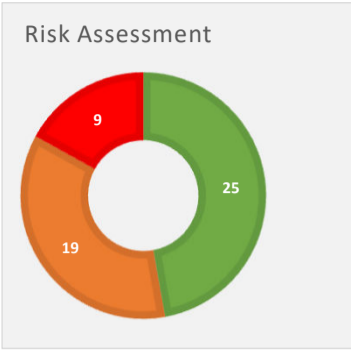
\*Target 80%

This page is intentionally left blank

# Committee Risk Register

Owner: Richard Bullen

Medium Overall Risk



Risk Area	Key Risks	Risk Assessment	Updates to note
Service Delivery	<p>A failure exists where levels of post and work volumes remain high creating a concern over the failure to meet the KPI targets. This includes the internal backlogs which staff are seeking to reduce.</p> <p>A failure exists where the late payment of benefits to members occurs, which in turn impacts the Fund's KPI targets.</p> <p>A failure to address casework backlogs in accordance with the KPI Improvement Plan.</p> <p>Inappropriate impact on service delivery due to network or system downtime: &amp;</p> <p>Failure to meet customer service levels in line with external accredited standards</p>	High	<p>Regular KPI meetings are held by management to ensure work is processed in accordance with the KPI Improvement Plan.</p> <p>A casework log has been introduced "Principals and Precedent" to record a consistent treatment of complex cases.</p> <p>Weekly KPIs are now circulated and analysed and weekly insights reports have been published to the teams which show staff productivity.</p> <p>Embedding the use of bulk processing is better supporting Fund processes and output.</p> <p>Officers are working with key system providers and receiving quarterly report in order to monitor system downtime.</p> <p>CSE &amp; PASA accreditations are being project managed and will be introduced following signs that the KPI Improvement Plan has had a positive impact on delivery.</p>
Financial Management	<p>Failure to maintain an accurate employer contribution rate schedule, the Fund being unable to determine if it is receiving the correct contributions, or identify ceasing employers at an early stage is a key risk</p> <p>Failure to pay correct pensions, lump sums and other one off payments to pensioners.</p> <p>Failure to process Treasury Management actions on a timely basis, impacting budgeting and forecasting too.</p> <p>Failure to ensure that the running costs of the Fund continue to be aligned with the approved budget</p> <p>Failure to receive guidance relating to covenant reviews and processes could cause a financial risk to the Fund.</p>	Medium	<p>Officers maintain an Employer Contribution and Data Management Working Group to mitigate the risk of the contribution not being paid. An update is presented to members periodically.</p> <p>Officers ensure that the contributions rates are implemented &amp; paid by all employers, and that this requirement is maintained.</p> <p>A covenant strategy is being implemented following approval of the Covenant policy.</p> <p>Officers are now able to access Oracle information to manage ledger coding &amp; the recording of financial movements in the accounts. This has improved the Fund's ability to monitor payments and it running costs against its budget, however these arrangements still need to be embedded. Procedural notes are now being drafted.</p>
Fund Governance	<p>Failure to maintain the implemented risk and control framework and embed it into departmental culture</p> <p>A failure to manage key procurements and ensure the completion of these procurements as a result of poor resources, knowledge and experience. This concern extends to the sourcing of existing contracts.</p>	Low	<p>Officer training on the risk and control framework has been completed and regular meetings are held to reinforce the concept. Discussions relating to the integration with the Council's new Corporate Risk Management framework have gone well and officers have started to consider their strategy to implement the changes.</p> <p>Officers are working with the procurement team to ensure that the strategic management of procurements are fulfilled.</p>
Systems Management	<p>Failure to maintain the Fund's cyber security in accordance with strategic requirement and the Fund's Business Continuity Plan.</p>	Medium	<p>Fund officers continue to liaise with the Council's Security Management and the review of its cyber security arrangements includes cyber insurance.</p> <p>Confirmation that the appropriate accreditations are in place as central to securing insurance.</p>
Investment	<p>Failure of BPP to operate effectively and ensure funds are well managed, with investments being made on a timely basis to deliver their objectives.</p> <p>Failure to maintain sufficient and appropriately skilled resource to undertake RI and stewardship strategy tasks.</p>	Medium	<p>The Fund is working with Brunel on pooling arrangements.</p> <p>A Central Govt. response on the future of pooling has been submitted by Fund officers concerning the strategic direction of BPP</p> <p>A new arrangement with BPP is enabling face to face visits concerning portfolio discussions</p>
Compliance with Regulations	<p>Anticipated changes in legislation could impact the Fund adversely, specifically regarding compliance and resourcing.</p> <p>Failure to achieve statutory requirements &amp; deadlines due to work volumes</p>	Medium	<p>Regular updates to the Committee and Board enable all stakeholders to monitor any potential changes in legislation. This work is supported by adviser guidance.</p> <p>Project planning and the holding of regular management meetings ensures deadlines are achieved.</p> <p>Communications concerning the Govt's Pensions Review, including potential significant changes to the LGPS has caused concern. Fund officers are issuing communications of their own and liaising with Professional Advisers in order to establish the facts.</p>
Performance	<p>Failure to deliver good customer service by maintaining performance in line with the KPI Improvement Plan. This includes poor operational performance, communication and implementation of new software and working practices</p>	Medium	<p>Weekly and Monthly meetings are held to ensure performance is maintained in line with the KPI Improvement Plan. Objectives are set to keep the plan on track. Note: Resource levels may limit progress.</p>
Employer Management	<p>Failure of contact maintenance which requires ongoing improvement.</p> <p>Failure to effectively manage employer performance.</p> <p>Failure of employers not being set up, maintained or leaving the Fund correctly. This can effect the starting position for funding, unitisation adjustments, pooling or cessation arrangements due to untimely or incorrect information.</p>	Medium	<p>Exercises continue to be undertaken to update employer contacts, attend communication forums, review historic employer relationship issues and admission agreements and in particular employer scorecards. Where required and where empowered officers are also seeking to manage employer performance.</p> <p>New employer processes are now embedded however, ongoing resource issues are hampering progress. Officers have improved the tracking of information in relation to new set up and cessation.</p>
Data Management	<p>Failure to meet statutory deadlines due to poor data provision from individual employers, particularly large ones. This can heavily impact the Fund's data management.</p> <p>Failure to implement and maintain internal controls particularly in relation to I-Connect. Controls &amp; checks by employers may impact data accuracy and timeliness, noting that information is posted through both i-Connect &amp; employer spreadsheets and can be provided late.</p> <p>Failure to obtain good data in respect of TUPE transfers or external payroll changes.</p>	Medium	<p>To enable the i-Connect onboarding process officers continue to work with the outstanding employers, particularly major employers to obtain outstanding data. Relevant data quality checks associated with i-Connect submissions have been implemented and also passed to accounts to enable financial checks.</p> <p>Delays in the receipt of the backlog essential data and information via Oracle have largely been overcome however the processes still aren't fully embedded. The Fund's employer services, accounting and project teams continue to work together to acquire the essential data from Wiltshire Council.</p> <p>Where other employers or their payroll providers are not providing data (including TUPE data) on a timely basis, or correctly, officers are actively contacting those organisations. Officers have highlighted a resource concern in this area and are seeking support from their database administrator in order to prepare the relevant files.</p>
Stakeholder Engagement	No material risks are current identified in this area	Low	
Funding	No material risks are current identified in this area	Low	
Resourcing	<p>Failure to appropriately resource the Fund and adequately train staff to enable the service to be delivered in a sustainable and reliable way.</p> <p>In addition, key departures leading to a loss of crucial knowledge in the team.</p> <p>Failure to maintain an approved Committee training plan could increase the risk around a lack of knowledge and understanding in key areas</p>	Medium	<p>A recruitment campaign during the last few months has seen many of the vacancies filled. In addition, a training strategy is underway to bring new and existing officers up to speed within the department. Where a knowledge gap exists officers are still able to turn to external consultants and independent advisors for guidance;</p> <p>The Board/Committee are following their approved training plans and a new training plan for 2024/25 has now been approved.</p>

Climate risk	Failure to manage the risks in the investment portfolios, and/or to take advantage of the investment opportunities which arise from transition to a low carbon economy could cause the Fund to suffer material negative financial impacts. Failure in receiving updated climate data reporting could lead to poor decision making	Medium	The Fund has a climate change policy (within the responsible investment policy), decarbonisation targets, and has assessed alignment of all portfolios. The Fund reports against the requirements of the Task Force on Climate-related Financial Disclosures (TCFD). The investments overall are close to the SAA. Officers continue to liaise with BPP and other Fund's in the group to ensure that the SAA of the Fund's climate change flightpath remains on track.
Projects	Failure of projects to be managed effectively, the key projects currently being McCloud and the Pensions Dashboard. Regular oversight is provided by the management team, Committee and Board to avoid projects failing.	Low	McCloud calculation routines have been run and its is anticipated that only about 200 potential members will be effected. Pension Dashboard interface procurement underway with a view to being completed by December 2024.
Reputational risk	Failure to manage the Fund's reputation due to factors such as government policy, press attention, poor service delivery, controversial investments, failure to achieve our climate targets, failure to achieve statutory reporting requirements, breaches of law and regs, and other factors beyond the Fund's control.	Medium	Officers are monitoring the Fund's public image to manage signs of increased scrutiny on the LGPS and its potential impact on Fund's reputation
Other External Risks	No "other" risks currently identified.	Low	







# KPI Improvement Plan

Checkpoint Update – 31/08/2024

James Franklin

Pension Administration Lead

Wiltshire Pension Fund

# Backlog at December 2023

Cases over SLA

Page 64

5,692 (Apr-22)

1,137 (Nov-23)

Frozen refunds

4,533

Members over 75

Active – 8

Deferred – 49

Status 2 (undecided leaver) – 9

Status 2 (undecided leaver)

4,277 (Nov-22)

1,066 (Nov-23)

Hidden aggregation backlog

Approx. 400

McCloud rectifications

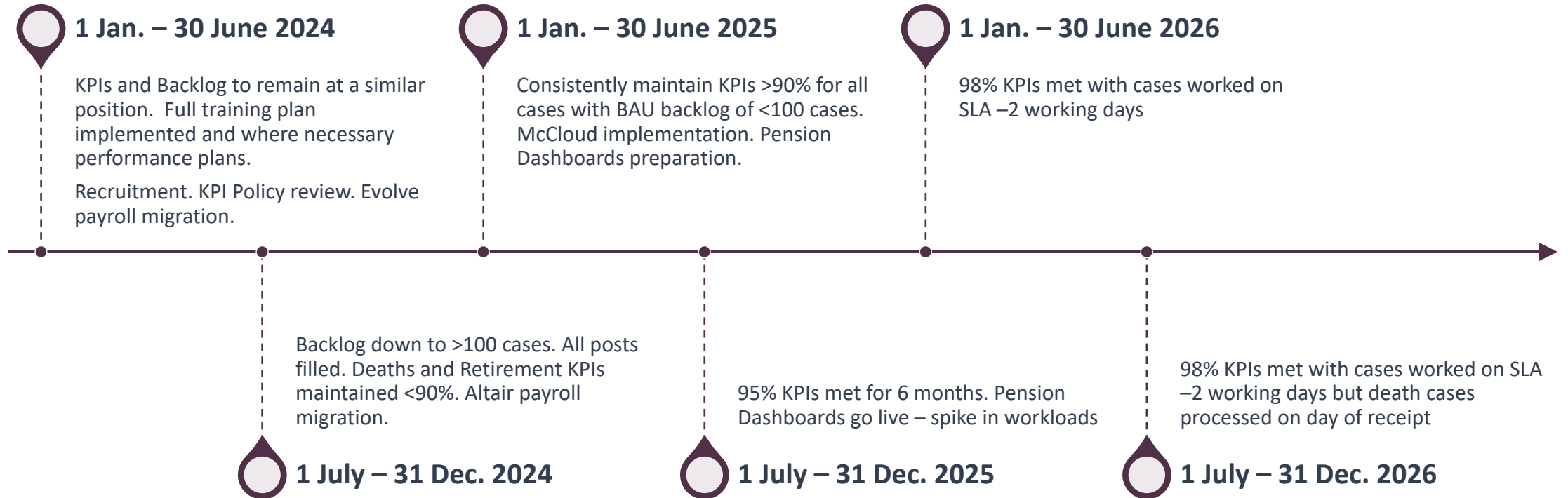
Currently unknown

Old deaths within SLA but on reply due for >2 months

214



# Where we expect to be if we take proposed actions



# Where are we now

- Recruitment
- Evolve Payroll Migration
- Training and Performance Plans
- Administration Strategy
- KPI and Backlog update

# Administration Recruitment

## Vacancies Filled:

- Member Services Manager
- Employer Services Manager
- Work Management Officer – Employer Services – Sian Shephard – Internal
- Member Services Officers:
  - Senior Member Services Officer x2
  - Member Services Officers x 2
  - Pensions Assistant – Suzanne Taylor

## Current Vacancies:

- Quality Assurance Lead
- Employer Liaison Officer (new role)
- Member Services Officer
- Employer Services Officer

# Evolve Payroll Migration

- SAP migrated to Oracle on 25 April
- Monthly payroll reports are now received around 2 weeks later than pre migration
- April, May and June iConnect submissions were late causing delays in, New Starters, Leaver and Retirement. This affected WC employers and 18 other employers where WC provide payroll support
- AVC submission to Prudential for April, May and June were late. Contributions were paid but Prudential were unable to invest or disinvest funds. This affected Retirements and Transfer Outs. May have caused investment losses for members.

# Training and Performance Plans

- Individual training plans in place for all officers
- Training has been undertaken for all key processes
- Training in respect of legislation changes regarding the Lifetime Allowance changes and McCloud
- Vulnerable person training conducted the Samaritans
- Performance Improvements Plan have been or are currently in place for 3 officers
- Over 700 hours have been logged as training

# Administration Strategy

Not yet fully drafted due the reasons mentioned above.

Key changes:

- Improved and clearer KPIs for administration tasks and exceeds stator minimum standards – see next slide
- Appendices will become an integral part of the document
- Employer Service Level Agreement will be broadly similar
- Escalation policy will be simplified, charging and reporting policy to be followed in line with other administering authorities.

# Proposed Administration KPIs

Page 71

Task Type	Expected Service Level
New Entrant	10 Working Days on receipt of data from employer
Leaving Service Information (non-Retirement)	10 Working Days on receipt of data from employer
Retirement Estimate	10 Working Days following request
Retirement Settlement	5 Workings Days following notification
Transfers In Query	10 Working Days following request
Transfer In Settlement	5 Working Days following receipt of payment
Transfer Out Estimate in Divorces	10 Working Days following request
Transfer Out Payment	5 Working Days following receipt of forms
Initial Death Notification	5 Workings Days following notification
Death Settlement	5 Working Days following receipt of forms
Pension Sharing Order Settlement	10 Working Days following receipt of forms
General Enquiries	15 Working Days following request
Change of Details	10 Working Days following request

Moving from a case basis to a transaction basis. We will be reporting on every stage of the interaction with members and employers which will provide more accurate reflection of our service delivery.

# KPI and Backlog Update

Page 72

## Cases over SLA- Committee Categories

1,137 (Nov-23)

824 (June -24)

465 (Aug-24)

All cases  
1,177 (June-24)

806 (Aug-24)

## Frozen refunds

4,533 (Nov – 23)

235 (June -24)

250 (Aug -24)

## Members 75 or over

Active – 11

Deferred – 58

Status 2  
(undecided  
leaver) – 6

## Status 2 (undecided leaver)

1,066 (Nov - 23)

30 (June – 24)

512 (Aug -24)

## Hidden aggregation backlog

Approx.400 (Nov  
- 23)

499 (June – 24)

104 (Aug-24)

## Old deaths within SLA but on reply due for >2 months

214 (Nov – 23)

176 (June – 24)

164 (Aug – 24)



# KPI and Backlog reporting

- Currently reporting only high and medium Cases and n Office cases
- Doesn't include low priority cases, General Enquiries and New Starters and cases on Reply Due
- The current backlog of all cases as at 30 June 2024 is 1177 down from 1,318 as December 2023. As at 31 August this was 806.
- The current KPI percentage for all cases as at 30 June 2024 is 79% and 84.49% as August 2024.
- Going forward all reports will include all cases types
- This doesn't affect the backlog target for the end of 2024

# 1 June 2024 to 31 December 2024

- The total backlog (all case types) to be less than 100
- Remaining vacancies to be filled
- Death and Retirement KPIs greater than 90%
- Oracle to Altair migration

Questions



This page is intentionally left blank

## Appendix 1:

### Table 1 – Key Controls Report 2024/25 - Progress against outstanding internal audit recommendations:

No	Priority score	Issue	Recommendation	Agreed management action	Agreed management timescale	Est. Progress	Progress at 23 July 2024
1	2	Risk Register	<p>There are elements of the Fund’s current risk management system that require improvement and some gaps identified, such as:</p> <ol style="list-style-type: none"> <li>1) No documented risk management policy in place:</li> <li>2) No guidance for officers on risk wording:</li> <li>3) No set risk appetite:</li> <li>4) Dates missing from the risk register to identify when a risk was added, reviewed, or updated; and</li> <li>5) No recording of inherent risk on the register.</li> </ol> <p>The Council has recently launched a new risk management framework, and the expectation is that the Pension Fund should now be working towards compliance with the Council’s own risk management framework.</p>	<p>The Pension Fund’s arrangements will be further developed to align with the Council’s framework. Plans are in place to perform a gap analysis and identify the necessary actions with the Pension Fund Committee.</p> <p>Officers will work with the S151 officer to ascertain what the risks to the Council are and where these sit as they do not form part of the operational risk register.</p>	31 December 2024	60%	<p><b>Agreeing risk management arrangements</b></p> <ol style="list-style-type: none"> <li>1) A paper was submitted to the Pension Fund Committee on 11 July, outlining the overall risk management situation. The recommendations were approved by Committee. Officers will now liaise with the s151 Officer and the Corp. Support Team (w/b 29/7) concerning the scoping and implementation and clear concept of the arrangements to be made. <b>(Jenny)</b></li> </ol> <p><b>Updating the Fund’s risk register</b></p> <ol style="list-style-type: none"> <li>2) Based on the outcome of 1) Officers will prepare a project plan <b>(Laura)</b></li> </ol> <p><b>Integration with the Council’s Risk Management framework</b></p> <ol style="list-style-type: none"> <li>3) As above.</li> </ol>
2	2	Quality Assurance	<p>A new Quality Assurance (QA) process, with a QA and Sample Checking Guide was approved in April 2024. The new process addresses weaknesses, namely:</p> <ol style="list-style-type: none"> <li>1) The number of cases to be quality checked (25 per week); and</li> <li>2) A clear separation between the quality assurance and authorisation process.</li> </ol> <p>However, the following issues exist with the process:</p> <ol style="list-style-type: none"> <li>1) There is no separate record (log) of the quality checks that are being</li> </ol>	<p>Officers will create a log of the QA work that is taking place and will continue to develop this log and monitor the number of QA checks taking place each week.</p> <p>The policy has been updated to address the issue of quality checkers also carrying out authorisations.</p>	31 December 2024	70%	<p>Officers have prepared a presentation for the department setting out the purpose and scope of the Fund’s QA arrangements. Implementation of a QA log, monitoring of QA reviews and a QA policy will then follow. <b>(James)</b></p> <p><b>Creation of a QA log (see requirements)</b></p> <ol style="list-style-type: none"> <li>1) A.</li> </ol> <p><b>Monitoring QA reviews</b></p> <ol style="list-style-type: none"> <li>2) A</li> </ol> <p><b>QA policy update</b></p> <ol style="list-style-type: none"> <li>3) A</li> </ol>

			<p>carried out. This would help provide assurances that samples are representative the data to allow trend analysis work:</p> <ol style="list-style-type: none"> <li>2) There is no monitoring of how many QA checks are carried out against the target; and</li> <li>3) It should be written into the guide that the authorisation &amp; QA of work should be separated, so that one person cannot complete both functions on a case.</li> </ol>				
3	3	Introduction of "i Connect", the Employer Scorecard and Administrative Charges	<p>The Business Plan 2024-27 includes an objective to have all Employers using "i Connect" by 2027. In addition, the Fund should implement an Employer Scorecard and Administrative Charging for participating employers who are not using "i-Connect" correctly.</p> <p>The fund should also consider charging interest for late payments &amp; completing the implementation of i-Connect before 2027.</p>	Officers will continue to encourage employers to join i-Connect. Officers have carried out research into how other Fund's administer interest for late payments and our own policy on this will be agreed as part of the overarching Administration Strategy.	31 December 2024	50%	<p><b>All employers migrated to i-Connect.</b></p> <ol style="list-style-type: none"> <li>1) Officers to prepare a project plan to complete the migration of scheme employers to i-Connect <b>(Nat)</b></li> <li><b>Implement Employer Scorecards</b></li> <li>2) Officers to prepare a project plan and implement the regular issuance of scorecards <b>(Matt A)</b></li> <li><b>Administrative charging, including interest for late i-Connect submission.</b></li> <li>3) Officers will prepare a paper for the Committee (10<sup>th</sup> October) setting out the framework by which administrative charges will be made to Scheme Employers in order to recover the Fund's additional costs placed on it as a result of poor administration practices by employers. <b>(James)</b></li> </ol>
4	3	Complaints Monitoring & Reporting	<p>Audit noted that the report from Altair contained a different number of complaints in 23/24 from that published in the final performance report. This indicates that the process relies heavily on manual intervention to obtain accurate complaints data.</p> <p>Altair reporting should be improved by upgrading Altair's existing workflows.</p>	Officers agreed to update complaint reporting workflows to include clear column headings, mandatory field completions and closure determination statuses.	30 September 2024	50%	<p><b>Update Altair Complaints reporting.</b></p> <ol style="list-style-type: none"> <li>1) Changes to Altair workflows and Insights reporting has been made. In effect, the reporting output is now being tested/review to confirm if it fulfils the requirement. <b>(Richard)</b></li> </ol>
5	2	KPIs, Reports & Monitoring	We reviewed the KPI reports and identified the following issues:	Officers will review the KPIs and address the	31 October 2024	95%	It is considered by officers that all the elements within this recommendation have been completed with the exception of the monitoring of

		<p>of Staff Productivity <b>(Outstanding 2023 action)</b></p> <p><b><i>Inaccuracy of KPIs</i></b></p> <ol style="list-style-type: none"> <li>1) Aggregation KPIs were not accurate and excluded aggregations where a workflow had not been set up.</li> <li>2) The Status 2 KPIs fall under the leavers data but did not include Status 2 members where a workflow had not been set up and did not include 'Status 2 Chase' workflows.</li> <li>3) The backlog of transfers in allocations was not flagged as an issue.</li> <li>4) The weekly KPI reports were not consistent with themselves as each week the closing position for the previous week did not agree to the new opening position.</li> </ol> <p><b><i>KPIs not captured.</i></b></p> <ol style="list-style-type: none"> <li>1) No KPIs to monitor the progress of overpayment aged debt chasing.</li> <li>2) No KPIs to monitor new joiners processing.</li> <li>3) No KPIs to monitor amendments processing.</li> </ol> <p><b><i>Data Quality reporting</i></b></p> <p>Active member data quality reporting is only completed on an ad hoc basis and the results are not reported to management to monitor.</p> <p><b><i>Staff Productivity</i></b></p> <p>The Member Services Team monitors staff productivity weekly through reporting however the same reporting has not yet gone live for the Employer Services Team.</p>	<p>inaccuracy issues identified.</p> <p>Officers will introduce KPI monitoring for overpayments, new joiners, amendments.</p> <p>Officers will regularly monitor the data quality for active members and ensure the requirements set by The Pensions Regulator are met.</p> <p>Officers will implement the staff productively monitoring report in the Employer Services Team.</p>			<p>overpayments and aged debt chasing. However, it was recognised that this will need to be demonstrated to SWAP.</p> <p><b>Inaccuracy of KPIs.</b></p> <ol style="list-style-type: none"> <li>1) To evidence that the recommendation has been fulfilled</li> </ol> <p><b>KPIs not captured.</b></p> <ol style="list-style-type: none"> <li>2) To set in place the monitoring arrangements for overpayments and aged debt chasing.</li> </ol> <p><b>Data Quality Reporting</b></p> <ol style="list-style-type: none"> <li>3) To evidence that the recommendation has been fulfilled</li> </ol> <p><b>Staff Productivity Reporting</b></p> <ol style="list-style-type: none"> <li>4) To evidence that the recommendation has been fulfilled</li> </ol> <p><b>(James)</b></p>
--	--	--	--	--	--	---

**Table 2 – Key Controls Report 2023/24 – Closing position of old KPIs, Reports & Monitoring of Staff Productivity c/fwd:**

No	Priority score	Issue	Recommendation	Agreed management action	Agreed management timescale	Est. Progress	
----	----------------	-------	----------------	--------------------------	-----------------------------	---------------	--

5	2	KPIs, Reports & Monitoring of Staff Productivity	<p><b>Inaccuracy of KPIs</b>            The aggregations KPIs were not accurate. The Status 2 KPIs fall under the leavers data but this was not accurate.            Transfers in backlog allocations was not flagged.            The weekly KPI reports were not consistent with themselves. Closing and opening positions differed.</p> <p><b>KPIs not captured</b>            No KPIs to monitor overpayment aged debt chasing.            No KPIs to monitor new joiners processing.            No KPIs to monitor amendments.</p> <p><b>Data Quality</b>            A data quality report can be run but this is only done on an ad hoc basis and is not reported to management to monitor.</p> <p><b>Staff Productivity</b>            Weekly report introduced for the Member Services Team, including determination of the average time it should take to complete a task. This is not yet live for the Employer Services Team but will be.</p>	<p>To review the KPIs and address the inaccuracy issues identified.</p> <p>To introduce KPI monitoring for overpayments, new joiners, amendments.</p> <p>To monitor the data quality for active members and ensure tPR requirements are met.</p> <p>To implement the staff productively monitoring report in the Employer Services Team.</p>	30 September 2024	70%	<p><b>PROGRESS PAUSED – SWAP KPI AUDIT HAS SUPERCEDED THIS AUDIT ACTION</b></p> <p><b>Inaccuracy of KPIs</b></p> <p>1) A resolution concerning the opening and closing balances on the KPI reports had been found, through the removal of the deletion button and reporting on terminations. A separate SWAP review is planned to oversee that resolution; however, the scope is still to be determined. The Operations Manager will provide periodic updates concerning the reconciliation of cases. Separate Accounting team reporting exists for TV-in allocations, therefore there is no requirement for this to be included in the KPI reports.</p> <p><b>KPIs not captured.</b></p> <p>2) The outstanding new joiner reporting is assigned to the Systems Manager. In addition to this reporting, better controls around bulk processing are being enacted to address subordinate actions such as aggregations at an earlier stage and evidence that work through additional reporting. Overpayment aged debt chasing falls into two parts. Part 1 – The reporting is provided monthly by the accounting team and Part 2 – The procedure to chase up overpayments/ write off is under review. Due to resourcing &amp; special activities like SBC data the monitoring of amendments has been deferred.</p> <p><b>Data Quality reporting</b></p> <p>3) Initially monthly reporting of data quality will be completed. The Operations Manager to implement the process. It is noted that different grades of quality need to be defined in relation to its different uses.</p> <p><b>Employer Services Productivity reporting</b>            Reporting to be split into standard cyclical work and non-standard work. Performance levels now being reported &amp; circulated to team members. The impact of poor employer data and issuance of ABSs is also being assessed.</p>
---	---	--	---	--	-------------------	-----	---





This page is intentionally left blank

## WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD  
23<sup>rd</sup> September 2024

---

### **KEY FINANCIAL CONTROLS REPORT**

#### **Purpose of the Report**

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

#### **Background**

2. The purpose of this report is so that the Committee and Local Pension Board can easily review key areas of financial controls and monitor progress against planned improvements.

#### **Key Considerations for the Committee / Risk Assessment / Financial Implications**

##### *Accounts and Annual Report*

3. Final sign off for the full Wiltshire Council Accounts for 2019/20, 2020/21 and 2021/22, 2022/23 continues to be delayed, the Pension fund accounts form a part of the full Council accounts and the delay, which is due to an issue within the Wiltshire Council figures, has meant the pension fund accounts have not received their final audit opinion for inclusion in the annual report.
4. Officers have responded to all requests by the external auditors for information for all years of accounts. To ensure we comply with The Pensions Regulator (TPR) requirement to publish the report, they are available on the website for all years with a note in the audit report section explaining the unaudited status.
5. A draft set of accounts for 2023/24 has been prepared, these were provided after the 31<sup>st</sup> May deadline due to issues caused by the Oracle system implementation. Interim audit work has been undertaken by Grant Thornton and fieldwork on final audit started in July. Auditors assessed audit risk as high this year, due to various factors (implementation of new financial system during year, GT auditing council for the first time and council not having previous financial year reports signed off). High audit risk is affecting materiality in the way that creates more testing and sampling. This is impacting workload of the team significantly.

Quarterly Financial Performance Dashboard

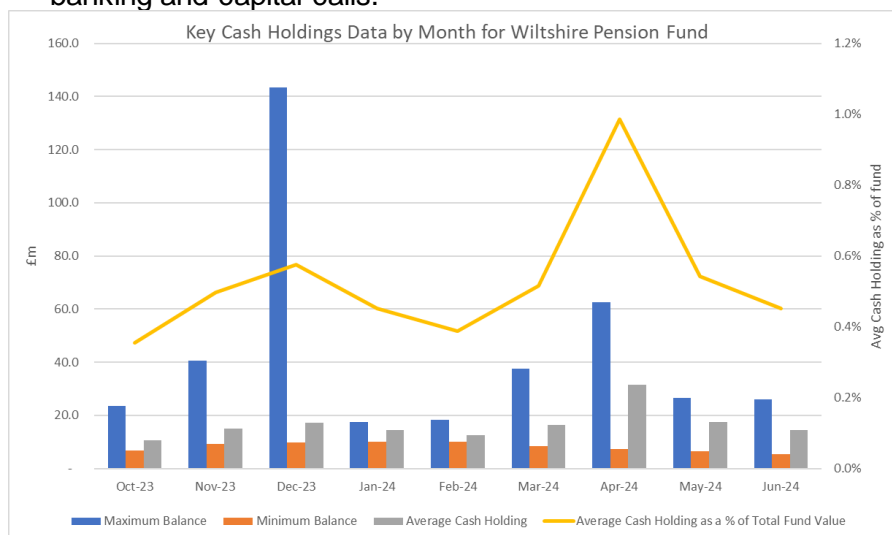
Wiltshire Pension Fund - Key Financial Controls Dashboard				
Control Area	RAG	Items reviewed under this control area	Comments on Performance	Ongoing Actions
	Aug-24			
1. Employer Contributions		Timely and accurate payment of employer contributions each month.	See summary performance table for full details. Almost all employers paying on time and with the correct rate. New reconciliation process established between I connect and banking	None
2. Cashflow, banking and capital calls		Maximum and minimum cash balances, private markets capital calls and distributions and treasury performance.	See summary performance table for full details.	None
3. Balance Sheet Reconciliations		All balance sheet control codes are reviewed for accuracy and outstanding issues.	All control codes have been reviewed and checked, no unexplained balances prior to Evolve implementation. Year end balance sheet balances have been reviewed and are all acceptable. New bank reconciliation set up with move to Oracle and moved from corporate finance team to pension accountancy	Refreshing working documents for future work with Oracle system and rolling forward previous year working papers.
4. Altair Checks		Check between the ledger and pension admin system (altair) that any transactions, such as payments or receipts match the admin system.	New integrated payments process removes the need for these checks. New control measures will be designed.	Development of new reporting checks.
5. Financial Budget Reporting		Review of year to date and forecast operating budget performance, or any unusual monthly movements on the overall fund account.	Issues with the new system have prevented reporting against the budget expenditure. New starters in the finance team will bring capacity to address this issue.	Get the processes up and running again following the evolve implementation.
No material concerns				
Minor issues				
Major issues				

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

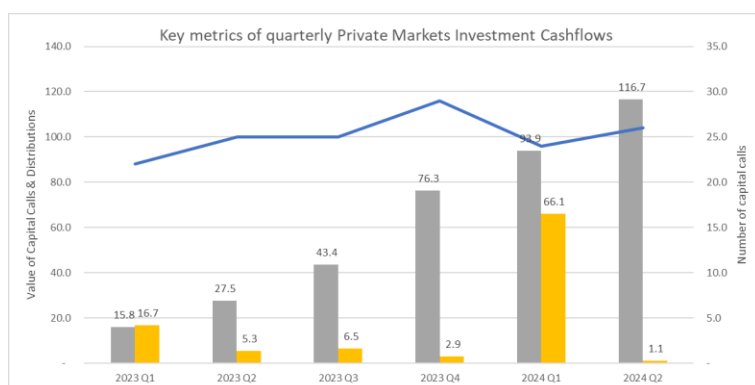
Quarter	Payroll Month	Paid contributions £000's				Average late and overdue contributions total days		Number of employers payments status		
		Total Payment	On Time Payment	Late Payment	Late Payment %	Days Late Recd	Days Overdue	On time	Late	Not Received
Q1	Apr-24	8,982	6,528	2,455	37.6%	3.0	-	156	9	-
Q1	May-24	8,958	8,127	831	10.2%	6.3	-	159	6	-
Q1	Jun-24	9,106	8,214	892	10.9%	5.6	-	160	5	-
Q2	Jul-24	9,142	9,118	24	0.3%	4.2	-	159	6	-

7. The majority of the late payments are received within a day or two of the deadline and all employers who have not paid are contacted immediately after the deadline day to remind them to pay. A small number of employers increase the days late received, persistently late payments or employers where we have problems are discussed in the employer data and contributions working group are appropriate actions are agreed relevant to each employer.

8. The following graph provides further details for performance dashboard item 2. Cashflow, banking and capital calls.



9. Cashflow activity for private markets capital calls have continued to be met as commitments are called. The large investments in Q2 2024 are payments to a new investment commitment in Clops and to fund our existing commitment to an affordable housing fund.



## Budget Outturn for 2023/24

As at the end of March 24 the fund underspend its operating budget of £4.4m by £345k (7%).

The main cause of the underspend were due to staffing vacancies incurred throughout the year, there was also an underspend against systems implementation costs for the integrated payroll, these costs will now be incurred in 2024/25 causing a cost pressure to this budget.

Additional costs were incurred for legal review of new funds included in the Clops portfolio and for the new office space rental, both of which received prior approval from Committee. Higher actuary costs were incurred due to work ongoing to resolve issues with employers.

In year monitoring of the budget had been made impossible due to the system changeover issues.

### Wiltshire Pension Fund Budget 2023/24

£000's	Prior Year				2023/24			
	2019/20	2020/21	2021/22	2022/23	Actual	Budget	Variance	% Variance
Investment administration staffing costs	119	114	206	198	206	245	38	16%
Investment administration travel/conferences/training costs	0	2	4	8	1	8	7	93%
<b>Total investment administration costs</b>	<b>120</b>	<b>116</b>	<b>210</b>	<b>206</b>	<b>207</b>	<b>253</b>	<b>46</b>	<b>18%</b>
Pension scheme administration staffing costs	996	1,036	1,152	1,267	1,442	1,672	230	14%
Staff training	19	22	18	28	29	22	(8)	-36%
Corporate charges	311	311	311	311	565	515	(49)	-10%
Pension administration systems and data cleansing	310	354	328	622	416	618	203	33%
Other administration costs	107	51	28	970	704	777	74	9%
<b>Total scheme administration costs</b>	<b>1,743</b>	<b>1,775</b>	<b>1,838</b>	<b>3,199</b>	<b>3,155</b>	<b>3,604</b>	<b>450</b>	<b>12%</b>
Oversight & governance staffing costs	246	180	225	238	230	266	36	13%
Training and conferences	8	0	24	28	1	30	30	98%
Subscriptions, memberships and levies	34	32	44	36	42	39	(2)	-6%
Actuarial services	214	154	147	319	231	156	(75)	-48%
Audit	10	37	27	83	115	91	(24)	-26%
Legal fees	13	11	48	49	147	39	(109)	-282%
Advisory fees	142	196	276	279	242	233	(9)	-4%
Corporate charges & other costs	149	165	144	146	47	47	(0)	0%
<b>Total oversight &amp; governance costs</b>	<b>815</b>	<b>775</b>	<b>936</b>	<b>1,178</b>	<b>1,055</b>	<b>902</b>	<b>(153)</b>	<b>-17%</b>
<b>Local Pension Board costs</b>	<b>14</b>	<b>14</b>	<b>15</b>	<b>25</b>	<b>21</b>	<b>24</b>	<b>3</b>	<b>12%</b>
<b>Total operational running costs</b>	<b>2,692</b>	<b>2,679</b>	<b>2,998</b>	<b>4,608</b>	<b>4,438</b>	<b>4,783</b>	<b>345</b>	<b>7%</b>
<b>Number of Members</b>	<b>80,824</b>	<b>82,454</b>	<b>84,438</b>	<b>85,458</b>	<b>85,739</b>	<b>85,739</b>		
<b>Total Running Cost per member (Admin &amp; Governance)</b>	<b>£ 31.83</b>	<b>£ 31.09</b>	<b>£ 33.03</b>	<b>£ 51.51</b>	<b>£ 49.35</b>	<b>£ 52.84</b>	<b>£ 3.49</b>	<b>7%</b>
<b>Additional Costs</b>								
New Office Space					49	0	(49)	
Climate solutions investment costs					50	0	(50)	
<b>Exclude Additional Approved Costs</b>					<b>99</b>	<b>0</b>	<b>(99)</b>	
<b>Amended Costs Excluding additional Approved costs</b>					<b>4,339</b>	<b>4,783</b>	<b>444</b>	
<b>Reference item - Managed as part of investment manager fees</b>								
Brunel Running Costs	1078	1,575	1,206	1,192	1,253	1,222	(31)	(0)

### **Environmental Impacts of the Proposals**

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

### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

11. There are no known implications at this time.

### **Proposals**

12. The Committee is asked to use this report to monitor progress against resolving the issues which have been identified.

Report Author: Chris Moore, Pension Fund Accounting and Investments Team Lead

---

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

This page is intentionally left blank



## WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD  
23<sup>rd</sup> September 2024

---

### **ANNUAL REPORT AND ACCOUNTS**

#### **Purpose of the Report**

1. The purpose of this report is to update the Board regarding the Wiltshire Pension Fund annual report and accounts for the year ended 31 March 2024.

#### **Background**

2. As originally set out in Regulation 34 of the LGPS (Administration) Regulations 2008, the Pension Fund is required to produce an annual report, and the draft 2023/24 version is provided as Appendix 1.

#### **Considerations for the Committee**

3. This year's annual report largely follows the same format in terms of statutory disclosures as last year. One notable new disclosure is the value of the fund invested in UK assets. This report includes new case studies and engaging content.
4. To provide more engaging and accessible information for a wider range of stakeholders and members, the annual report has been distilled into a one page summary and a highlights report. These documents focus on key headlines from the full report and will be shared with members as part of our communications strategy and published on our website.
5. Audit of the annual report and accounts for 2023/24 is ongoing by Grant Thornton, work is scheduled to be completed in Q4 2024.
6. In compiling financial statements any organisation must consider whether they anticipate being able to continue operating for at least the next 12 months, or a longer time period, from the date of signing the accounts. This is a key assumption for making accounting assessments and is stated explicitly as using the Going Concern Basis. The Going Concern paper used to inform the Committees approval of the going concern assessment is attached as appendix 2.
7. The Committee are expected to approve publication of the unaudited annual report and accounts for 2023/24 in September 2024. Because the audit is not yet complete it will be clearly stated on the financial statements that the figures are unaudited. It is not expected that any material misstatements will be identified and in the best interest of providing timely information to stakeholders a publication should be made.
8. On conclusion of the Pension Fund audit, officers will ask for Committee approval of the accounts and recommend them to the audit committee.

#### **Environmental Impact of the Proposal**

9. There are no known implications at this time.

#### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

10. There are no known implications at this time.

## **Financial Considerations & Risk Assessment**

11. There are no financial considerations resulting from this proposal.

## **Proposals**

12. The Board is asked to:

- a) Note the annual report and accounts for 2023/24

JENNIFER DEVINE  
Head of Wiltshire Pension Fund

Report Author: Chris Moore, Accounting and Investment Team Lead

---

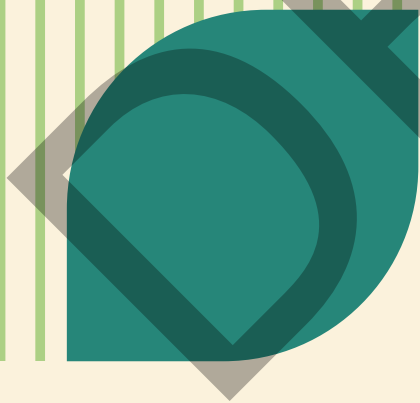
Unpublished documents relied upon in the production of this report: NONE

## **Appendices:**

Appendix 1 – annual report and accounts (unaudited) 2023/24  
Appendix 2 – Going Concern Assessment

# ANNUAL REPORT

2024

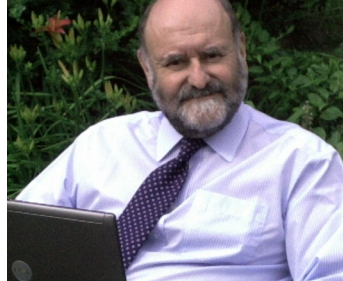




## ANNUAL REPORT 2023/24

Chair's Foreword	3
Officers' Foreword	4
Introduction – who we are and what we do	5
How We Run the Fund	8
Administration Report	12
How are we doing?	19
Engagement with our scheme employers and members	34
The Financial Health of the Fund	52
Investments Section	59
Investments Highlights	60
Investment Governance Framework	65
Investment Performance Report	68
Pooling Report	78
Training report	88
Risk Management	91
Actuarial position	92
Statement of Responsibilities for the Financial Statements	94
Audit opinion	95
Statement of accounts	96
Annex 1 – Employer (Er's) and employee (Ee's) contributions by employer	127
Annex 2 – Statutory Statements	131
Annex 3 – Member attendance at meetings	133
Annex 4 – Glossary	135

# CHAIR'S FOREWORD



Welcome to this year's Annual Report!

## INVESTMENT PERFORMANCE

The value of the Fund's investments at the end of the year to 31 March 2024 had risen to just over £3.3bn, representing an investment return of +8.1% for the year, a little behind our investment managers' combined benchmarks. Although behind the consolidated benchmark the positive investment return exceeded the long-term actuarial funding return target of 4.1%. The Fund exceeded this return target in the year and over the longer term 5-year period.

The Fund's diversified investment strategy continues to prove resilient in delivering returns to meet the funding target. Performance did lag behind the consolidated benchmark, largely due to the underperformance of the two global active equities portfolios, managed by Brunel. The majority of this underperformance occurred in the first half of the year due to the negative impact of interest rate changes on interest rate-sensitive growth stocks and the Fund's lower exposure to the 'Magnificent 7' US stocks (the largest tech stocks) which drove the majority of the growth in equities. More information on the investment performance can be found in the Investment Report, on page 59.

## FUNDING LEVEL

The funding level remains positive, having increased from 103% at the 31 March 2022 valuation to around 129.5% at the end of the year, on an ongoing basis. Future pension liabilities are discounted to their present value using a rate based on gilt yields. The rise in yields and interest rates over the past two years has meant that the present value of our liabilities has significantly reduced whilst the assets have remained resilient, improving our funding level. As quickly as the funding level has improved it can reverse, therefore the Committee takes a measured view of this current funding position, proceeding with the aim of delivering stable and affordable contributions for employers in the long term.

## ASSET ALLOCATION, CLIMATE CHANGE AND RESPONSIBLE INVESTMENT

Last year, I reported that we had completed our triennial review of the Fund's strategic asset allocation and had set an allocation of 7% of the Fund to renewable infrastructure and climate solutions. This is in line with our goal to protect the investments from climate change risk, identify opportunities to both invest in and benefit from the transition to net zero, and secure a sustainable financial future for the Fund. We have been implementing this allocation this year in our Climate Opportunities portfolio, which invests in a wide range of asset classes to achieve maximum impact. I recently enjoyed a visit to one of the solar farms held in this portfolio, with boasts 200,000 panels, enough to power 21,000 homes! Seeing the positive impact of our investments was a rewarding and educational experience.

## LISTENING TO MEMBERS

We have continued to advance the Fund's approach to responsible investment, in line with the Fund's best long-term financial interests, and this year we were extremely proud to win (for the second time!) the LAPF Investment Awards trophy for "Best Approach to Responsible Investment". My congratulations to the team for the standards they are setting in this area.

During the year, we reached out to our members to understand their views on responsible investment matters. This is an exercise we had previously carried out in 2021. We were amazed at the level of engagement we received from the members, with just under 3,000 responses, 30% more than in 2021. The message we received from our members was clear – it is important to them for WPF to invest in a sustainable way, and to use our influence to drive better outcomes through stewardship activities. We also received valuable feedback regarding our communications and the types of issues that members want to hear more about. I would like to thank our members for taking the time to share their views.

There are now 180 employers within the Wiltshire Pension Fund with approximately 85,739 members (22,129 pensioners, 24,569 current employees and 39,041 deferred members). The average pension paid in 2023/24 was £4,371.

## FUND ADMINISTRATION

The Committee is also responsible for the administrative performance of the Fund which is administered by key officers, namely Lizzie Watkin (Treasurer to the Pension Fund) and Jennifer Devine (Head of Wiltshire Pension Fund) following the requirements set out in the Local Government Pension Scheme Regulations and the principles laid down by the Chartered Institute of Public Finance and Accountancy.

Over the last two years, the Committee members have demonstrated their commitment to identifying and resolving the legacy issues facing the Fund, as well as looking forward, with a goal of setting the Fund up for success into the future. We will continue to support the Fund's officers in facing the problems and delivering the required improvements. We have discussed various models for delivery of the administration service, and our vision is for a best-in-class service, delivered by a skilled and resilient in-house team. At the end of 2023/24, the Committee approved a new 3-year Business Plan and believe that successful achievement of the actions set within the plan will secure a sustainable future for Wiltshire Pension Fund, and deliver value for money for our beneficiaries.

Finally, on behalf of the Committee, I wish to pay tribute to the work and commitment of all members of the pensions team. Many thanks for taking the time to read this report. Please contact me if you have any questions, and I look forward to updating you on where we are in a year's time.

**Richard Britton, Chair**

On behalf of the Wiltshire Pension Fund Committee  
19 September 2024



# OFFICERS' FOREWORD

2023/24 has been a year of achievements and challenges, and we are pleased to share some of the highlights within this report. This last year, our focus has continued to be firmly set on putting in place the strong foundations needed to deliver the required improvements. Our two outsourced projects have now successfully completed, and we now have fully aligned payroll systems and a drastically reduced backlog of open cases. We have also achieved the significant milestone of implementing our own integrated payment systems, through which all one-off payments and new pensioners are now paid. This has delivered efficiencies and stronger controls. We look forward to migrating all remaining pensioners onto this system next year.

In everything we do, the team are absolutely key, and resourcing remains an area of high priority. During 2023/24, a huge amount has been done to develop and invest in our team, and we are starting to see the benefits. We have celebrated several internal promotions and are supporting our current and future leaders to develop through the Council's leadership programme. Work is ongoing in line with our aspiration to "Grow our own" and we are creating more opportunities within the team to encourage recruitment and retention, such as apprenticeships and a brand new shadowing scheme. You can read more about our team in the following new stories, where we celebrated achievements and shared our team member's stories for **Employee Appreciation Day** and **International Women's Day**. During the year we were thrilled to be invited to participate in the **#LGPSjobs** campaign, and were proud to be featured in a video promoting the LGPS as a rewarding and inspirational place to work.

During the year, we have continued to push ourselves to improve in our approach to responsible investment. One new area of focus this year has been social factors. Often taking second place to climate, social factors are incredibly important for our investment portfolios, and as we learnt in our **big responsible investment survey** this year, these factors are also a high priority for our members. We developed a framework to assess these factors, and reported on the work we have done in our first ever **"Spotlight on Social"** report. We believe that this is a great example to evidence how we thoroughly integrate responsible investment principals into everything that we do. This was one of the judges **comments** this year, when we were absolutely delighted to win the LAMP Investment Awards "Best Approach to Responsible Investment" category, having previously won in 2021!



We also remain absolutely dedicated to our climate goals and are happy to report that our carbon footprint is down 31% since we began monitoring in 2019. This year's **Climate and Nature Report** sets out our approach to net zero, showing that it is not just about decarbonisation, but that we also actively look for investment opportunities which will help drive the transition to net zero, whilst delivering us competitive financial returns.

Now that we have accomplished several key foundational improvements and established a strong culture and structure for our team, we look ahead to delivering against our vision "To deliver an outstanding service to our scheme employers and members". In March 2024, the Committee approved our 3-year Business Plan, **"Our pathway to success"**. When we have achieved all the objectives and goals in the plan, we will be able to say that we are delivering against our vision. The plan includes a KPI-improvement plan, to get service standards up to where they need to be, as well as 3-year goals for investments and accounting, operations, stakeholder engagement, governance and resourcing. We are always looking for more opportunities to improve, and our focus will firmly be on supporting the development of our teams in order to ensure delivery of the business plan. We have also set out our key measures of success, in order to hold ourselves accountable. We are enthusiastic about working towards the actions in the plan.

We look forward to reporting back in a year's time on our progress.

19 September 2024



Lizzie Watkin,  
Treasurer to the Fund



Jennifer Devine,  
Head of Wiltshire Pension Fund



# INTRODUCTION

## WHO WE ARE AND WHAT WE DO

### ABOUT US

Wiltshire Pension Fund is part of the UK Local Government Pension Scheme (LGPS).

Under the LGPS Regulations Wiltshire Council is the Administering Authority for the Wiltshire Pension Fund.

Members of the Fund include people who work for Wiltshire Council, and a whole range of other organisations such as local Colleges or Town and Parish Councils. Around **180 employers** allow their employees to join the Fund. We currently have over **85,000 members**.

The LGPS is a Statutory Scheme. This means that it is very secure because the amount members are paid in retirement is defined and set out in law.

Members' pensions are funded in part by contributions paid into the scheme by the employers and the members, and in part by the returns earned on the Fund's investments, which are held in investment portfolios valued at **>£3.3bn**.

Teachers and operational staff in the Police and Fire and Rescue Service have their own Pension Schemes and are not part of Wiltshire Pension Fund.

### WHO'S WHO

#### Wiltshire Council members

Councillor Richard Britton (Chair)  
Councillor Gordon King  
Councillor George Jeans  
Councillor Christopher Newbury  
Councillor Stuart Wheeler (replacing Councillor Church)

#### Swindon Borough Council members

Councillor Kevin Small (Vice Chair)  
Councillor Vijay Manro

#### Employer representatives

Tracy Adams (resigned)  
Claire Anthony

#### Employee observers

Mike Pankiewicz (observer) – Wiltshire Council  
Stuart Dark (observer) – Swindon Unison Branch

#### Officers, advisors and managers at 31 March 2024

##### Wiltshire Council officers

Lizzie Watkin – Treasurer to the Fund  
Jennifer Devine – Head of Wiltshire Pension Fund

##### Investment managers in place at 31 March 2024

Blackrock  
Brunel Pension Partnership Ltd  
CBRE  
Gresham House  
Man Group  
Ninety One  
Partners Group  
Pinebridge

##### AVC providers

Prudential  
Clerical Medical Funds  
Phoenix Group (formerly NPI Funds)  
Utmost Life and Pensions (formerly Equitable Life Assurance Society)

**Investment consultant:** Mercer

**Actuary:** Hymans Robertson

**Independent adviser:** Anthony Fletcher, MJ Hudson

**Auditor:** Grant Thornton UK LLP

**Custodian:** State Street

**Bankers of the Fund:** HSBC



# OUR VISION, GOALS AND VALUES

Wiltshire Pension Fund administers the pensions for the >85,000 members of our scheme, for our 180 employers. It is our responsibility to ensure that the members' records are kept accurate and up to date, and that the correct benefits are paid on time. We need to responsibly manage the Fund's investments in order to ensure that we generate sufficient investment returns to help maintain the employers' contributions rates at stable and affordable levels. For our members, their pension represents a significant asset, which will help secure their financial future into retirement.

















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

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

Everyone's role in the team either directly contributes to the vision, or creates the foundations and environment which make it possible. We will measure success against the vision by monitoring our progress against our key measures of success, as defined in our Business Plan 24/27.

## STRATEGIC VISION GOALS

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

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



## OUR CULTURE

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



### WORKING TOGETHER AS ONE FUND

We work together as One Fund, demonstrating the values of transparency, accountability, ownership, critical thinking, respect and agility.



### HIGH PERFORMING TEAMS

We aspire to be role models and leaders, through our commitment to develop knowledge and training.



### DATA DRIVEN DECISIONS

We use data to inform and evidence our decision making, and to measure our progress and successes.



### EFFICIENCY THROUGH TECHNOLOGY

We collaborate, and challenge our systems and processes, to create innovative solutions and drive continuous improvement.



### LONG TERM THINKING

We always act with the long term in mind, whether we are setting our investment strategy, planning improvements, or working towards our net zero by 2050 goal.



### CLEAR COMMUNICATIONS

We communicate with all our stakeholders in a clear, concise, relevant and effective way.



### SMARTER WORKING

We maintain focus on our core objectives, and work in a proactive and disciplined way, to promote simplicity and efficiency in everything we do.

## WILTSHIRE PENSION FUND BUSINESS PLAN 2024/27

Over the last two years, we have been working towards putting in place the foundations needed to deliver the required improvements. This has included resolving legacy administration issues, launching our own integrated payment systems in order to realise efficiencies and create stronger controls, and investing heavily in the team by introducing development opportunities, embedding our culture, and focussing on training.

We have now put in place a three-year business plan "**Our Pathway to Success**". Delivery of the actions within this plan will mean that we are achieving our vision.

Our team is committed to achieving our vision of delivering an outstanding service to our scheme employers and members. As a team we are passionate about pensions, and we are excited about carrying out our business plan over the next three years.

We believe that what we have set out is appropriately ambitious, and we will be working with the whole team to embed the goals of this business plan within our team targets and workplans. We put our employers and members at the heart of everything we do, and we are keenly aware that membership of WPF is a huge part of our members' financial futures, as well as being a significant and important benefit offered by our employers. We aim to ensure that WPF delivers what all our stakeholders (both internal and external) need and is a pension scheme that is valued by them. We look forward to updating everyone on our progress over the next three years!



## CUSTOMER MISSION

“ Our mission is to deliver an effective service, providing our members with the tools they need to plan for their financial future. ”

## HOW WE RUN THE FUND

The decision-making body responsible for running the Fund is the Wiltshire Pension Fund Committee, which meets around eight times per year. You can read more about the scope and membership of the Committee below. The Local Pension Board oversees the management of the Fund, to ensure that the Fund is operating in line with all strategies, policies, and legislative requirements.

Further to the above, we also run an Employer Strategic Focus Group which is an informal way for the employers to engage with the Fund (via the officers and the employer representatives on the Pension Fund Committee) on strategic issues. The group has been established to facilitate a 2-way dialogue, and to enable the employer representatives to feedback employers' views to the Committee.

Day-to-day, the Fund is run by the Pensions Team. You can read more about the senior members of the team and their roles below.

### MANAGEMENT OF THE SCHEME

The members who served on the Wiltshire Pension Fund committee during the year are shown in the Who's Who on page 5. Changes to the Committee's membership during the year arose in relation to a Wiltshire Council representative with the appointment of Cllr Stuart Wheeler, replacing Cllr Pauline Church and an Employer representative with the anticipated appointment of Jodie Smart in the 2024/25 scheme year replacing Tracy Adams.

### WILTSHIRE PENSION FUND COMMITTEE

The Wiltshire Pension Fund Committee has nine voting members. This consists of five Wiltshire Council members, including the Chair, two members from Swindon Borough Council as the second largest employer and two employer representatives.

Two observer representatives also sit on the Committee on behalf of the employees, deferred, and pensioner members within the scheme to ensure their interests are considered at the Committee.

The Wiltshire Pension Committee meets typically meets eight times a year to review the affairs of the Fund. All decisions are taken by a simple majority with the Chairman having the

casting vote. Full Committee meetings alternate in agenda focus, typically in an investment and non-investment format. All members are encouraged to attend all meetings. The role of the Local Pension Board is to ensure that the management of fund administration and investments complies with the relevant regulations and legislation and that the Fund is managed in the best interests of its stakeholders.

Details of the meetings and minutes can be found at the following link:

<https://cms.wiltshire.gov.uk/ieListMeetings.aspx?CId=142&Year=0>

### LOCAL PENSION BOARD (LPB)

The Wiltshire Local Pension Board supports the Pension Fund Committee, and is responsible for:

- securing compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme and;
- ensuring the effective and efficient governance and administration of the Scheme.

The LPB consists of an independent chair, 3 employer representatives, and 3 scheme member representatives and meets four times per year. The LPB has an oversight function to ensure the Fund is compliant with the Pensions Regulator.

Details of the meetings and minutes can be found at the following link:

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

The Annual Report from the Local Pension Board summarises its role, activities, costs, and future work plans. This can be found on the following link:

<https://www.wiltshirepensionfund.org.uk/Annual-report-and-accounts>

Governance arrangements concerning Wiltshire's involvement in the Brunel Pension Partnership are covered in detail in the Pooling Report on page 78.



## WILTSHIRE PENSION FUND – LOCAL PENSION BOARD ANNUAL REPORT 2023/24

The full Annual Report of the Local Pension Board (LPB) of Wiltshire Pension Fund (WPF) can be accessed on the Local Pension Board page of the Fund website.

<https://wiltshirepensionfund.org.uk/local-pension-board>



The focus of the LPB has been on ensuring that WPF governance complies with the Public Service Pensions Act, all of the relevant LGPS regulations, LGPS best practice guidance issued by the national LGPS Advisory Board or CIPFA, and the requirements of the Pensions Regulator (TPR).

I am pleased to say that, with the support of the officers of Wiltshire Pension Fund, the Board continued to make good progress in fulfilling its terms of reference during the 2023/24 financial year, and the LPB is again able to provide assurance that the WPF is complying with its statutory duties.

During 2023/24 the LPB undertook a wide range of work, as set out in the "Outcomes and LPB recommendations made to the Administering Authority (Pension Committee)" section of the full Pension Board Annual Report.

A large number of different areas were examined in detail by the Board, with numerous recommendations being made to the Pension Committee, the vast majority of which were accepted. In summary, some of the key issues included:

- **Governance and Administration**

The Board continued to highlight administration performance issues and backlogs which, unless effectively addressed, would have had a significant negative impact on the quality of the services provided to the members of the WPF. The Board recommended that a Key Performance Indicators Improvement Plan should be produced, setting out, in detail, the actions to be implemented to improve administration performance within acceptable timescales. This plan was produced during the year and was agreed by the Wiltshire Pension Committee on 14th December 2023. The Board and Committee will closely monitor the effective implementation of the actions set out in this improvement plan at their meetings during 2024/25.

- **Data Security, Cyber Resilience and Business Continuity Planning**

During 2023/24 the Board regularly monitored the implementation of the agreed actions to address the recommendations made in a "limited assurance" internal audit report on key financial controls. Although a number of actions still require completion in 2024/25, the Board was satisfied that officers had made significant progress against the recommendations made by the auditors.

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.

**Mark Spilsbury**

Independent Chair of the Wiltshire Local Pension Board.



## PENSIONS TEAM OVERVIEW

The Pensions team comprises the following teams and roles:

**The Head of Wiltshire Pension Fund** has overall responsibility for the whole Fund, covering investments, administration, accounting and governance.

**The Pensions Administration Lead** has responsibility for the administration function, including employer changes and actuarial valuations.

**The Investment and Accounting Team Lead** is responsible for all matters associated with the Fund's investments and also for accounting for all aspects of the Fund's activities. This includes development of the Fund's strategic asset allocation, selection and monitoring of the Fund's investment managers, responsible investment and stewardship matters, working with the Brunel Pension Partnership pool in setting up portfolios, transitioning assets and representing the Fund's interests and holding Brunel to account. Accounting responsibilities include the setting and monitoring of 3-year budget plans, production of the year end accounts and Annual Report, and day-to-day accounting responsibilities. The team comprises five members of staff.

**The Member Services Team** acts as the main point of contact for all membership enquiries. This team is responsible for setting up new members, monitoring and maintenance of pension member records, payment of benefits, transfer payments and AVCs. This team comprises approximately twelve members of staff.

**The Employer Support Team** is responsible for ensuring all the systems being used by the team are up to date, working correctly, and developed to ensure the most efficient and effective use of technology in delivering the administration services. This team is also responsible for monitoring and cleansing members' data to ensure it is fit for purpose and meets the requirements imposed on the Fund by the regulators. This team comprises approximately eleven members of staff.

**Fund Communications** are handled by the Communications and Stakeholder Engagement Lead, who deals with all aspects of scheme members' communications and is responsible for the development and implementation of the Fund's Communications Strategy. This also involves maintaining the Fund's image and reputation, engaging meaningfully with a diverse range of internal and external stakeholders, and designing and directing an innovative and effective communications framework.

**Operations Manager** is responsible for ensuring our pension administration systems are working effectively as well as identifying, analysing and supporting the improvement of processes so that the administration function can deliver an efficient service. This role also has responsibility of project managing all larger projects from the planning, design, execution, monitoring and control of the project. The management of our integrated payroll system falls under the responsibility of the Operations Manager, ensuring our pensioners are paid correctly and on time.

**The Employer Funding and Risk Lead** is responsible for proactively managing risks associated with the Fund's employers, where changing circumstances indicate a change in the risk profile for a particular employer or for the Fund overall. The role also promotes and facilitates effective relationships and working arrangement between the Fund and its employers, managing the process of major employer changes such as new admissions, reorganisation and cessations.

**The Fund Governance Manager** is responsible for supporting the Wiltshire Pension Fund Committee and Local Pension Board, including with overseeing governance training and supporting governance recruitment.



## CASE STUDY:

### COMPLIANCE WITH THE PENSION REGULATOR'S CODE OF PRACTICE

Enactment of the Public Service Pension Act 2013 saw the introduction of the Wiltshire Pension Fund's (WPF) requirement to comply with the Pension Regulator's (tPR) code of practice 14. This code outlined a range of areas on which compliance was going to be formally required and covered the maintenance of the Fund's tPR registration, Local Pension Board (LPB) member compliance and access to information, the management of conflicts of interest, publication of LPB information and business, the evaluation of risk and internal controls, standards of recording keeping, monitoring and management of the payment of benefits & received contributions, standards of statutory communication to stakeholders, maintenance of an appropriate complaints function & the maintenance of a breach reporting arrangement.

From 2014, these requirements were adopted as part of the WPF's internal controls and officers annually self-assessed the WPF against the code's requirements, taking steps where required, to address any sub-optimal performance. As part of these annual reviews the Pension Fund Committee would also commission independent audits of the self-assessments on recommendation from the LPB to ensure compliance.

The tPR's new general code of practice was published on 10th January, and came into force on 27th March 2024, meaning that the current code has been replaced by a code that is intended to reflect pension fund compliance for the 21st century. Although, the template of the new code is based on the old code of practice 14 template, the framework of the new code has been restructured into five core sections, each of which will breakdown into a series of sub-sections. The core sections of the new code will be Governance, Funding & Investment, Administration, Communication and Reporting.

During 2024/25 WPF officers will implement a project plan to ensure compliance with the new code and seek to complete the WPF's first Own Risk Assessment (ORA) in 2025, in order to demonstrate it has an effective system of governance (ESoG). In completing its first ORA, the WPF notes that under the Pensions Act 2004 public sector schemes are only required to demonstrate that they have adequate internal controls for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules and law. However, it is the WPF's intention to continue to adopt a best practice approach and therefore it intends to adhere to the highest standards of compliance.



Robust processes,  
controls and risk  
management



Transparency and  
information sharing



Compliance and best  
practice

SCVA

PROCESSING  
CONTRIBUTION  
RATES

STAFFING

# ADMINISTRATION REPORT

LEGAL FRAMEWORK

BENEFITS

SCHEME  
MEMBERSHIP

RETIREMENTS

EMPLOYERS



## LEGAL FRAMEWORK

The Local Government Pension Scheme (LGPS) is governed by the Superannuation Act 1972. The current scheme rules are contained within the LGPS Regulations 2013, the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 and the LGPS (Amendment) Regulations 2015. The Regulations are fixed on a national basis; however, the Scheme is administered by close to 90 designated Administering Authorities throughout England and Wales.

Wiltshire Council is responsible for administering Wiltshire Pension Fund for the benefits of employees of Wiltshire Council and the employees of scheme employers and admissions bodies. A list of participating scheme employers is shown on page 125 & 126.

The LGPS is granted "exempt approval" status by HM Revenue and Customs (HMRC) for the purposes of Income and Corporation Taxes Act 1988. The LGPS is also classified as a Registered Pension Scheme under Part 4 of Chapter 2 of the Finance Act 2004.

The Regulations specify the type and amounts of pension and other benefits payable in respect of Scheme members and specifies the member contribution rates payable. Members have the freedom to opt out of the Scheme and make alternative arrangements. Scheme members currently pay a contribution rate between 5.5% and 12.5%, based on their actual pensionable pay. The bands are revised annually to allow for inflationary increases. Scheme members are given the opportunity to half their contributions by joining the 50-50 section however the benefit they accrue will also be halved.

Employer contribution rates are set by the Fund's Actuary every 3 years following a valuation of the Fund, this ensures the long-term solvency of the Fund. The most recent triennial valuation took valuation in 2022 with new employer contribution rates applying from 1 April 2023. The fund is currently preparing for the 2025 valuation.

## SCHEME BENEFITS

The Local Government Pension Scheme (LGPS) provides the following benefits for its members:

- An inflation protected pension with the option to convert part of the pension to a lump sum payment (subject to HMRC limits). Since April 2014 benefits are accrued on a Career Average Revalued Earnings basis.
- Early payment of pension benefits due to ill-health.
- Early payment of pension if aged 55 or over if:
  - Made redundant;
  - Retired through business efficiency;
  - Taken flexible retirement;
  - Taken early retirement;
  - The member is suffering from serious illness.
- A lump sum death grant payable to the nominated beneficiary or the most appropriate recipient deemed by Wiltshire Pension Fund, plus an inflation protected dependant's pension if death occurs before retirement;
- An inflation protected dependant's pension for death after retirement and a guaranteed lump sum death grant if death occurs within 10 years of retirement (depending on eligibility).

For leavers not entitled to the immediate payment of benefits.

- An inflation protected deferred pension to be paid at normal retirement age or at any time before age 75; or
- An opportunity to transfer to another UK registered pension scheme or Qualifying Recognised Overseas Pension Scheme; or
- A refund (depending on eligibility criteria but generally if scheme membership is less than 2 years).

The ability to increase personal benefits is available as follows:

- Purchase of extra pension by means of Additional Voluntary Contributions (AVC's) through the Fund's approved AVC provider, Prudential.
- Purchase of additional pension through Additional Pension Contributions (APC's) arrangements.



## CASE STUDY: McCLOUD PROJECT

The rules surrounding the McCloud remedy were introduced on 1 October 2023, we made the decision to activate the calculations within the administration system from 2 October to limit the number of rectifications needed.

Members that meet the eligibility criteria for McCloud were all written to before the deadline of 31 December 2023, which amounted to c.1500 members covering 1400 deferred members and 100 pensioners.

We are due to perform recalculations on the pensioners and adjust pension values early in the next financial year. This needs to be completed by October 2024.

Alongside this the recalculation of the identified deferred membership will need to be reviewed and recalculated where necessary.

Annual benefit statements from March 2024 will not include any McCloud remedy figures, these will need to be introduced from March 2025.



Correct pension,  
paid timely



Accurate,  
up-to-date records

## HOW THE SERVICE IS DELIVERED

The Fund undertakes nearly all pension administration services in-house as part of the Wiltshire Pension Fund team. Pensioners and dependents who received payments prior to January 2024 are paid by Wiltshire Council's payroll based on instructions from Wiltshire Pension Fund. All new payments are now made by the Fund and we plan to take full responsibility for all payments in the 2024/25 scheme year. The Fund use several external providers to support its administration services such as actuaries, legal advisers, technical advisors, tracing agents and AVC providers. However, with the exception of some AVC providers, nearly all members only need to directly contact either Wiltshire Pension Fund or Wiltshire Council payroll as per the contact details on the website.

## CASE STUDY: INTEGRATED PAYROLL

During 2023/24, we adopted the Integrated Payroll function of the existing Altair software to streamline our administration and payment procedures. After completing a schedule of training and testing, we went live with making payments of our Retirement Lump Sums, Contribution Refunds, Interfund Transfers and Death Grants in December 2023. Following on from this, all new retiring members were paid their monthly pension on the Integrated Payroll system from January 2024, with existing pension payments remaining on Wiltshire Council's legacy system for the time being.

Since the introduction of Integrated Payroll the Member Services Team have worked hard to ensure they get as many members as possible on to the Payroll before it closes each month. This was a big change in process from how the Team used to process calculations. The team embraced this change and have noticed a big impact in the reduction of time it takes to process calculations.

In the first month (January 2024) the team processed 98 members on Payroll before it closed. In the second month (February 2024) this figure jumped to 234 members which was great! We hope this figure will continue to increase and we can continue to ensure we process pensions and dependant benefits in the most efficient way possible.

We will continue to add all new retirees to the Altair Integrated monthly payroll, and we expect this to grow at the rate of approximately 100 members per month, and we will then migrate the remaining 19,000 records over from Wiltshire Council's system to Integrated Payroll in the summer of 2024.

This will then complete the project of bringing all of our pensions administration and payments processing onto a single software platform, improving the quality of the data we hold and simplifying many of our processes. We see this as a great step forward in improving the service we provide and supporting our key values and objectives.



Correct pension,  
paid timely





### Accuracy and Confidentiality

All pension administration staff are trained or are currently being trained in all aspects of pension administration. Every member of the administration team has a personalised training plan to ensure that they remain fully competent to produce the highest standards of service. Work is logged on the pension administration software using workflows which outline the process to be followed and contain checklist items to ensure these processes are followed. All work which results in a payment out of the Fund is peer reviewed and approved before payment is made. The Fund also employs a team of data and systems officers whose responsibility includes undertaking reconciliations, improving and maintaining high data quality standards. Internal and external audits also take place each year to test controls.

To help ensure confidentiality is maintained all staff are trained on data protection regulations (GDPR) relevant policies.

### Key staffing indicators for the year to 31 March 2024

#### Staff to fund-member ratios:

Ratio to Fund	All Staff (FTE: 41)	Processing related staff* (FTE: 22)
Active	1:599	1:1,117
Pensioner (& Dependant)	1:540	1:1,006
Deferred	1:952	1:1,775
<b>Total</b>	<b>1:2,091</b>	<b>1:3,897</b>

\*All benefits, data and systems related staff but excludes roles in management, communication, governance, finance and investments.

#### Average cases per member of staff:

Average (completed) cases per member of staff	All Staff (FTE: 41)	Processing related staff* (FTE: 22)
Total cases completed	29,633	29,633
Average per member of staff	723	1,347

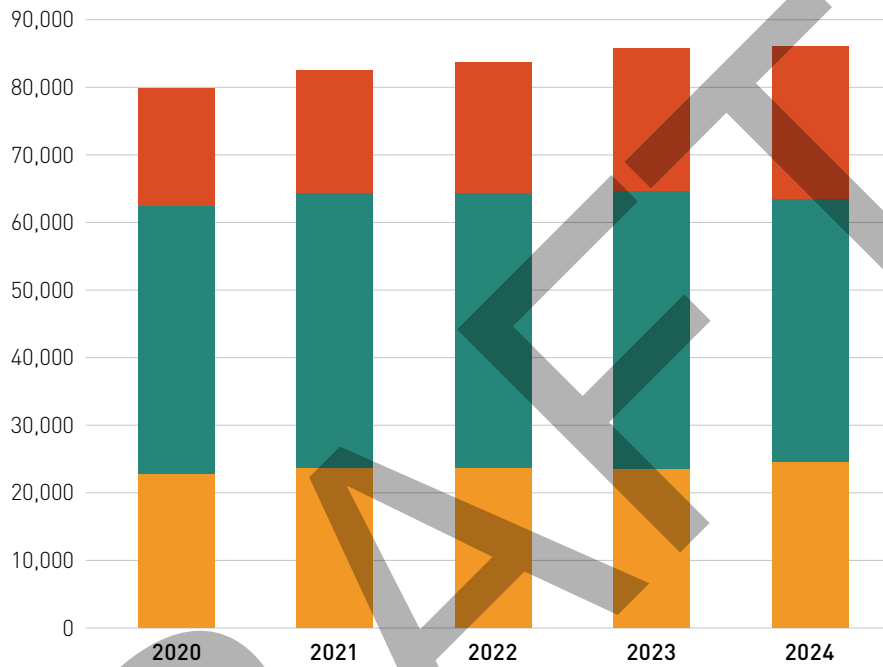
\*All benefits, data and systems related staff but excludes roles in management, communication, governance, finance and investments.



## SCHEME MEMBERSHIP

The membership of the scheme at the end of the year is set out below:

### 5-year Analysis of Fund Membership



	2020	2021	2022	2023	2024
Active members	23,487	23,131	23,324	23,549	24,569
Deferred members	39,187	40,287	40,826	40,669	39,041
Pensions in payment	18,150	19,036	20,288	21,240	22,129
<b>Total membership</b>	<b>80,824</b>	<b>82,454</b>	<b>84,438</b>	<b>85,458</b>	<b>85,739</b>

New retirements during the year are broken down as follows:

### New Pensioners by Retirement Type (from Active and Deferred Status)

	No. of cases
Ill Health Retirements	32
Early Retirements (Under 65)	741
Normal Retirements and others	336
<b>Total</b>	<b>1,109</b>



## EMPLOYER ACTIVITY

There were 11 new employers joining the Fund during 2023/24, of these:

- 5 were new admissions relating to outsourced services from education based organisations, e.g. catering or cleaning companies
- 5 Parish Council's joined the Fund, that previously had their pension provision elsewhere
- Wiltshire Bobby Van Trust (admitted body) joined the Fund

9 employers (admitted bodies) exited the Fund during 2023/24. The reasons for exiting ranged from the employers' last active members left their employment, to contracts coming to an end or the employer ceasing trading.

	Active 2023	New	Merged	Ceased	Total 2024
Scheduled Body – Includes Academies, Town and Parish Councils and Wiltshire, Swindon and Salisbury Council	102	5	2	0	105
Admitted Body	78	6	0	9	75
<b>Total</b>	<b>180</b>	<b>11</b>	<b>2</b>	<b>9</b>	<b>180</b>

## MEMBER SCHEME CONTRIBUTIONS

The following pay bands and contribution rates will apply in the main and 50/50 sections of the LGPS from 1 April 2023 to 31 March 2024 (inclusive)

Band	Salary range	Main section Contribution %	50/50 section Contribution %
1	£0 to £16,500	5.50%	2.75%
2	£16,501 to £25,900	5.80%	2.90%
3	£25,901 to £42,100	6.50%	3.25%
4	£42,101 to £53,300	6.80%	3.40%
5	£53,301 to £74,700	8.50%	4.25%
6	£74,701 to £105,900	9.90%	4.95%
7	£105,901 to £124,800	10.50%	5.25%
8	£124,801 to £187,200	11.40%	5.70%
9	£187,201 or more	12.50%	6.25%

Further information on the LGPS 2014 scheme can be found at

**[Your contributions :: LGPS \(lqpsmember.org\)](http://lqpsmember.org)**

## AVC PROVIDER

Prudential is the Fund's current AVC provider. This facility allows members, if they wish, to top up their current LGPS pension provision by paying additional contributions into one of the many different funds offered by the Prudential which best fits their risk profile. Members still making contributions to the closed schemes run by Clerical Medical, Utmost Life & Pensions (formerly Equitable Life) and NPI can continue paying into these funds or can decide to transfer their accumulated benefits into one of the new Prudential funds.

## PENSION INCREASE

Public Service Pensions which have been in payment for at least one year will have received a 6.7% increase effective from 10 April 2024. This is based on the Consumer Price Index (CPI) as at September 2023. Pensions which have been in payment for less than one year will receive a proportionate increase based on the amount of time they have been in payment.



## DISCRETIONS POLICIES

Under the LGPS Regulations, the Fund has a certain number of discretions as the Administering Authority in the administration of benefits. Its current policy was reviewed and approved by the Committee on 28 March 2024 which can be viewed at the following link:

[https://wiltshirepensionfund.org.uk/media/6143/Administering-authority-discretions-policy/pdf/Administering\\_authority\\_discretions\\_policy.pdf?m=637506307793100000](https://wiltshirepensionfund.org.uk/media/6143/Administering-authority-discretions-policy/pdf/Administering_authority_discretions_policy.pdf?m=637506307793100000)

Each employer in the Fund must have completed their own discretions policy which guides the Fund as to how to process their employee benefits. This must be approved by the appropriate people within their organisation and is "published" and made available to its employees. Copies of these policies must be submitted to the Fund on approval along with any changes within one month of them becoming active.

## ADMINISTRATION PROJECTS

We have undertaken full data analysis to ascertain which members are affected by the McCloud remedy. All rectifications will happen in Q3 and Q4 of the 2024/25 scheme. All members potentially affected have been contacted.

During 2023/24 we launched an integrated payment and payroll system. This has meant all new pensioners are now paid through the administration system rather than via the Wiltshire Council payroll team. Additionally all lump sum payments are also made using the administration system rather than using Wiltshire Council's accounts payable team. All pensioners who retired before 1 January 2024 will migrate from Wiltshire Council's payroll system to our own system in Q3 of 2023/24.

A review of the quality of the membership data continues with an eye on the Pensions Dashboard going live. As at 31 March 2024 the tPR Common Data score was 98% and the Conditional data score was 98%.

DRAFT

**BREACHES**

**INTERNAL AUDIT  
EMPLOYER  
PERFORMANCE  
CUSTOMER SERVICE  
MEASURES**

**EXTERNAL  
AUDIT**

# HOW ARE WE DOING?

**SPECIALIST REVIEWS**

**ADMINISTRATION  
KEY PERFORMANCE  
INDICATORS  
(KPIs)**

**COMPLAINTS**

**BENCHMARKING**



# INTRODUCTION

In order to assess how well we are performing as a Fund, officers and the Local Pension Board and Pension Fund Committee members monitor performance against a wide variety of measures and metrics. These include:

- External audit
- Internal audit
- Specialist reviews
- Investment performance (covered in the Investment Performance Report)
- Administration Key Performance Indicators (KPIs)
- Customer service measures
- The volume and nature of complaints
- Breaches
- Statistics related to employer performance
- Benchmarking our performance compared to other Funds

## EXTERNAL AUDIT

Grant Thornton is the Fund’s external auditor and provides the audit of the Fund’s accounts as part of its main audit of the Wiltshire Council accounts. The outcome of this audit is reported to Wiltshire Council’s audit committee and to the Wiltshire Pension Fund committee. Any recommended actions are periodically reviewed by the pension committee.

## INTERNAL AUDIT

The Fund is subject to an annual internal audit review which is undertaken by South West Audit Partnership (SWAP). An annual audit plan is agreed with the Wiltshire Pension Fund looking to provide assurances over key controls and the systems being used. The outcomes of these audits are reported to the Pension Fund Committee, as well as progress against action plans resulting from these audits.

As part of SWAP’s most recent audit into the Fund’s key controls, SWAP raised its assurance level from “limited assurance” to “reasonable assurance”, recognising the work by officers during 2023/24.

## HISTORICAL ADMINISTRATION ISSUES

We still have significant historical administration issues to resolve, specifically around backlogs of work. Following the completion of outsourced projects there has been a large reduction in the administration backlog, specifically the aggregation backlog.

Also, the administration and payroll records have been fully reconciled and as 31 March 2024 there were no material differences between the records, any differences were less than 12p per annum (i.e. rounding).

## KEY PERFORMANCE INDICATORS (KPIs)

We monitor performance against internally set KPIs as well as the legal requirements. We also monitor cases outstanding at the beginning and end of the period, as shown in the following two tables. You will see that the total number of outstanding cases is 1,741 at the end of the scheme year compared to 4,115 last year. We have cleared all backlog leavers and significantly reduced all other areas.

Improving service standards is a key focus for the Fund. Since 1 January 2024 a KPI Improvement Plan has been in place. This plan details the objectives of the administration team for the next 3 years, to ensure the Fund is providing an outstanding service to its members and employers. As of 31 March 2024, the backlog (i.e. outstanding cases which are already older than target) was 1,208 cases compared to 4,867 cases in 2023. Due to the focus on clearing the backlog the administration team continued to miss nearly all their KPI targets, see table 5. The KPI Improvement Plan sets out the timescale when we expect to be regularly meeting these targets. At the end of the 2024/25 scheme year if all objectives are met the Fund will only have a negligible backlog and key tasks such as Retirements and Deaths will be regularly meeting their KPI targets.

## KEY MEASURES OF SUCCESS



**SERVICE DELIVERY KPIs**



**INVESTMENT PERFORMANCE**



**FUNDING LEVEL**



**CUSTOMER SERVICE EXCELLENCE**



**AUDIT RATINGS**



**COST-PER-MEMBER**



**STAFF ENGAGEMENT**



**Table 1 – analysis of case movements throughout the year**

Process		No. cases outstanding at start of period	No. cases received in year	No. of cases completed in year	No. cases outstanding at year end	% completed in year
Deaths – initial letter acknowledgement death		7	530	526	11	98.0%
Deaths – Letter notifying amount of dependant’s benefit		39	349	347	41	89.4%
Divorce quote – Letter detailing cash equivalent value and other benefits		22	231	221	32	87.4%
Divorce settlements – Letter detailing implementation of cash equivalent value and application of pension sharing order		3	3	3	3	50.0%
Refund – Process and pay a refund		25	690	699	16	97.8%
Retirements – Letter notifying estimate of retirement benefits		61	1079	999	141	87.6%
Retirements Active – Letter notifying actual retirement benefits	Active	203	540	527	216	70.9%
	Deferred	20	288	257	51	83.4%
	Total	223	828	784	267	74.6%
Retirements Deferred – Letter notifying actual retirement benefits	Active	203	540	527	216	70.9%
	Deferred	20	288	257	51	83.4%
	Total	223	828	784	267	74.6%
Transfers in – Letter detailing transfer in quote		5	72	48	29	62.3%
Transfers out – Letter detailing transfer out quote		95	636	595	136	81.4%
Joiners		0	4855	4855	0	100.0%
Deferment		3140	6788	9190	738	92.6%
Member Estimates/ Joiners		14	592	549	57	90.6%

**Notes and Assumptions**

- 1) The Fund has used two different approaches to producing the table above, as detailed in a) and b), to attempt to match its processes against the requirements of the table.  
This creates some apparent, relatively minor inconsistencies such as ‘Deaths - letter notifying amount of dependants pension’ is greater than ‘Deaths - initial letter acknowledging death’ which are in fact due to the timing of different tasks.  
a) Items relate to specific task within an overall case.  
b) Items relate to actual cases rather than individual tasks.
- 2) Retirements - ‘letter notifying actual retirements’ and ‘process and pay benefits on time’ are one in the same process for the Fund and hence the figures disclosed are identical.
- 3) Ill Health estimates and retirements are all included within active status due to limitations in reporting capability.
- 4) Deferments created and outstanding includes cases still to be decided if deferred or refund, this means that there is some movement between opening and closing figures across deferments and refunds.
- 5) ‘Joiners - notification of date of enrolment’ is estimated as the statutory notifications are batched as part of a separate process and hence this information is not currently available.



**Table 2 – analysis of performance against internal targets and legal requirements**

Process	KPI (WPF) (Working days)	% met target	No. cases completed within KPI	Legal Requirement (Calendar days)	% met target	No. cases within Legal Requirements
<b>Deaths</b> – Initial letter acknowledgement death	5 Days	90.7%	477	2 Months	99.8%	525
<b>Deaths</b> – Letter notifying amount of dependant’s benefit	10 Days	41.8%	145	2 Months	91.1%	316
<b>Divorce quote</b> – Letter detailing cash equivalent value and other benefits	46 Days	86.0%	190	3 Months	93.2%	206
<b>Divorce settlements</b> – Letter detailing implementation of cash equivalent value and application of pension sharing order	15 Days	33.3%	1	3 Months	100.0%	3
<b>Refund</b> – Process and pay a refund	10 Days	94.6%	661	2 Months	99.4%	695
<b>Retirements</b> – Letter notifying estimate of retirement benefits	15 Days	44.6%	446	2 Months	98.1%	980
<b>Retirements Active</b> – Letter notifying actual retirement benefits	15 Days	20.7%	109	2 Months	66.8%	352
<b>Retirements Deferred</b> – Letter notifying actual retirement benefits	15 Days	77.4%	199	2 Months	97.3%	250
<b>Transfers in</b> – Letter detailing transfer in quote	10 Days	12.5%	6	2 Months	79.2%	38
<b>Transfers out</b> – Letter detailing transfer out quote	10 Days	21.7%	129	2 Months	82.4%	490
<b>Joiners</b>	46 Days	100.0%	4855	2 Months	100.0%	4855
<b>Deferment</b>	20 Days	41.5%	3477	2 Months	58.5%	4899

**Notes and Assumptions**

- 1) This table just covers completed cases in the year.
- 2) The Fund uses working days for its KPIs and has assumed 23 working days per calendar month.
- 3) Retirements – ‘letter notifying actual retirements’ and ‘process and pay benefits on time’ are treated as one and the same for this purpose..
- 4) Joiners – Due to the current way starters are loaded onto the administration system it is not possible to report on the date of creation and this issue of notifications at this time.
- 5) Refunds excludes those where no response was received from the member.





**Table 3 – analysis of performance against internal targets and legal requirements**

TPR Data Scores as at 31 March 2024	
Common Data	98%
Conditional Data	98%

**Notes and Assumptions**

- 1) This table confirms the presence of data, that is in valid format, it is consistent with the member’s status it does not test not the quality and accuracy
- 2) Common Data consists of the following:
  - National Insurance Number
  - Surname and either forenames or initials
  - Sex
  - Date of birth
  - Date pensionable service commenced
  - Normal Retirement Age (State Pension Age)
  - Status
  - Last status event date
  - Address including postcode
- 3) Conditional Data  
This is also known as scheme specific data consists for the following:
  - Last know postal address if current is missing
  - Scheme identification number
  - Dates that active, deferred and pensioner members join and leave the scheme
  - Details of active, deferred and pensioner members’ employment with any employer participating in the scheme including the period of pensionable service and the amount of pensionable earnings each year
  - Any formula used to calculate a member’s or beneficiary’s pension or benefit
  - The percentage to be applied for revaluation each year to a member’s accrued rights to benefits under the scheme
  - Any increase to be applied to a pensioner member’s or beneficiary’s pension or benefit in payment in each year
- Pension Credit; any information relevant to calculating each member’s rights under the scheme which are directly or indirectly attributable to a pension credit
- Pension Debit; any information relevant to calculating any reduction in each member’s rights under the scheme which are attributable to a pension debit
- Contributions
- Date of payment of any benefit
- Name and address of any person a payment was made to
- Reason for payment
- Details of any transfer outs or in
- Payments made to participating employers



# CUSTOMER SERVICE MEASURES

As a Fund we are committed to providing an effective service to our members, as well as supporting our employers to fulfil their statutory obligations in helping administer their employees pensions. To help us find out how we are doing, we continue to request feedback from our employers and members about the service we are providing.



2023/24 was the first complete year we had the survey running, achieving an average of

**3.5 STARS**

out of five for customers experience with us.

**74%**

of responses said their query was resolved within 10 working days.

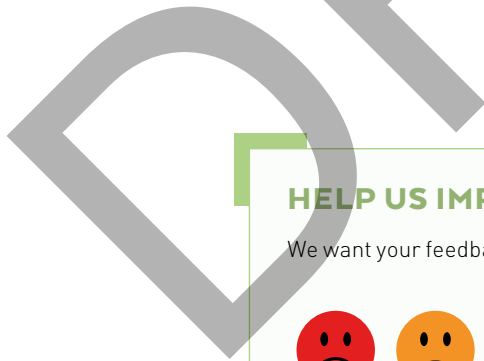


**Our mission is to deliver an effective service, providing our members with the tools they need to plan for their financial future**

“Helpful and informative explanation provided, with the offer to provide further help if I need it.”

“Efficient and helpful but above all very kind and understanding. I am going through quite a stressful time at present, their support has been fantastic in following up on queries. They should all be congratulated on a job well done.”

“Good service and I am a happy customer”




**HELP US IMPROVE!**  
We want your feedback!

Please **CLICK HERE** to take our short survey



We may not always get everything perfect, so based on feedback received, we have successfully identified and incorporated the following changes:

- More online forms introduced for accessibility and increased self service offering
- Improved internal processes to manage the enquiries email inbox more efficiently
- Review of Customer Service Policy and introduction of our 7 Pillars of Customer Service



## Pillars of Customer Service

**01 Be Polite**  
Using positive language, be professional, and genuine in a manner that reflects confidence in finding a solution, this will reassure a customer and improve the entire customer experience.

**02 Understand your audience**  
Listen to their query, repeat it back for confirmation. Ensure any pension terminology and acronyms are explained, making sure information is clear, easy to understand and accessible to everyone.

**03 Be clear and concise**  
Some queries are complex, layer information starting with brief, straightforward overviews then signpost to where more detailed information can be found.

**04 Manage expectations**  
Be transparent about response and resolution times, offering signposting to where they can self serve if appropriate.

**05 Meet our response times**  
Work should be completed within the KPIs as set out in the admin strategy or according to what was communicated to the customer.

**06 Follow procedures and policies**  
Maintain consistency and equality in your approach by following policies and procedures, using templates where available and completing all mandatory training.

**07 Ownership**  
Take ownership for delivering results and helping with customer queries.

Email and Employer Services phone data are areas we are still working on, reporting on these areas will be included in next year's Annual Report.

During 2023/24 the member services team received an average of 980 calls per month, up from 857 on the previous year. On average, 77% of these calls were answered.

**“ This feedback collection and analysis helps us to cultivate high-performing teams through our commitment to knowledge and training, as well as efficiency through technology, helping to drive continuous improvement. ”**



### DATA DRIVEN DECISIONS

We use data to inform and evidence our decision making, and to measure our progress and successes



### HIGH PERFORMING TEAMS

We aspire to be role models and leaders, through our commitment to develop knowledge and training



Employers are advocates for the scheme



Members understand their benefits



## COMPLAINTS

The Fund operates a two stage Internal Dispute Resolution Procedures (IDRP) if a scheme member or prospective member remains dissatisfied with a decision made.

An application made under Stage 1 of the process will be considered carefully by a person nominated by the Fund. This person is known as the 'Adjudicator'. The adjudicator will conduct a formal review of the initial decision or act or omission and is an opportunity for the matter to be reconsidered. For the purpose of the IDRP process, the Stage 1 adjudicator appointed by the Fund is Muse Advisory.

If the scheme member, dependent or prospective member remains dissatisfied with the adjudicator's decision, (or their failure to make a decision) they can make an application under Stage 2 of the process to Wiltshire Council. The Director of Finance and s151 officer at Wiltshire Council will reconsider the determination made by the Stage 1 adjudicator.

A member also has the right to refer their complaint to The Pensions Ombudsman free of charge. The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

During the 2023/24 Scheme Year, the Fund received four applications under the Stage 1 IDRP process and one under the Stage 2 IDRP process. Out of these applications, one was partially upheld and one upheld following adjudication. Whilst this represents an increase in IDRP cases in 2023/24 compared with last year, it is less than the scheme year 2021/22 which recorded nine IDRP cases. In addition, during 2023/24 one of the Fund's three outstanding cases with the Pensions Ombudsman was also resolved and not upheld.

## BREACHES

The Fund maintains a log of any data breaches for the Information Commissioner's Office (ICO) and regulatory breaches for the Pensions Regulator (TPR). Materially significant breaches are reported to the Local Pension Board and Pension Fund Committee. During the 2023/24 Scheme Year, the Fund had no material breaches that required reporting to the TPR or ICO.

## EMPLOYER PERFORMANCE MEASURES

Timely and accurate payment of pension contributions by employers is a key performance measure for the fund. Payments should be made by the 19th of each month or the last working day prior to this date if it falls on a weekend. The following table summarises the timeliness of employer contribution payments for 23/24.

Quarter	Paid contributions £000's				Average late and overdue contributions total days	Number of employers payments status		
	Total Payment	On Time Payment	Late Payment	Late Payment %		On time	Late	Late %
<b>Q1</b>	52,099	49,211	2,887	5.54%	4.3	523	17	3.1%
<b>Q2</b>	24,607	21,433	3,174	12.90%	8.2	510	26	4.9%
<b>Q3</b>	28,604	27,490	1,114	3.89%	5.2	517	16	3.0%
<b>Q4</b>	33,321	31,539	1,782	5.35%	6.2	518	12	2.3%
<b>Total</b>	<b>138,631</b>	<b>129,673</b>	<b>8,957</b>	<b>6.46%</b>	<b>6.0</b>	<b>2,068</b>	<b>71</b>	<b>3.3%</b>

The majority of payments are received in a timely manner, late payments are often received within a few days of the deadline, the average number of days late in 23/24 was 6 (11 days previous year). The number of employers paying late reduced to 3.3% compared to previous year 6.1%.

No interest was charged on any of the late payments. The contributions working group of the fund reviews late payments and promptly chases any outstanding amounts each month.



## STAFF ENGAGEMENT

2023/24 saw our third annual staff engagement survey, allowing us to identify trends and see whether actions taken in previous years have been effective. Response rates were very high at 95%, and the responses showed a high level of engagement, with widespread improvements since the previous year. As in previous years, scores about the team were strongly positive, with team members reporting that their colleagues were committed to delivering top quality work, and that they collaborated well together.

Overall, the total responses rated “strongly agree” or “agree” was a healthy 68%. We have set a target to increase this to 80% over time.

### CASE STUDY: MOST IMPROVED!

The question “I receive appropriate recognition when I do good work” scored 16% more agreement than last year and was the question where we saw the greatest increase in the score. This is wonderful news, as this has been an area of focus for the Fund’s management team. The positive changes which have been introduced include:

- Celebrating team wins in our monthly whole Fund meetings
- Recognising individual achievements in our monthly Fund Focus newsletter
- Promoting use of internal nominations to celebrate colleagues
- More training and development opportunities
- Celebration of internal promotions
- The Twelve Days of Pension Christmas, showcasing the team’s achievements for the year and mapping them to positive outcomes for our employers and members.

We will continue to put team member engagement high on our priorities and will develop new and innovative ways to value the team and their achievements in the future.



### HIGH PERFORMING TEAMS

We aspire to be role models and leaders, through our commitment to develop knowledge and training

### CASE STUDY: CAREER PROGRESSION

From 1 January 2022 career graded roles were introduced for Pension Administration Officers. These roles cover grades G, H and I (Officer, Senior Officer and Principal Officer). This was introduced to encourage Officers to be proactive in their own development and enable them to move to a higher grade without the need for a vacancy. In 2023/24 we celebrated 6 promotions, two of which were officers progressing up to management positions above these career graded roles.

One individual who in the last scheme year was promoted to Principal Officer, joined the Fund as an Assistant Officer in 2015. This individual has taken on various roles within the Fund and has moved from an Assistant onto a Grade G position and has then subsequently moved through the Pension Administration Officer grades to become an Employer Support – Principal Officer. The officer in question not only took responsibility to ensure that they expanded their LGPS knowledge and took on additional tasks and duties, but they exhibited the qualities to become a real role model for their fellow officers especially the newer members of the team.



### LONG TERM THINKING

We always act with the long term in mind, whether we are setting our investment strategy, planning improvements, or working towards our net zero by 2050 goal



# BENCHMARKING

## VALUE FOR MONEY

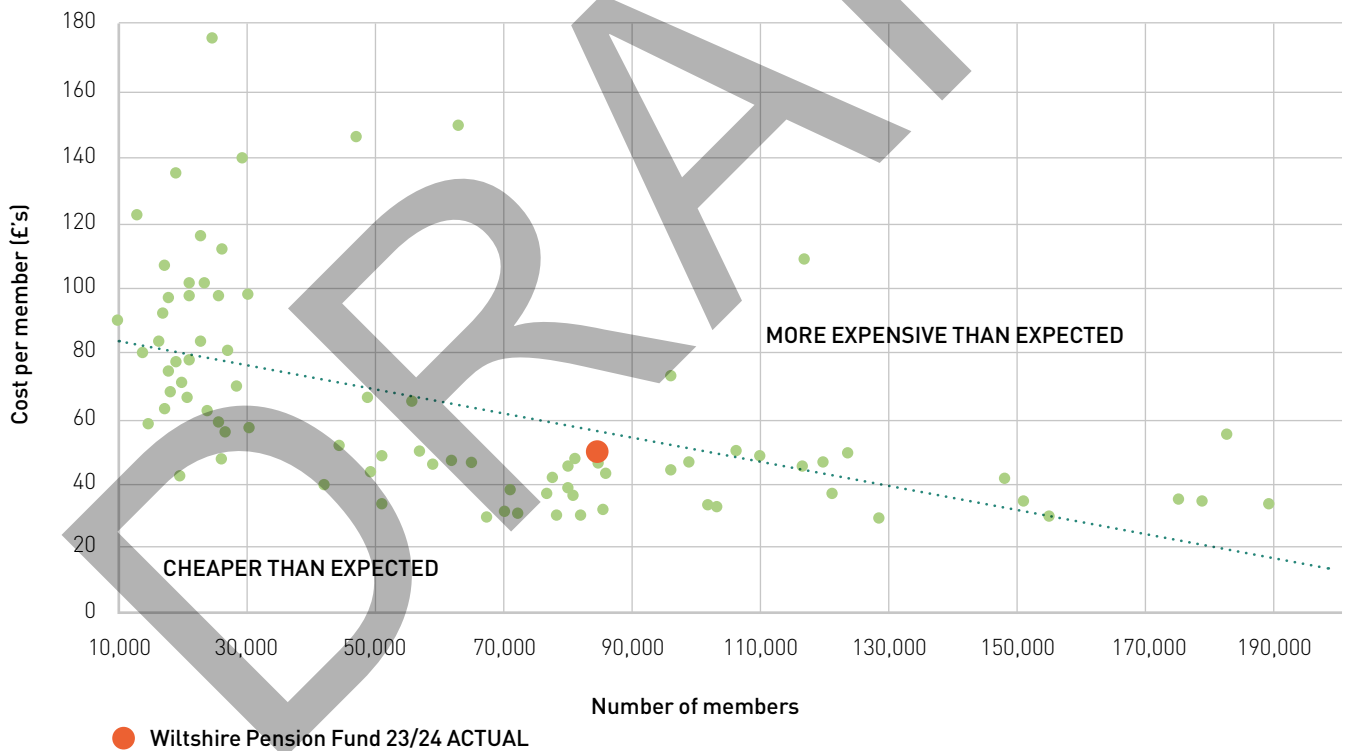
The Fund is committed to providing an outstanding service to our scheme employers and members, which will include providing value for money. Our Business Plan for 2024/27 sets out how we intend to achieve this goal. The Fund is overseen by both a Local Pension Board and the Wiltshire Pension Fund Committee and is subject to internal and external audit reviews which assess its efficiency and effectiveness amongst other matters. Benchmarking can be challenging due to the lack of availability of consistent data between LGPS funds. However, it is possible to use various data sources to enable a comparison of economies of scale, the costs of delivering the service, measures of funding, and responsible investment progress.

## COST BENCHMARKING

The Fund makes use of the Local Government Pension Scheme funds account return (SF3) to benchmark operational running costs (Admin & Governance) against peers in the LGPS. The latest published data is for financial year 22/23, we have applied a standard measure of inflation to make these costs comparable to the actual costs for Wiltshire in 23/24.

The following graph shows these inflation adjusted costs for all funds in the LGPS plotted against fund size. The actual costs for Wiltshire in 23/24 fall below the trend line and indicate a cost per member lower than expected for our fund size and close to the costs for other similarly sized funds, £49.35. In 23/24 the fund incurred considerable one off costs of £0.6m for outsourced work to clear the backlog and reconcile differences in the payroll which have inflated the cost per member.

**Scatter Plot of LGPS running costs (Admin & Governance) per member vs Total number of members. Based on 2022/23 SF3 national returns.**

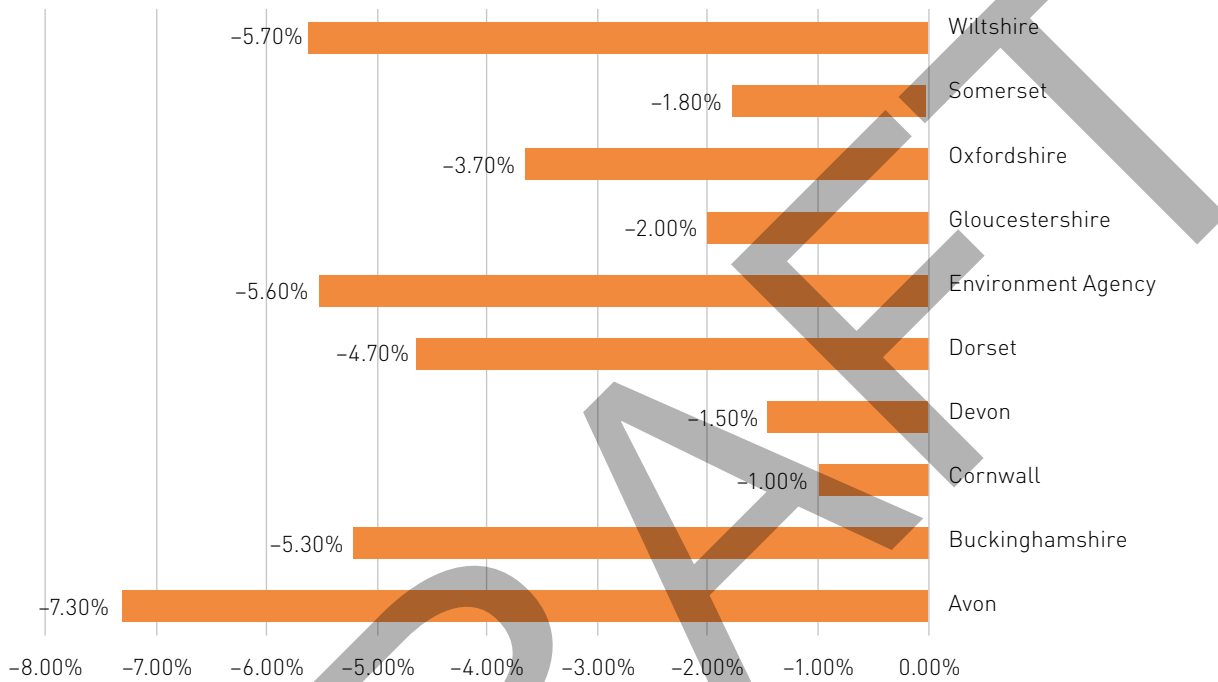




## RETURN ON INVESTMENTS

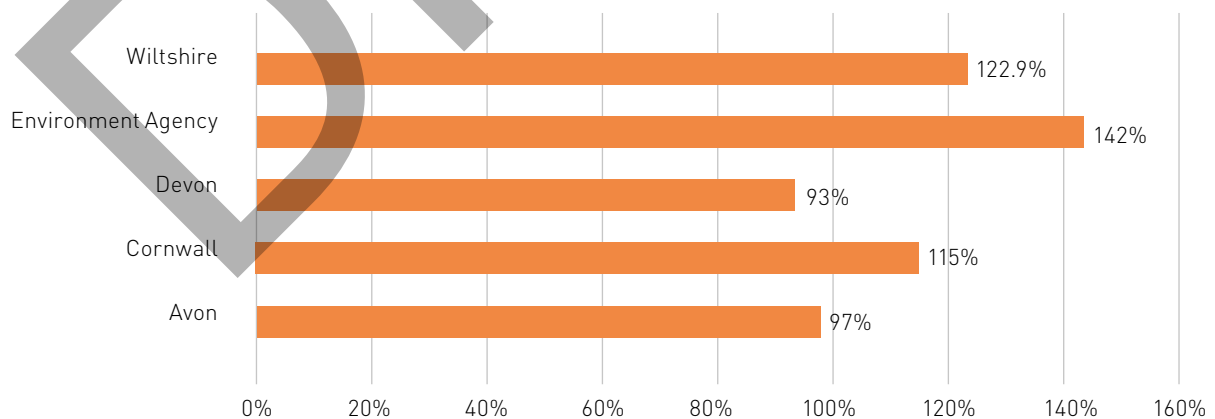
The following table shows the one-year investment performance of the Brunel Pool Funds for the 1-year period ending 31 March 2023. It suggests that all Brunel Pool Funds were impacted by significant market volatility due to geopolitical uncertainty and inflationary pressures. However, other than a high-level sense check, it is hard to derive significant insight from this analysis as investment return is specific to the investment strategies and liabilities of each fund.

### Annualised Investments Return by Fund for year ending 31 March 2023



## FUNDING LEVEL

### Estimated Funding Level as at 31 March 2023



All LGPS funds undertook an actuarial valuation exercise as at the end of March 2022, the results for each fund are published on the Scheme Advisory Board website. However, these valuations take place once every three years and therefore we have had to use estimates (extracted from funds' respective annual reports) for the funding level figures as at 31 March 2023. The figures for Buckinghamshire, Dorset, Gloucestershire, Oxfordshire and Somerset have not been included, as we were unable to locate find these figures in their 2022/23 annual reports. This shows Wiltshire's funding level on an ongoing basis as being 122.9%, which is above the average of the comparison group (including Wiltshire) of 114%.



## IMPROVEMENTS

As set out in the Fund's value "Efficiency through technology", there is a focus on continuous improvement. The following case studies illustrate some of the improvements made by the teams throughout the year.

### CASE STUDY: THE SERVICE IMPROVEMENT TEAM (SIT)

This year we have continued to drive efficiency through improvements in bulk processing. This was led by our Service Improvement Team (SIT), who took forward a project to design and introduce new processes which can be performed in bulk. The SIT created 4 processes which now work as a bulk process rather than individually run by members of the processing teams. These continue to be peer reviewed, ensuring high quality standards are met. This improvement has removed the need for administrators to prepare the work individually.

The SIT has also worked with separate teams to improve processes such as bulk refunds and leavers. Members of the SIT celebrated a huge win by clearing >3,500 tasks from the system by using smarter reporting. As part of the SIT reviewing the data held on the system whilst clearing cases, team members were able to identify a significant issue the fund faces which impacts on the efficiency a large amount of work, specifically, members with other fund service. The SIT designed and implemented a way for these to be dealt with in bulk in order to simplify the process for the administration teams. This done by removing almost any administration needed until the point of updating the member's record and completing the inter-fund transfer.

Thanks to the members of the SIT for their hard work this year, which has had a measurable impact on our backlog and introduced efficiencies going forward.



#### EFFICIENCY THROUGH TECHNOLOGY

We collaborate, and challenge our systems and processes, to create innovative solutions and drive continuous improvement





## CASE STUDY: i-CONNECT

i-Connect is our software tool that allows employers to upload data about their employees every month. i-Connect provides the foundations for a successful administration service, by ensuring that we have all the data we need, and that employers have accurately paid for all the benefits that their employees are earning.

During 2023/24, we designed an efficient and effective control framework around i-Connect:

- We reviewed, improved, and rationalised our checks of i-Connect data.
- To demonstrate our due diligence we developed, embedded, and continuously reviewing and improving the Employer Services team’s monthly cycle of work.
- We designed a mandatory pre-onboarding checklist to ensure that an employer has no legacy data issues before giving the access to the i-Connect portal.
- Monthly meetings on employer data and contributions checks conducted with our accounting team. Required actions are being assigned and followed up on the next meeting.
- We have updated our strategic documents to reflect all changes: Employer Data Quality Categorisation Policy and Employer Data Quality Checking Guide.

As part of empowering employers to fulfil their statutory responsibilities in an accurate and timely manner, we updated the existing online resources. During 2023/24 we built upon our employers training as follows:

During 2023/24, we designed an efficient and effective control framework around i-Connect:

- We reviewed the employer website and created the i-Connect Guide page with the i-Connect frequently asked questions answered.
- We added to our publications the i-Connect Common Errors page. This gives employers a detailed guidance on how to rectify errors that were identified by the i-Connect checks.
- New i-Connect user request forms for employers and payroll providers have been designed to ensure that we collect all relevant information about users’ i-Connect proficiency and employers’ responsibility to submit correct data are clearly defined.

### What’s coming next?

- i-Connect functionalities: documents upload for employers will remove additional documents handling, improve accuracy, and create efficiencies.
- We are committed to provide bespoke training sessions for employers.
- Our team of technical specialists are more than happy to provide individual or group training that fits employers’ needs.



Robust processes, controls and risk management



### CLEAR COMMUNICATIONS

We communicate with all our stakeholders in a clear, concise, relevant and effective way



Employers are advocates for the scheme



Service administered effectively and cost-efficiently



### EFFICIENCY THROUGH TECHNOLOGY

We collaborate, and challenge our systems and processes, to create innovative solutions and drive continuous improvement



## CASE STUDY: COLLABORATION WITH OTHER FUNDS

Collaborative working within the LGPS has grown over recent years and is continuing to grow. The Wiltshire Pension Fund is one of nine Funds (including the Environment Agency) that make up the South West region and Wiltshire are the regional representatives for the South West on the Joint Pensions Group (JPG). The JPG is a working group that meets regularly to agree the appropriate application of new legislation, review and approve development proposals for the Heywoods software management team and identify best administration practices.

The Wiltshire team attend other regular regional and product user groups and are actively involved in driving improvements across the LGPS through.

10 proposals have been raised by Wiltshire on our software providers 'Aha Ideas' portal and implemented in the past year and 7 proposals have been flagged as due in a future software release.

We are committed to leading on collaborative working and improvements within the LGPS.



**16**  
Compliance and best practice

## CASE STUDY: MANAGEMENT INFORMATION

As part of our initiative to improve management information, a SWAP audit was conducted to assess the effectiveness of our KPI reporting. The outcome of this report focused mainly on the risk of error when conducting the report due to the amount of manual input. An automated report is in the process of being created which removes any risk of human error and will result in a more streamlined, interactive analysis of our KPI's.

On the back of the automated KPI Report, an automated work allocation dashboard has been created. This allows the team to be able to review the work needed to be completed for a given day, sorted by priority and area. The report is automatically updated throughout the day to show what has been completed/ is still outstanding enabling management to have full oversight of the work to be actioned.

Our plan is to take these automated reports forward and think about other processes that would benefit from their design. We currently run a manual staff performance report to monitor the individual team's performance. The aim is to set this up as an automated report, making it clearer, interactive, and quicker to run and maintain whilst again removing the risk of human error. The reports will be much more detailed as they will be able to be ran for any date at the click of a button, allowing further analysis and more in-depth discussions around our performance and KPI's.



Straight-forward administration



Accurate, up-to-date records



Robust processes, controls and risk management



## CASE STUDY: OUTSOURCED IMPROVEMENT PROJECTS

### Payroll Reconciliation – Aon

During 2023/24, we worked with Aon to verify pensions currently in payment. This was part of an industry-wide exercise to reconcile the information held by all private and public sector pension schemes and HMRC.

Just over 1000 pensioner and dependant records were included in this project and nearly all were successfully resolved by Aon, with under 1% needing some final internal amendments.

A well-planned schedule ensured that payroll colleagues were notified of the required adjustments in good time for each month's pay run and the affected pensioners were contacted individually with appropriate notice.

The project involved close collaboration with Aon and we appreciated the knowledge and experience they were able to bring to this complex work, as well as their regular and timely communication, resulting in a highly successful partnership.

As the Fund moves to its own payroll arrangement in 2024, fully integrated with the administration system, this will help to avoid similar discrepancies in future.



Correct pension,  
paid timely



Accurate,  
up-to-date records

### Backlog of Aggregations and Leavers – Hymans

Where a member holds multiple employment records and any are non-active, these can be combined, or aggregated. As a result of historic variations in LGPS regulations and the Fund's administration policy, a significant backlog had built up of records requiring aggregation. In order to address this while maintaining effective business as usual provision, it was decided to outsource, and Hymans Robertson was selected for this work.

This was a challenging project, and we were delighted that Hymans were able to clear 3,000 aggregations by the close of the project, contributing significantly to the reduction of our backlog of work.

As an added benefit, this project has prompted our team to review and refine many of our administration processes and workflows, ensuring consistency across all staff.

It was always anticipated that this would be a large and complex project. The constantly evolving scenario required flexibility from both Hymans and Wiltshire Pension Fund staff and the challenges presented have led to many useful lessons learned.



Straight-forward  
administration



Accurate,  
up-to-date records



Compliance and best  
practice

# ENGAGEMENT WITH OUR SCHEME EMPLOYERS AND MEMBERS

## Our **OUR EMPLOYER STRATEGIC FOCUS GROUP**

has consulted and engaged with employers on such items as the

### **VALUATION and INVESTMENT STRATEGY**

to gain insight and perspective; this continues to be run on a biannual basis, hosted by our employer representatives.

Our Pension Awareness Week campaign in 2023 was read by circa

**65,000 MEMBERS**

compared with circa 60,000 in 2022

**53% OF OUR ACTIVE MEMBERS**

have signed up to our online portal



Transparency and information sharing



Employers are advocates for the scheme

OVER **13,200 MEMBERS**

read our campaign on climate risk (COP28), compared with circa 9,400 in 2022.



Widely adopted self-service solutions



### **CLEAR COMMUNICATIONS**

We communicate with all our stakeholders in a clear, concise, relevant and effective way



Members understand their benefits



# INTRODUCTION

Engagement with our scheme employers and members is an important issue for the Fund, and is an area with constant improvements and developments. We quantify and review the effectiveness of our communications and engagement in order to inform our activities in this area going forward. This can come from a range of metrics, including engagement statistics from email campaigns, feedback surveys, website activity and My Wiltshire Pension sign up rates.

Several of our strategic goals have a strong link to engagement activities:



Employers are advocates for the scheme

We provide our employers with the tools they need to understand the scheme, as well as their responsibilities in terms of data provision, payment of contributions etc, along with the implications for employers, and members. Our dedicated Employer Relations Team provide support through activities such as: employer training sessions, newsletters, website resources, our annual employer forum (which offers a range of webinars on various topics), and our employer strategic focus group, for heads of finance/heads of the organisation.



Members understand their benefits

The Pension Fund represents a major financial benefit for our members. Some of our work here includes our member webinars and our campaign in September 2023 for Pension Awareness Week. You can read more about this on our [PAW2023 pages](#).



Widely adopted self-service solutions

We want to make things more efficient for both our members and employers, and enable them to self-serve wherever possible, to make things quicker and easier. Examples here are MSS (the self-service portal for members), which we are expanding to create more functionality, and i-Connect, the portal via which employers can upload information, improving the quality and accuracy of data held.



Transparency and information sharing

From our [responsible investment membership survey](#), we know that members care about how the money held to pay their pension is invested. We have expanded the amount of information readily available on our website, and carried out various campaigns to inform members and employers about what we are doing. We've also worked to make information more accessible, publishing shorter versions of reports and 1-page summaries, as well as using different tools such as online flip-books and animated videos.

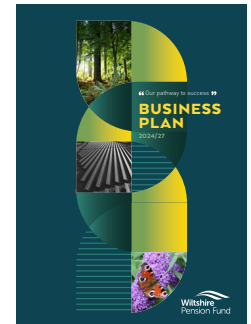


## ENGAGEMENT IN THE BUSINESS PLAN

Our **Business Plan 2024/27** includes how we approach employer and member engagement as a Fund. It is vital that employers understand their role and responsibilities under the LGPS regulations in the delivery of the administration function. The data they provide is essential to their employees' pensions being paid correctly and on time when they retire. As a Fund we are committed to supporting our scheme employers in navigating through these responsibilities, being advocates for the scheme.

We aim to:

- Facilitate a high level of member and employer engagement with the Fund and their LGPS pensions, through training, webinars, accessibility of information, and targeted communications.
- Ensure that members understand their benefits and employers are advocates of the scheme.
- Have a high take up level for our self-service offerings available to members and employers, such as My Wiltshire Pension, online forms, submissions and online retirements.
- Deliver clear communications, making sure information is accurate, easy to understand and accessible.
- Achieve Customer Service Excellence status, helping to ensure we are providing an effective service to our members and employers.
- Promote straight forward administration, through identification of where more efficient employer focused procedures and processes can be adopted.
- Increase awareness and understanding surrounding the 2025 Triennial Valuation, ensuring compliance and best practice for our employers.



## ENGAGEMENT IN THE RESPONSIBLE INVESTMENT POLICY

A plan for engaging with employers and members is also set out in the Fund's **Responsible Investment Policy**.

We consider that transparency on our actions, particularly with regard to responsible investment issues, is important, and engagement with the scheme employers and membership is a key part of this.

The topic of investments is quite technical, and responsible investment issues can be nuanced, so it is important to educate members as well as asking for opinions.

Why might the Fund engage with employers and members?

- **Employers** – Funding is achieved by a balance of employer (and employee) contributions, and investment returns. Therefore employers, as budget holders, will be interested in how the investments are managed, as this could have an impact on the contribution rates they need to pay.
- **Members** – Members benefits are set in law and are not impacted by the investment returns. However, members may have personal beliefs and views on how the investments are managed. Therefore, keeping members informed and finding ways to represent their opinions is important.

There are a range of ways that members can be engaged with:

- Informing** – we seek to keep members and the general public informed via a section of the Annual Report which reports on climate change risk and actions. We publish an annual **Stewardship and Responsible Investment Outcomes Report**. We will continue to publish press releases to communicate major strategic decisions.
- Educating** – we will continue to hold regular webinars covering responsible investment issues for both employers and members. We will use our website as a way to communicate information and keep members and employers informed. We will continue to develop methods of accessible communication.
- Consulting** – in order to incorporate the views of the employers, we will consult with employers on amendments to the Investment Strategy Statement (ISS). There are two employer representatives on the Committee, who are actively involved in promoting employer engagement. We will also consult via our employer focus group.
- Actively seeking views** – we have used surveys to collect the views of employers and members and have used the results of these surveys to develop the approach to member and employer engagement. Although the views of members and employers alone would not be used to drive the strategy, they would be considered by the Committee alongside other information as part of a full picture. The Fund's investment strategy is set in the best financial interests of the Fund, but can also, where possible, reflect the wider goals and philosophy of the employer organisations and Fund membership.



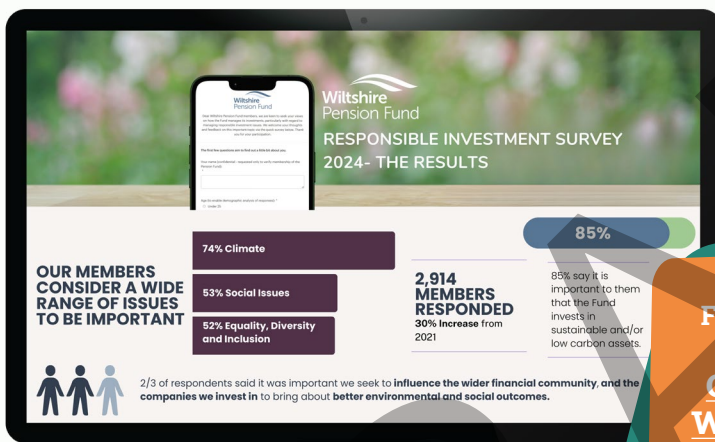
## CASE STUDY:

### RESPONSIBLE INVESTMENT SURVEY 2023 – THE RESULTS!

In early January, we ran our Responsible Investment Survey, we do these every three years for all members of the scheme. We are genuinely interested in the views of our members, and the information we gain from the survey helps us to make decisions on what we do, and on what we communicate to our members.

We had an amazing 2,914 responses survey, a 30% increase from 2021! This demonstrates how much our members care about this topic.

#### What did our members say?



Full results available ON OUR WEBSITE



#### CLEAR COMMUNICATIONS

We communicate with all our stakeholders in a clear, concise, relevant and effective way



Members understand their benefits



Responsible ownership and stewardship



Positive impact



Transparency and information sharing

#### So, what's next?

We were pleased that the opinion of the vast majority of our members is aligned with our investment approach, so much of what we will do is to continue what we are already doing.

It was very useful to understand what issues are of most interest to our members. Our comms have focused on climate in the past, but members are also very interested in social issues. Therefore, in 2024 we published our first **Spotlight on Social Report**.

We will expand our efforts to engage with our younger members, ensuring that they understand their pension and are connected with their financial future.

We will continue to adjust our communications to meet the needs of our members.



## THE FUND'S COMMUNICATIONS STRATEGY

We continuously review our **Communications Strategy** to ensure it is fit for purpose through assessing members' communication requirements. With a strong focus on delivering targeted, bespoke and engaging communications to Employers and Members, the strategy moves away from a 'one size fits all' approach. This is in line with the Fund's value of "Clear communications".

In order to achieve the objectives set out in the strategy, we have detailed seven measurements of success, six of which reflect on employer and member engagement levels.

The data shown below reflects work to date that we have completed in a move to increase engagement, by capturing and analysing data more proactively and productively.



### CLEAR COMMUNICATIONS

We communicate with all our stakeholders in a clear, concise, relevant and effective way



### DATA DRIVEN DECISIONS

We use data to inform and evidence our decision making, and to measure our progress and successes

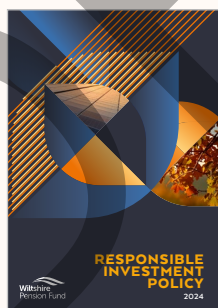
## CASE STUDY: OUR APPROACH TO COMMUNICATIONS

Different members and employers may wish to receive information in different ways. Our surveys have indicated that both these groups have a strong preference for short communications via email which they can digest in their own time, as well as information on the web. This is therefore how we focus the bulk of our communications.

As well as publishing the documents, during the year we also created newsletters, factsheets and email campaigns for our Employers, Pensioners and Members, with content tailored specifically for each demographic.



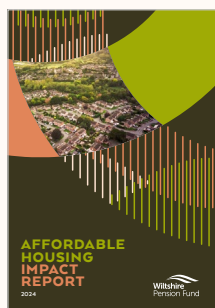
Annual Report, mini-magazine and one-pager



Responsible Investment Policy



Climate Report and one-pager



Affordable Housing Impact Report



Stewardship Report and mini-magazine



## CASE STUDY: OUR APPROACH TO COMMUNICATIONS (CONTINUED)

Our Annual **PENSIONER NEWSLETTER** had a **76% open rate**, with an additional **c600 pensioners** viewing the email compared with the previous year.



Our Pension Awareness campaign was seen by **c65,000 members**.



We also publish a quarterly newsletter for our employers, containing reminders, important updates and news. These saw a **3% increase** in email open rates compared with the previous year.



During 2023/23 our news pages received **over 2,400 visits**



As well as the in-person employer forum, we also hosted member webinars, published many news stories, increased our presence on LinkedIn, participated in industry events, and used several different methods to engage with members and employers (emails, videos, website updates etc).

YOUR PENSION IS CALLING GRAPHIC – PLEASE SUPPLY

Our **member webinars** are also proving to be extremely successful, after a drop in interest, we changed the messaging to “Your pension is calling, pick up the phone”, and we had a fantastic 160 registrations. This outcome was an increase of 135 registrations from the previous one.

Feedback from attendees has been extremely positive:

“Clearly explained, thank you.”

“Need more of these types of webinars.”



### CLEAR COMMUNICATIONS

We communicate with all our stakeholders in a clear, concise, relevant and effective way



Members understand their benefits



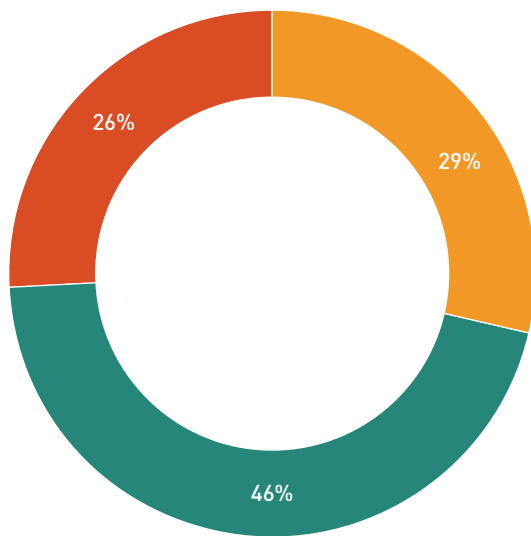
Employers are advocates for the scheme



## DEMOGRAPHICS - WHO ARE OUR MEMBERS?

As a Fund, our members generally fall into one of three categories, Active, Deferred and Pensioner. Whilst there is some overlap in information and type of administration support required, much is individual to each category. As such our communications are tailored including information only relevant to that particular group.

### Our Membership



■ Active   
 ■ Deferred   
 ■ Pensioner

	Amount	Percentage
Active	24,569	29%
Deferred	39,041	46%
Pensioner	22,129	26%
<b>Total</b>	<b>85,739</b>	

*Figures correct as of 31 March 2024*

## HOW ARE THEY ENGAGING WITH US?

### Email and Phone call volumes



Email volumes and Employer Services team phone data are areas we are working on, reporting on this will be included in next year's Annual Report.



During 2023/24 the member services team received a total of **11,074 calls**, with an average of **779 calls per month**, up from an average 676 on the previous year.

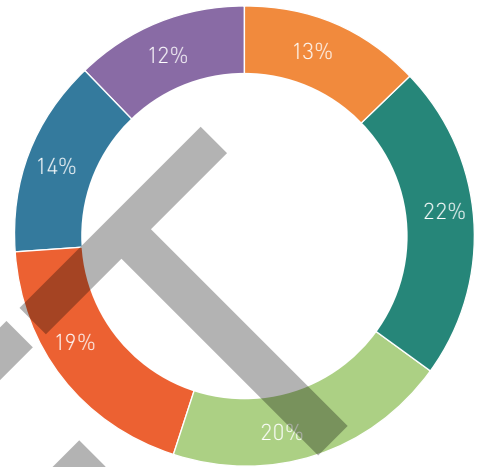
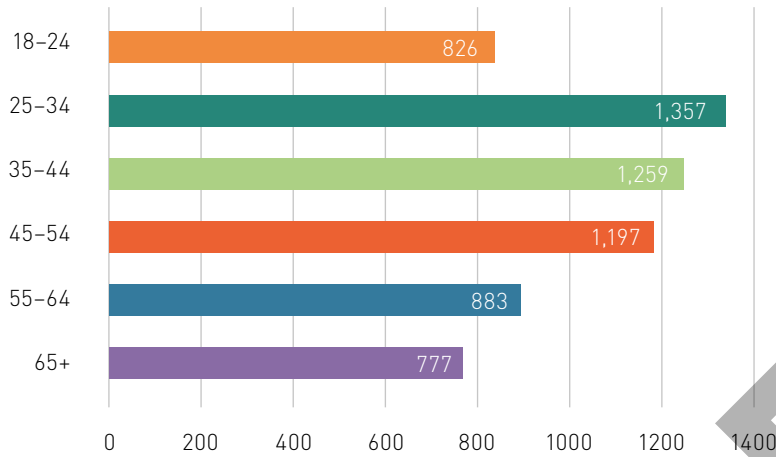
### Website Activity



2022/23  
c77,000 visitors  
**2023/24**  
**c97,400 visitors**  
**Increase of c20,400**  
on the previous year!



## Users by Age



Total: 6,299

Data taken from Google Analytics for the period 1 April 2023 – 31 March 2024, not including unknown ages.

## EMAIL ACTIVITY

### 2022/23 Average Open Rate

Type	Email Open Rate
Member	▲ 56%
Pensioner	▲ 69%
Employer	▲ 36.6%

### 2023/24 Average Open Rate

Type	Email Open Rate
Member	■ 56%
Pensioner	▼ 65.7%
Employer	▼ 34%

Open rates have remained at similar levels as previous years or seen a slight decrease, this could be due to the fact that a lot of work has been done on the website and on LinkedIn to share news and updates, meaning recipients may have already seen the content. However, work is underway to improve our approach to encourage more recipients to take action and engage with the content. Results of this can be seen through a recent member email which achieved an open rate of 64%, being one of the highest performing emails of the year.



## MY WILTSHIRE PENSION (MSS)

In line with the Fund’s strategic goal of widely adopted self-service solutions, MSS delivers an online portal where members are able to self serve when it is convenient for them. Members are able to see the pension accrued to date, update their details, forecast what pension they could receive at a future date, and if eligible, use the retirement online tool. We also provide an online ePayslip facility for circa 22,000 pensioners to access their payslips, which provide pensioner members quicker access to their payslips whilst making a saving in both paper and cost to the Fund.

We are committed to ensuring that members are both aware of and have access to this valuable resource and, as such, we continuously campaign via our letters, digitally and at events for members to sign up to the portal.

As of March 2024, 48.9% of Fund members, excluding pensioners, are registered on the portal vs 45% the previous year, with an overall figure of 43.8% including pensioner registrations.



Widely adopted self-service solutions

### My Wiltshire Pension: Registration Levels

	Registration % out of total demographic membership
Active	53.1%
Deferred	45.7%
Pensioner	28.9%
<b>Total membership</b>	<b>43.8%</b>

\*Figures correct as of March 2024

### My Wiltshire Pension: Portal Activity

	2022/23	2023/24
Log ins	c59,000	c69,000

## COMMUNICATIONS HIGHLIGHTS THROUGHOUT THE YEAR

We continue to keep employers and members updated with the latest changes affecting the scheme and the Fund, including but not limited to policy and procedure changes, news, reminders, training opportunities, upcoming events and resources available to support them. These are communicated on our LinkedIn page, website, and via email through specific mailing lists for employer, members and pensioner contacts who have opted in to receive digital communications.

Over the year to 31 March 2024, work has gone into developing the website, specifically on the Employers site. We have re-mapped the site to make navigation easier and created an **Employers Resource Suite** a “one stop shop” for employers containing videos, guides, and presentations, helping them to navigate their way through the responsibilities of an LGPS employer. These changes are also intended to help those wishing to join the Fund, along with supporting our goal of transparency and information sharing with simplicity in mind, such as where applicable communicating any rechargeable fees.

Digital content strives to be accessible, engaging and inventive using a range of media as most appropriate for that subject and demographic. We use tables, photographs, animated videos, film, and online member to improve stakeholder experience and maximise engagement levels.

## CASE STUDY: PENSION AWARENESS WEEK 2023

During **Pension Awareness Week (PAW) 2023** we created daily factsheets for our members, which were circulated over a week long campaign across different digital platforms as well as through employers. The campaign's aim was to highlight the benefits of the LGPS to members, signpost them to tools and resources to support them in their pension journey and shine a spotlight on the positive impact their pensions are making through responsible investing.

### Over the week we covered:

- Wiltshire Pension Fund, nice to meet you!
- Your Pension Toolkit
- Don't let scammers enjoy your pension
- How your pension is making a difference
- Get to know us a little better

The campaign saw an increase of 5.9% in email open rates with around **65,000 emails opened**, which is a c5k increase from last year. Data from Google Analytics also showed that activity **more than doubled** across the week, on **My Wiltshire Pension** and **wiltshirepensionfund.org.uk**. Interestingly data also showed that most visits were via mobile phones, rather than other devices such as desktop or tablets. These stats show that our communications are being correctly targeted and are clear and concise for our members. As engagement levels increase year on year, it demonstrates that our strategy is evolving in the right direction to assist our members by embracing technology and making data-driven decisions.



**c65,000**  
**emails opened,**  
 a 5k increase on  
 the previous year

**Website**  
**activity more**  
**than doubled**  
 across the week,  
 compared to the  
 previous week.



### DATA DRIVEN DECISIONS

We use data to inform and evidence our decision making, and to measure our progress and successes.



### CLEAR COMMUNICATIONS

We communicate with all our stakeholders in a clear, concise, relevant and effective way

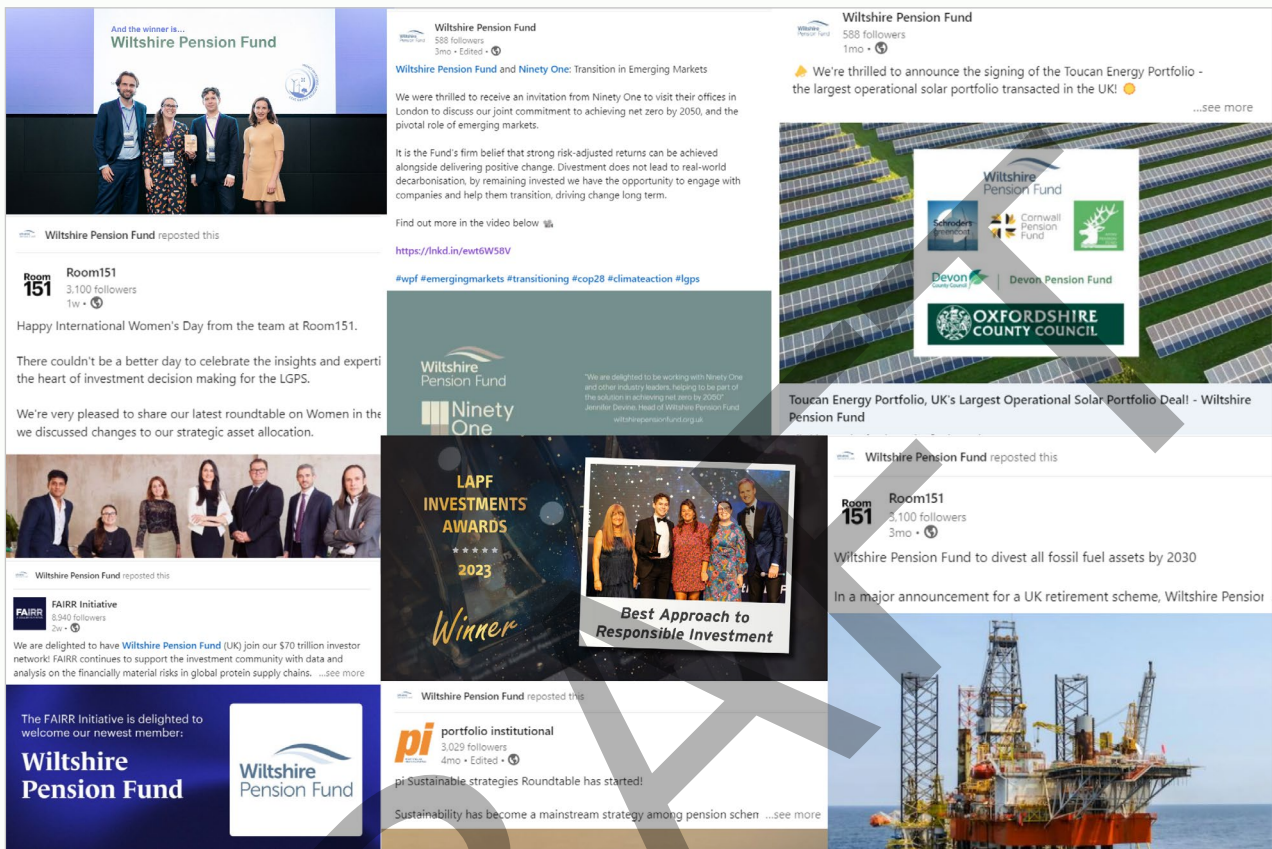


Widely adopted self-service solutions



Members understand their benefits

## CASE STUDY: WILTSHIRE PENSION FUND IN THE PRESS



As a Fund, over the past year we have been carrying out more activity around our vision goal of transparency and information sharing, specifically through our digital platforms such as [news articles](#), [LinkedIn page](#), email campaigns and press releases.

These efforts have contributed to the winning of [industry awards](#) and in gaining recognition from our partners and stakeholders, positioning ourselves as industry leaders known for our innovative investment approaches and effective communication strategies.

We have also been invited to participate in exclusive opportunities like [podcasts](#), [industry round tables](#), industry [memberships](#), and industry [recruitment projects](#). This new proactive approach has also resulted in the Fund, receiving excellent commercial terms on investment fees based on our strong reputation within the industry, with investment managers viewing Wiltshire Pension Fund as a valued partner. By proactively sharing investment activities, Fund news, and campaigns throughout the year, we have gained validation of our "high performing teams" continued efforts, and strengthened our reputation within the industry.

**These digital activities have been instrumental in strengthening our reputation within the industry.**



### HIGH PERFORMING TEAMS

We aspire to be role models and leaders, through our commitment to develop knowledge and training.



### CLEAR COMMUNICATIONS

We communicate with all our stakeholders in a clear, concise, relevant and effective way



### Transparency and information sharing



## CASE STUDY: OUR COMMITMENT TO MANAGING CLIMATE RISK

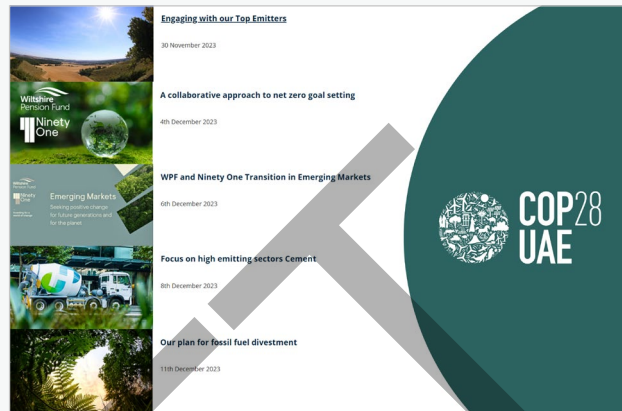
In celebration of COP28 we posted a series of news articles detailing our commitment to managing climate risk. The series didn't just show our progress so far but also demonstrated our proactive approach in addressing climate risks head-on. With the best financial interests of the Fund fully imbedded in everything we do; we have set a target of net zero by 2050 across all investment portfolios.

### What does the series cover?

- Engaging with our Top Emitters
- A collaborative approach to net zero goal setting
- WPF and Ninety One: Transition in Emerging Markets
- Focus on high emitting sectors
- Our commitment to Fossil Fuel Divestment

One of the most important Environmental, Social and Governance (ESG) factors to consider is climate risk. When it comes to climate risk, the Fund's goal is:

**“To protect the investments from climate change risk, identify opportunities to both invest in and benefit from the transition to net zero, and secure a sustainable financial future for the Fund.”**



**During COP28 over 13,200 members** read our emails on climate risk, compared with circa 9,400 in 2022.

**Our LinkedIn posts were seen by c3,100 people.**





## CASE STUDY: ADVANCING TOWARDS NET ZERO

The 2023 Climate Report demonstrates our commitment to safeguarding our investments from climate change risk while ensuring a sustainable financial future for the Fund. The Report reflects our dedication to responsible investing and brings our fully integrated approach to life - showing our stakeholders what it means to be working towards net zero.

This year's report is a significant milestone, with several new insights that bring our journey towards net-zero to life, also demonstrating our commitment to transparency on our actions to manage climate change risk in our investment portfolios.

“Our aim is to shape a more sustainable financial landscape for Wiltshire Pension Fund, resilient to the challenges of climate change.”

### What does it include?

- **Decarbonisation Progress Updates:** Learn about our progress in reducing carbon emissions within our investment portfolios, contributing to a more sustainable, low-carbon future at the same time as protecting the Fund against climate risk.
- **Top 10 Emitters:** Transparency is integral to our approach. In this report, we highlight the top 10 emitters in our portfolio, emphasising our commitment to engagement for positive change.
- **Case Study Investments:** We showcase practical examples of how our portfolio both actively invests in and benefits from the transition to net zero, through case study investments.
- **A Statement on Divesting from Fossil Fuel Companies:** We set out our plans to continue our divestment from fossil fuel companies, in line with our long-term ambitions.
- **Analysis Across All Asset Classes:** Our “net zero by 2050” target applies our entire investment portfolio. In this report, we provide an analysis of our investments across all asset classes, illustrating how we apply climate risk management to our entire portfolio.

Find out more in our [Climate Report 2023](#) and join us on our journey towards a net-zero future.



Safeguard the assets



Responsible ownership and stewardship



Positive impact



Transparency and information sharing





Employers are advocates for the scheme

## EMPLOYER ENGAGEMENT

We were delighted this year to have filled the vacancy of Employer Funding and Risk Lead, joining our Employer and Training Officer within the administration team. These roles are vital in helping our employers understand their responsibilities and become advocates for the scheme.

During the year, improvements to the dedicated employers' site have been made by the team, improving our digital offering through improved resources available for employers, such as guides, videos, user friendly policies and clear details of responsibilities. The team have also recently introduced **LGPS Create**, a secure portal where employers can use DocuSign, a digital signature tool, helping to improve turnaround times in relation to documents such as admission agreements.

Our dedicated employers site is used as a substantive source of employer information, along with the quarterly employer newsletters and Employer Strategic Focus Group meetings. We work alongside Employer organisations to assist and provide training on their pension responsibilities and undertake site visits to guide teams through the process and forms when required. This is particularly useful where changes in key staff at an employer have recently occurred.

Further information specific to employers can be found on our dedicated [Employers Site](#).

## WHO ARE OUR EMPLOYERS?

In the latest annual report from the Local Government Pension Scheme Advisory Board for England and Wales, it reported that a County or Unitary Council has an average of 263 employers.

Wiltshire Pension Fund in administering the Wiltshire Council and Swindon Borough Council local authority areas has 189 employers, which is 28% below the national average.

Of these 189 employers, the percentage of active members of the total Fund per employer are detailed below:

- 40% are education based e.g. College, Multi-Academy Trust, Super Academy Trust or standalone academy employees
- 35% are Wiltshire Council employees
- 13% are Swindon Borough Council employees
- 7% are Police and Fire employees
- 3% are City, Town and Parish Council employees
- 2% are admitted bodies i.e. private cleaning and catering contractors

This highlights a shift over recent years from the largest group of active members being Council based employees to now education-based employees.

The Fund employers listed above aren't all based in the Wiltshire Council or Swindon Borough Council administrative areas, with just over a third (36%) of the total having their headquarters based outside the County.

We don't just work with the employers in the Fund, we also work closely with their payroll providers – 42% of the Fund employers use outsourced payroll providers.

Of the new employers in the Fund this period, these were new admissions relating to academies and to organisations which had secured a contract to provide a service or function for a Fund employer. Additionally, a couple of Parish Council's joined the Fund, that previously had their pension provision elsewhere.

We also work closely with employers seeking to contract out services where TUPE transfers of Fund members are involved. Communication efforts to encourage employers to involve the Fund at the planning stage have continued. We have worked with a number of employers and staff groups during the period to share knowledge and experience, to support smooth transfers and fully informed funding decisions.

Employer exits from the Fund over the period related to employers' last active members leaving their employment, to contracts coming to an end or the employer ceasing trading.



## CASE STUDY: LGPS CREATE IS HERE

We are always listening to feedback from our scheme employers as well as those looking to join the Fund, in particular the time it takes for an admission agreement to be set up when you outsource a new contract e.g. catering or cleaning - so we've introduced LGPS Create!

LGPS Create is a secure portal where we can share admission agreement details with our legal representatives, Eversheds Sutherland, who will then draft the admission agreements and send these to all relevant parties for signing, via DocuSign. By using DocuSign and LGPS Create, we are supporting our strategic goal of straightforward administration through the significant reduction of turnaround times. We also have the added function of automatic reminders to those that have received an admission agreement to sign but have yet to do so. This is a great example of increased efficiency through technology and a fantastic step in helping our employers be advocates for the scheme through collaboration and smarter working practices.



### SMARTER WORKING

We maintain focus on our core objectives, and work in a proactive and disciplined way, to promote simplicity and efficiency in everything we do.



### EFFICIENCY THROUGH TECHNOLOGY

We collaborate, and challenge our systems and processes, to create innovative solutions and drive continuous improvement.



Employers are advocates for the scheme

DRAFT



## CASE STUDY: EMPLOYER FORUM RETURNS!

As a Fund we are committed to supporting our employers in being advocates for the scheme, we want to ensure they have the knowledge and training to carry out their responsibilities in administering their employees pensions.

In 2023 we were delighted to of hosted our first in person Employers Forum for a few years at our offices in Trowbridge. What we covered:

- What's new in the World of Pensions?
- Guest Speaker – The Pensions Regulator (TPR)
- Investments – why they matter to you and how you can get involved
- Employer Responsibilities and Discretions
- What is Pensionable Pay?
- Communicating Pensions – unveiling the benefits
- McCloudy with a chance of rain
- Meet your Employer Rep and find out how you can get involved



75% preferred it in person

Rated it 4/5\*

9/10 found the content engaging

“ An excellent day with relevant and engaging sessions. Really enjoyed it and found it very useful, good to network with the pensions team and discuss points of interest and meet other employer colleagues ”



### CLEAR COMMUNICATIONS

We communicate with all our stakeholders in a clear, concise, relevant and effective way



Employers are advocates for the scheme



## REPORT FROM THE EMPLOYER REPRESENTATIVES ON THE WILTSHIRE PENSION FUND COMMITTEE

During 2023/24, we have been building on work completed in 2022/23 to help improve representation for employers at a strategic level. The Employer Newsletters sent over the last 18 months have contained important updates for employers and have been very well received.

Highlights from 2023/2024 include the revisions to the employer area of the Fund's website to make the content clearer and easier to find for employers; a Pensions Awareness Week (PAW) Campaign, designed to help members understand their pensions and retirement; the ill-health retirement webinar and updated associated guidance; the appointment of experienced Officers to key roles of the Fund, to continue the development of the Fund's employer and administration functions; the Employer Strategic Focus Group and the first face-to-face employer forum since COVID-19.

2023/2024 has seen a noticeable change in Fund's employer make up, in that educational based employers now hold the largest membership and just over a third of all the Fund employers being based outside of the County. Looking ahead to the oncoming year, there will be a continuation of more schools academizing and mergers of existing academies.

Through the Employer Strategic Focus Group, we were able to engage more directly on the ill health retirement process, New Employer Policy and Cessation Policy review that was completed. Looking ahead to the 2024/2025 year, the Group will be able to engage on the revised Pension Administration Strategy and new Employer Covenant Risk Policy.

The focus group meets biannually, and we would always be keen to welcome new members – if you would like to learn more, and sign up, please visit the Fund's website:

<https://employer.wiltshirepensionfund.org.uk/article/4679/Employer-Strategic-Focus-Group>

At Committee, we oversee the ongoing progress being made to the Fund's administration function and key performance indicator statistics in monitoring reports. Further controls, that are being implemented more widely across the Fund, are reported via a risk register. We understand the important core issues for employers; straight-forward administration and accurate, up-to-date member records.

We look forward to continuing to represent the employers over the year ahead! Please contact us if you have any questions or have a matter you would like to raise.

Claire Anthony, the employer representative on the Wiltshire Pension Fund Committee.

19 September 2024

### About Claire

I am a Fellow of ICAEW, with a background in financial audit and the not-for-profit sector. My employer is a multi-academy trust and a fairly large employer in Wiltshire with over 500 staff, around half of which are active members of the Wiltshire Pension Scheme.

As a member of the committee, I hope to influence the management of the fund in the best interests of our employees and wider stakeholders.

Claire Anthony, Director of Finance & Business, Magna Learning Partnership

Contact Claire: [canthony@magnalearningpartnership.org.uk](mailto:canthony@magnalearningpartnership.org.uk)





## FURTHER INFORMATION AND RESOURCES

The Council produces many other publications to support its role as administering authority of the Wiltshire Pension Fund. You can request these from the Wiltshire Pension Fund at County Hall, Trowbridge, from our Website at [www.wiltshirepensionfund.org.uk](http://www.wiltshirepensionfund.org.uk) or by emailing [pensionenquiries@wiltshire.gov.uk](mailto:pensionenquiries@wiltshire.gov.uk).

### Employers Website

As part of the Fund's main website there is a separate site devoted to the Fund's sponsoring employers. The latest version of the employer website was rolled out in 2023 and seeks to provide guidance & supporting documentation specifically aimed at staff within employer bodies with responsibility for providing information to the Pensions Section, in respect of Fund administration. The site provides Scheme Employers with all the information they need to fulfil their pension responsibilities correctly.

### Information to Scheme Members

Alongside our Employers site, we have a dedicated Members site, which provides our members with information about the LGPS, how it works, the benefits and what options are available for them to plan for a financially secure retirement. In addition to this we also send out the below to members digitally, inline with the Fund's digital strategy. Members are able to contact us and opt in to receive paper versions.

### Starter Packs

These contain information that must be made available to new employees on their pension entitlements, together with supporting information.

### Leaver Packs

These contain information regarding members' options if they leave service before retirement.

### Retirement Packs

These contain information for every new pensioner about their pension and other supporting information.

### Annual Benefit Statements

Statements are automatically available before 31 August for all Fund members including active, deferred and pensioner members. Statements are also available on request for any Fund member at any time and the information can be accessed on the Member Self Service section of the member website.

### Annual Allowance Statements

Members can accrue up to the value of £60,000 per year before attracting a tax charge. Any member who has accrued £55,000 or more will automatically receive a statement before 5 October. Statements are also available on request at any time and the information can be accessed on the Member Self Service section of the member website.

### Other Information

Across Wiltshire Pension Fund's site videos and guides have been created for our members and employers, explaining a range of topics including but not limited to: how the LGPS works, its benefits, retirement options, transfers, increasing your pension, scam awareness, employer responsibilities, and how to guides. We also regularly post updates and information on the Fund's website, create quarterly employer newsletters, annual pensioner newsletters, and regular member email campaigns to keep our employers, members and stakeholders informed and up to date.

The website also has booklets available produced by Prudential on Additional Voluntary Contributions.

# THE FINANCIAL HEALTH OF THE FUND

**£3.3bn**  
(current value of the Fund)

Fund Value vs Liabilities for years ending 31 March 2024

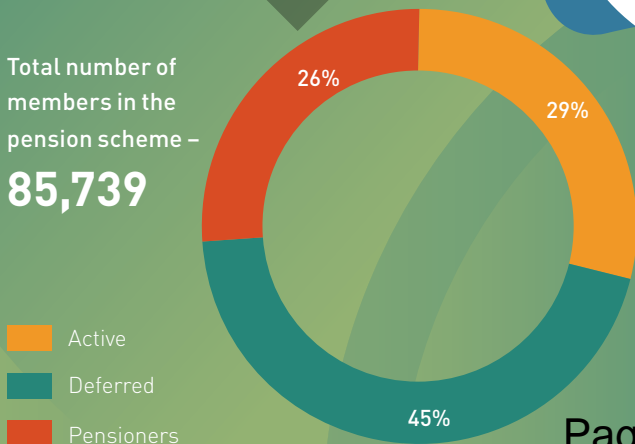


**Funding Level**  
**129.5%**  
(based on roll-forward of 2022 valuation)

We currently have  
**>85,000**  
**MEMBERS**

We received contributions of  
**£153m**  
and paid out benefits of  
**£113m**  
during the year

Total number of members in the pension scheme –  
**85,739**



It cost us  
**£4.4m**  
to run the fund (admin, oversight and governance costs), equivalent to  
**£49**  
**PER MEMBER**



## ANALYTICAL REVIEW

The following tables show a brief review of key movements in the Fund Account and Net Asset Statement for the financial year.

### Major movements in Fund Account and the Net Asset Statement for the financial year

Fund Account	2023/24 £'000	2022/23 £'000	Notes
Contributions	168,936	141,843	Contributions received in year are higher due to increases in the number of active members and rises in underlying salaries that contributions are paid on. In addition the fund received a one off £14m receipt from the cessation an employer.
Benefits	(124,443)	(106,934)	Benefits paid have increased due to the inflationary increases for pension payments and a higher number of pensioners. Reversal of the provision for underpayment of pensions has reduced the year on year increase.
Management Expenses	(39,822)	(37,506)	Management expenses have increased compared to the prior year. The primary cause has been an increase in investment transaction costs, mainly in the fund's property portfolio. The increased value of higher cost private market asset classes have also increased investment expenses.
Return on Investments	273,098	(157,091)	The fund has seen a positive investment performance for the year, see investment performance note for further details.
Net increase/(decrease) in the Fund	277,769	(159,688)	

Net Asset Statement	2023/24 £'000	2022/23 £'000	Notes
Long Term Investments - Brunel	722	707	This asset represents a 10% share of the equity of Brunel Pension Partnership.
Investment Assets	3,319,886	3,050,033	The detailed narrative for the increase in the asset value is included in the investments section.
Cash & other assets and liabilities	27,860	19,959	Increase in assets as result of a new Debt Spreading Arrangement for the cessation payment and lower liabilities as a result of no provision for underpayment of pensioners.
Total Net Investments	3,348,468	3,070,699	



## MOVEMENT IN ASSETS AND LIABILITIES

The funding level (i.e. the ratio of the assets to liabilities) at 31 March 2022 (last valuation) was 103% on an ongoing basis. This means that the total of the Fund's assets were sufficient to exceed the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £81m.

As at 31 March 2024 the funding level was 129.5% (123.5% as at 31 March 2023) on an ongoing basis. The improvement in funding level has been caused by the increase in UK Government Gilt yields and interest rates. This increase has reduced the present value of the promised retirement benefits making them much lower than the total asset value, improving the current funding level.

## FORECASTS

The following table shows the actual fund account performance for the last three years and a high level forecast for year ending March 2025 and March 2026.

Fund Account	2025/26 Forecast £000	2024/25 Forecast £000	2023/24 Actual £000	2022/23 Actual £000	2021/22 Actual £000
<b>Contributions</b>	154,936	154,936	168,936	141,843	132,804
<b>Benefits</b>	(129,470)	(126,932)	(124,443)	(106,934)	(110,183)
<b>Management Expenses</b>	(41,431)	(40,618)	(39,822)	(37,506)	(33,016)
<b>Return on Investments</b>	295,506	272,150	273,098	(157,091)	280,797
<b>Net increase in the Fund</b>	<b>279,541</b>	<b>259,536</b>	<b>277,769</b>	<b>(159,688)</b>	<b>270,402</b>

Contributions and payments are based on current expectations incorporating allowances for inflation, the administration and investment management expenses are based on current budgets and historic levels of investment fees with an allowance for inflation. The net return on investment is based on the long-term forecast returns for each asset class as set out in the next table.





Investment Portfolio £m	Asset Valuation March 2024	Long Term Asset Class Return Assumptions	Forecast Investment Return 2024/25	Forecast Asset Valuation March 2024	Forecast Investment Return 2025/26	Forecast Asset Valuation March 2026
Brunel – Paris Aligned Hedged Passive Equities	495,274	9.00%	44,575	539,849	48,586	588,435
Brunel – Gilts	238,800	3.80%	9,074	247,874	9,419	257,294
Brunel – Global High Alpha Active Global Equities	295,992	9.60%	28,415	324,407	31,143	355,550
Brunel – Global Sustainable Equities Active Global Equities	287,015	9.60%	27,553	314,568	30,199	344,767
Brunel – Secured Income	218,099	7.60%	16,576	234,675	17,835	252,510
Brunel – Multi Asset Credit	238,424	8.50%	20,266	258,690	21,989	280,679
Brunel – Private Debt	158,140	8.10%	12,809	170,949	13,847	184,796
Brunel – Private Equity	91,333	11.00%	10,047	101,380	11,152	112,531
Brunel – Generalist Infrastructure	34,872	8.70%	3,034	37,906	3,298	41,204
Brunel – Renewable Infrastructure	26,503	8.70%	2,306	28,809	2,506	31,315
Brunel – Property	227,861	7.60%	17,317	245,178	18,634	263,812
Pinebridge – Bank Loans	297,791	8.10%	24,121	321,912	26,075	347,987
Ninety One – Emerging Markets	301,961	9.60%	28,988	330,949	31,771	362,720
Climate Opportunities – Wessex Gardens	70,170	8.70%	6,105	76,275	6,636	82,911
Partners Group – Infrastructure	96,473	8.70%	8,393	104,866	9,123	113,990
Cash held at custodian	30,003	3.80%	1,140	31,143	1,183	32,327
Affordable Housing Portfolio	79,215	7.60%	6,020	85,235	6,478	91,713
BlackRock – SALAMI Portfolio	131,960	4.10%	5,410	137,370	5,632	143,003
<b>Total</b>	<b>3,319,886</b>		<b>272,150</b>	<b>3,592,036</b>	<b>295,506</b>	<b>3,887,543</b>

The forecasts for total investment assets are based on forecast long term return assumptions for each asset class. No future changes in asset allocation have been considered as the timings of these are not known with certainty.



## OPERATIONAL EXPENSES

The following table sets out the historic and budgeted management expenses of the pension fund. Investment management fees continue to be the largest part, these vary depending on the asset class invested in and return expectations. Given their variable nature and link to investment performance they are reported separately to the admin and governance running costs of the fund and no budget is set for these costs.

The admin and governance costs show an increase in 2023/24, this is as a result of significant one-off costs to address key fund priorities. These include outsourced work to clear operational backlogs and to reconcile payroll and pension admin system variances. The budgeted costs for 2024/25 shows a decrease as these one-off projects have ended. The admin and governance running cost per member for 2023/24 was £49.35.

£000s	2022/23 Actual	2023/24 Actual	2024/25 Budget
<b>Total Admin &amp; Governance costs</b>	3,641	4,231	3,931
<b>Total Investment costs</b>	33,865	35,591	n/a
<b>Total Management Expenses</b>	<b>37,506</b>	<b>39,822</b>	<b>3,931</b>
<b>Number of Members</b>	85,458	85,739	85,739
<b>£'s per member Admin &amp; Governance costs</b>	<b>42.60</b>	<b>49.35</b>	<b>45.85</b>

## CASHFLOW

The cashflow of the Fund is closely monitored to ensure sufficient resources are available to pay benefits as they fall due and meet investment calls in a timely manner. A summary of the principal cashflow movements for 2023/24 is shown below. The cashflow reporting shows the fund remains cash positive based on receipts from employers and payments to pensioners. This is an important factor to consider when setting the investment strategy.

£m equivalent	2022/23	2023/24
<b>Opening Cash Balance</b>	28.7	25.3
Income	145.5	161.4
Expenditure	(125.0)	(140.2)
Private Market – Capital Investment	(225.1)	(241.1)
Private Market – Capital Distribution	33.5	137.5
Listed Market – Capital Withdrawal	187.2	404.1
Listed Market – Capital Investment	(20.0)	(308.2)
Other	0.4	(1.2)
<b>Closing Cash Balance</b>	<b>25.3</b>	<b>37.6</b>



## CASE STUDY: DEVELOPING ADDITIONAL CONTROLS OVER CONTRIBUTIONS MONITORING

This year, the team created an additional tool to support regular monitoring of contributions and data received from employers. Three teams from across the fund came together to build this new reconciliation process, combining multiple data sources into a single report. Contributions received are compared against remittances, agreed rates and iConnect submissions.

We work in different areas of the fund to scrutinise employer data and contributions from different aspects, and we come together as part of our monthly contribution monitoring group meeting, to bring all the knowledge together into one robust control process. This has improved accuracy of reporting and protects the fund by ensuring the correct contributions are paid by all employers.



Straight-forward administration



Robust processes, controls and risk management



**WORKING TOGETHER AS ONE FUND**

We work together as One Fund, demonstrating the values of transparency, accountability, ownership, critical thinking, respect and agility.

## CASE STUDY: STRONGER CONTROLS OVER CASHFLOW FORECASTING AND MONITORING

During the year we improved the process of cashflow reconciliation and forecasting, to ensure stronger controls are in place and forecasts are robust enough to ensure all payments that are due are covered in a timely manner.

The team set up a new weekly process that brings together the investment and accounting functions. The process considers all upcoming capital investments, forecasted payments to pensioners and expected contributions from employers. We reconcile our actual position on a weekly basis and analyse forecasted cashflows to decide on any further action needed regarding upcoming cash movements. The process ensures cash is always available to pay commitments on time and any surplus cash is invested to earn returns in line with the investment strategy.



Robust processes, controls and risk management



**WORKING TOGETHER AS ONE FUND**

We work together as One Fund, demonstrating the values of transparency, accountability, ownership, critical thinking, respect and agility.



**DATA DRIVEN DECISIONS**

We use data to inform and evidence our decision making, and to measure our progress and successes.



## CASE STUDY: GROWING YOUR OWN

The fund business plan, "Our pathway to success" sets out the goal of having a resilient, skilled and motivated workforce. Within the plan are six core resourcing principles, one of which is to "Grow Your Own".

The principle was a driving force behind the development of the first apprenticeship programme within the fund, created within the Accounting team. With additional resource needed to address a lack of capacity, this was the perfect opportunity to consider how we could recruit to ensure long term resilience and succession planning for key roles.

The team structure was redesigned to introduce a development pathway from apprentice through to qualified accountant. The first stage is to recruit two AAT level 3 accounting apprentices, they will be supported by our qualified team and get hands on experience of accounting whilst studying for their qualification. They will not only bolster the accounting team, during their training they will benefit from gaining experience in other fund teams such as payroll and pension administration.

The AAT qualification is a great first grounding in finance, it is exceptionally relevant to other roles across the fund. We hope that this programme will help us grow our own future accountants and provide a first step into other careers across the pension fund.



### GROW-YOUR-OWN

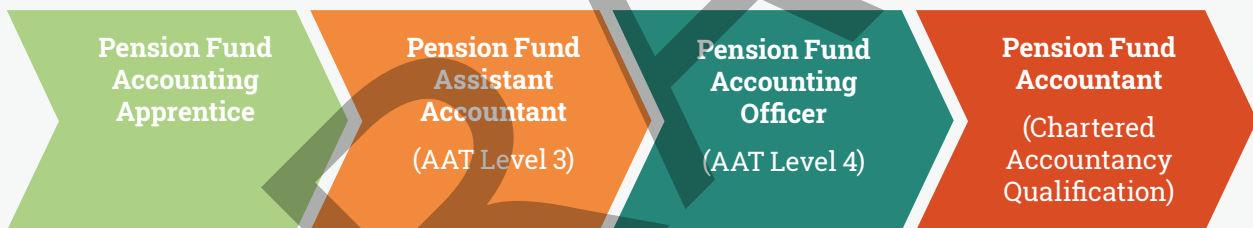
We create career-development opportunities and training for all our staff to support resilience and succession planning



### HIGH PERFORMING TEAMS

We aspire to be role models and leaders, through our commitment to develop knowledge and training.

### Apprentice progression pathway

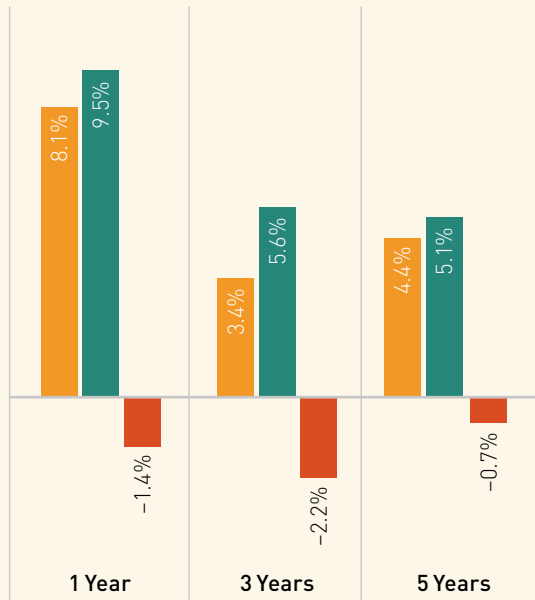


# INVESTMENTS SECTION

<b>Investment highlights</b>	<b>PAGE 60</b>
<b>Investment governance framework</b>	<b>PAGE 65</b>
<b>Investment performance report</b>	<b>PAGE 68</b>
<b>Pooling report</b>	<b>PAGE 78</b>

# INVESTMENT HIGHLIGHTS

## WHOLE FUND RETURNS to 31 March 2024



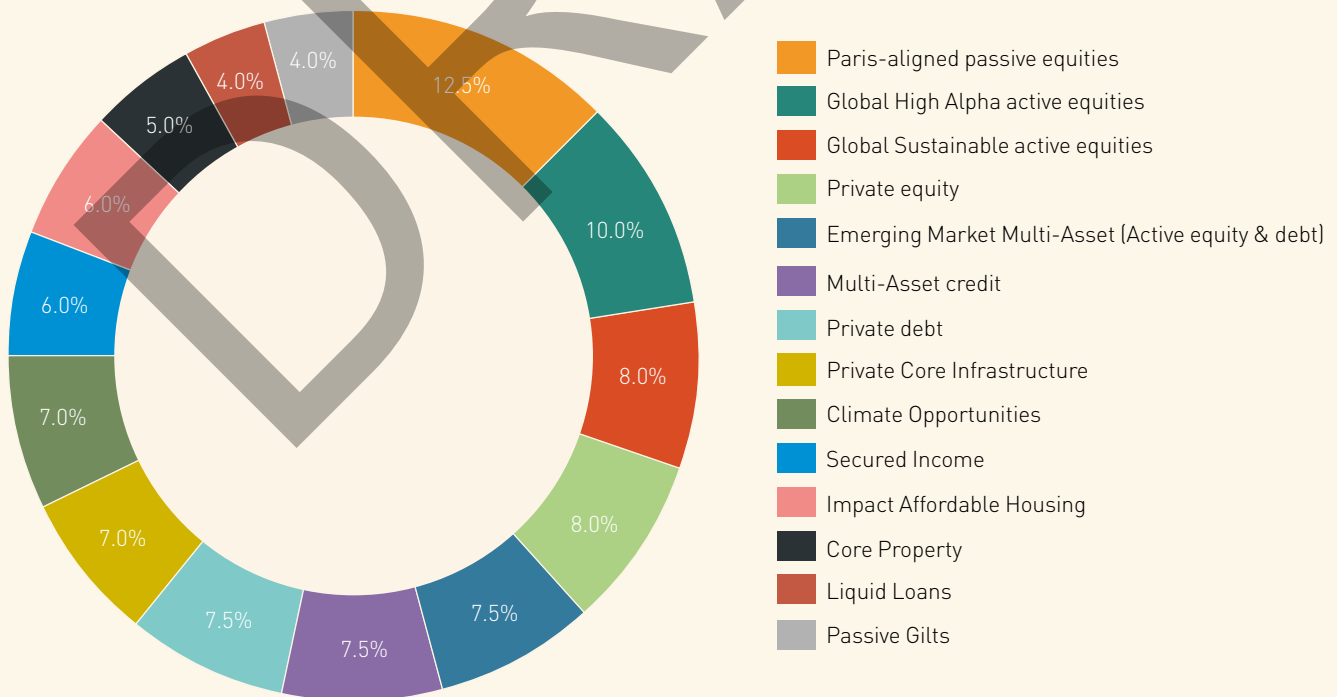
**70%**  
OF OUR ASSETS  
are now pooled through  
the Brunel Pension  
Partnership

**£3.3bn**

(value of our investments  
as at 31 March 2024)

	1 Year	3 Years	5 Years
Net Return	8.1%	3.4%	4.4%
Combined Benchmark	9.5%	5.6%	5.1%
Return Against Benchmark	-1.4%	-2.2%	-0.7%

## LONG TERM STRATEGIC ASSET ALLOCATION



Our private markets  
portfolios are growing!

During 2023/24, we funded

**103 private market  
capital calls**

at a value of

**£241.1m**

We have made  
**investment  
commitments to  
4 investment  
managers**

to progress our allocation to  
Climate Opportunities.

We launched our  
**new transparency  
tool**

for our Equities Holdings.

The fund was  
part of the  
**UK's largest ever  
operational Solar  
Portfolio Deal**

– the Toucan  
energy portfolio.

The fund has  
maintained its  
**Stewardship  
Code Signatory status.**

Our Carbon  
footprint is  
**down 31%  
since 2019.**

## CASE STUDY: TRANSPARENCY TOOL

In our **2024 Responsible Investment Survey**, our members told us they wanted greater transparency in what, where and how much the fund invests.

To demonstrate our commitment to **transparency and information sharing**, we've been working with our investment managers and we're delighted to share that we've been publishing quarterly insights into our equity holdings for the last three quarters on the **Equity Holdings** page on our website.

This transparency tool enables our members and stakeholders to:

- Learn which companies are in our Top 10 for the quarter
- Discover which sectors we are invested in
- Find out where we are invested



Strong, risk-adjusted returns



Transparency and information sharing



Compliance and best practice







## CASE STUDY: CLIMATE OPPORTUNITIES PORTFOLIO

In 2022, we undertook a review of our investment strategy, and following this, the Fund committed to investing 7% (£210m) of the fund to renewable infrastructure and climate solutions – our Climate Opportunities (Clops) portfolio. Throughout 2023 and early 2024, we have been selecting managers to fill the different asset class allocations which make up this portfolio.



We have committed £100m to Wessex Gardens fund, managed by Schroders Greencoat, which is anticipated to accelerate the supply of clean and renewable energy throughout the South West. A cornerstone investment to our Clops portfolio, we already have £70m invested in the largest single solar deal in the UK. With a strong pipeline of investments, we foresee a diverse portfolio including assets such as solar, battery storage, geothermal, hydrogen, and community heating projects.



The fund has deployed £50m to Ninety One to manage an emerging market transition debt portfolio (EMTD). The strategy aims to provide financing and support to companies in the emerging market to reduce real-world carbon emissions. This is an important angle to approach the energy transition while also aiming to deliver suitable risk-adjusted returns to investors.



We are pleased to have committed £10m to a climate tech venture capital fund managed by World Fund. World Fund strongly resonates with our dual mandate of linking competitive financial returns with environmental impact. Their commitment to backing disruptive startups focused on developing technologies capable of decarbonising entire industries is in perfect alignment with our objectives.



Following year end, the Fund has made a commitment of £75 million to Lombard Odier's Planetary Transition strategy to fulfil the listed equities allocation. This science-backed strategy will invest in companies who are committed to transitioning and will benefit financially from doing so.

We expect to complete allocations to a nature-based fund throughout next year and for the Clops portfolio to be fully committed by the end of 2025.



Positive impact



Strong, risk-adjusted returns



## CASE STUDY: INDUSTRY RECOGNITION

We are honoured to have our approach recognised at industry leading awards. During 2023, we were delighted to win the **Impact Investing Award** and **Best Climate Change Member Communication Award** at the Pensions for Purpose Annual Stakeholder and Awards Event.

We have used the Impact Investing Principles to set an investment belief around impact, worked with our consultants to identify opportunities to implement our allocations to affordable housing and climate solutions, reported on our progress in our first ever Affordable Housing Impact Report, and used our communications to explain our approach to our stakeholders.



### HIGH PERFORMING TEAMS

We aspire to be role models and leaders, through our commitment to develop knowledge and training.



Members of the WPF investment team at the Pensions for Purpose annual stakeholder and awards event

We were also delighted to have been awarded **Best Approach to Responsible Investment** at the 2023 LAMP Investment awards. The Judges highlighted that our approach to responsible investment "[...] is considered at every stage of the investment journey, with particular recognition of the importance of transparency and communication."

This is our second time being recognised for our approach to responsible investment by LAMP; the fund won this award at the 2021 ceremony.



Members of the WPF investment team at the LAMP Investment Awards 2023



# INVESTMENT GOVERNANCE FRAMEWORK

## OBJECTIVES OF THE PENSION FUND

The primary objective of the Fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death before or after retirement for their dependants, in accordance with LGPS Regulations, whilst at the same time seeking to minimise the contributions that need to be paid into the Fund by employer bodies.

The level of employer contribution is assessed every three years through an actuarial valuation of the Fund. This valuation establishes the solvency position of the Fund, that is, the extent to which the assets of the Fund are sufficient to meet the Fund's pension liabilities accrued to date. The objective is that the Fund should be at least 100% funded on an ongoing basis, taking account of any additional contributions paid by employer bodies to cover any past service deficit. The aim is that full funding is maintained.

## INVESTMENT STRATEGY STATEMENT (ISS)

The ISS sets out the investment strategy of the Fund, based on its current policies and provides transparency in relation to how the Fund's investments are managed. It also acts as a risk register for the strategy and has been kept short in order to be as user-friendly as possible. The Fund's ISS is a living document and an important governance tool for the Fund. Wiltshire's ISS was last reviewed in November 2022, and updated in March 2023, following the approval of the Strategic Asset Allocation (which is to be considered as an integral part of the ISS). The ISS can be found on the [Policies and strategies page](#) of the Wiltshire Pension Fund website.

A full review of the Investment Strategy will be completed as part of the Triennial Actuarial Valuation process, next due as at 31 March 2025.

## FUNDING STRATEGY STATEMENT (FSS)

All Local Government Pension Scheme (LGPS) funds must produce, consult on and publish a document called a "Funding Strategy Statement" (FSS). The purpose of the FSS is:

- a) to establish a clear and transparent fund-specific strategy which will identify how employers' pension liabilities are best met going forward,
- b) to support the regulatory framework to maintain as nearly constant employer contribution rates as possible; and
- c) to take a prudent longer-term view of funding those liabilities.

However, there will be conflicting objectives which need to be balanced and reconciled. For example, for most employers, objective a) implies low contribution rates, because they would see pension liabilities being "best met" by gaining as much help as possible from the investment strategy over the long term, which would lead you towards an equity-biased investment strategy. By contrast, objectives b) and c) imply stability and prudence of employer contribution rates, which would lead you towards a bond biased investment strategy.

Therefore, the best that can be achieved is a sensible balance between these different objectives, while considering the affordability of employer contributions.

The FSS and ISS are intrinsically linked and together aim to deliver stable contribution rates for employers and a reduced reliance on employer contributions over time.

The FSS can be found on the [Policies and strategies page](#) of the Wiltshire Pension Fund website.

## RESPONSIBLE INVESTMENT POLICY

The Fund's approach to incorporating Environmental, Social and Governance (ESG) factors into the investment approach, as well as wider responsible investment and stewardship issues, is set out in the Fund's Responsible Investment Policy which can be found on the [Policies and strategies page](#) of the Wiltshire Pension Fund website.

ESG factors are important for the sustainability of investment returns over the long term. The Fund seeks to use its position as a shareholder to actively encourage good corporate governance practice in those companies in which it invests. As part of owning publicly listed companies, Brunel, on behalf of its clients, will have the opportunity to vote at company meetings (Annual General Meetings and Extraordinary General Meetings AGM/EGMs). To provide guidance, Brunel has a single voting policy for all assets managed by Brunel in segregated accounts. Brunel publish its voting policy and provide online voting records quarterly.

The Fund has a fiduciary duty to act in the best interest of its members and therefore expects its investment managers to take account of financially material social, environmental and ethical considerations in the selection, retention and realisation of investments as an integral part of the normal investment research and analysis process. The Fund believes that taking account of such considerations form part of the investment managers' normal fiduciary duty.

As such, the Fund has a commitment to ensuring that the bodies in which it invests adopt a responsible attitude toward the environment and adopt high ethical standards. Such companies are expected to behave in a socially responsible manner by taking account of the interests of all stakeholders.

## CLIMATE CHANGE POLICY

The Fund has prepared reporting in line with the Task Force on Climate-related Financial Disclosures (TCFD), which sets out the way that the Fund is responding to climate risk, from a perspective of governance, risk management, strategy and carbon metrics.

## RESPONSIBLE INVESTMENT INITIATIVES

To deliver the Fund's Responsible Investment policy the Fund is active in supporting a number of responsible investment initiatives.

The Fund published its first **Stewardship Report** in April 2022 and became a signatory to the updated UK Stewardship Code 2020. Feedback from the Financial Reporting Council (FRC) was incorporated in the **Stewardship Report 2023**, published in May 2023.

The Fund is also a member of the Local Authorities Pension Fund Forum (LAPFF) and supports the Transition Pathway Initiative ("TPI"). In addition, the Fund supports Brunel as a signatory to the UN supported Principles for Responsible Investment ("PRI"). Wiltshire Pension Fund is also signed up to the Institutional Investors Group on Climate Change (IIGCC). More information on this activity can be found on the **organisations and/or initiatives** webpages (scroll down to "Our Partners").

## INVESTMENT BELIEFS AND OBJECTIVES

The investment objective is therefore to maximise returns subject to an acceptable level of risk whilst increasing certainty of cost for employers and minimising the long-term cost of the Fund. Having a thorough understanding of the risks facing the Fund is crucial and these are covered within the ISS.

### The Fund has formed the following investment beliefs which inform the investment strategy.

- Funding, investment strategy and contribution rates are linked.
- The strategic asset allocation is the key factor in determining the risk and return profile of the Fund's investments.
- Investing over the long term provides opportunities to improve returns.
- Diversification across asset classes can help to mitigate against adverse market conditions and assist the Fund to produce a smoother return profile due to returns coming from a range of different sources.
- Managing risk is a multi-dimensional and complex task but the overriding principle is to avoid taking more risk than is necessary to achieve the Fund's objectives.
- Environmental, Social and Governance factors, including Climate Change are important factors for the sustainability of investment returns over the long term.
- In order to protect the Fund's investments into the future, the Fund supports a global warming scenario of well below 2°C and states an ambition to achieve net zero carbon emissions across all investment portfolios by 2050.
- Value for money from investments is important, not just absolute costs. Asset pooling is expected to help reduce costs over the long-term, whilst providing more choice of investments, and therefore be additive to Fund returns.
- High conviction active management can add value to returns, albeit with higher short-term volatility.
- We seek to invest in a way that, where possible, aligns the interests of the Fund with those of the contributing employers and the Fund membership.
- Investing with a positive social and environmental impact is an increasingly important issue for investors and can be achieved alongside competitive market returns. Investing with impact can also help incorporate risk and return drivers which would otherwise not be considered. The Fund wishes to invest in a way that minimises negative impacts on society and the environment, and where possible, makes a positive contribution.
- Stewardship and engagement are generally more effective tools than divestment in encouraging changes that will help safeguard the Fund's investments. The Fund values the benefits of working with other investors to strengthen these activities and achieve better outcomes.



## INVESTMENT POWERS

These are set out in the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, which outline the wide investment powers allowing committees to invest in line with its ISS, with certain restrictions, as long as proper advice has been obtained.

The Secretary of State also now has the power to direct should an authority fail to act in accordance with the guidance issued under these regulations.

## RESPONSIBILITY FOR DECISIONS

The Committee is responsible for overall investment policy and for the implementation of appropriate investment management arrangements. In carrying out this role, the Committee receives advice from independent external advisors (Mercer) and from the Head of Wiltshire Pension Fund and the Treasurer to the Pension Fund (Corporate Director Resources and Deputy Chief Executive of Wiltshire Council). The Committee is also supported by its Independent Adviser (Anthony Fletcher). It appoints external investment managers to implement investment policy, who are therefore responsible for day-to-day investment decisions. Increasingly, as implementation of pooling takes place, the Brunel Pension Partnership Limited ("the pool") will be responsible for the appointment of external investments managers to implement the Fund's investment policy.

The Committee believes these arrangements strike the right balance between their own overall responsibilities in acting in a quasi-trustee role and having decisions taken with the most appropriate level of expertise available.

## TYPES OF INVESTMENTS HELD

The Committee has freedom to operate within the Regulations and its policy is outlined below. Its expectation, however, is that the majority of assets are invested in major stock markets, where the underlying investments can be easily traded if required.

The Fund therefore invests in pooled funds managed by properly authorised organisations, which invest in equities, property, infrastructure and government bonds, as well as both sterling and overseas cash deposits. The Fund also hedges a proportion of its overseas currency exposure to equities. It may also invest in futures and options, as well as limited investment in direct property. The Fund also invests and has commitments to private markets mandates, including Infrastructure, Private Equity, Private Lending & Secured Finance.

## EXPECTED RETURNS ON INVESTMENTS

The Committee recognises that the past is not a reliable guide to the future in respect of predicted returns on investment. In addition, it recognises that the range of expected returns is greater for some asset classes than others and that the prospect of higher returns is usually accompanied by higher levels of risk.

The target return set by the actuary at the valuation is 2.0% per annum in excess of gilt yields. Based on the Actuarial valuation carried out by Hymans, this is currently estimated at 4.1% p.a.

## RISK CONTROL

The Committee regards the major control of risk to be required at the strategic asset allocation level and this has been taken into account in setting its overall investment strategy. The key themes for the Fund include equity risk, inflation and interest rate protection. All risks are continually monitored and a high-level asset allocation review is undertaken annually to check the appropriateness of the Fund's current strategy.

## SECURITIES LENDING

The Fund engages in securities lending in order to increase returns. This was previously done through the custodian but is now done through the pooled active equity portfolio held through Brunel.

## CUSTODIAL ARRANGEMENTS

Fund assets are held by State Street who handles all custodial arrangements of the Fund. The custodian is also able to carry out stock lending on behalf of the Fund. Fund assets are held under the legal name "*Wiltshire County Council Pension Fund*".

## MIFIDII (MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE)

The introduction of MiFIDII brought the need for LGPS funds to be opted up from retail status to professional status in order to access institutional market investments since 2018. Due to both changes to the Pension Fund Committee, and to ensure continued compliance, MiFIDII information was reviewed in 2022/23. This information was provided to existing managers refreshing their records and to new asset managers appointed during the year.

## CMA ORDER

The Competition and Markets Authority (CMA) Order came into force as the "[Investment Consultancy and Fiduciary Management Market Investigation Order 2019](#)" and required pension funds to make annual statement confirming that their Investment Consultants were set strategic objectives (Part 7). Wiltshire Pension Fund complied with this and went further by adopting an undertaking to review performance against these objectives at least every 12 months.

From 1 October 2022, the Occupational Pension Schemes (Governance and Registration) (Amendment) Regulations 2022 'sunsetting' the compliance statement requirements to the CMA for pension scheme trustees (they will be complying by an updated scheme return to the Pensions Regulator). But for the LGPS, investment regulations consultation is expected to cover pooling and CMA (probably to be covered with updated ISS



guidance). In the interim, Wiltshire Pension Fund considered that until requirements are replaced by the provisions specifically for the LGPS, the relevant CMA order provisions continue to apply and provided a compliance statement to the CMA for 2022/23 accordingly.

## FUTURE DEVELOPMENTS

In autumn 2022, the Department for Levelling Up, Housing and Communities (DLUHC) published its Climate Reporting consultation. The consultation centred around TCFD, but also covered a wider scope of climate related modelling and plans to introduce regulations for the LGPS to apply from December 2024.

The spring 2023 budget red book contained confirmation that the government would seek to consult on LGPS pooling, suggesting that progress should be further and faster than the status quo. The result may take the form of regulation and/or further pooling guidance.

## INVESTMENT MANAGEMENT COSTS

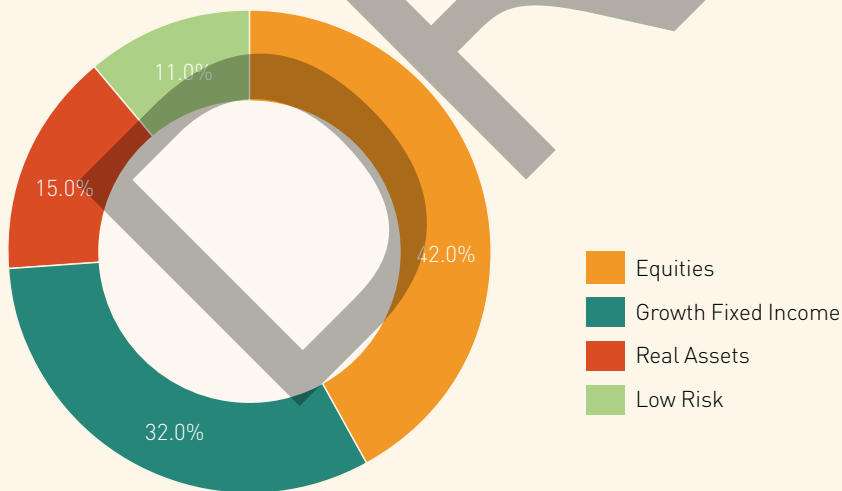
As set out in the Investment Strategy Statement, one of the Fund's core beliefs is that "value for money from investments is important, not just absolute costs." This is reflected in the fact that the Fund expects to (and does) pay lower fees for passive mandates compared with active management. The Fund reviews the investment managers' performance on a net basis against an agreed benchmark (plus an outperformance target where appropriate). The Committee monitors costs on a quarterly basis as part of overall budget monitoring. The Fund is required to report in line with the CIPFA requirements under the Transparency Code and requires its investment managers to provide sufficient information to fulfil this requirement. An analysis of the total investment costs is provided in Note 9 to the Accounts, and a detailed analysis by portfolio is provided with the Pooling Report on page 78.

# INVESTMENT PERFORMANCE REPORT

## INVESTMENT MANAGEMENT ARRANGEMENTS

The Funds long term strategic asset allocation by asset class is summarised in the following pie chart.

### Long-Term Strategic Asset Allocations by Asset Class





## WILTSHIRE PENSION FUND STRATEGIC ASSET ALLOCATION

Asset Class	Manager	Long Term (Reclassified Target Allocation)
Listed Equity	Brunel Paris-aligned Developed Passive	12.5%
	Brunel Global High Alpha	6.0%
	Brunel Sustainable Equities	6.0%
Private Equity	Brunel Private Equity	7.5%
Emerging Markets (Equity and Debt)	Ninety One Emerging Market Multi-Asset	10.0%
<b>Equities</b>		<b>42.0%</b>
Multi Asset Credit	Brunel Multi-Asset Credit	7.5%
Private Debt	Brunel Private Debt	7.5%
<b>Growth Fixed Income</b>		<b>15.0%</b>
Core Infrastructure	Brunel Infrastructure, Partners Group	4.0%
Climate Opportunities	Schroders Greencoat	7.0%
	Ninety One	
	World Fund	
	Lombard Odier	
	+TBC Nature Based Fund	
Secured Income	Brunel Secured Income	8.0%
Impact Affordable Housing	CBRE, Gresham House, Man Group	5.0%
Core Property	Brunel	8.0%
<b>Real Assets</b>		<b>32.0%</b>
Index Linked Gilts	Brunel >5 Year Passive Index Linked Gilts	7.0%
Liquid Loans	PineBridge Global Secured Credit Fund	4.0%
Liquidity Sleeve (ETF) [SALAMI]	BlackRock Investment Management	0.0%
Cash		-
<b>Low Risk</b>		<b>11.0%</b>
<b>Total</b>		<b>100.0%</b>

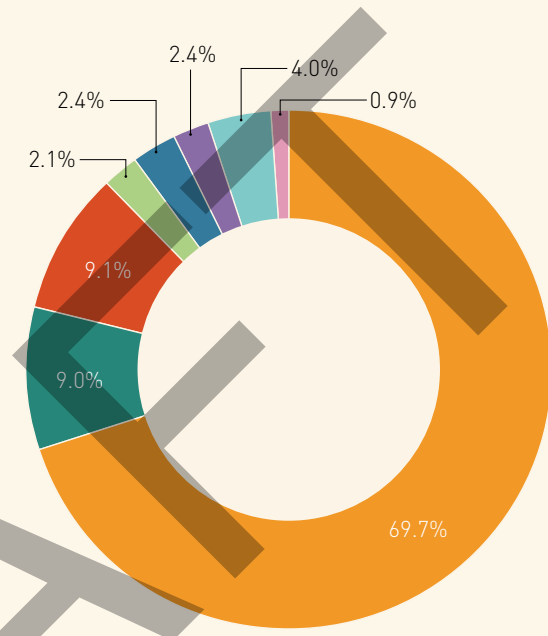
The Fund has set a long-term allocation which it will work towards with its asset managers. This reflects the fact that property and private markets are illiquid and to attain the target allocation while minimising transition costs may take time. The strategic asset allocation will be next reviewed during 2025 as part of the triennial valuation process.

## SPLIT OF ASSETS BY MANAGER

The following table and chart shows the split of assets by manager, during 2023/24 the percentage of assets managed by Brunel Pension Partnership stayed at c70%. The rebalancing down of the property portfolios offset by new investment into private markets portfolios explains why this has maintained the same.

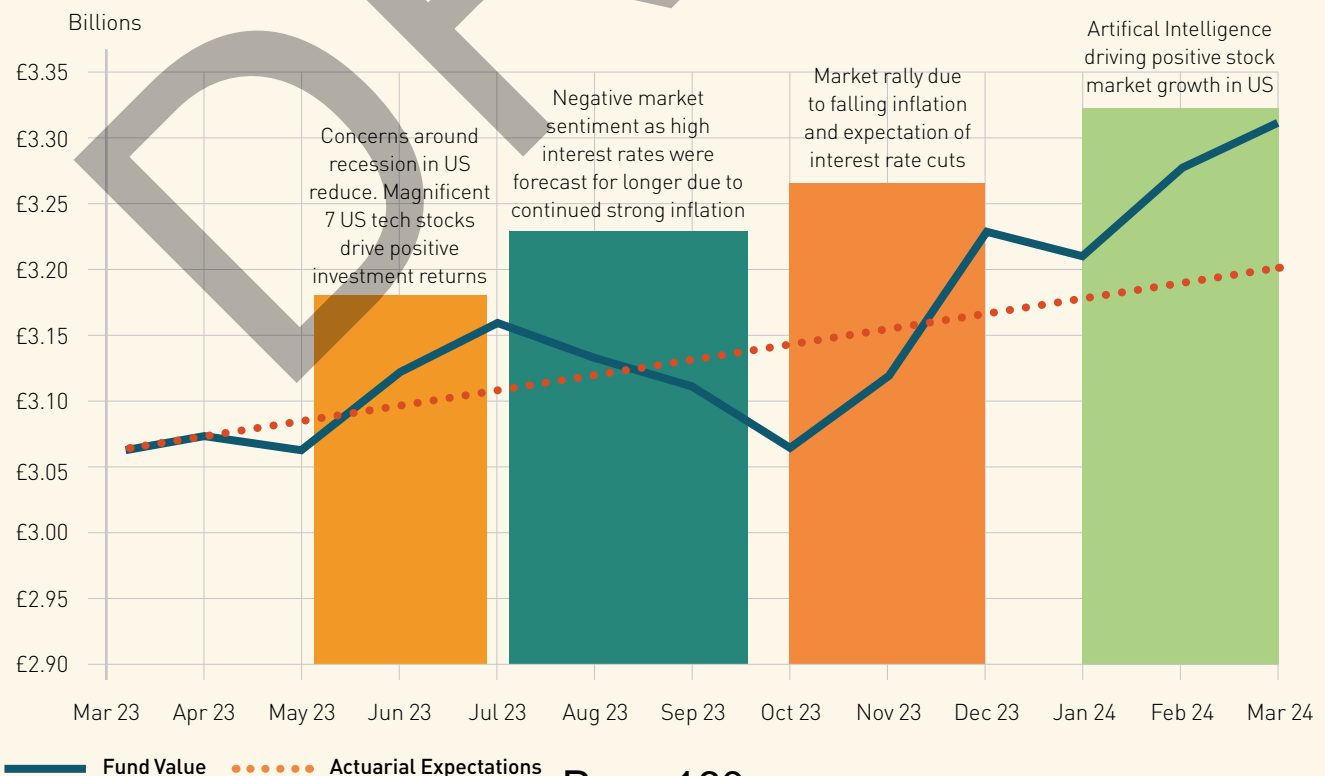
### Split of Assets by Manager

Manager	£m	% of Fund Total
Brunel - (Pooled Assets)	2,313	69.7%
PineBridge - (Bank Loans)	298	9.0%
Ninety One - (Emerging Markets Multi-Asset)	302	9.1%
Schroders (Wessex Gardens)	70	2.1%
Partners Group - (Unlisted Infrastructure)	96	2.9%
Affordable Housing (Gresham House, CBRE & Man Group)	79	2.4%
BlackRock (SALAMI Portfolio)	132	4.0%
Cash & Brunel PP Long Term Investment	30	0.9%
<b>Total</b>	<b>3,321</b>	



## INVESTMENT PERFORMANCE

The fund has delivered a strong investment return of 8.1% over the past year, outperforming the long-term actuarial return target of 4.1%. The following graph highlights the effect of key global events on the fund performance over the past year. The overriding theme has been the impact of inflation and the market expectations of interest rate changes.

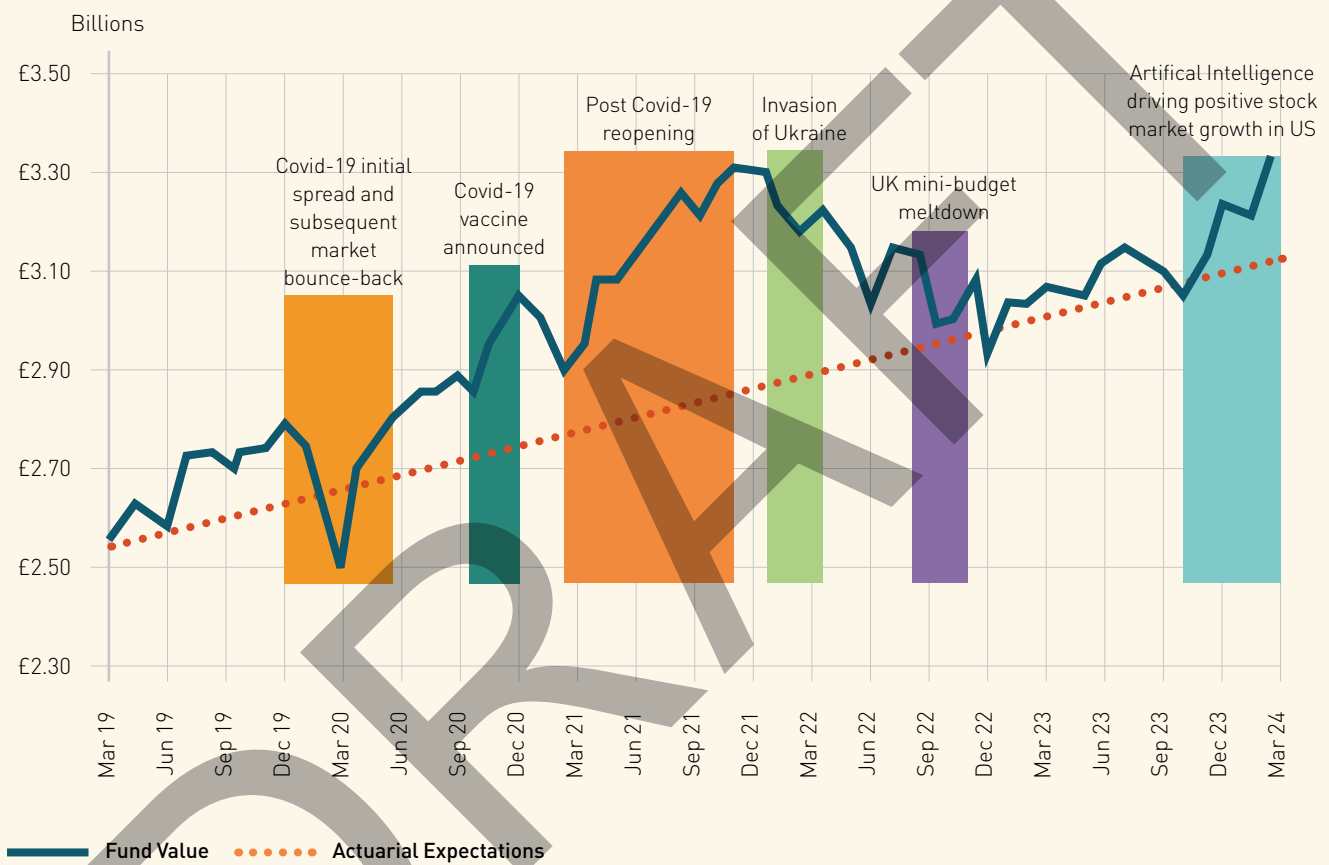






Considering this investment performance over the longer timeframe of 5 years shows the investment return is slightly ahead of the actuarial expected return, 4.4% vs 4.1%. The following chart highlights the impact of key global events on the fund valuation over this extended period. It also highlights the importance of a long-term outlook when reviewing investment performance.

### Wiltshire Pension Fund Valuation March 2019 – March 2024 compared to target fund valuation, including key events influencing the total valuation.

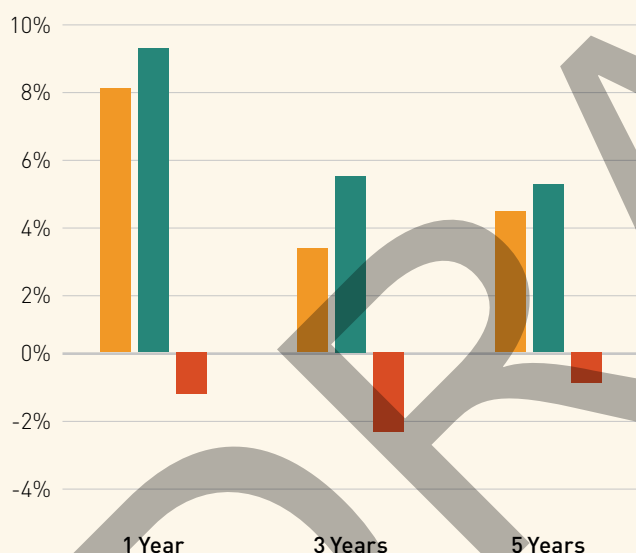




This section shows performance for the whole fund, and all investment portfolios over 1, 3- and 5-year periods (where available) against the benchmarks.

Throughout this section investment returns have been provided for as long as is available for each portfolio. However, given pooling of assets with Brunel and the migration of portfolios, performance data is only available for limited periods of time for several portfolios.

Whole Fund returns to 31 March 2024	1 Year	3 Years	5 Years
Net Return	8.1%	3.4%	4.4%
Benchmark	9.5%	5.6%	5.1%
Return Against BM	-1.4%	-2.2%	-0.7%



Investment returns for the year were 8.1%, underperforming the consolidated benchmark return by -1.4%. Investment returns exceeded the long-term target investment return of 4.1% in the year and over the longer 5-year period.

The overriding factor impacting investment returns over the past year to 31 March 2024 has been global inflation and the market expectations for changes in interest rate to balance inflation and the risk of recession. This was particularly true for the first half of the year where markets were assessing the likelihood of rate cuts and there were concerns of recession in developed markets. In this period investment returns for global equities were dominated by the magnificent 7 stocks in the US, these 7 companies (Apple, Microsoft, Amazon, Nvidia, Alphabet, Tesla and Meta) drove 85% of the total gains. Many oil and gas stocks also performed well earlier in the year as prices for these commodities rose.

Interest rates and inflation affected the fund's private market investments in private equity and private debt. Deal flow towards the end of the year tentatively began to pick up, thanks to the increased certainty in interest rate movements. Increasingly new deals are being funded with a larger portion of equity, owing to increased cost of debt funding.

As the year progressed expectations of a recession reduced, and all asset classes experienced a rally in performance. Inflation falling faster than expected was the primary cause as markets had previously been anticipating interest rates to stay higher for longer. The US market led the way in global equities performance, whilst the magnificent 7 drove the majority of this, the positive performance broadened out towards the end of the year. Global stocks ended the year 31 March 2024 very positively, this being largely due to a resilient US economy and ongoing enthusiasm around artificial intelligence.

The Fund's investments delivered a positive return of 8.1%, the diversified investment strategy proving resilient and delivering suitable returns to meet the funding target. Performance did lag behind the consolidated benchmark, largely due to the underperformance of the two global active equities portfolios managed by Brunel. The majority of this underperformance occurred in the first half of the year due to the negative impact of interest rate changes on the interest rate-sensitive growth stocks in the portfolio. The concentration of positive returns in the magnificent 7 stocks, which the fund has lower exposure to, also contributed to underperformance.



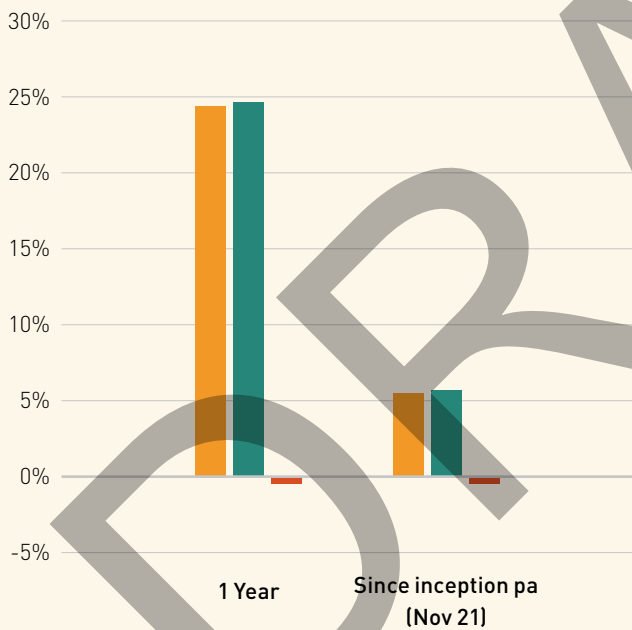
## EQUITIES

### Brunel Passive Developed Equities

#### Hedged Paris Aligned

The Brunel Passive Developed Equities hedged Paris Aligned portfolio aims to match its benchmark index and is broadly in line with the performance objectives over the year and since inception.

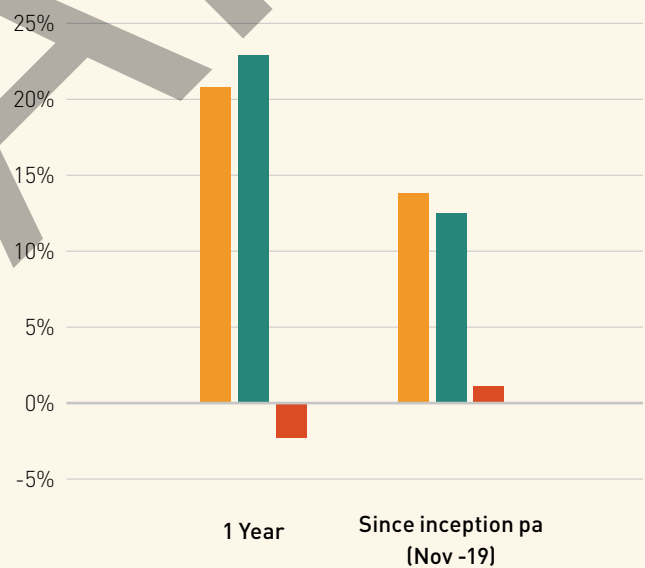
Brunel Passive Developed Equities hedged Paris Aligned portfolio	1 Year	Since inception pa (Nov-21)
Net Return	24.7%	5.7%
Benchmark	24.8%	5.8%
Return Against BM	-0.1%	-0.1%



### Brunel Global High Alpha Equities

Over the year to 31 March 2024 the portfolio returned 20.5%, which was 2.4% behind the benchmark index. Since inception (November 2019), the portfolio is 1.2% ahead of benchmark. The positive return was delivered against a backdrop of a resilient US economic growth and continued positive sentiment around artificial intelligence and interest rate cuts. The underperformance partly reflected the underweight exposure to the magnificent 7 US stocks which drove much of the global equities returns in the first half of the year.

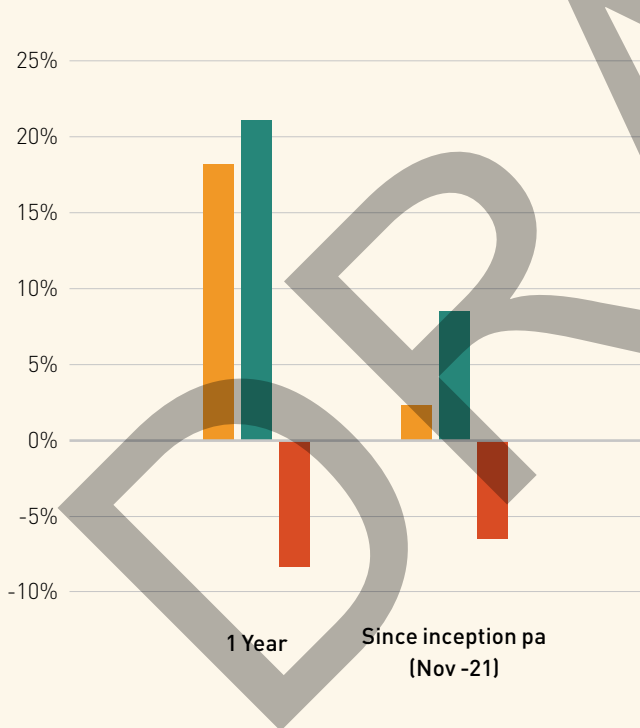
Brunel global high alpha equities	1 Year	Since inception pa (Nov-19)
Net Return	20.5%	13.9%
Benchmark	23.1%	12.7%
Return Against BM	-2.4%	1.2%



## Brunel Global Sustainable Equities

This portfolio underperformed against the benchmark by 8.0% over the year – returning 13.2% against the benchmark of 21.2%. The main driver of underperformance was during Q2 2023 due to the portfolio’s underweight exposure to the magnificent 7 US stocks and lack of exposure to energy stocks. In addition, the growth tilt of this portfolio suffered as expectations for interest rates changes affected these interest rate-sensitive stocks. This portfolio targets 2-3% outperformance over the index over the medium to longer term (3-5 years).

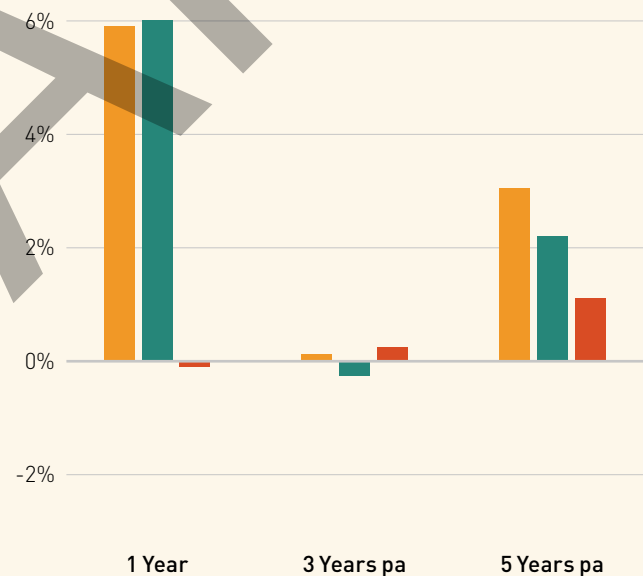
Brunel Global Sustainable Equities	1 Year	Since inception pa (Sep-21)
Net Return	13.2%	2.2%
Benchmark	21.2%	8.5%
Return Against BM	-8.0%	-6.3%



## Ninety One

Ninety One’s Emerging Markets Multi-Asset portfolio is made up of approximately 50% equities and 50% debt investments, although the manager can vary the asset allocation depending on market conditions. This portfolio has a composite benchmark which reflects the composition of the portfolio, plus an outperformance target of 2-4%. This portfolio had positive return in year of 5.9% underperforming the composite benchmark by 0.1%. The portfolio performed well in all areas, with equities and bonds contributing to the performance.

Ninety One	1 Year	3 Years pa	5 Years pa
Net Return	5.9%	0.1%	3.2%
Benchmark	6.0%	-0.2%	2.2%
Return Against BM	-0.1%	0.2%	1.0%

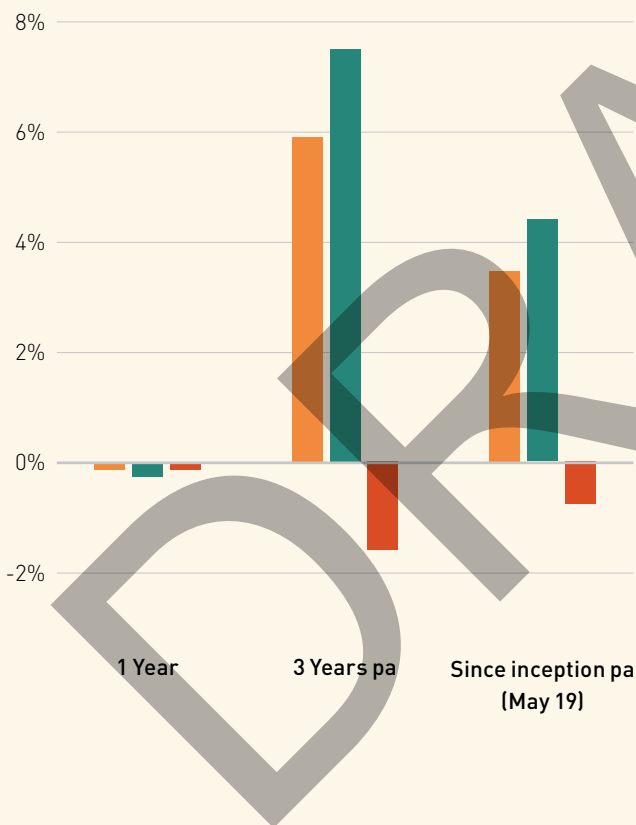




## Magellan

Magellan managed our interim portfolio of global listed infrastructure equities. We closed this portfolio in December 2023 in order to provide capital to fund our commitments to the new climate opportunities portfolio. From inception to close, the fund returned 3.6%, underperforming the benchmark by -0.7%.

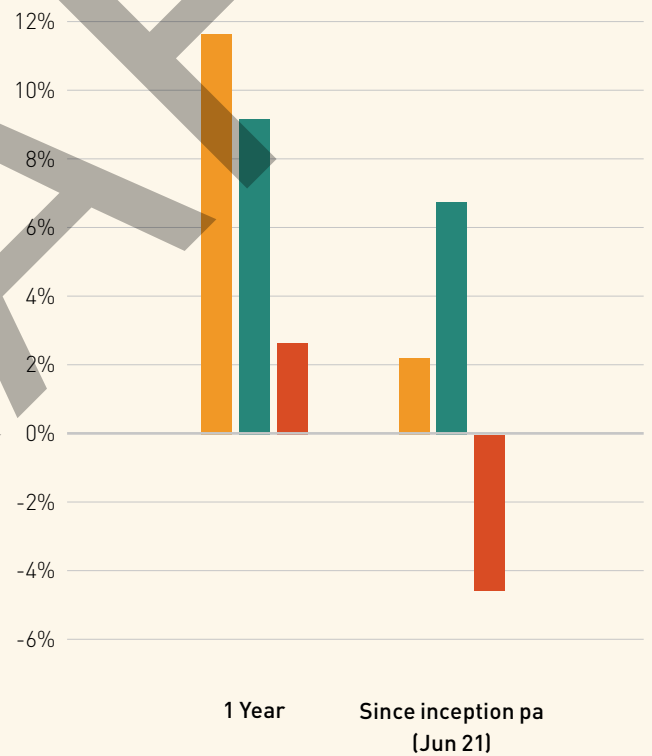
Magellan	1 Year	3 Years pa	Since inception pa (May-19)
Net Return	-0.1%	5.9%	3.6%
Benchmark	-0.2%	7.6%	4.3%
Return Against BM	-0.1%	-1.7%	-0.7%



## Multi-Asset Credit

The return over this 1-year period was 11.8%, 2.6% above the benchmark. Following a poor year for performance last year the portfolio has delivered a positive absolute return supported by the higher interest rates for credit assets.

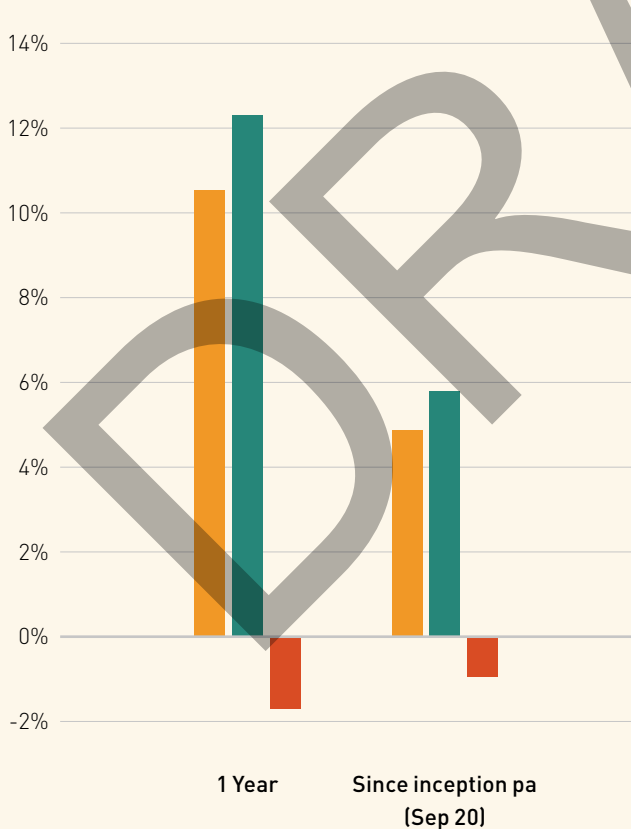
Brunel MAC	1 Year	Since inception pa (Jun-21)
Net Return	11.8%	2.2%
Benchmark	9.2%	6.7%
Return Against BM	2.6%	-4.5%



## PineBridge

PineBridge manage a portfolio of bank loans, which is benchmarked against a blended benchmark (80% US and 20% European leveraged loans, to reflect the composition of the portfolio), with an outperformance target of 1%. Inception for this portfolio was September 2020 and performance information is available from this date. Robust demand for loans, driven by the appeal of floating rate assets and investment inflows outpacing new issuances, have led to positive overall returns for the asset class. Despite high base rates, market expectations for defaults have fallen, conditions which would help this defensive portfolio to outperform.

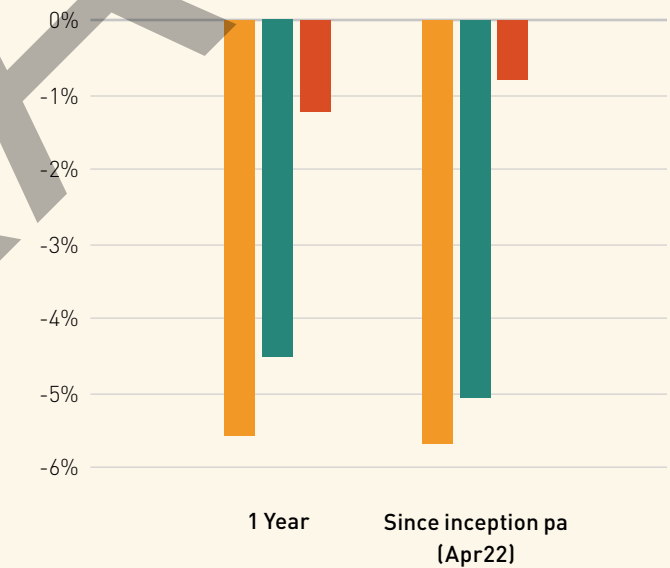
PineBridge	1 Year	Since inception pa (Sep-20)
Net Return	10.5%	5.0%
Benchmark	12.3%	5.9%
Return Against BM	-1.8%	-0.90%



## Property

Wiltshire transferred its property previously managed by CBRE to Brunel in April 2022. The portfolio is composed of two parts, UK and International. The review of the investment strategy, completed late in 2022, resulted in new lower target allocations for this portfolio. Over the last year the overall investment value held in this portfolio has been reduced to the new allocation. Performance in the year has been negative due to rising rates negatively affecting valuations, there has also been a widespread sell off in this asset class by many institutional investors which has affected valuations.

Brunel Property	1 Year	Since inception pa (Apr-22)
Net Return	10.5%	5.0%
Benchmark	12.3%	5.9%
Return Against BM	-1.8%	-0.90%





## Unlisted Investments

The Fund has made considerable commitments to a variety of private markets portfolios via Brunel (since 2020) and Partners Group (prior to 2018), as well as a locally managed UK impact affordable housing portfolio. The Brunel portfolios are not yet mature enough to report meaningful performance information and are in the deployment stage. The following table sets out the total and outstanding commitment to each portfolio. The Fund has a long-term strategy to increase investments in these private market funds as shown in the strategic asset allocation. Interim portfolios are included in the asset allocation to hold investments prior to deployment into these private market portfolios.

Private Market Investments	Commitment £m	Outstanding Commitment £m	% Called
Partners Group – Infrastructure Funds	150	26	83%
Brunel – Infrastructure Fund	80	22	73%
Brunel – Private Equity	280	191	17%
Brunel – Private Debt	340	178	48%
Brunel – Secured Income	250	0	100%
Impact affordable housing	120	51	58%
<b>Total</b>	<b>1,210</b>	<b>599</b>	

## Affordable Housing

The Fund made commitments to the following affordable housing funds - these funds make up a specific 'impact' portfolio. In addition to reporting financial information in accounts, Wiltshire Pension Fund has aggregated social and environmental metrics in our second annual [Affordable Housing Impact Report](#).

Private Market Investments	Commitment £m	Outstanding Commitment £m	% Called
Gresham House Residential Secured Income LP	50	15	71%
Man GPM RI Community Housing 1 LP	30	6	73%
CBRE UK Affordable Housing Fund	40	30	25%
<b>Total</b>	<b>120</b>	<b>51</b>	



# POOLING REPORT

## APPROACH TO ASSET POOLING

The Fund pools investments with eight other local authorities and the Environment Agency through the Brunel Pension Partnership and its operator Brunel Ltd.

The Fund first transferred assets to BPP Ltd in July 2018 and, through the Pension Committee, will retain the responsibility for setting the detailed Strategic Asset Allocation for the Fund and allocating investment assets to the portfolios provided by BPP Ltd. All strategic decisions remain with the Fund, including (but not limited to) setting investment beliefs, defining the approach to responsible investment (which includes stewardship activities and reporting), and managing climate risk. The fiduciary responsibility dictates that the Pension Fund Committee must always act in the best interest of the Fund and it will need to ensure the most appropriate investments are used in the implementation of its investment strategy. This includes ensuring BPP Ltd are able to implement the Committees strategic decisions, that they are held to account for performance and potentially consider other investments if the value for money opportunity cannot be delivered through BPP Ltd in terms of collective and individual basis. The Fund will also invest outside the pool if the pool is unable to provide a portfolio which fulfils the requirements of one of the Fund's strategic allocations.

BPP Ltd is a company which is wholly owned by the Administering Authorities. The company is authorised by the Financial Conduct Authority (FCA) to act as the operator of an unregulated Collective Investment Scheme. It is responsible for working with Funds to develop specifications for investment portfolios with defined risk and return characteristics, such that Funds can allocate to these to implement their locally set Strategic Asset Allocations. In particular, it researches and selects underlying investment managers needed to meet the requirements of the detailed Strategic Asset Allocations. These Manager Operated Funds will be operated by professional external investment managers. The Fund is a client of BPP Ltd and as a client has the right to expect certain standards and quality of service. A detailed service agreement is in place which sets out the duties and responsibilities of BPP Ltd, and the rights of Wiltshire Pension Fund as a client. It includes a duty of care of BPP to act in its clients' interests.

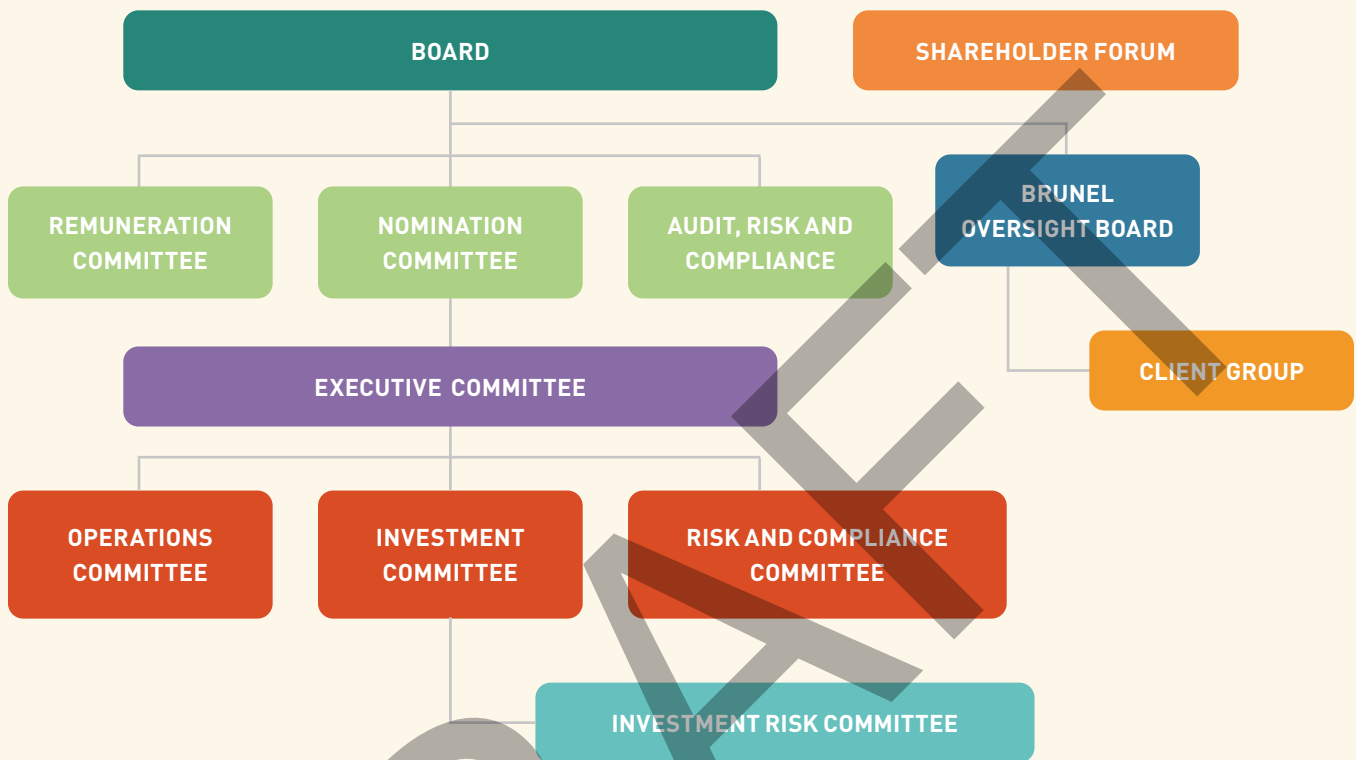
The governance of the Brunel partnership is of the utmost importance to ensure the Fund's assets are invested well and the needs of the Fund and its beneficiaries are met. Governance controls exist at several levels within Brunel.

- As shareholders in Brunel, the Fund entered into a shareholder agreement with the company and the other shareholders. This gives considerable control over Brunel – several matters, including significant changes to the operating model and finances, are reserved matters requiring the consent of all shareholders.
- A biannual shareholder forum, at which shareholder representatives from each Fund (Andy Brown represents Wiltshire Pension Fund) can exchange views on the direction of travel for Brunel, discuss what has gone well and areas for improvement.
- An Oversight Board comprising representatives from each of the Administering Authorities has been established (Cllr Richard Britton represents Wiltshire Pension Fund). Acting for the Administering Authorities, it has a primary monitoring and oversight function. Meeting quarterly, it can request papers from Brunel or interrogate its management. However, it cannot take decisions requiring shareholder approval, which will be remitted back to each Administering Authority individually.
- The Oversight Board is supported by the Client Group, comprised primarily of pension investment officers drawn from each of the Administering Authorities, but also drawing on finance and legal officers from time to time. It will have a leading role in reviewing the implementation of pooling by Brunel and provide a forum for discussing technical and practical matters, confirming priorities, and resolving differences. It will be responsible for providing practical support to enable the Oversight Board to fulfil its monitoring and oversight function.
- A separate level of governance is provided by the Board of Directors at Brunel, which are appointed by the Fund and the other shareholders. It comprises four highly experienced and independent non-executive directors, chaired by Denise Le Gal and four executive directors.
- Finally, as an authorised firm, Brunel has to meet the extensive requirements of the FCA which cover standards such as conduct, good governance, record keeping, training and competency, policy and process documents, and internal controls.

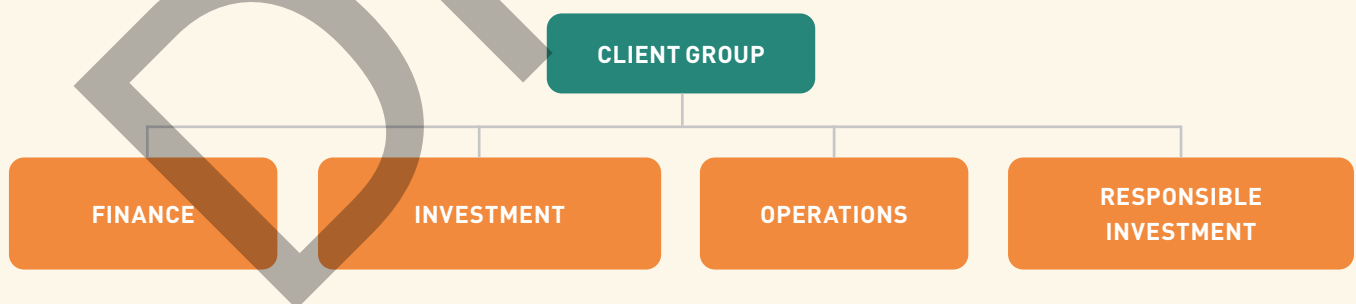




## BRUNEL'S GOVERNANCE STRUCTURE



The Client Group is supported by a series of sub-groups which include Finance, Investment, Operations and Responsible Investment. The sub-groups consider and discuss issues in greater detail, reporting and/or bringing items to the Client Group. The structure allows for project work to be developed by using specialised expertise. Examples of items covered within the sub-groups include Brunel's budget, requests to create or amend portfolios, reporting and stewardship.



The arrangements for asset pooling for the Brunel pool were formulated to meet the requirements of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 and Government guidance.

Wiltshire Council approved the full business case for the Brunel Pension Partnership on 21 February 2017. The Fund's first investment assets were transitioned across to BPP in July 2018.

Currently not all proposed portfolios offered by BPP Ltd provide a direct substitution for the Fund's investment strategy. For example, there is not a replication of the Fund's Emerging Market Multi Asset mandate. In this case, where BPP cannot currently accommodate a specific solution, the Fund has requested creation of a suitable portfolio. These assets will remain outside the pool and will continue to be managed by the Fund until such time as a suitable portfolio managed by BPP has been implemented.

## ANALYSIS OF POOLING COSTS AND SAVINGS

The Fund is required to report and monitor cost savings in the following format as part of its annual report and accounts.

In 2022/23 we commissioned an audit of the reported savings figures by ClearGlass, a firm with specialist experience of investment fees. The purpose of the report was to provide assurance over the calculated fee savings, a core measure of success for investment pooling. This included assessing whether the prescribed methodology was still meaningful given changes in the market and to the investment strategies of the underlying funds.

Following this review the figures used for fee savings in this report have been revised for prior years and reflect the outcomes of the report. This amendment has had the effect of reducing the total value of fee savings and delaying the break-even point of covering the set up and running costs of Brunel for Wiltshire Pension Fund, but we believe provides a more meaningful and realistic assessment.

Given the inherent difficulty of assessing fee savings across asset classes and over an extended period of time, Wiltshire Pension Fund Committee have agreed that their focus will now turn to ensuring pooling delivers value for money through assessing performance of the investments, of which ensuring suitable fee terms is one part.

### Set Up Costs

The following table shows the set-up costs (all of which were charged in prior years).

Set Up Costs:	2023/24			
	Direct £'000s	Indirect £'000s	Total £'000s	Cumulative £'000s
Recruitment	-	-	-	18
Legal	-	-	-	133
Consulting, Advisory & Procurement	-	-	-	82
Other Support Costs eg IT Accommodation	-	-	-	-
Share Purchase	-	-	-	840
Other Working Capital Provided eg Loans	-	-	-	-
Staff Costs	-	-	-	-
<b>Total set up costs</b>	-	-	-	<b>1,072</b>
<b>Transition costs</b>	-	-	-	<b>3,139</b>



## PROJECTED SAVINGS

The following table shows the expected costs and savings over the next few years, as taken from the Brunel business plan. These figures come from the original 2015 business case submission to the Ministry of Housing, Communities & Local Government (MHCLG), in line with the CIPFA guidance. Since then, the business case has been revised to include a significant budget increase, as well as increased savings projections. The figures show that Wiltshire was expected to breakeven from pooling in 2023.

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/36 £'000
Set up costs	117	1,041	-	-	-	-	-	-	-	-	-
Transition Costs	-	-	1,350	2,644	13	-	-	-	-	-	-
Client Savings	-	-	(150)	(154)	(159)	(163)	(168)	(173)	(179)	(184)	(2,172)
Ongoing Costs Associated With Management and Running of the Pool	-	-	430	558	577	595	614	634	655	676	8,093
Projected Fee Savings	-	-	(343)	(1,159)	(1,888)	(2,031)	(2,181)	(2,339)	(2,503)	(2,676)	(39,695)
<b>Net Costs/ (Savings) for the Period</b>	<b>117</b>	<b>1,041</b>	<b>1,288</b>	<b>1,889</b>	<b>(1,457)</b>	<b>(1,599)</b>	<b>(1,735)</b>	<b>(1,878)</b>	<b>(2,027)</b>	<b>(2,184)</b>	<b>(33,775)</b>
<b>Net Cumulative Costs/ (Savings)</b>	<b>117</b>	<b>1,158</b>	<b>2,446</b>	<b>4,335</b>	<b>2,878</b>	<b>1,279</b>	<b>(456)</b>	<b>(2,334)</b>	<b>(4,361)</b>	<b>(6,545)</b>	<b>(40,320)</b>

## EXPECTED VS ACTUAL COSTS AND SAVINGS TO DATE

The following table shows a comparison between the expected and the actual savings and costs achieved to date, for the past two years and cumulatively. Budget figures are those from the original 2015 business case submission to the MHCLG, in line with the CIPFA guidance with the exception of the active global equities portfolios, where comparable fee rates are not available, so a benchmark has been used instead – see below for more details.

	2023/24				2022/23			
	Actual		Budget		Actual		Budget	
	In Year £'000	Cumulative to date £'000	In Year £'000	Cumulative to date £'000	In Year £'000	Cumulative to date £'000	In Year £'000	Cumulative to date £'000
Set-Up Costs	-	1,072	-	1,158	-	1,072	-	1,158
Transition Costs	-	3,139	-	4,007	-	3,139	-	4,007
Client Savings	-	(13)	(173)	(968)	-	(13)	(168)	(794)
Ongoing Costs	1,235	5,926	634	3,409	1,021	4,690	614	2,775
Fee Savings	(2,024)	(7,475)	(2,339)	(9,940)	(2,132)	(5,452)	(2,181)	(7,601)
<b>Net Costs/(Savings) Realised</b>	<b>(789)</b>	<b>2,649</b>	<b>(1,878)</b>	<b>(2,334)</b>	<b>(1,111)</b>	<b>3,438</b>	<b>(1,735)</b>	<b>(456)</b>

Client savings represent the cost savings as a result of moving over some of the management of investments to Brunel. These were estimated to mainly be for expenses such as fund investment advice, financial / performance measurement and custodian costs. In 2018/19 only, a saving for custodian costs was recognised. In subsequent years, no savings were recognised, as at this stage in the pooling process costs for consultancy etc. have in fact been higher, in assuring that portfolio specifications are appropriate etc.

The above table does not include any savings relating to private markets portfolios (except for property), since the Fund did not invest in these asset classes prior to pooling. Access to private market investments is considered a benefit of pooling by the Fund, as there are good examples of fee discounts being negotiated as part of the pool, however it is not possible to quantify savings on the overall management of these portfolios in a meaningful way.

A change from the prior year's reported fee savings has come from a recalculation of savings from the global active equity portfolios. This led to reported fee savings being over inflated.

To calculate fee savings on the global active equity portfolios the fund has replaced the pre-pooling fee rate with a median benchmark fee rate. This allows a comparable analysis of fees, as previously the fund had paid a large performance fee pre-pooling linked to exceptional outperformance. The recommendation to use a median benchmark fee rate is based on the outcome of an audit into fee savings in 2023. This more accurately illustrates the fee savings being delivered by pooling.

The effect of the changes leaves the cumulative net cost to Wiltshire from pooling at £2.6m, with an in-year saving of £0.8m. This moves the forecast breakeven point on this calculation basis to financial year ending March 2028.



## ONGOING INVESTMENT MANAGEMENT COSTS

The following information has been prepared in order to enable comparison between the ongoing investment management costs between asset pools and non-pooled investments.

Investment Management Costs for Year to 31 March 2024										
	Asset Pool				Non-Asset Pool				Fund Total	
	Direct £'000	Indirect £'000	Total £'000	Bps	Direct £'000	Indirect £'000	Total £'000	Bps	Total £'000	Bps
Management Fees	-	8,069	8,069	36.1	1,265	3,868	5,133	60.7	13,202	43.1
Performance Fees	-	-	-	-	-	1,501	1,501	17.0	1,501	4.8
Fees and Costs of Underlying Fund Investments	-	464	464	2.1	-	1,296	1,296	14.7	1,760	5.6
<b>Total fees</b>	-	<b>8,533</b>	<b>8,533</b>	<b>33.2</b>	<b>1,265</b>	<b>6,665</b>	<b>7,930</b>	<b>112.4</b>	<b>16,463</b>	<b>53.6</b>
Asset Pool Shared Costs	1,243	-	1,243	n/a	-	-	-	n/a	1,243	n/a
<b>Transaction Costs:</b>										
Transaction Taxes	-	277	277	1.2	-	435	435	5.0	712	2.3
Broker Commission	-	250	250	1.1	-	206	206	2.4	456	1.5
Transaction Related Services	-	491	491	2.2	-	951	951	10.8	1,443	4.6
Other Explicit Transaction Costs	-	50	50	0.2	-	-	-	-	50	0.2
Implicit Transaction Costs	-	460	460	2.1	-	467	467	5.3	928	3.0
Indirect Transactions Costs	-	150	150	0.7	-	15	15	0.2	165	0.5
Anti-Dilution Levy	-	-	-	-	-	-	-	-	-	--
<b>Total Transaction Costs</b>	-	<b>1,679</b>	<b>1,679</b>	<b>7.5</b>	-	<b>2,073</b>	<b>2,073</b>	<b>23.7</b>	<b>3,753</b>	<b>12.1</b>
Operating Expenses	-	10,913	10,913	48.9	-	2,979	2,979	33.7	13,892	44.6
<b>Total of all Fees and Costs</b>	<b>1,243</b>	<b>21,126</b>	<b>22,369</b>	<b>89.63</b>	<b>1,265</b>	<b>11,718</b>	<b>12,983</b>	<b>169.8</b>	<b>35,351</b>	<b>110.3</b>



Direct costs are those which are directly invoiced to Wiltshire Pension Fund. Indirect costs are those which are charged to the underlying investments – these are disclosed to Wiltshire by cost transparency reporting each year, and are accounted for in the total investment management costs reported in the statement of accounts. These includes fees and costs charged by the underlying funds held in the property and infrastructure portfolios, in order to show a complete reflection of the costs of holdings these investments, in line with the CIPFA guidance on accounting for local government pension scheme management expenses 2016.

Asset pool shared costs represent the quarterly amounts invoiced by the Brunel pool for management and ongoing running costs, and also includes monthly consultancy costs associated with administering the Brunel client and oversight board groups.

The fee rates in basis points (bps) shown in the table above are based on the actual fees or costs, pro-rated up to a full year where the portfolio was only held for part of the year. Assets currently held in the pool are Paris-aligned passive equities, global high alpha equities, global sustainable equities, private equity, multi-asset credit, private debt, passive gilts, secured income, property and a portfolio of unlisted infrastructure. All of the Fund's passively managed equities are held in the pool, and costs associated with passively managed portfolios are generally much lower than those of actively managed portfolios. Therefore, this brings down the average cost of pooled portfolios compared to those still held outside of the pool.

## RECONCILIATION TO NOTE 9

The total fees and costs included in the table on page 83 is £35,351k. Other costs which are not included here but are included in Note 9 to the Accounts are custody fees of £30k, and indirect costs incurred in managing investment portfolios of £228k. This brings the total cost of investment management expenses to £35,609k.

## ASSET PERFORMANCE

Asset performance for portfolios held inside and outside the pool is shown as part of the Investment Report on pages 68 – 77.

## RISKS ASSOCIATED WITH THE POOLING ARRANGEMENTS

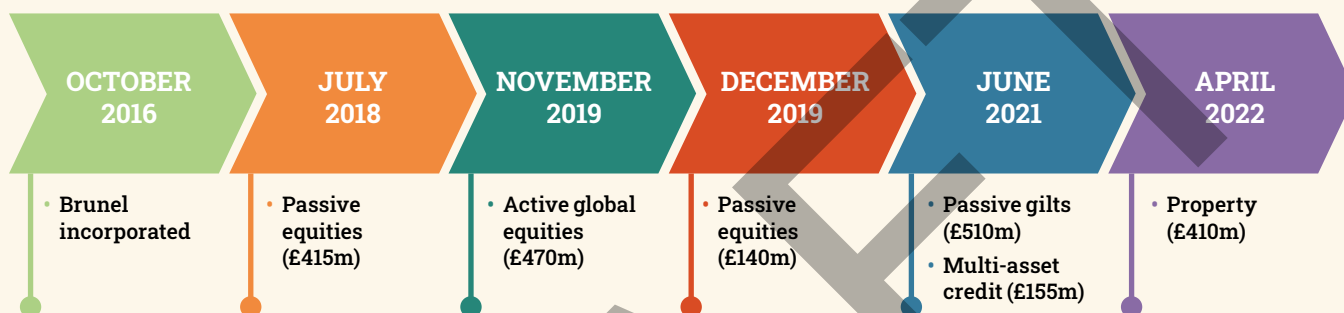
Risks of pooling are considered, identified, reviewed and monitored as part of the Fund's overall risk management process. Specific risks are set out in the Fund's risk register, which is reported as part of the quarterly Committee papers, which can be found at the following link:

<https://cms.wiltshire.gov.uk/ieListMeetings.aspx?CId=142&Year=0>.



## POOLING PROGRESS

The following timeline shows the progress towards investment pooling made so far. An original implementation plan was agreed with clients at the start of the pooling journey, but this was altered in late 2018 in order to reflect the additional resources required by the pool to deliver the service. The shareholders agreed a compromise position, with an increased budget and a slightly slower delivery of portfolios. The implementation timeline was again paused in March 2020, after consultation with and the approval and support of clients. This was due to the significant increase in market volatility following the spread of the COVID-19 pandemic, and wishing to take a cautious position not to transition assets during these market conditions. The transitions shown below were delivered in line with the updated implementation plan.



In addition to the portfolios transitioned into the pool as shown above, we have also made substantial commitments to Brunel's private markets portfolios, which have been made over several years since March 2020. These are still in the process of being funded, and these allocations will build up to target over several years. We have committed more than our target allocation, as these portfolios will begin to distribute cash once investments are realised, so over-commitment is necessary to achieve the target. Commitments have been made in line with cashflow modelling. The total committed to Brunel's private markets portfolios is as follows:

Asset Class	Commitment	Target Allocation
Private Equity	£360m	7.5%
Private Debt	£500m	7.5%
Infrastructure	£80m	4.0%
Secured Income	£250m	8.0%



Where possible the fund has pooled investments with Brunel, the following table sets out the portfolios by asset group which have been pooled and those that haven't. Details are provided on why non-pooled portfolios remain outside of the pool. Overall 70% of the Fund's investments are pooled as at 31st March 2024.

£m Asset Values as at 31st March 2024					
Asset Group	Portfolio	Pooled	Not Pooled	Total	Details on Assets not Pooled
Equities	Brunel – Paris Aligned Hedged Passive Equities	495	-	495	
Equities	Brunel - Global High Alpha active global equities	296	-	296	
Equities	Brunel - Global Sustainable Equities active global equities	287	-	287	
		<b>1,078</b>	-	<b>1,078</b>	
Bonds	Brunel - Gilts	239	-	239	
Bonds	Brunel - Multi Asset Credit	238	-	238	
		<b>1,078</b>	-	<b>1,078</b>	
Property	Brunel – Secured Income	218	-	218	
Property	Brunel – Property	228	-	228	
Property	Affordable Housing Portfolio	-	79	79	Suitable investment portfolio not offered by the pool, significant benefits in holding locally to monitor and report on the impact.
		<b>446</b>	<b>79</b>	<b>525</b>	
Private Equity	Brunel – Private Equity	91	-	91	
Private Debt	Brunel – Private Debt	158	-	158	
		<b>249</b>	-	<b>249</b>	
Infrastructure	Brunel – Generalist Infrastructure	35	-	35	
Infrastructure	Brunel – Renewable Infrastructure	27	-	27	
Infrastructure	Partners Group – Infrastructure	-	96	96	Legacy illiquid private market investment which will reduce in value over time
		<b>61</b>	<b>96</b>	<b>158</b>	

Table continues on the next page.





£m Asset Values as at 31st March 2024					
Asset Group	Portfolio	Pooled	Not Pooled	Total	Details on Assets not Pooled
Other	Long-term investment – Brunel Pension Partnership	1	-	1	
Other	PineBridge – Bank Loans	-	298	298	Allocation being used as an interim place to hold funds awaiting investment into the pool's private debt portfolios, and for local liquidity needs.
Other	Ninety One – Emerging Markets	-	302	302	Suitable investment portfolio not currently offered by the pool. If this allocation remains following our next strategic asset allocation review, we will work with Brunel to develop a pooled solution.
Other	Cash Held at Custodian	-	30	30	Cash held for local liquidity needs
Other	Climate Opportunities	-	70	70	Suitable investment portfolio not offered by the pool, although a significant component of this portfolio has been implemented through collaboration with other LGPS funds.
Other	BlackRock - SALAMI Portfolio	-	132	132	Liquidity portfolio not suitable for pooling, used to manage fund cashflows
		1	832	833	
<b>Total</b>		<b>2,313</b>	<b>1,008</b>	<b>3,321</b>	
<b>Percentage</b>		<b>70%</b>	<b>30%</b>		

The fund is a global investor and seeks to find suitable returns from global markets in line with the investment strategy statement. Of the total investment fund as at the end of March 2024, approximately 27% of the investments are UK based. The following table breaks this down by asset class.

£m Asset Values as at 31st March 2024 – UK Investments made by the Fund			
Asset Group	Pooled	Not Pooled	Total
UK Listed Equities	41		41
UK Government Bonds	239		239
South West UK Renewable Infrastructure		100*	100
UK Private Equity	6		6
UK Property	372		372
UK Affordable Housing		120*	120
<b>Total</b>	<b>664</b>	<b>220</b>	<b>884</b>
<b>% of total fund</b>			<b>27%</b>

\*Shows commitment, not current value



# TRAINING REPORT

In January 2023 the Fund's Pension Department was restructured and this operational change saw the introduction of a designated Employer Engagement & Training Officer, tasked with the responsibility of coordinating the training and development of the Committee & Board members during 2023/24. Additionally, this new role also set out to cover training and development for the Fund's scheme employers, senior officers, and other officers too, with a view to unifying the Fund's approach to training across all of its stakeholder & representatives.

Both Committee and Board members embraced this change in approach during their annual review of training requirements, adopting a more discussion-based feedback strategy to develop their scheme year training plan for 2023/24.

In approving the new plan, members sought to continue to comply with the regulations on the LGPS, as set out in the Public Service Pensions Act 2013 concerning the Pensions Regulator's high expectations of Pension Committee and Local Pension Board members' knowledge and understanding. Furthermore, bearing in mind the Fund's restructure, the 2023/24 plan saw a greater emphasis on operationally led training, noting that training would also need to be consistent with the Fund's published 4-year training policy, the CIPFA Knowledge and Skills Framework 2021 and the Hymans independent Knowledge Assessment of member training needs completed at the end of 2022.

Along with the maintenance of training on strategic matters such as investment performance and investment markets, enabling the self-certification of MiFID II compliance by members, the operationally focussed training saw officer led

training sessions on key administration processes such as the Fund's payroll migration and KPI Improvements, Accounting and Audit and the Procurement of external services too. This training was further supplemented with the regular circulation of briefings and research materials and the Fund's own training library resource, maintained by officers.

The members 2023/24 training strategy implemented a number of other initiatives too, in particular a greater use of alternative delivery styles like external training providers, adoption of the upgraded version of the Hymans LGPS On-line Learning Academy (LOLA) toolkit, the Regulator's recommended training on Equality, Diversity and Inclusion, the Pension Regulator's new general code of practice and the move of training to Part II, within the Committee & Board meeting agendas to avoid unnecessary disruption to the public agenda.

The recording of all member training was monitored and maintained, including the training records of relevant Senior Officers, noting the Fund's change in s151 Officer during the year, to myself, Lizzie Watkin. The table below illustrates the training undertaken by Committee members during the period 2023/24. Training undertaken by Board members during the same period will be set out within their own Wiltshire Pension Fund Local Pension Board Annual Report.



## ASSESSMENTS & TRAINING UNDERTAKEN

Date of Training	Topics Covered	Duration (Minutes)	Wiltshire Councillors				Swindon Councillors		Employer Reps	Member Reps	Senior Officers				
			Clr. Richard Britton	Clr. Christopher Newbury	Clr. George Jeans	Clr. Stuart Wheeler	Clr. Gordon King	Clr. Kevin Small	Clr. Vijay Manro	Tracy Adams	Claire Anthony	Mike Pankiewicz	Stuart Dark	Andy Brown	Lizzie Watkin
24/05/2023	The Annual Administration Life Cycle from the Fund	20									•				•
15/06/2023	Investment Allocations, Overview of Performance, Outlook and Sustainability	45	•	•		•	•	•	•	•	•	•			•
15/06/2023	Fee Validations – The Process	45	•	•		•	•	•	•	•	•	•			•
13/07/2023	Investments – Cost Transparency	20	•		•	•	•	•	•		•				•
10/08/2023	Annual Accounts & Audit Strategy	20	•								•				•
14/09/2023	Global Secured Credit Fund	30	•	•	•		•	•		•	•				•
20/09/2023	Brunel Investors Day	150	•												
01/11/2023	McCloud – Background, Approach and Remedy	20	•								•				
14/11/2023	Equality, Diversity & Inclusiveness	60	•					•	•						
16/11/2023	Employer Forum	300								•	•				
23/11/2023	Employer Covenants and the Process of Managing New and Ceasing Scheme Employers	20	•	•	•	•	•	•	•		•		•		•
23/11/2023	Climate Opportunities (Clops)	20	•	•	•	•	•	•	•		•		•		•
28/11/2023	Brunel Pension Partnership Investment Manager Presentation	60	•	•	•	•	•	•	•						
14/12/2023	National Fraud Initiative and Pension Payroll	20	•	•		•	•	•		•	•				•
13/02/2024	i-Connect Project 2024	20	•								•				•
13/02/2024	Administration Improvements	20	•								•				•
13/02/2024	Responsible Investment Survey Results	20	•								•				•
13/02/2024	KPI Improvement Plan	20	•								•				•
13/02/2024	Staff Engagement survey	20	•								•				•
13/02/2024	Fund Procurement	20	•								•				•
14/02/2024	Investment Strategy – Community Hosing Portfolio	20	•		•	•	•		•		•	•	•		•
20/03/2024	TPR General Code of Practice 2024	120	•	•	•	•	•	•			•				•
28/03/2024	i-Connect Project 2024	20	•		•	•	•	•	•	•	•			•	•
28/03/2024	Administration Improvements	20	•		•	•	•	•	•	•	•			•	•

Note: In the interests of brevity, the training record for Cllr Church has been excluded from the table above.



Looking to future, the implementation of a new 3-year business plan, the formation of SAB's Compliance & Reporting Committee (CRC), replacing CIPFA, and the introduction of the Pension Regulator's new general code of practice, the Fund's development of its 2024/25-member training plan will seek to consider alignment with all best practices. In particular, it will propose to offer training on such topical items as the Pensions Dashboard, Cyber Security, Pension Scams, the Committee's and their Pools and the valuation process with the next valuation due in 2025. Additionally, the Fund will also start to report its training against its own training policy.

In summary, I, the Director of Finance & s151 officer can confirm that a considerable level of importance has and continues to be placed on the skills and knowledge development of members of the Pension Committee and Local Pension Board, thereby securing the appropriate management of the Fund. In addition, I am satisfied that both officers and members charged with the financial decision making for the Pension Fund collectively possess the requisite knowledge and skills necessary to discharge their duties and make the decisions required during this reporting period.

Finally, I would like to offer my thanks to Andy Brown, the Fund's former s151 officer, for his stewardship of the Committee & Board training during these last few years, which has provided me with a strong platform to take forward and continue the development of member knowledge and understanding.

Lizzie Watkin

Treasurer of Pension Fund

Date: 19 September 2024

## LGPS OFFICER QUALIFICATIONS AND TRAINING

Officers and Managers of Wiltshire Pension Fund come from a wide range of backgrounds; accountancy, communications, consulting, pensions, and information systems, bringing a wealth of experience and range of qualifications. These include those issued by chartered accountancy bodies, the CFA Institute, the Chartered Insurance Institute (CII), the Chartered Institute for Securities & Investment (CISI), the Pensions Management Institute (PMI) and PRINCE2.

The Fund has an internal Officer training policy (separate from the Committee, Local Board training and "LGPS senior officer" document as covered above). Training requirements are role dependent; CIPFA published its "Knowledge and skills framework for LGPS committee members and LGPS officers" in 2021. The level of knowledge and understanding in any or all areas depends on the service, practice or role performed by individual officers. Following an operational restructure of the running of the Fund in 2023 a new training strategy for officers was developed during the 2023/24 scheme year and rolled out to all staff. The strategy was very process driven designed to respond to the need of equipping officers with the skills required to complete updated working practices.

Related to development and research and in addition to the above, investment officers have been set responsible investment and stewardship objectives as part of the annual goal setting process. Assessment of progress against these objectives will form part of the annual appraisal performance review.



# RISK MANAGEMENT

The Administering Authority has an active risk management programme in place. Controls are in place to cover the following risks.

## FINANCIAL/FUNDING RISK

This is essentially the risk that the funding level drops and/or contribution rates must rise due to one or more of the following factors:

**Investment Risk** – This is the risk that the investments assets underperform the level assumed in the Triennial Actuarial Valuation. This can occur due to poor economic/market conditions, the wrong investment strategy or poor selection of investment managers.

**Liability Risk** – This is the risk that there is a fall in the so-called “risk free” returns on Government bonds, which form the basis of assumptions about future investment returns. The assumed future investment return is used to “discount” future liabilities (i.e. over the next 0-80 years) back to today’s values (net present value). Therefore, falling bond yields means higher liabilities.

**Inflation Risk** – Notwithstanding other factors, pension fund liabilities increase in line with inflation, because the CPI is applied to pensions annually. Therefore, rising inflation causes the liabilities to increase.

**Insufficient Funds Risk** - This is the risk that there is insufficient money in the Fund to pay out pensions as they become due.

## DEMOGRAPHIC RISK

This is the risk that the pensioners live longer and therefore the liabilities of the Fund increase.

## REGULATORY RISK

This risk could manifest itself in several ways. For example, it could be the risk that the liabilities will increase due to the introduction of an improved benefits package, or that investment returns will fall due to tighter regulation being placed on what can be invested in.

It could also arise through a failure to comply with LGPS or other regulations.

## GOVERNANCE RISK

This is the risk that governance arrangements of the Fund are sub-optimal. For example, this could arise through a lack of expertise on the Committee arising from insufficient training. Another possibility is that potential conflicts of interest between the Fund and the Council are not managed sufficiently well.

## EMPLOYER RISK

There is a risk to the Fund that an employer will be unable to meet its financial obligations during its membership or when it ceases. An employer may cease due to the end of a service contract, or the last active contributing member leaves the Fund. If a guarantor is in place, then they will pick up the cost of any default, if there is no guarantor and the employer is unable to meet its obligations the cost will be spread across all the employers in the Fund.

## MANAGEMENT RISK

This risk can manifest itself in several ways:

- Failure to process pensions.
- Failure to collect contributions.
- Failure to have proper business continuity plans in place.
- Fraud or misappropriation.
- Failure to maintain up-to-date and accurate data and hold it securely.
- Failure to maintain expertise or over-reliance on key staff.
- Failure to communicate effectively with members and employers.
- Failure to provide the service in accordance with sound equality principles.

Other risks concerning the Fund are disclosed in the Funding Strategy Statement and note 16 of the Statement of Accounts relating to Financial Instruments.

## THIRD PARTY RISKS

Contribution payments are monitored closely for accuracy and timeliness. A reporting process is in place to escalate any late/inaccurate payments to ensure all payments are received.

In respect of Investment Managers, internal control reports (ISAE3402 and SSAE16) are received and reviewed regularly for any non-compliance issues. These are also reviewed by our internal and external auditors.



# ACTUARIAL POSITION

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

## DESCRIPTION OF FUNDING POLICY

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS). In summary, the key funding principles are as follows:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants
- use a balanced investment strategy to minimise long-term cash contributions from employers and meet the regulatory requirement for long-term cost efficiency
- where appropriate, ensure stable employer contribution rates
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 20 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least a 75% likelihood that the Fund will achieve the funding target over 20 years.

## FUNDING POSITION AS AT THE LAST FORMAL FUNDING VALUATION

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund's assets, which at 31 March 2022 were valued at £3,230 million, were sufficient to meet 103% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £81 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure as per the FSS. Individual employers' contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in its FSS.

## PRINCIPAL ACTUARIAL ASSUMPTIONS AND METHOD USED TO VALUE THE LIABILITIES

Full details of the methods and assumptions used are described in the 2022 valuation report.

### METHOD

The liabilities were assessed using an accrued benefits method, which takes into account pensionable membership up to the valuation date and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

### ASSUMPTIONS

A market-related approach was taken to valuing the liabilities, to ensure consistency with the valuation of the Fund's assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

Financial assumptions	31 March 2022
Discount Rate	4.1%
Salary Increase Assumption	3.2%
Benefit Increase Assumption (CPI)	2.7%

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	21.9 years	24.6 years
Future Pensioners*	22.7 years	26.1 years

\*Aged 45 at the 2022 Valuation.

Copies of the 2022 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund and on the Fund's website.



## EXPERIENCE OVER THE PERIOD SINCE 31 MARCH 2022

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. High levels of inflation in the UK (compared to recent experience), have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, asset performance has improved towards the end of 2023 and into 2024 and inflation has begun to return towards historical levels and the Bank of England's target (2% pa). There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025. The Funding Strategy Statement will also be reviewed at that time.

Barry Dodds FFA

20 June 2024

For and on behalf of Hymans Robertson LLP

DRAFT



# STATEMENT OF RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Responsibility for the Financial Statements, which form part of this Annual Report, is set out below.

## ADMINISTRATION AUTHORITY

The Administering Authority is required to:

- Make arrangements for the proper administration of the financial affairs of the Pension Fund and to ensure that an officer is responsible for the administration of those affairs. In this Authority, that officer is the Director of Finance and Procurement.
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets,
- Prepare, approve and publish a statement in accordance with the Accounts and Audit (Amendment) Regulations 2021.

## DIRECTOR OF FINANCE & PROCUREMENT

The Director of Finance & Procurement is responsible for the preparation of the Fund's financial statements, which in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. Based on International Reporting Standards (the Code), are required to present a true and fair view of the financial position of the Fund for the year ended 31 March 2024. This report includes the financial statements for the Pension Fund only.

In preparing these financial statements, the Director of Finance & Procurement has:

- Selected and applied consistently suitable accounting policies;
- Made judgements and estimate that were reasonable and prudent;
- Complied with the Code of Practice;
- Ensured proper accounting records are maintained;
- Ensured systems of internal control are in place.

## CERTIFICATE

I hereby certify that the following Annual Report and Accounts give a true and fair view of the financial position of the Wiltshire Pension Fund for the financial year ending 31 March 2024.

**Lizzie Watkin**  
**Director of Finance & Procurement (s151 Officer)**  
**Wiltshire Pension Fund**  
**Date tbc**





# AUDIT OPINION

To be added once audit opinion has been given.

Text to come ...

DRAFT



# STATEMENT OF ACCOUNTS (UNAUDITED)

## FUND ACCOUNT

For the year ended 31 March 2024

	Notes	2023/24 £'000	2022/23 £'000
<b>Dealings with Members, Employers and Others Directly Involved in the Fund</b>			
Contributions	5a	152,999	132,956
Transfers in from Other Pension Funds	5b	15,937	8,887
		<b>168,936</b>	<b>141,843</b>
Benefits	6	(113,218)	(99,203)
Payments to and on Account of Leavers	7	(11,225)	(7,731)
		<b>(124,443)</b>	<b>(106,934)</b>
<b>Net Additions from Dealings With Members</b>		<b>44,493</b>	<b>34,909</b>
Management Expenses	8 & 9	39,822	(37,506)
Net Additions Inc. Fund Management Expenses		<b>4,671</b>	<b>(2,597)</b>
<b>Returns On Investments</b>			
Investment Income	10	35,737	28,559
Profits And Losses on Disposal of Investments and Changes in Market Value of Investments	12a	237,361	(185,650)
<b>Net Return on Investments</b>		<b>273,098</b>	<b>(157,091)</b>
<b>Net Increase/(Decrease) in the Net Assets Available for Benefits During the Year</b>			
Opening Net Assets of the Scheme		3,070,699	3,230,387
<b>Closing Net Assets of the Scheme</b>		<b>3,348,468</b>	<b>3,070,699</b>

The following notes on pages 98 to 122 form an integral part of these financial statements



## NET ASSET STATEMENT

At 31 March 2024

	Notes	31 March 2024 £'000	31 March 2023 £'000
<b>Long Term Investments</b>			
Brunel Pension Partnership Ltd		722	707
		<b>722</b>	<b>707</b>
<b>Investment Assets</b>			
Pooled Funds		2,614,417	2,322,305
Other Investments		675,440	718,020
Cash Deposits		30,029	9,708
		<b>3,319,886</b>	<b>3,050,033</b>
<b>Total Investment Assets</b>		<b>3,320,608</b>	<b>3,050,740</b>
<b>Total Net Investments</b>	12	<b>3,320,608</b>	<b>3,050,740</b>
Current Assets	17	23,581	25,946
Long term Assets	17a	6,955	-
Current Liabilities	18	(2,676)	(5,977)
Long term Liabilities	18a	-	(10)
<b>Net Assets of the Scheme Available to Fund Benefits at the End of the Reporting Period</b>		<b>3,348,468</b>	<b>3,070,699</b>

**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 LLP 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:

<b>Administrative Expenses</b>	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.
<b>Oversight and Governance</b>	All costs associated with governance and oversight are separately identified, apportioned to this activity and charged as expenses to the fund.
<b>Investment Management Expenses</b>	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 Ltd 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 on/by 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 Contributions (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 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	Pooled Property Investment
<b>Uncertainties</b>	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.
<b>Effect if Actual Results Differ from Assumptions</b>	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% i.e. an increase or decrease of £43m on carrying values of £426m.



## 5A. CONTRIBUTIONS RECEIVABLE

	2023/24	2022/23
	£'000	£'000
<b>Employers' contributions</b>		
Normal	105,205	99,710
Augmentations	606	2,123
Deficit Recovery Contributions*	17,661	3,954
	<b>123,472</b>	<b>105,787</b>
<b>Employees' Contributions</b>		
Normal	29,431	26,985
Additional Contributions	96	184
	<b>29,527</b>	<b>27,169</b>
<b>Total Contributions Receivable</b>	<b>152,999</b>	<b>132,956</b>

Analysis of Contributions by Type of Employer	2023/24	2022/23
	£'000	£'000
<b>Contributions from Employees (including additional contributions)</b>		
Wiltshire Council	10,993	10,094
Other Scheduled Bodies	17,573	16,007
Admitted Bodies	961	1,068
	<b>29,527</b>	<b>27,169</b>
<b>Contributions from Employers (including augmentations)</b>		
Wiltshire Council	42,213	40,195
Other Scheduled Bodies	62,666	61,208
Admitted Bodies	18,593	4,384
	<b>123,472</b>	<b>105,787</b>
<b>Total Contributions Receivable</b>	<b>152,999</b>	<b>132,956</b>

\* Deficit funding contributions are paid relevant by employers for the three years commencing from 1 April 2022 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	£'000
Individual Transfers	15,937	8,887
	<b>15,937</b>	<b>8,887</b>





## 6. BENEFITS PAYABLE

By Category	2023/24	2022/23
	£'000	£'000
Pensions	96,719	83,007
Commutation and Lump Sum Retirement Benefits	14,178	13,072
Lump Sum Death Benefits	2,321	3,124
	<b>113,218</b>	<b>99,203</b>

By Type of Employer	2023/24	2022/23
	£'000	£'000
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)
	<b>113,218</b>	<b>99,203</b>

## 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)
	<b>11,225</b>	<b>7,731</b>

## 8. MANAGEMENT EXPENSES

	2023/24	2022/23
	£'000	£'000
Administration Costs	3,114	2,475
Investment Management Expenses (Note 9)	35,609	33,860
Oversight & Governance Costs	1,099	1,171
	<b>39,822</b>	<b>37,506</b>

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
	<b>103</b>	<b>19</b>

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



## 9. INVESTMENT MANAGEMENT EXPENSES

	2023/24	Management Fees	Performance Fees	Transaction Costs (Explicit)	Transaction Costs (Implicit)
	£'000				
	Total				
Pooled Funds Equity	3,344	2,834	-	281	229
Fixed Income Unit Trusts	3,755	2,060	-	1,474	221
Infrastructure Funds	5,392	2,933	1,501	958	-
Private Debt	1,650	624	-	1,026	-
Private Equity	3,591	1,935	-	1,656	-
Emerging Market Multi-Asset	2,610	1,265	-	883	462
Pooled Property Investments	13,766	3,312	-	10,439	15
	<b>34,108</b>	<b>14,963</b>	<b>1,501</b>	<b>16,717</b>	<b>927</b>
Custody Fees	30				
Costs Associated with Investment Pooling	1,243				
Indirect Costs Incurred in Managing Investment Portfolios	228				
	<b>35,609</b>				

	2022/23	Management Fees	Performance Fees	Transaction Costs (Explicit)	Transaction Costs (Implicit)
	£'000				
	Total				
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
	<b>33,970</b>	<b>14,211</b>	<b>3,068</b>	<b>14,453</b>	<b>2,238</b>
Custody Fees	30				
Transition Costs	-				
Costs Associated with Investment Pooling	326				
Indirect Costs Incurred in Managing Investment Portfolios	(466)				
	<b>33,859</b>				



## 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
<b>Total Before Taxes</b>	<b>35,737</b>	<b>28,559</b>

## 11. STOCK LENDING

During 2023/24, the Pension Fund participated in a securities lending programme administered by Brunel Pension Partnership, for the Fund's active global equities portfolio. Securities in the beneficial ownership of the Council valued at £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
% of Total Fund Value	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	31 March 2023
	£'000	£'000
<b>Investment Assets – Pooled Funds</b>		
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
	<b>2,614,416</b>	<b>2,322,305</b>
<b>Other Investments</b>		
Pooled Property Investments	425,968	569,823
Private Debt	158,140	97,765
Private Equity	91,333	50,433
	<b>675,441</b>	<b>718,020</b>
Cash Deposits	30,029	9,708
	<b>30,029</b>	<b>9,708</b>
<b>Total Investment Assets</b>	<b>3,319,886</b>	<b>3,050,033</b>
<b>Long Term Investments</b>		
UK Unquoted Equity – Shares in Brunel Pension Partnership Ltd	722	707
<b>Net Investment Assets</b>	<b>3,320,608</b>	<b>3,050,740</b>



## 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
	£'000	£'000	£'000	£'000	£'000
<b>Pooled funds</b>					
Fixed Income Unit Trusts	683,270	85,673	(33,755)	39,826	775,015
Infrastructure Funds	251,990	91,654	(15,931)	(514)	327,199
Global Equity	1,101,932	289,783	(379,050)	197,576	1,210,241
Emerging Market Multi-Asset	285,113	-	(1,345)	18,192	301,961
<b>Other investments</b>					
Pooled Property Investments	569,823	1,169,504	(1,290,443)	(22,916)	425,968
Private Debt	97,765	63,155	3,681	1,869	158,140
Private Equity	50,433	40,439	(4,028)	4,489	91,333
<b>Long term investments</b>					
Brunel Pension Partnership Ltd	707	-	-	15	722
	<b>3,041,032</b>	<b>1,740,208</b>	<b>(1,728,232)</b>	<b>237,571</b>	<b>3,290,579</b>
Cash Deposits	9,708			(210)	30,029
<b>Net Investment Assets</b>	<b>3,050,740</b>			<b>237,361</b>	<b>3,320,608</b>



## 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
	£'000	£'000	£'000	£'000	£'000
<b>Pooled Funds</b>					
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	-	(2,408)	(4,468)	285,113
<b>Other investments</b>					
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
<b>Long term investments</b>					
Brunel Pension Partnership Ltd	838	-	-	(131)	707
	<b>3,196,170</b>	<b>1,401,389</b>	<b>(1,370,448)</b>	<b>(186,079)</b>	<b>3,041,032</b>
Cash Deposits	10,642			427	9,708
Recoverable Tax	113			2	-
<b>Net Investment Assets</b>	<b>3,206,925</b>			<b>(185,650)</b>	<b>3,050,740</b>



## 12B. INVESTMENTS ANALYSED BY FUND MANAGER

	31 March 2024	31 March 2023
	£'000	£'000
<b>Investments Managed by Brunel Pension Partnership Ltd Asset Pool</b>		
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
	<b>2,312,313</b>	<b>2,153,966</b>
Long-term investment – Brunel Pension Partnership Ltf	722	707
<b>Investments Managed Outside of Brunel Pension Partnership Ltd Asset Pool</b>		
CBRE Global Multi Manager – Property	–	7
Pinebridge – Bank Loans	297,791	297,903
Ninety One – Emerging Markets	301,961	285,113
Magellan Select Infrastructure Fund	–	123,737
Partners Group – Infrastructure	96,473	95,624
Cash Held at Custodian	30,003	9,590
Climate Opportunities – Wessex Gardens	70,170	–
Affordable Housing Portfolio	79,215	63,873
BlackRock – SALAMI Portfolio	131,960	20,220
	<b>1,007,573</b>	<b>896,067</b>
<b>Total</b>	<b>3,320,608</b>	<b>3,050,740</b>



## 12B. INVESTMENTS ANALYSED BY FUND MANAGER (CONT'D)

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

	Market Value 31 March 2024	% of Total Fund
	£'000	
<b>Security</b>		
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%
	<b>2,601,217</b>	<b>78.34%</b>

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

	Market Value 31 March 2023	% of Total Market Value
	£'000	
<b>Security</b>		
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%
	<b>2,392,193</b>	<b>78.41%</b>

## 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 – and closing single price where single prices are 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 – and closing single price where single prices are published	NAV-based pricing set on a forward pricing basis	Not required
UK and Overseas Property, Private Equity and Infrastructure Partnerships	Level 3	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	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	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	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	Value on Increase	Value on Decrease
		£'000	£'000	£'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 Ltd	0.0%	722	722	722
		<b>985,208</b>	<b>1,139,248</b>	<b>831,169</b>

### 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	£'000	£'000	£'000
	Quoted Market Price	Using Observable Inputs	With Significant Unobservable Inputs	Total
	Level 1	Level 2	Level 3	
Fixed Income Unit Trusts	-	775,015	-	775,015
Infrastructure Funds	-	-	327,199	327,199
Global Equity	-	1,210,241	-	1,210,241
Emerging Market Multi-Asset	-	301,961	-	301,961
Pooled Property Investments	225	17,929	407,814	425,968
Private Debt	-	-	158,140	158,140
Private Equity	-	-	91,333	91,333
Cash Deposits	29,464	566	-	30,029
Shares in Brunel Pension Partnership Ltd	-	-	722	722
	<b>29,689</b>	<b>2,305,711</b>	<b>985,208</b>	<b>3,320,608</b>



## 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	-	683,270	-	683,270
Infrastructure Funds	-	-	251,990	251,990
Global equity	-	1,101,932	-	1,101,932
Emerging Market Multi-Asset	-	285,113	-	285,113
Pooled Property Investments	33,353	216,074	320,396	569,823
Private Debt	-	-	97,765	97,765
Private Equity	-	-	50,433	50,433
Cash Deposits	3,609	6,098	-	9,708
Shares in Brunel Pension Partnership Ltd	-	-	707	707
	<b>36,962</b>	<b>2,292,488</b>	<b>721,290</b>	<b>3,050,740</b>

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)
<b>Closing Balance</b>	<b>985,208</b>	<b>721,290</b>





## 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	Volatility of Return	Increase	Decrease
	£'000		£'000	£'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 Ltd	722	0.00%	–	–
CBRE Global Multi Manager – Property	–	15.40%	–	–
PineBridge – Bank Loans	297,791	4.70%	13,996	(13,996)
Ninety One – Emerging Markets	301,961	17.63%	53,236	(53,236)
Magellan Select Infrastructure Fund	–	15.50%	–	–
Partners Group – Infrastructure	96,474	15.50%	14,953	(14,953)
Cash Held at Custodian	30,003	0.00%	–	–
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)
	<b>3,320,608</b>		<b>468,450</b>	<b>(468,450)</b>



## Market Price – Sensitivity Analysis (cont'd)

As at 31 March 2023	Value	Volatility of Return	Increase	Decrease
	£'000		£'000	£'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 Ltd	707	0.00%	–	–
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%	–	–
Affordable Housing Portfolio	63,873	15.40%	9,836	(9,836)
BlackRock – SALAMI Portfolio	20,220	13.15%	2,659	(2,659)
	<b>3,050,740</b>		<b>432,242</b>	<b>(432,242)</b>

## 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

	As at 31 March 2024			As at 31 March 2022		
	Asset Values	Impact of 1% Increase	Impact of 1% Decrease	Asset Values	Impact of 1% Increase	Impact of 1% Decrease
	£'000	£'000	£'000	£'000	£'000	£'000
Cash Held on Deposit	37,827	-	-	25,049	-	-
Fixed Interest Securities	477,224	(4,772)	4,772	385,368	(3,854)	3,854
Loans	297,791	-	-	297,903	-	-
	<b>812,842</b>	<b>(4,772)</b>	<b>4,772</b>	<b>708,319</b>	<b>(3,854)</b>	<b>3,854</b>

## 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 the major foreign currencies based on manager benchmarks and target allocations.

	31 March 2024			31 March 2023		
	US Dollar	Euro	Yen	US Dollar	Euro	Yen
	£'000	£'000	£'000	£'000	£'000	£'000
Net Currency Exposure	243,578	83,625	1,439	232,154	140,757	(7)

## 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			31 March 2023		
	Assets Held at Fair Value	Change in Net Assets		Assets Held at Fair Value	Change in Net Assets	
		+10%	-10%		+10%	-10%
	£'000	£'000	£'000	£'000	£'000	£'000
US Dollar	243,578	24,358	(24,358)	232,148	23,215	(23,215)
Euro	83,625	8,363	(8,363)	140,757	14,076	(14,076)
Yen	1,439	144	(144)	(7)	(1)	1
<b>Net Currency Exposure</b>	<b>328,642</b>	<b>32,864</b>	<b>(32,864)</b>	<b>372,898</b>	<b>37,290</b>	<b>(37,290)</b>

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.

	Balances as at 31 March 2024	Balances as at 31 March 2023
	£'000	£'000
<b>Summary</b>		
Cash Held at Custodian	30,029	9,708
Bank Current Account – HSBC	892	(65)
Money Market Funds	6,906	15,406
	<b>37,827</b>	<b>25,049</b>

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			2022/23		
	Carrying Amount £'000	Less than 12 months £'000	Greater than 12 months £'000	Carrying Amount £'000	Less than 12 months £'000	Greater than 12 months £'000
Sundry Creditors	2,056	2,056	–	2,219	2,219	–
Benefits Payable	–	–	–	1,022	1,022	–
Other	620	620	–	2,746	2,736	10
	<b>2,676</b>	<b>2,676</b>	<b>–</b>	<b>5,987</b>	<b>5,977</b>	<b>10</b>



## 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
	<b>14,965</b>	<b>10,045</b>
Sundry Debtors	531	352
Receivable from Wiltshire Council	95	-
Prepayments	192	208
	<b>818</b>	<b>560</b>
Cash Balances	<b>7,798</b>	<b>15,341</b>
<b>Net Current Assets</b>	<b>23,581</b>	<b>25,946</b>

### 17a. Long Term Debtors

	31 March 2024	31 March 2023
	£'000	£'000
Contributions Due – Employers	6,955	-
	<b>6,955</b>	-

## 18. Current liabilities

	31 March 2024	31 March 2023
	£'000	£'000
Sundry Creditors	2,056	2,219
Benefits Payable	-	1,022
Payable to Wiltshire Council	620	2
Provision for Pension Underpayments	-	2,734
	<b>2,676</b>	<b>5,977</b>

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 Ltd pension Reimbursement Liability	-	10
<b>Total</b>	<b>-</b>	<b>10</b>

During 2020/21 a pension recharge agreement was signed by all 10 shareholders in Brunel Pension Partnership Ltd (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 £1.4m 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 £0.002m 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 £0.004m 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 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 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 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 Fund paid BPP £1.211m (£1.033m 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 £0.001m 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 £1.281m into the Fund (£1.159m in 2022/23) in respect of employers and employees contributions.



## 21.1. GOVERNANCE

During the 2023/24 scheme year two members of the Pension Fund Committee were active members of the Fund. In addition, two members of the Local Pension Board were pensioner members and five were active members of the 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)

The WPF completed its GMP reconciliation project in January 2024 involving the review of all its relevant member benefits to ensure that the GMP it promised to pay its members for the period they had opted out of the State Second Pension (S2P) was correct. This project was known as the Rectification project and sought to verify that each member's GMP accrued between 1978 & 1997 would be broadly speaking equivalent to the S2P that would have been accrued by that member on becoming a pensioner in payment after their State Pension Age (SPA).

## 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.

DRAFT



# IAS26 STATEMENT

## 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 31 March 2024	Year ended 31 March 2023
	£m	£m
Active Members	1,107	1,017
Deferred Pensioners	774	783
Pensioners	1,333	1,368
<b>Total</b>	<b>3,214</b>	<b>3,168</b>

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	31 March 2024	31 March 2023
	%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 Assumption

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 31 March 2024	Approximate % Increase Promised Retirement Benefits	Approximate Monetary Amount (£m)
0.1% p.a. Decrease in the Discount Rate	2%	58
1 year Increase in Member Life Expectancy	4%	129
0.1% p.a. Increase in the Salary Increase Rate	0%	2
0.1% p.a. Increase in the Pension Increase Rate (CPI)	2%	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

**Barry Dodds FFA**

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	
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		
<b>ADMITTED BODIES</b>		
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
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.





## ANNEX 1

# EMPLOYER (ER'S) AND EMPLOYEE (EE'S) CONTRIBUTIONS BY EMPLOYER

MAIN COUNCILS & SCHEDULED BODIES							
£'000s	Ee's	Er's	Total	£'000s	Ee's	Er's	Total
Wiltshire Council	41,952	10,985	52,938	Salisbury City Council	287	130	417
Dorset & Wilts Fire Authority	2,580	823	3,403	Wilts Constabulary Civs	6,484	2,597	9,081
Swindon Borough Council	20,081	5,937	26,018				
<b>TOTAL</b>							<b>91,856</b>

COLLEGES							
£'000s	Ee's	Er's	Total	£'000s	Ee's	Er's	Total
Wiltshire College	2,222	558	2,780	New College	1,742	509	2,251
<b>TOTAL</b>							<b>5,031</b>

TOWN AND PARISH COUNCILS							
£'000s	Ee's	Er's	Total	£'000s	Ee's	Er's	Total
Alderbury Parish Council	4	1	5	Malmesbury T C	38	12	51
Bradford on Avon T C	115	38	152	Melksham Without P C	19	6	25
Calne Without Parish Council	3	1	3	Redlynch Parish Council	3	1	4
Chippenham T C	375	125	500	St Andrews Parish Council Swindon	67	23	90
Devizes T C	126	47	174	Tidworth Town Council	9	3	12
Durrington Town Council	14	4	18	Warminster T C	101	33	135
Hullavington Parish Council	2	1	2	Whiteparish Parish Council	3	1	4
Ludgershall Town Council	15	4	19	Wroughton P C	43	14	57
Melksham Town Council	75	26	101	Blunsdon P C	7	2	9
Purton Parish Council	50	16	65	Calne T C	120	38	158
Southwick Parish Council	0	0	0	Central Swindon South PC	274	88	363
Stratton St Margaret P C	105	33	137	Cricklade Town Council	33	10	43
Trowbridge T C	323	105	427	Downton P C	12	4	16
Westbury T C	81	27	108	Highworth T C	58	19	78
Winterbourne Parish Council	1	0	1	Laverstock and Ford Parish Council	17	5	22
Amesbury T C	36	11	47	Marlborough T C	76	24	100
Bratton Parish Council	0	0	0	Mere Town Council	7	2	9
Central Swindon North PC	88	30	118	Royal Wootton Bassett TC	103	34	138
Corsham Town Council	85	28	113	Steeple Ashton Parish Council	0	0	0
Dilton Marsh Parish Council	0	0	0	Tisbury Parish Council	6	2	8
Haydon Wick P C	106	34	140	West Swindon Parish Council	52	18	69



## TOWN AND PARISH COUNCILS

£'000s	Ee's	Er's	Total	£'000s	Ee's	Er's	Total
Idmiston Parish Council	4	1	5	Wilton T C	8	2	11
Wanborough Parish Council	5	1	6				
<b>TOTAL</b>							<b>3,545</b>

## ACADEMIES

£'000s	Ee's	Er's	Total	£'000s	Ee's	Er's	Total
Acorn Education Trust	1,312	357	1,669	King William Street CE Academy	55	12	67
Athelstan Trust Bradon Forest	233	52	285	Mead Academy	531	127	658
Blue Kite Academy Trust	1,826	363	2,188	Palladian MAT	193	38	231
Commonweal Academy	376	87	463	Pickwick Academy Trust	926	198	1,123
Diocese of Salisbury MAT	725	166	890	Shaw Ridge Academy	117	26	144
EQUA Multi-Academy Trust	837	189	1,026	St Augustines Academy	272	65	337
Great Western Academy	197	46	242	St Josephs Devizes Academy	48	11	60
Hazelwood Academy	99	23	121	The Dunstan Catholic Educational Trust	124	20	144
Holy Rood Primary Academy	150	31	181	ULT Swindon Academy	411	126	537
King Alfred Trust	119	24	143	Ascend Education Trust	1,434	356	1,790
Malmesbury Primary Academy	161	36	197	Bishop Wordsworths Academy	299	70	369
Morgan Vale and Woodfalls	45	10	55	By Brook Valley Academy	58	12	70
Pewsey Vale Academy	131	30	161	Diocese of Bristol Academies	723	160	884
River Learning Trust	561	142	703	Educate Together Academy Trust	24	7	30
South Wilts Grammar Academy	240	59	299	Goddard Park Primary Academy	385	92	476
St Josephs Catholic College	528	111	639	Hardenhuish School (Academy)	422	104	526
St Marys Catholic Academy	154	36	190	Holy Family Catholic Primary School	142	15	157
ULT Nova Hreod Academy	185	58	244	Holy Trinity- Calne Academy	44	10	55
Woodford Valley Primary Academy	56	13	69	Magna Learning Partnership	1,543	367	1,910
Activate Learning Education Trust ALET	56	11	67	Millbrook Academy	192	39	231



ACADEMIES							
£'000s	Ee's	Er's	Total	£'000s	Ee's	Er's	Total
Athelstan Trust Malmesbury Secondary Academy	266	62	328	Peatmoor Academy	77	16	93
Brunel Academies Trust	1,949	440	2,389	Reach South Academy Trust	481	113	593
Corsham Secondary Academy	422	92	515	Sheldon Academy	332	109	441
Dorcan Technology Academy	211	63	274	St Catherines Academy	73	18	91
Excalibur Academies Trust	1,004	226	1,230	St Laurence Academy	357	83	440
Grove Learning Trust	468	94	562	The Park Academies Trust	1,094	272	1,366
Holy Cross Primary Academy	100	22	122	White Horse Federation	4,589	936	5,525
Holy Trinity – Gt Cheverell	47	10	57				
<b>TOTAL</b>							<b>33,656</b>

ADMITTED BODIES							
£'000s	Ee's	Er's	Total	£'000s	Ee's	Er's	Total
ABM Catering - JOG	14	2	16	Direct Cleaning (Brunel AT)	0	0	0
Alina Homecare	20	3	23	First City Nursing	3	1	4
Aster Group Ltd	4	1	5	Harrison Catering Services Ltd	8	2	10
Brayborne Facility Services Limited	9	1	10	Idverde UK	98	38	135
Caterlink – Berkshire	0	0	0	Liberata UK Limited	13	4	18
Caterlink – Melksham Oak	0	0	0	Orders of St John Care Trust	0	27	27
Cera East	0	0	0	Pinnacle FM Limited	4	1	5
Cleverchefs – Ex Hse & St Marks	0	0	0	Purgo Supply Services Ltd	30	7	37
Cleverchefs Ltd	9	2	11	Sansum Cleaning Solutions Ltd	1	0	2
Community First Oxenwood	19	5	24	Somerset Care HTLAH	0	3	3
Compass Chartwells – St Marys	0	0	0	Swindon Music Service	20	8	28
Direct Cleaning – Westbury Jnr	6	1	6	The Wiltshire Bobby Van Trust	21	8	29
Direct Cleaning – Fitzmaurice	4	1	4	Direct Cleaning – Malmesbury	2	0	2
Expedite – Westlea	0	0	0	Agincare	13	4	17
Great Western Hospital – SEQOL	31	6	37	Aster Communities	39	11	50
Idverde	0	0	0	Atkins Limited	38	12	50
Lex Leisure Ltd	10	4	14	BSW CCG	4	1	5
NHS South Central & West	7	3	10	Caterlink – Gorsehill	6	1	7



## ADMITTED BODIES

£'000s	Ee's	Er's	Total	£'000s	Ee's	Er's	Total
Pendergate (Pickwick Aloeric)	0	0	0	Caterlink – Grange Federation	0	0	0
Purgo SSL – Athelstan Bradon	0	0	0	Classes Abroad	14	2	17
Sansum Cleaning – Excalibur	0	0	0	Cleverchefs – Pickwick Academy Trust	0	0	0
Sodexo -DBAT	12	3	14	Collaborative Schools	20	4	24
Supreme Contract Services – Lawn Primary	5	1	7	Compass Catering – Pickwick	0	0	0
Tenon FM	0	0	0	Direct Cleaning – Bulford	2	1	3
Wiltshire and Swindon Sport	0	13	13	Expedite – Brunel SEN MAT	0	0	1
Adoption West	207	60	267	GLL (2014)	147	22	169
Aspens – St Augustines	4	1	5	Hills Group Ltd	345	105	450
Aster Property Ltd	53	11	64	Innovate Services Ltd 2	7	1	8
Brunel Pension Partnership Ltd	902	376	1,278	Milestone M Group Services Limited	73	23	97
Caterlink – Devizes	0	0	0	Oxford Health NHS Trust	14	4	17
Caterlink – WHF	3	1	3	PS Catering Management Ltd	2	0	2
Churchill Services	8	1	9	Rapid Commercial Cleaning Services Ltd	7	1	8
Cleverchefs – Magna Learning	0	0	0	Selwood Housing Society	575	74	649
Cleverchefs Wyndham Park	0	0	0	Spurgeons	9	1	10
Community Golf & Leisure Trust	0	4	4	SWLEP – Swindon & Wilts Local Enterprise Partnership	24	10	33
Coombs Catering Partnership	9	2	11	Thera South West	6	1	7
Direct Cleaning – Netheravon	2	0	2				
<b>TOTAL</b>							<b>3,758</b>

## RECEIVED FROM CEASED EMPLOYERS– not active as at 31st March 2024

£'000s	Ee's	Er's	Total	£'000s	Ee's	Er's	Total
Somerset Road Academy	472	109	581	Swindon Dance	0	1	1
Aspens – Lethbridge	1	0	1	Imperial Cleaning – Highworth	3	0	3
Ringway	4	1	5	Imperial Cleaning – King William Street	1	0	1
Highworth Warneford Academy	78	20	98	Imperial Cleaning – Greentrees	1	0	1
St Edmunds Calne Academy	30	6	36	Direct Janitorial Supplies Ltd	3	1	4
Oasis Community Learning – Longmeadow	27	7	34	Wiltshire Archaeological Society	21	0	21
<b>TOTAL</b>							<b>785</b>
<b>GRAND TOTAL</b>							<b>138,631</b>



## ANNEX 2

# STATUTORY STATEMENTS

The latest version of all these documents can be found via the following website link:

<https://www.wiltshirepensionfund.org.uk/Policies-and-strategies>

## BUSINESS PLAN

The latest **Business Plan** was approved by the Pension Fund Committee in March 2024 and outlines the Fund's strategy for the period 2024/27. This extensive 3-year business plan is divided into the Fund's strategic areas of service delivery, investment and accounting, operations covering systems and payroll, stakeholder engagement and governance, with each area identifying objectives and measures of success.

## FUNDING STRATEGY STATEMENT (FSS)

The FSS outlines how the Fund calculates employer contributions, what other amounts might be payable in different circumstances, and how these fit in with the investment strategy. The document follows CIPFA guidance ("Preparing and maintaining a funding strategy statement in the Local Government Pension Scheme 2016").

The FSS is prepared in collaboration with the Fund's Actuary, Hymans Robertson and forms an integral part of the framework within which they carry out triennial valuations to set employers' contributions and to provide recommendations on funding decisions.

The latest FSS was approved by the Pension Fund Committee in November 2022 as part of the 2022 valuation.

## INVESTMENT STRATEGY STATEMENT

The Committee last approved the current ISS at its meeting in November 2022 & March 2023.

The ISS sets out the Fund's current Investment Strategy. Investment regulations specify the areas that must be included in the statement.

The statement is kept under review and revised from time to time, in particular when there is a material change in risk, and at least every three years. The current version of the ISS incorporates more information about the Fund's position regarding responsible investment. The current ISS can be found here:

[https://www.wiltshirepensionfund.org.uk/media/6169/Investment-Strategy-Statement-2023/pdf/ISS\\_Nov\\_2022.pdf?m=638134486000670000](https://www.wiltshirepensionfund.org.uk/media/6169/Investment-Strategy-Statement-2023/pdf/ISS_Nov_2022.pdf?m=638134486000670000)

## RESPONSIBLE INVESTMENT POLICY

The Responsible Investment Policy was approved by the Committee at its meeting in September 2023. This policy is an integral part of the ISS and sets out how the Fund deals with responsible investment issues, including climate change risk. The policy will be reviewed and updated annually. The current Responsible Investment Policy can be found here:

<https://www.wiltshirepensionfund.org.uk/Investment-approach>

## STEWARDSHIP REPORT

This document describes the Fund's approach to stewardship and how it seeks to comply with the principles outlined in the FRC Stewardship Code 2020.

The report can be found here:

<https://www.wiltshirepensionfund.org.uk/Stewardship-Summary>

## TREASURY MANAGEMENT STRATEGY

The purpose of this strategy is to outline the process and policies for the cash held by the Fund. The strategy aims to achieve the optimum return on the cash held commensurate with the high levels of security and liquidity required. These funds are invested separately from cash balances held by Wiltshire Council.

The current strategy was reviewed & approved by the Pension Fund Committee in March 2023, and is due for review in the 2024/25 scheme year. The current version can be viewed on the Wiltshire Pension Fund website at the following link:

<http://www.wiltshirepensionfund.org.uk/media/4214/wpf-treasury-management-strategy.pdf>

## PENSION ADMINISTRATION STRATEGY

The Pension Administration Strategy outlines the roles, responsibilities, and expectations in terms of provision of data and service delivery of both the administration teams of the Wiltshire Pension Fund and the employer organisations. An updated policy was approved by the Pension Fund Committee in July 2022 following consultation with employers.

This Pension Administration Strategy incorporates the Fund's transition to an automated way of working with its sponsoring employers & seeks to improve data quality, efficient working practices & cost savings. As a result of the operational restructure of the Fund in 2023 and progress made towards an automated way of working, a further review of the Pension Administration Strategy is planned to take place in 2024.



## COMMUNICATIONS POLICY STATEMENT

The latest Communications Policy was approved by the Wiltshire Pension Fund Committee in December 2021. Its purpose aims to meet the Fund’s communication responsibilities and build on its digital platform changes. This 3-year policy will be reviewed in 2024, and the changes made to align with the new Business Plan and Pension Administration Strategy. Emphasis will continue to be placed on the Fund’s branding and identity, with changes to the layout of the Fund’s website and example documents being added to the Fund’s website too.

## CESSATION POLICY

The latest Cessation Policy was approved by the Pension Fund Committee in July 2023. The Policy outlines the process and the flexibilities available to the Fund to work with employer organisations to pay off any cessation deficit payment.

## WILTSHIRE PENSION FUND DISCRETIONS POLICY

This policy outlines discretions made under the following LGPS Regulations and was last approved by the Fund’s Committee on March 2024.

## WILTSHIRE PENSION FUND FULL PRIVACY NOTICE

This notice is designed to give members of the Fund information about the data we hold about them, how we use it, their rights in relation to it and the safeguards that are in place to protect it.

## GOVERNANCE POLICY STATEMENT

The Governance Compliance Statement lays out the overarching framework within which the Wiltshire Pension Fund Committee operates. Notably it identifies the structure of operations, the representation & Selection of Members, their voting rights and scope of the Committee’s responsibilities. The statement is supported by the Council’s constitutional framework of how the committee operates. The Statement was last approved in March 2021 & will be reviewed again in 2024\*.

\*On receipt of SAB’s final Good Governance report, it is intended that such a review will take place to ensure that both the governance policy statement & the Council’s constitution are consistent with the findings of the report.

## DATA IMPROVEMENT STRATEGY AND PLAN

This document outlines Wiltshire Pension Fund’s Data Improvement Strategy & Plan

## TRIENNIAL VALUATION REPORT 2022

A triennial valuation is used to set employers’ contributions and to provide recommendations on funding decisions. The Fund’s current final valuation report was approved by the Pension Fund Committee in March 2023 and can be viewed on the Wiltshire Pension Fund website at the following link:

<https://wiltshirepensionfund.org.uk/Valuations>

The strategic fund documents reviewed during the year were as follows:

Strategic Fund documents approved during the Fund Year	
Date	Document
15/06/2023	Affordable Housing Impact Report
15/06/2023	Voting Report
13/07/2023	Employer Cessation Policy
13/07/2023	New Employer Policy
14/09/2023	Annual Report & Accounts 2022-23
14/09/2023	Responsible Investment Policy
14/09/2023	Climate Report
23/11/2023	Member Training plan 23/24
14/12/2023	KPI Improvement Plan
29/02/2024	Responsible Investment Plan 24/25
28/03/2024	Stewardship Report
28/03/2024	Business Plan 2024/27
28/03/2024	Administering Authority Discretions Policy
28/03/2024	Employer Covenant Risk Policy



**ANNEX 3**

# MEMBER ATTENDANCE AT MEETINGS

Members Table							
Name	Role	*Meeting attendance	Appointed	Left	Committee Member	Board Member	Senior Officer
Cllr R Britton	Committee Chair	10	-	-	•		
Cllr K Small	Committee Vice Chair	6	-	-	•		
Cllr G King	Committee Member	7	-	-	•		
Cllr C Newbury	Committee Member	4	-	-	•		
Cllr G Jeans	Committee Member	5	-	-	•		
Cllr S Wheeler	Committee Member	6	16/05/2023	-	•		
Cllr V Manro	Committee Member	4	-	-	•		
C Anthony	Committee Employer rep.	6	-	-	•		
J Smart*	Committee Employer rep.	1	21/05/2024	-	•		
Cllr P Church	Committee Member	0	-	16/05/2023	•		
T Adams	Committee Employer rep.	1	-	15/08/2023	•		
S Dark	Employee Member Observer	0	-	-	•		
M Pankiewicz	Committee & Board Member rep.	9	-	-	•	•	
M Spilsbury	Board Chairman	4	-	-		•	
M Corbey	Board Member rep. (Vice Chair)	2	-	-		•	
L Fisher	Board Employer rep.	2	-	-		•	



## Members Table

Name	Role	*Meeting attendance	Appointed	Left	Committee Member	Board Member	Senior Officer
<b>Cllr G Simmonds*</b>	Board Employer rep.	4	18/07/2023	-		•	
<b>J Nicholson*</b>	Board Member rep.	2	17/10/2023	-		•	
<b>K Read</b>	Board Employer rep.	0	20/02/2024	-		•	
<b>P Smith</b>	Board Employer rep.	2	-	06/10/2023		•	
<b>J Weimar</b>	Board Employer rep.	0	-	12/04/2023		•	
<b>L Watkin</b>	s151 Officer	1	17/10/2023	-			•
<b>A Brown</b>	s151 Officer	2	-	17/10/2023			•
<b>J Devine</b>	Head of WPF	9	-	-			•

Please note the following points concerning Members.

### Key Committee changes

- 16/05/2023 Cllr Wheeler, replaces Cllr Church
- 15/08/2023 T Adams resigns (non-educational employer rep. role vacant)
- 21/05/2024 J Smart replaces T Adams

### Key Board changes

- 18/07/2023 Cllr Simmonds replaces, J Weimar as an Employer Rep
- 17/10/2023 J Nicholson replaces, A Ashraf as a Member Rep (post vacant at start of year)
- 20/02/2024 K Read replaces, P Smith as an Employer Rep

### Anticipated terms of office expire in 2023/24

- 17/10/2023 L Watkin replaces, A Brown as s151 Officer
- 13/02/2024 Cllr Simmonds becomes Vice Chair on Board, replacing M Corbey

### Notes

\*Includes pre-appointment observing or substitute role





## ANNEX 4

# GLOSSARY

<b>Accrual (accounting)</b>	amounts included in the accounts for income or expenditure in relation to the financial year but not received or paid as at year end, 31 March.
<b>Administering Authority</b>	means a body required to maintain a pension fund under the LGPS Regulations, usually this is a local authority. For the Wiltshire Pension Fund, this is Wiltshire Council.
<b>Admitted Body</b>	an organisation, whose staff can become members of the Fund by virtue of an admission agreement made between the Council and the organisation. It enables contractors who take on the Council's services with employees transferring, to offer those staff continued membership of the Fund.
<b>Asset manager</b>	for the purpose of reporting and in the context of the LGPS, "asset manager" is interchangeable with "investment manager" as defined in the LGPS (Management and Investment of Funds) Regulations 2016 (9).
<b>Augmentation</b>	the provision of an additional benefit or benefits in respect of a particular member or group of members of an occupational pension scheme, where the cost is borne by the scheme and/or the employer.
<b>Benchmark</b>	a benchmark is used to measure the performance of a fund, or asset manager against the investment objective. The FTSE 100 is a common benchmark for UK equities, for example.
<b>Brunel Pension Partnership ("Brunel")</b>	one of eight national LGPS asset pools that bring together investments of ten partner funds, including Wiltshire.
<b>Creditors</b>	amounts owed by the Fund for services received but not paid for as at year-end, 31 March.
<b>Custody</b>	the safe keeping of securities and other investments by a custodian.
<b>Debtors</b>	amounts owed to the Fund for services provided but where the associated income was not received as at year end, 31 March.
<b>Employee</b>	in general, an employee is also a member of the Wiltshire Pension Fund. The LGPS has a very low opt out rate, nearly all employees are members of the scheme.
<b>Employer</b>	in general, an employer is either scheduled or admitted to the Wiltshire Pension Fund so its employees are members of the scheme.
<b>Environmental, Social and Governance (ESG)</b>	a broad range of factors which investors can assess to identify risks and opportunities.
<b>Fiduciary duty</b>	the Committee's responsibility to act in the best interest of the Fund's beneficiaries.
<b>Freedom of Information (FOI)</b>	the Freedom of Information Act 2000 provides for public access to information held by public authorities.
<b>Fund account</b>	in pension scheme accounting, a 'fund account' is required rather the more familiar 'profit and loss' for company accounting. This sets out the income and expenditure (contributions and benefits) and is also designed to give capital movements of the fund over the year.



<b>Governance Policy &amp; Compliance Statement</b>	the Governance Policy & Compliance Statement sets out the statutory framework under which the administering authority delegates statutory functions to committees, sub-committees or to officers.
<b>Investment Strategy Statement (ISS)</b>	a key document of the Fund, which sets out the Fund's investment strategy.
<b>Key Performance Indicator (KPI)</b>	the Fund uses key performance indicators to measure performance of services.
<b>Local Authority</b>	an administrative body in local government. A local authority may act as an administering authority for its own pension fund and those of other local authorities.
<b>Local Pension Board</b>	is responsible for assisting the administering authority in securing compliance with the LGPS regulations, overriding legislation and guidance from the Pensions Regulator.
<b>Long Term Investments</b>	a long-term investment is accounted for differently in that it may not be sold for years or may never be sold.
<b>Member</b>	unless preceded or followed by reference to the Committee or Local Pension Board, member refers to a member of the Wiltshire Pension Fund.
<b>Net Assets Statement</b>	in pension scheme accounting, a 'net assets statement' is required rather the more familiar 'balance sheet' for company accounting. This sets out the assets and liabilities and designed to give a true and fair financial statement.
<b>Officers</b>	internal Wiltshire staff that manage the investment arrangements of the Fund and support and assist the Committee with their role.
<b>Paris Aligned Benchmark</b>	developed with Brunel, FTSE Russell's Paris-aligned benchmark series aims to achieve a 50% reduction in carbon emissions over a 10-year period and integrate forward-looking metrics and governance protections from the transition pathway initiative (TPI).
<b>Pension Fund Committee (the "Committee")</b>	the body running the Wiltshire Pension Fund with delegated authority to exercise the functions of Wiltshire Council as administering authority under the Local Government Superannuation Acts and Regulations.
<b>Pooled</b>	an investment term which refers to the grouping together of investment holdings. This method of investing offers significant economies of scale and is well suited to investors sharing the investment objectives.
<b>Pooling (LGPS)</b>	in November 2015, investment reform and criteria were published that required administering authorities to commit to a suitable investment pool to achieve benefits of scale among other aims. Eight pools, including Brunel were operational in January 2019.
<b>Scheduled Body</b>	an organisation that has the right to become a member the LGPS under the scheme regulations. Such an organisation does not need to be admitted, as its right to membership is automatic.
<b>Scheme Advisory Board</b>	the function of the LGPS Advisory Board (SAB) (E&W) is to provide advice to the Secretary of State on the desirability of making changes to the Scheme and provide advice to administering authorities and local pension boards in relation to the effective and efficient administration and management of the Scheme.



<b>State Scheme Premium</b>	a payment made to HMRC in certain circumstances to reinstate all or part of an individual's State Earnings Related Pension (SERPS) benefits.
<b>Stewardship</b>	the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society (as defined by the 2020 Stewardship Code).
<b>Strategic Asset Allocation (SAA)</b>	the mix of different types of assets held in order to generate the required investment return for an appropriate amount of risk.
<b>Sustainability</b>	investing in a way that incorporates ESG criteria and active ownership, to generate superior risk-adjusted returns.
<b>Task Force on Climate-related Financial Disclosures (TCFD)</b>	reporting on climate change risk, set out under governance, strategy, risk management and carbon metric headings.
<b>Unrealised Gains/Losses</b>	the increase or decrease in the market value of investments held by the fund since the date of their purchase.
<b>Weighted Average Carbon Intensity (WACI)</b>	a measure of a portfolio's carbon intensity, also referred to as the carbon footprint. The WACI generally measures scope 1 and 2 emissions.

DRAFT

This page is intentionally left blank

## **Wiltshire Pension Fund Committee – Statement of Going Concern**

### **Introduction**

In compiling financial statements any organisation must consider whether they anticipate being able to continue operating for at least the next 12 months, or a longer time period, from the date of signing the accounts. This is a key assumption for making accounting assessments and is stated explicitly as using the Going Concern Basis.

Management, when making this assessment should consider factors that relate to the entity's current and expected profitability, the timing of repayment of existing financing facilities and potential sources of replacement financing, taking into account all available information about the future.

The Pension Fund is required to make this assessment annually and must use measures of ongoing viability relevant to its own operations, this paper provides supporting evidence in making this statement.

### **Going Concern Requirement**

The LGPS is administered by individual "administering authorities", these being prescribed in statute. Wiltshire Council is the administering authority for the County area of Wiltshire, including Swindon. It has delegated this function to the Wiltshire Pension Fund Committee (the Committee).

Administering authorities are responsible for the administration of a Pension Fund established on behalf of all employer bodies in their Scheme. The Funds are not separate legal entities from administering authorities and therefore are not covered by trust law. Nevertheless, the role of the administering authority is very similar to that of a trustee and members of the Committee therefore act in a quasi-trustee role.

In the capacity described above, the Committee confirms that members have considered the evidence set out below, as well as their knowledge of the legislative framework surrounding the LPGA, and confirm that the Wiltshire Pension Fund is a going concern as at the date of this meeting and thus the going concern assessment is applicable for the statement of accounts for year ending 31 March 2024.

### ***Supporting evidence***

#### *Funding level*

#### **The Pension fund has a strong funding level on an ongoing basis.**

The Funding level (i.e. the ratio of the Fund's asset to liabilities) as at the last actuarial valuation (31 March 2022) was 103%. The funding level on an ongoing basis has now reached 129.5% (31 March 2024). The improvement in this funding level has been as a result of increases to gilt yields throughout this period, which has the effect of decreasing the present value of future pension liabilities. The value of the fund assets have also increased over the past year at a greater rate than the long term actuarial expectation, 8.1% vs 4.1%.

### *Strategic Asset Allocation*

The strategic asset allocation is set in order to deliver the investment returns which the Fund requires over time, in order to achieve full funding, and was modelled over a wide range of possible market environments. The strategic asset allocation was reviewed as part of the triennial valuation from March 2022. This work will include detailed work to assess resilience under a variety of market conditions and under a variety of climate change scenarios. This will provide further assurance of the fund's ability to maintain a sustainable ongoing funding level.

### *Liquidity*

As set out in the Investment Strategy Statement, the Fund's approach to Liquidity risk is as follows:

**“Liquidity risk** – the Committee recognises that there is liquidity risk in holding assets that are not readily marketable and realisable. Given the long term investment horizon, the Committee believes that a degree of liquidity risk is acceptable, given the potential return. The majority of the Fund's assets are realisable at short notice.”

The fund operates a liquidity strategy which relies on the SALAMI portfolio, this provides operational liquidity to meet capital calls and has proved effective over the past year.

Given the recent large inflationary increases to pension payments in 2023 the fund commissioned a review of the cashflow position of the fund. The cash flow position of the Fund is broadly neutral, which is to say that contributions from employers and employees are sufficient to meet the payments of benefits due without needing to utilise investment income, or liquidate investment assets. The modelling work showed the fund would likely maintain this position for several more years.

### *Value of assets*

During the year to 31 March 2024, the Fund experienced positive investment performance, the global market rally in equities during the year has fuelled this positive performance. This has outperformed the long term actuarial expectations for 1 year, over the three year period the fund remains slightly behind the long term investment target, 3.4% vs 4.1%.

### *Arrangements with employers*

The majority of the Fund's employers by liability, are public sector bodies, such as councils and academies, who are long term secure, tax backed employers, where the covenant is strong and backed by statute or the Department of Education guarantee. These types of bodies are unlikely to pose an insolvency risk to the Fund. Similarly, they are likely to be able to make contributions when they fall due.

The most significant impact on covenant is in respect of other employers including those who are close to exit and/or are not public sector. However, it should be noted that from 1 October 2012, the LGPS 2012 Miscellaneous Regulations introduced mandatory new requirements for all Admission Bodies brought into the Fund from that date; the regulations required Admission Bodies to provide some form of security, such as a guarantee from the letting employer, an indemnity or a bond. The security is required to cover some or all of the following:

- the strain cost of any redundancy early retirements resulting from the premature termination of the contract;
- allowance for the risk of asset underperformance;
- allowance for the risk of a greater than expected rise in liabilities;

- allowance for the possible non-payment of employer and member contributions to the Fund;  
and/or
- the current deficit

Employer support for the scheme is crucial to the ongoing success of the fund, maintaining an open fund with a mix membership profile is essential to allow the fund to maintain a long term investment strategy.

*Operational concerns*

Local authorities in general are experiencing budgetary difficulties, but this does not affect the Pension Fund, as it is funded by its own budget, which is agreed by the Committee. However due to staff in the Pension Fund being employed on Wiltshire Council terms and conditions the impact of national pay settlements does impact the pay of Fund employees and can impact recruitment.

This page is intentionally left blank



## WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD  
23<sup>rd</sup> September 2024

### RESPONSIBLE INVESTMENT UPDATE REPORT

#### Purpose of the Report

1. The purpose of this report is to update members on responsible investment issues.

#### Progress against recent decisions and the actions in the Responsible Investment Plan 2024/25

2. Progress against the actions in the Responsible Investment Plan 2024/25 is as follows, along with links to the completed work:

Action	Work due	Progress status	Comments
Complete allocation to a nature-based fund in the Clops portfolio	Q2 2024		Initial investigation being undertaken into funds, work will be delayed into Q3 2024.
Complete allocation to a listed equities strategy in the Clops portfolio	Q2 2024		Manager selected for this strategy.
Publish the Stewardship Report and mini-magazine	Q2 2024		Report agreed by Committee and graphically designed ready for publication on 13 <sup>th</sup> June. See appendix 2 for the mini magazine.
Publish the Affordable Housing Impact Report	Q2 2024		Report prepared and provided as appendix 1 to this paper, will be published on 20 <sup>th</sup> June.
Publish a report into our fossil fuel holdings	Q2 2024		Elsewhere on this agenda in the Climate and Nature Report 2024.
Research and write up case study on fashion holdings	Q2 2024		Complete: <a href="#">Investing in fashion - how do our investments measure up? - Wiltshire Pension Fund</a>
Conduct a site visit to an affordable housing development	Q2 2024		Complete, visit to two sites completed and included in the Affordable Housing impact report. Man Group site and two CBRE sites in London. <a href="#">Building affordable housing from the ground up - Revisiting Saltdean two years on! - Wiltshire Pension Fund</a>
Deliver a younger members focus group	Q2 2024		Due to low levels of interest, this action has been closed. Options are being considered on how to progress engagement with younger members.
Carry out climate scenario modelling	Q3 2024		Expect this to now happen in Q1 2025 with new investment consultant.
Review and update the Responsible Investment Policy	Q3 2024		Draft presented at this committee meeting
Publish a Climate and Nature Report	Q3 2024		Published: <a href="#">2024 Climate and Nature Report: Our Journey to Net Zero - Wiltshire Pension Fund</a>
Publish a Social Impact Report	Q3 2024		The Spotlight on Social Report has been published: <a href="#">Spotlight on Social - Wiltshire Pension Fund</a>

Action	Work due	Progress status	Comments
Conduct an employer survey	Q3 2024		Draft prepared and ready for release to employers.
Write up a case study into one of our private markets managers	Q3 2024		Not yet started
Investigate best practice ESG integration for bank loans	Q4 2024		Not yet started
Make the final affordable housing allocation	Q4 2024		In progress
Develop the transparency tool to cover fixed income holdings	Q4 2024		Not yet started
Publish a case study into "levelling up" investments	Q4 2024		Preliminary work has begun
Research and write up a case study into food systems	Q4 2024		Not yet started
Investigate the topic of ESG as a risk management tool in private debt	Q4 2024		Not yet started
Investigate climate targets for private markets portfolios	Q1 2025		Not yet started
Scope the Clops Impact Report	Q1 2025		Not yet started
Research and write up a case study into a just transition	Q1 2025		Not yet started

- The RI Plan includes an action to create a "levelling up" report in Q4 2024. As the phrase "levelling up" has now been dropped, the intention is to rebrand this as an "investing in the UK" report. Scoping has begun for this report, and the plan is to include some information on where our UK investments are, what they are, what themes they are tackling (UK economic growth and job creation, housing, health, education, renewable infrastructure or other), and a series of case studies to illustrate the positive impact that the Fund's UK investments are delivering. A lot of this information can be prepared by officers, but officer are also exploring using a third-party provider to provide some data and analysis.

### **Responsible Investment Policy**

- The annual review of the Responsible Investment Policy was taken to the Committee in September for approval. A Responsible Investment Policy is not a statutory document, and historically this information has been contained within the Fund's Investment Strategy Statement (ISS). However, it is best practice for Funds to present the relevant information into a separate document, which is to be considered as an integral part of the ISS, in order to improve transparency. The Committee first approved a Responsible Investment Policy in September 2021. The Responsible Investment Policy states that it will be reviewed annually, and this is the third such review. An annual review is necessary as this area is continuously undergoing a lot of change and development.

### ***Highlights of changes from the Responsible Investment Policy 2023***

- The 2024 version of the RI Policy (draft version attached as Appendix 1) has undergone some changes in order to streamline and clarify some of the content. As mentioned above, the origins of the content in the RI Policy were the relevant sections of the ISS, and over the last three years this has been added to and updated. However, this meant that the RI Policy had grown quite long, and contained information which is now included in specialist

publications such as the Climate and Nature Report, and the Stewardship Report. Over the last few years, the Fund's approach has also evolved, and there is now a stronger focus on using ESG factors to identify investment opportunities, such as the Fund's Impact UK Affordable Housing portfolio, and the Climate Opportunities (Clops) portfolio.

6. Therefore, some work has been done to re-format the Policy to a certain extent. The format is now as follows:
  - Brief introduction.
  - Who WPF is as an investor.
  - What we believe.
  - Our approach – listing all the ways we embed RI principles in our approach, followed by...
  - Sections going into our approach in more detail, in the same order as the list.
  - A glossary
7. The result of these changes is that even though new information has been added this year, overall, the policy is shorter, and could be said to have a more logical flow.
8. In addition to the above, the following updates have been made to the 2023 policy:
  - Page 1 – trimmed, in line with the comments above.
  - Page 4 – the investment belief on investing with impact has been shortened, and the text which has been removed to shorten it is now within the explanatory text in the second column in the table instead.
  - Page 5 – the list has been expanded to include Responsible Investment priorities and investing with positive impact.
  - Page 7 – some new text has been added on Responsible Investment priorities, largely lifted from the Stewardship Report.
  - Pages 7-11 – the climate section has had some new information added. The goal has been updated to reflect the Committee's previous comments about including opportunities, and a graphic has been added to illustrate the fact that the Fund's approach is not just to decarbonise, but to tackle the issue from multiple different angles. The information on transition planning and other asset classes has been streamlined to avoid too much duplication with the Climate and Nature Report, and the section on divestment has been streamlined.
  - Page 13 – the section on Equality, Diversity and Inclusion (EDI) has been removed, and replaced with a section on social factors more broadly (which includes information on EDI).
  - Pages 14-15 – previously there was information in the RI policy about the Government's views on pension funds sacrificing return for positive impact, but since this is not an approach taken by WPF, this section has been amended to reflect what we actually do, and some examples have been added to illustrate the approach.
  - Pages 16-17 – information which was previously in different places in the report has now been brought together into one section on stewardship and engagement. A more "real-life" definition of stewardship is included. The previous information on engagement has been trimmed to avoid redundancy and repetition with the Stewardship Report.
  - Page 18 – FAIRR has been added to the list of initiatives.
  - Page 20 – the reporting table has been updated to include the Spotlight on Social Report, and the quarterly equity holdings transparency tool on the Fund's website. Some links have been updated to ensure they are current.
  - Pages 21-24 – the glossary has been reviewed and updated.

9. As was done in 2023, the Responsible Investment Policy will be graphically designed prior to publication. The designed version will be circulated to Committee members once available and published via the Fund's website.

### **Environmental Impacts of the Proposals**

10. This report includes information on actions and policies which directly deal with addressing climate change risk.

### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

11. There are no known implications at this time.

### **Proposals**

12. The Committee is asked to use this report as a basis for monitoring the progress that is being made towards implementing responsible investment policy.

Report Author: Chris Moore (Investment and Accounting Team Lead)

---

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

## Introduction

Welcome to the Wiltshire Pension Fund (WPF) Responsible Investment Policy.

Responsible investment is important to us and our stakeholders, as an essential tool in achieving the best long-term risk-adjusted returns and ensuring a sustainable future for the Fund.

This Policy sets out who WPF is as an investor, our beliefs regarding responsible investment, and what we do in this area – our approach to embedding responsible investment at every level in our strategy and operations.

### What is responsible investment?



Responsible investment is the strategy to incorporate ESG (environmental, social and governance) factors into investment decisions, and influencing companies or assets to achieve better outcomes (known as active ownership or stewardship).

We continue to make significant progress in developing the approach to responsible investment and have set a goal to be an example of best practice in this area. In order to ensure accountability and continued progress, the Committee approves a Responsible Investment Plan each year, assessing progress made so far and setting out goals for the year ahead. The Fund's Responsible Investment Policy is reviewed annually and is intended to bring all the information on the Fund's responsible investment activities into one place, to promote transparency and engagement with stakeholders.

## Wiltshire Pension Fund as an investor

As the Fund is open to new members, who will not be retiring for many years into the future, the Fund has a very **long-term investment horizon**. The Fund therefore needs to consider long-term sustainability issues, and the importance of engagement with companies in which it is invested, in order to safeguard the investments into the future.

The Fund is a **large, diversified investor**, with exposure to the global economy. The Fund therefore needs to invest in a way that contributes to the success of the global economy and society as a whole, as this will have a positive financial impact on the Fund's investments.

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

The vision is set to focus the team on delivering outcomes for the employers and members of the pension fund. The vision is supported by 16 outcomes-focussed strategic vision goals. The goals broadly map to outcomes for employers, members, investments, and governance, however, across the team staff are encouraged to think about how their work maps to different goals.

The strategic goal 11, "Responsible Ownership and Stewardship", is particularly relevant to responsible investment activities. The goal focusses on ensuring that our responsible investment and stewardship activities are in line with best practice (which also contributes to strategic goal 16, "Compliance and Best Practice"), and that these activities are a central part of delivering an outstanding service to our scheme employers and members.

For these different groups this may mean different things:

- **Employers** will be best served by the delivery of long-term positive investment returns, which will help keep their contribution rates affordable (strategic goal 1, "Stable and Affordable Contributions", is targeting this outcome), and responsible investment activities can help preserve capital and enhance value.

- **Members** may be concerned about how the funds held to pay their pensions are invested, and goal 15, "Transparency and Information Sharing" contributes to this outcome. Responsible investment has a role to play here in the information that is shared with members – for example, the Fund publishes its engagement and voting records online, as well as sharing investment case studies. The Fund also works to make information more accessible to a wider stakeholder group, through the use of one-page factsheets, mini-magazines, and engaging news stories.



## Long term thinking



We always act with the long term in mind, whether we are setting our investment strategy, planning improvements, or working towards our net zero by 2050 goal

In order to help us achieve our strategic goals, and deliver our vision, we need to adopt certain outlooks and ways of working. This is set out in our values, which form part of our culture. The value most relevant to responsible investment and stewardship is "Long Term Thinking", which runs through everything we do. As a long-term investor, we are able to participate in stewardship activities which can add value to the Fund's investments over the long term.

The complete set of our strategic goals and values are set out on our website: <https://www.wiltshirepensionfund.org.uk/Our-vision-goals-and-values>

## Investment Beliefs

The Fund's investment objectives are to achieve sufficient investment returns such that there are funds available to pay the pensions as they fall due, and to meet the liabilities over the long term whilst maintaining stable employer contribution rates.

Therefore, consideration of all factors (including ESG factors) which could affect the investment returns is a fundamental part of managing the investments and helping to mitigate the risk for employers that contribution rates need to be increased. Responsible investment practices can both help mitigate risks and also enhance returns.

The following investment beliefs set by the Fund relate to responsible investment issues:

Investment belief	RI implication
The strategic asset allocation is the key factor in determining the risk and return profile of the Fund's investments.	The Fund has embedded ESG factors and sustainability within the strategic asset allocation and has set specific strategic allocations to Paris-aligned passive equities, sustainable active global equities, renewable infrastructure and impact affordable housing, in order to manage risk and secure returns into the future.
Investing over the long term provides opportunities to improve returns.	Investing over the long term means that the Fund can take advantage of opportunities in long-term sustainability trends and/or growth style portfolios, as well as benefit from engagement activities with companies in which the Fund is invested.
Environmental, Social and Governance factors, including Climate Change are important factors	The Fund's status as a long-term investor means that the Fund needs to consider the risks and

<p>for the sustainability of investment returns over the long term.</p>	<p>opportunities presented by wider issues such as climate change and the potential impact on the investments.</p>
<p>In order to protect the Fund’s investments into the future, the Fund supports a global warming scenario of 2°C or lower, and states an ambition to achieve net-zero carbon emissions across all investment portfolios by 2050.</p>	<p>The Fund acknowledges that climate change is a material systemic risk which could have significant adverse impacts on the investment portfolio if not managed correctly, or if transition opportunities are not identified.</p>
<p>We seek to invest in a way that, where possible, aligns the interests of the Fund with those of the contributing employers and the Fund membership.</p>	<p>This policy contains an employer and member engagement plan and the Fund is actively advancing the approach in this area. Member and employer views formed part of the decision-making process when setting the netzero target. A recent survey of the Fund’s membership showed that from the 2,914 responses, 85% of members answered “Yes” or “Maybe” to the question “Is it important to you that the Fund invests in low carbon and/or sustainable assets?”</p>
<p>We wish to invest in a way that delivers competitive risk-adjusted returns from assets which minimise negative impacts on society and the environment and, where possible, make a positive contribution.</p>	<p>Investing with a positive social and environmental impact is an increasingly important issue for investors and can be achieved alongside competitive market returns. Investing with impact can also help incorporate risk and return drivers which would otherwise not be considered. The Fund has made dedicated strategic allocations to UK Impact Affordable Housing and Climate Opportunities. We will continue to consider options for investing with impact in other areas of the strategy.</p>
<p>Stewardship and engagement are generally more effective tools than divestment in encouraging changes that will help safeguard the Fund’s investments. The Fund values the benefits of working with other investors to strengthen these activities and achieve better outcomes.</p>	<p>The Fund is a signatory of the 2020 Stewardship Code and reports annually on work done and outcomes achieved.</p>

Our Approach to Responsible Investment



In order to ensure that all relevant ESG factors are considered and acted upon, we integrate responsible investment issues across the whole investment process:

- i. **Investment Strategy** – this Responsible Investment Policy is an integral part of the Fund’s Investment Strategy Statement.
- ii. **Strategic Asset Allocation (SAA), i.e. what we invest in** – the Fund incorporates ESG factors in the design of the SAA, for example via specific allocations to Paris-aligned passive equities, sustainable active equities, climate opportunities, and impact affordable housing, and in the selection of investment managers.
- iii. **Responsible investment priorities** – we have selected our RI priorities to ensure that we focus on ESG factors which will have the most impact on our long-term risk-adjusted returns.
- iv. **Investing with positive impact** – the Fund has allocations to asset classes where the positive social and/or environmental impact is part of the investment case. This policy sets our how we view and implement impact investing.
- v. **Monitoring of managers and the pooling company** – managers will be held account for their responsible investment activities, and the Fund will work with the Brunel pool to develop the responsible investment approach.
- vi. **Stewardship and engagement** – the Fund is a signatory of the 2020 Stewardship Code. This document also includes information on the stewardship and engagement work that we do, which sets out the scope and nature of our work.
- vii. **Stakeholder engagement** – The Fund has a strategy for engagement with the Fund’s membership and employers.
- viii. **Internal reporting and accountability** – the Committee receive quarterly reporting on responsible investment issues, and staff have performance goals set which cover responsible investment activities and developments.
- ix. **Reporting externally** – the Fund’s main external reporting is via the Annual Report, an annual Climate and Nature Report, annual Stewardship Reporting, impact reporting and other ad hoc reports and publications. We also communicate responsible investment updates via the website, including publishing voting and engagement records, and a holdings transparency tool.

These points are all dealt with in more detail within the appropriate section of this policy.

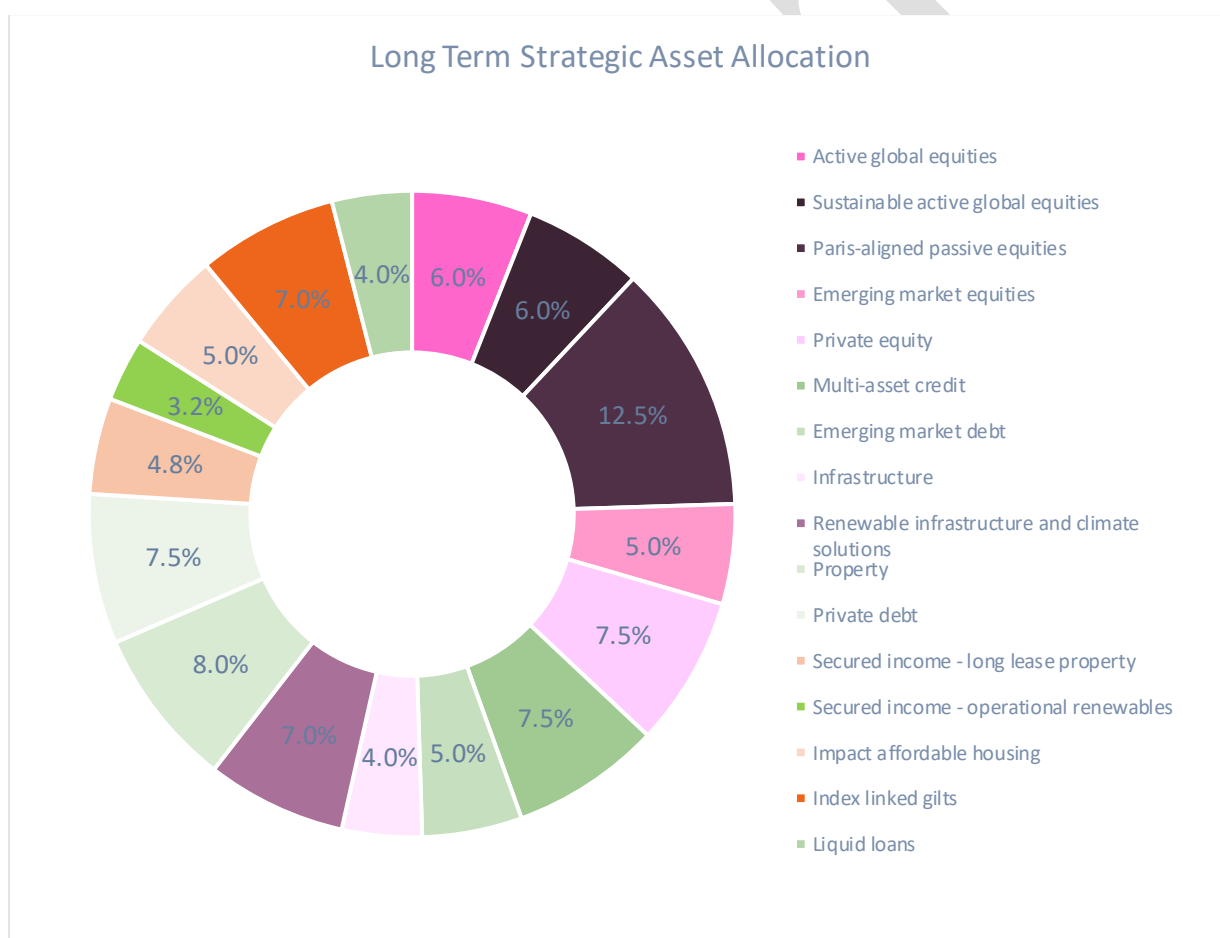
## Investment Strategy

As mentioned above, this Responsible Investment Policy is an integral part of the Fund’s Investment Strategy Statement, which can be found [here](#).

## Strategic Asset Allocation (SAA), i.e. what we invest in

The SAA is reviewed in full once every three years, in line with the Fund’s actuarial valuation. Sustainability is a consideration in this review. In addition, the Fund carries out climate scenario modelling work to ensure that the SAA is robust and best positioned to manage the risks associated with climate change, as well as to take advantage of the investment opportunities generated by the transition to a low carbon economy. Initial modelling was completed in 2020, and this will be re-run in 2025.

The Fund will continue to work to review all asset classes to ensure that climate risk and sustainability are being fully considered.



The total amount currently allocated to sustainable/low carbon assets over the long term is 28.7% of the Fund (sustainable active global equities (6%), Paris-aligned passive equities (12.5%), climate opportunities (7%), and secured income – operational renewables (3.2%)).

## Responsible Investment Priorities

We focus on the stewardship priorities which will have the biggest impact on our returns, bearing in mind the Fund’s long-term investment horizon and the opportunity to enact change over a longer timeframe. We believe that the best approach is to focus engagement activities on priority ESG factors, since research has shown that this can generate the largest positive contribution to returns and is also a practical approach considering resource limitations.

We look to a variety of sources to inform our priorities, in line with our Fund value of “Data-driven decisions”. These sources include industry research, the largest financial risks as identified by the World Economic Forum, our own climate scenario modelling, consultant views, and many more. We also ask our members and employers what their priorities are – this by itself would not be enough to set a new priority, but it ensures that we communicate with members and employers about issues that are of most interest to them.

Our priorities through an ESG lens are as follows:



We communicate our priorities to our managers every year, through circulation of the Responsible Investment Policy, and we specifically ask our managers to acknowledge our Policy and confirm to us that they will invest in line with it. When selecting new managers, being able to align with our RI Policy is one of the key hurdles that must be passed in order for a manager to be investable. This delivers the outcome that our managers are aligned to our approach.

This policy will now address the environmental and social priorities in more detail.

## Climate change

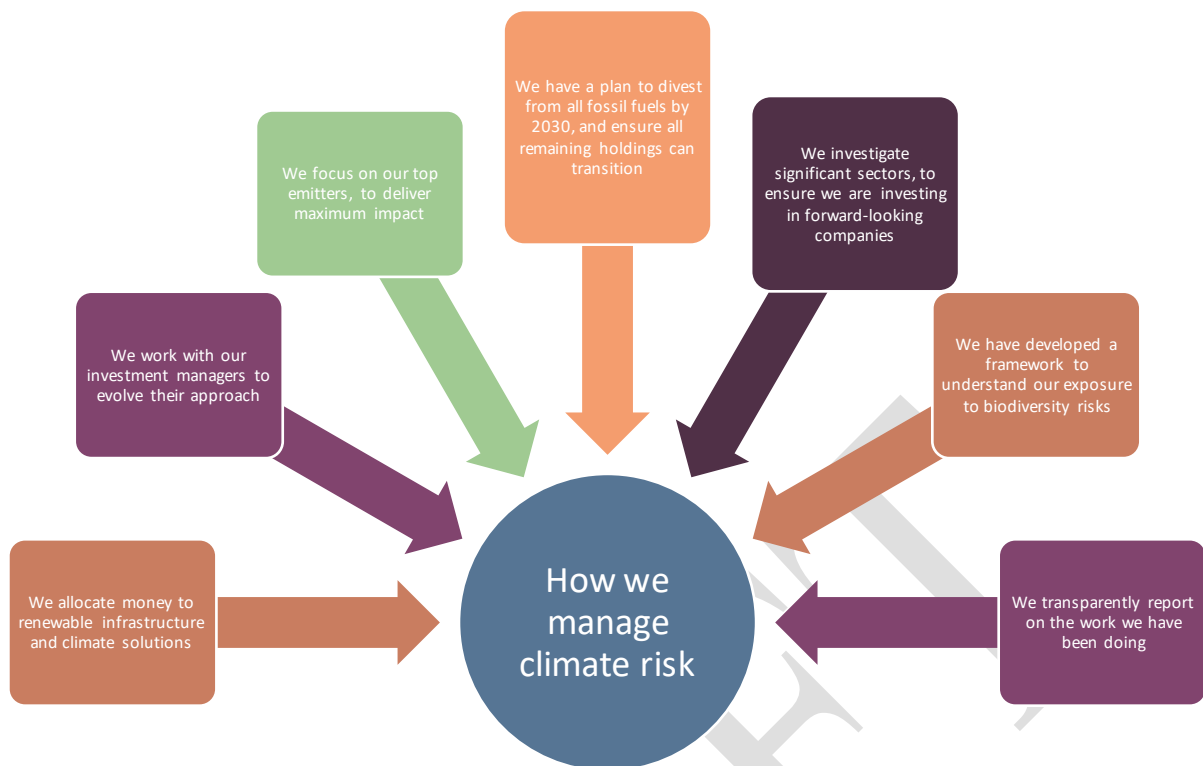
**Our target: Net zero by 2050 for all investment portfolios**

WPF acknowledges that climate change represents a major financial risk to the investments, and that as part of the Committee’s fiduciary duty, action needs to be taken to properly manage this risk, in order to safeguard the investments but also to be positioned to take advantage of the investment opportunities presented by a transition to a low carbon economy.

When it comes to climate risk, the Fund’s goal is as follows:

**“To protect the investments from climate change risk, identify opportunities to both invest in and benefit from the transition to net zero, and secure a sustainable financial future for the Fund.”**

Getting to net zero is not simply about decarbonising our portfolios. In order to give ourselves the best chance of success, we tackle this issue from many different angles:



Through this work, we aim to achieve real World change, and create a sustainable future for our Fund.

Each year, we publish a [Climate and Nature Report](#), which contains information to help illustrate the wide range of work that we do, alongside monitoring our decarbonisation progress.

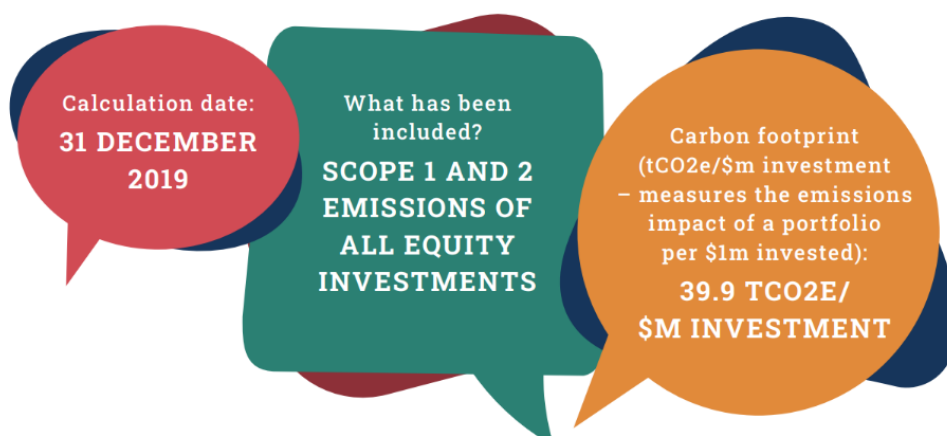
## Decarbonisation

In March 2021, in the Fund’s best financial interests, the Committee set a goal to decarbonise from our baseline position at 31 December 2019, and achieve net zero by 2050 for the investment portfolios. Our climate risk work is based on scenario modelling, which enables us to put numbers around the risk, and make decisions based on what is the best financial outcome for the Fund. Managing climate risk is about more than just decarbonisation, we also focus on driving positive change through engagement, and identifying the investment opportunities which are presented by the transition to net zero.

## Setting a baseline

We use the carbon footprint metric to measure progress against the targets. This is our preferred metric due to the link to real world absolute emissions, and it also provides good comparability with other investors.

The fund's baseline position for decarbonisation is calculated as follows:



## Implementing a transition plan

We work with our investment consultants to establish and review appropriate targets in order to achieve our net zero goal, which are set out below as our Climate Commitments. We report on our progress against our commitments every year in our [Climate and Nature Report](#). As part of the overall transition plan, we have carried out significant work towards setting a more detailed, bottom-up implementation plan. This bottom-up plan includes analysis of the transition alignment of the portfolio, as well as identification of individual stocks for prioritisation of engagement activities. We also perform our own analysis of holdings for engagement prioritisation, our “Top 10 Emitters”.

## The Fund's Climate Commitments

1. We commit to a whole Fund carbon reduction target of 50% by 2030.
2. We commit to a listed equities carbon reduction target of 43% by 2025 and 69% by 2030.
3. We commit to allocating 30% of the Fund to sustainable/low carbon green assets by 2025, and 35% by 2030 (as measured by the long-term strategic asset allocation).
4. We commit to all of our property investments being aligned with a net zero by 2050 target by 2030.
5. We commit to engaging with our top 10 emitters and reporting transparently on our findings.

## Climate risk monitoring and reporting

We have adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and include this information in our [Climate and Nature Report](#). This reporting sets out how the Fund manages climate change risk, from the perspective of governance, strategy, risk management and carbon metrics.

Progress against the targets is reported to the Committee on an annual basis, and also included in the Climate and Nature Report which also includes information on the status of all the Fund's portfolios with regard to climate risk, investment case studies, examples of engagement work, key facts and other information) for the wider stakeholder group.

## Other Asset Classes

The Fund has made significant progress towards defining how to set specific net zero targets for other asset classes (i.e. not listed equities), and this is still an ongoing piece of work. Considerations across other asset classes is detailed in full in the [Climate and Nature Report](#).

## Investment Pooling

Due to the nature of investment pooling, there can be barriers to aligning climate change policy at the pool with that of our own, due to the fact that pooled portfolios have to contain the same holdings for all client funds, and a consensus position needs to be sought. We communicate our position to Brunel and other investment managers and continue to work with Brunel and other client funds in order to advance the approach in this area.

The Fund will continue to monitor Brunel's progress on implementing its policy objectives and will work with them to achieve our collective climate change ambitions. If the Fund does not feel action is progressing at an appropriate pace, the Fund will seek to address this with the other partner funds and Brunel.

## Divestment

**Divestment = the intentional act of moving money and investments out of a company.**

This is most often spoken about with regard to fossil fuel investments, and there is significant pressure on LGPS funds to divest from all fossil fuel companies. This pressure comes both from scheme members and wider campaigns. We believe that selective divestment from fossil fuel companies which are unable and/or unwilling to transition is an important tool, alongside active engagement, in ensuring that we are able to achieve our net zero goals.

**Our statement on divestment is as follows:**

As a long-term investor, WPF's goal is to protect the investments from climate change risk, identify opportunities to both invest in and benefit from the transition to net zero, and secure a sustainable financial future for the Fund. We support a global warming scenario of well below 2°C, and have an ambition to achieve net-zero carbon emissions across all investment portfolios by 2050. **We do not see a long-term place for fossil fuel investments in our portfolios, and will work towards being fully divested from these companies by 2030. In the short term we will continue to monitor our holdings in these companies, to ensure that any such investments are helping to finance real-World change.** Alongside this, we will continue to invest in renewable infrastructure and climate solutions, to help create sustainable replacements for traditional fuel sources, and contribute positively towards ensuring energy security. This approach aims to ensure that the Fund's risk of exposure to stranded assets is well managed, and that the Fund can benefit from the investment opportunities presented by the transition to a low carbon economy.

**What is a fossil fuel company?**

Through the Fund's allocation to the Paris-aligned passive portfolio, some companies are removed from the investable universe if they meet certain criteria. These are as follows:

- Companies with:
  - 1 % or more of revenues from exploration, mining, extraction, distribution or refining of hard coal & lignite
  - 10 % or more of revenues from the exploration, extraction, distribution or refining oil fuels
  - 50 % or more of revenues from the exploration, extraction, manufacturing or distribution of hydrocarbons, hydrogen and carbon monoxide mixtures present in gaseous state
- Electricity producers with carbon intensity of lifecycle GHG emissions greater than 100 gCO<sub>2</sub>e/kWh (50%+revenues)
- Any companies found or estimated by them or by external data providers to significantly harm one or more of the environmental objectives under the "Do No Significant Harm" definition
  - Currently this includes Pure play Coal and Pure play Tar sands companies

The Fund uses these exclusion criteria from the Paris-aligned benchmark as its definition of "fossil fuel companies", and monitors holdings on this basis. This is reported annually, as part of the [Climate and Nature Report](#).

## Biodiversity and Nature

Biodiversity is rapidly gaining attention as an area that investors should be considering. The World Economic Forum's Risk Report 2024 puts "Biodiversity loss and ecosystem collapse" as the 3<sup>rd</sup> biggest economic risk facing the world over the next 10 years. The UN has published a report into this area, entitled "[Stepping up on Biodiversity, what the Kunming-Montreal Global Biodiversity Framework means for responsible investors](#)". Our net zero by 2050 target and wider investment beliefs mean that this is an area where we need to take action.

### Position and investment beliefs

The most relevant investment belief to this subject area is as follows:

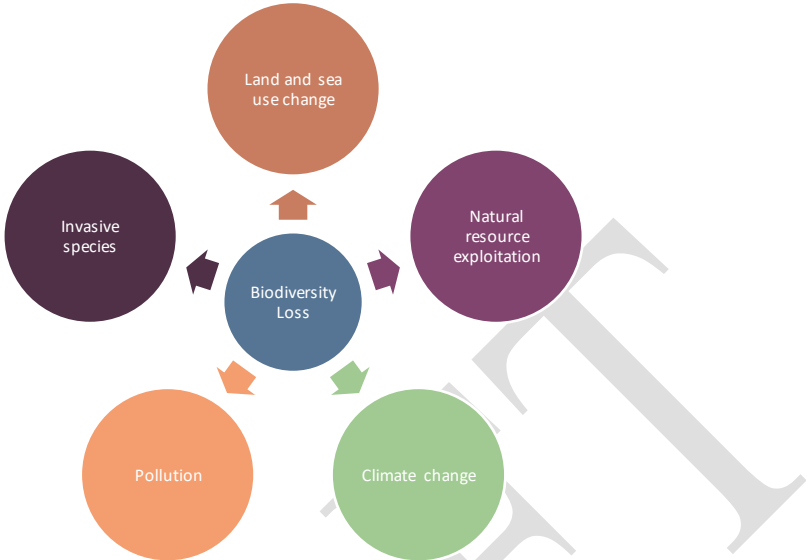
"Environmental, Social and Governance factors, including Climate Change are important factors for the sustainability of investment returns over the long term".

Biodiversity is closely linked to climate change, and scientists believe that there can be no net zero future without a reversal of biodiversity loss.

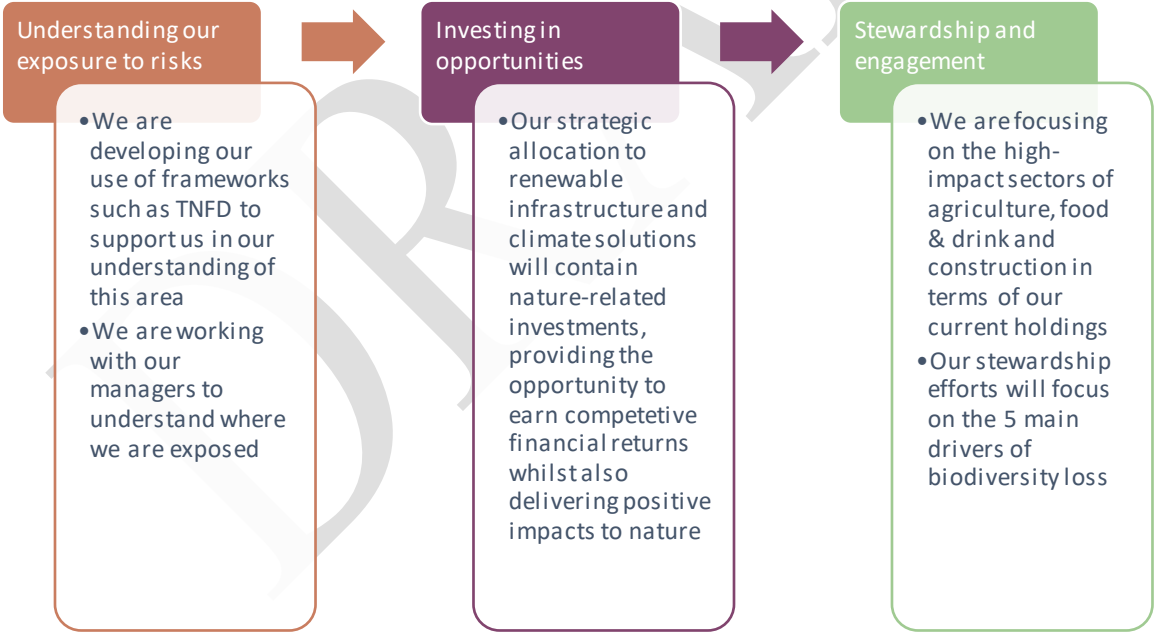
### Our Approach to Biodiversity

At this stage, this is an emerging area in the industry. The Taskforce for Nature-related Financial Disclosures (TNFD) provides a framework for reporting against how organisations manage nature-related risks. Also in development is [Nature Action 100](#), a global investor engagement initiative focused on driving greater corporate ambition and action to reverse nature and biodiversity loss. The Fund supports these initiatives and will use them as part of our own framework to understand and manage this risk.

In order to identify key areas to look at, we focus on investments in sectors which are particularly impacted, as well as looking at the key drivers of biodiversity loss, as defined by IPBES (the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services). These are as follows:



We approach biodiversity risk in the following ways:



### Social Factors

In order to assess and prioritise social factors, we have developed a framework of which social factors we believe have the more significant potential impact on our long-term risk-adjusted returns.



The Social factors we focus on (and why) are as follows:



We view the first three factors (affordable housing, education and health) as potentially investable areas, with all six factors being priorities for stewardship and engagement across all our portfolios.

We report on our work done to invest in and engage on these social factors in our [Spotlight on Social Report](#).

## Investing with Positive Impact

### Beliefs and Approach

Our investment belief regarding impact investing is as follows:

**We wish to invest in a way that delivers competitive risk-adjusted returns from assets which minimise negative impacts on society and the environment and, where possible, make a positive contribution.**

Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return (as defined by the Global Impact Investing Network). We view impact investments where the positive impact generated is integral to the investment case as compelling opportunities for the Fund. At no point past or present have any investment decisions been made by WPF which the Committee believe would compromise on long-term risk adjusted returns.

The Fund is a member of Pensions for Purpose, and an adopter of the Impact Investing Principles for Pensions. There is more info on how we use this in the section on “Wider Initiatives” later in this policy.



The Fund has a strategic allocation of 5% to Impact Affordable Housing, where the return characteristics are a match for our requirements, and in addition the anticipated positive social impact is an integral part of the investment case. This is due to a shortage and high demand for more affordable housing in the UK, creating a compelling business case for investment. We monitor both the investment performance and the social and environmental impacts of this portfolio, and report

annually on our progress in an [Affordable Housing Impact Report](#).



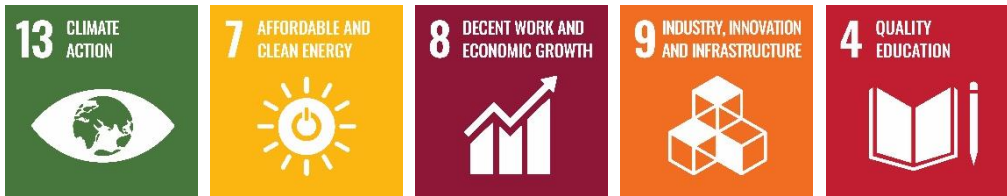
The Fund has a strategic allocation of 7% to Climate Opportunities, a portfolio which has an objective to earn superior risk-adjusted returns by investing in a diversified mix of assets which have the intention to deliver real World change by actively supporting the transition to a low carbon economy. This portfolio contains assets ranging from renewable infrastructure (delivering an income stream from greening the grid) to investments in start-up companies whose business case is based around

their ability to deliver material carbon reduction.

Looking at the impact of the Fund’s investments can be very helpful in identifying new investment opportunities and helps to identify ways that the Fund can reduce exposure to risks.

The Committee has considered the United Nations Sustainable Development Goals (UN SDGs) through an investment lens. Although the SDGs are targeting broad economic goals and have not been specifically developed as an investment framework, as a large and diversified investor the Fund has exposure to the global economy, and the intended outcomes of the SDGs would benefit the Fund’s investments and the sustainability of investment returns into the future. The exercise of considering the SDGs also assisted the Fund in focussing on relevant investment risks and opportunities. As a result of this analysis, the Fund sees the strongest investment case for supporting the following SDGs, and prioritises these areas when discussing engagement activity, investment opportunities and risk mitigation with investment managers:

- Climate [SDGs 13 Climate Action & 7 Affordable and Clean Energy]
- Economic growth [SDGs 8 Decent Work and Economic Growth & 9 Industry Innovation and Infrastructure]
- Education [SDG 4 Quality Education]



## Sanctions

The Fund does not exclude investments in order to pursue boycotts, divestment and sanctions against foreign nations and UK defence industries, other than where formal legal sanctions, embargoes and restrictions have been put in place by the Government.

## Reporting on our Impact

In order to ensure that our impact portfolios are delivering against their strategies, we report on selected key metrics to demonstrate the impact being achieved. Reporting will be published on [our website](#).

## Monitoring managers

The majority of the Fund's assets are now held through the Brunel Pension Partnership ("Brunel"). Through Brunel, the Fund is able to work with the other 9 shareholder client funds to help advance responsible investment policy. Responsible investment is written into the portfolio specifications and is a key topic of discussion at the client group.

For all managers, responsible investment is a standing item on the agenda for all quarterly monitoring meetings. The Fund regularly questions the managers of these investments on specific holdings or on relevant themes and topics.

The Fund has a fiduciary duty to act in the best interest of its members and therefore we expect all of our investment managers to take account of financially material ESG factors in the selection, retention and realisation of investments as an integral part of the normal investment research and analysis process. The Fund believes that taking account of such considerations forms part of the investment managers' normal fiduciary duty.

## Stewardship and Engagement

### Stewardship

Stewardship means using our influence as investors to deliver better long-term risk-adjusted returns for the Fund, as well as better outcomes for our stakeholders, the economy, the environment and society.

In practical terms, this means the following:

- Building a strong link between our beneficiaries and our investments.
- Taking stakeholder views into account.
- Reporting on our activities and holdings in a clear and transparent manner.
- Using our investment activities to support delivery of our vision as a Fund.
- Being actively involved with our investments, in order to support positive change and deliver better outcomes, for example participating in engagement activities, exercising our voting rights, and taking the time to understand what risk and opportunities we are exposed to.
- Collaborating with other investors to achieve our collective goals.

The Fund is a signatory of the 2020 Stewardship Code. [Full reporting in line with the Code is published annually](#), which sets out the specifics of what we do and why, and the outcomes that have been achieved as a result of the work. A mini-magazine, Responsible Investment and Stewardship Highlights, is published alongside the full report, to bring the Fund's approach to life for stakeholders, with examples and case studies to put the policy into context.

## What engagement work we carry out

As part of our stewardship and engagement work, we carry out the following activities:

- Communicating the Fund's engagement priorities to Brunel and the legacy investment managers
- Encouraging legacy investment managers to improve disclosure rates on their holdings, develop new ESG reporting, set climate-related targets etc.
- Collaborating with the Brunel pool and partner funds in the development of responsible investment policy, including engagement activities, and climate reporting and targets.
- Challenging Brunel and the legacy managers on holdings which do not appear to be aligned with the Fund's overall objectives, for example this could include challenging the investment case for holding a fossil fuel company, a company with high carbon emissions, or a company which appears to present other ESG factors, such as a fast fashion company. Please note these examples are by no means exhaustive.
- Requesting and scrutinising case studies of engagement activities, to determine their effectiveness.
- Challenging Brunel and the legacy managers on their own approach to ESG integration, including but not limited to climate risk.
- Requesting ad-hoc information, which may include things like responses to events in the press, customised reporting, voting information, detailed investment case studies, exposure to various sectors/themes etc.
- Conducting site visits to certain types of investments in order to engage operationally and obtain evidence and examples of sustainable practices, management of business risks, and other financial factors.
- Holding Brunel and the legacy investments managers to account on other topics relating to engagement activities.

## Reporting on our stewardship activities

For full transparency, as well as the annual Stewardship Reporting in line with the 2020 Stewardship Code, we publish [quarterly voting statistics and highlights](#), and a [quarterly report into our equity holdings](#).

## Wider Initiatives

As set out in the Fund's investment beliefs, the Fund values the benefits of working with other investors to achieve better outcomes. The following is a list of organisations and/or initiatives which the Fund supports.

- i. **The Brunel pool** – the Fund is a shareholder and client of the Brunel Pension Partnership. The Fund is able to be involved in setting portfolio specifications, approving manager selection, and monitoring ongoing performance of portfolios. Responsible investment is completely embedded and considered at each of these stages of the process. The Fund also engages through the client group, the responsible investment sub-group, and ad hoc communications from Brunel on responsible engagement initiatives, for example engagement and voting matters.
- ii. **LAPFF (Local Authorities Pension Fund Forum)** - The Fund is a member of the LAPFF, to enable it to act with other local authorities on corporate governance issues. LAPFF's mission is to protect the long-term investment interests of beneficiaries by promoting the highest standards of corporate governance and corporate responsibility amongst investee companies. Details of their activities can be found on the following link: <http://www.lapfforum.org/about-us>
- iii. **TPI (Transition Pathway Initiative)** – The Fund publicly supports TPI, which is a global, asset-owner led initiative which assesses companies' preparedness for the transition to a low carbon economy. The TPI tool assesses progress against companies and sectors to measure the level management quality and carbon performance, to aid in risk assessment. More information can be found here: <https://www.transitionpathwayinitiative.org/>
- iv. **IIGCC (Institutional Investors Group on Climate Change)** – the Fund is a member of the IIGCC. More information can be found here: <https://www.iigcc.org/> As part of its membership the Fund benefits from educational materials, webinars, and the net zero framework, which will help the Fund achieve the target of net zero by 2050.
- v. **Climate Action 100** – The Fund is a signatory of Climate Action 100. This is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. This initiative enables the Fund to support engagement activities which promote the target of net zero by 2050. More information is available here: <https://www.climateaction100.org/>
- vi. **Pensions for Purpose** – The Fund is a member of Pensions for Purpose, and has adopted the Impact Investing Principles for Pensions. The principles provide a useful framework for demonstrating how we look at impact investing, from setting objectives to working with consultants and investment managers, using our voice to make change, and reviewing our impact. More information is available here: [Impact Investing Principles for Pensions | Pensions For Purpose](#). Pensions for Purpose provides a valuable resource to learn more about certain topics in the impact investing area, and a forum to interact with other investors and managers to drive progress.
- vii. **Just Transition** – a just transition means not transitioning to a low carbon economy at any cost, but doing so whilst also ensuring that this is done in a socially responsible way, i.e. in a way which is fair to all. The Grantham Research Institute on Climate Change and the Environment at the London School of Economics and Political Science have put together a comprehensive guide as to what this means for investors, and what action can be taken. The Fund has signed a statement of support, and uses the guide to help embed this goal within the Fund's policies,

and help hold our investment managers to account. More information is available at the following link:

<https://www.lse.ac.uk/granthaminstitute/investing-in-a-just-transition-global-project/>

- viii. **FAIRR** - We are a member of FAIRR, which is an investor network that raises awareness of the environmental, social and governance (ESG) risks and opportunities in the global food sector. We find the research and data provided by FAIRR very useful when we are looking into investment themes such as health and regenerative agriculture, and exploring the risks posed to our holdings in the food and agriculture sectors. You can find out more here: [FAIRR Initiative | A Global Network of Investors Addressing ESG Issues in Protein Supply Chains](#)

## Scheme membership and employer engagement

The Fund considers that transparency on its actions, particularly with regard to responsible investment issues, is important, and engagement with the scheme employers and membership is a key part of this. The topic of investments is quite technical, and responsible investment issues can be nuanced, so it is important to educate members as well as asking for opinions.

Why might the Fund engage with employers and members?

- **Employers** – funding is achieved by a balance of employer (and employee) contributions, and investment returns. Therefore employers, as budget holders, will be interested in how the investments are managed, as this could have an impact on the contribution rates they need to pay.
- **Members** – members benefits are set in law and are not impacted by the investment returns. However, members may have personal beliefs and views on how the investments are managed. Therefore, keeping members informed and finding ways to represent their opinions is important.

There are a range of ways that members can be engaged with:

- i. **Informing** – the Fund seeks to keep members and the general public informed via regular reporting (details of reporting later in this Policy). The Fund makes use of the news section of the website to share short posts, including responsible investment content. We will continue to publish press releases to communicate major strategic decisions.
- ii. **Educating** – the Fund will use its website as a way to communicate information and keep members and employers informed. The Fund will continue to develop methods of accessible communication.
- iii. **Consulting** – in order to incorporate the views of the employers, the Fund will consult with employers on amendments to the ISS. There are two employer representatives on the Committee, who are actively involved in promoting employer engagement. The Fund has established an employer forums, to discuss relevant strategic issues, including investment policies and strategies.
- iv. **Actively seeking views** – the Fund has used surveys to collect the views of employers and members, and has used the results of these surveys to develop the approach to member and employer engagement. Although the views of members and employers alone would not be used to drive the strategy, they are considered by the Committee alongside other information as part of a full picture. The Fund's investment strategy is set in the best financial interests of the Fund, but can also, where possible, reflect the wider goals and philosophy of the employer organisations and Fund membership.

## Reporting and Accountability

Reporting is important in order to measure and monitor progress against objectives, and for transparency and openness with stakeholders. The Fund's current reporting is as follows:

<b>Internal Reporting</b>	<b>Frequency</b>	<b>Where to find it</b>
Pension Fund Committee responsible investment progress reports	Quarterly	<a href="https://cms.wiltshire.gov.uk/ieListMeetings.aspx?CommitteeId=142">https://cms.wiltshire.gov.uk/ieListMeetings.aspx?CommitteeId=142</a>
Local Pension Board responsible investment progress reports	Bi-annual	<a href="https://cms.wiltshire.gov.uk/ieListMeetings.aspx?CId=1280&amp;Year=0">https://cms.wiltshire.gov.uk/ieListMeetings.aspx?CId=1280&amp;Year=0</a>
<b>External Reporting</b>	<b>Frequency</b>	<b>Where to find it</b>
Annual Report, mini-magazine and one-page summary "Our Year in Review"	Annual	<a href="https://www.wiltshirepensionfund.org.uk/Annual-report-and-accounts">https://www.wiltshirepensionfund.org.uk/Annual-report-and-accounts</a>
Climate and Nature Report	Annual	<a href="https://www.wiltshirepensionfund.org.uk/Climate-pages">https://www.wiltshirepensionfund.org.uk/Climate-pages</a>
Affordable Housing Impact Report	Annual	<a href="https://www.wiltshirepensionfund.org.uk/Investing-with-Impact">https://www.wiltshirepensionfund.org.uk/Investing-with-Impact</a>
Spotlight on Social Report	Annual	<a href="https://www.wiltshirepensionfund.org.uk/Spotlight-on-Social">https://www.wiltshirepensionfund.org.uk/Spotlight-on-Social</a>
Voting records and reports	Quarterly	<a href="https://www.wiltshirepensionfund.org.uk/Voting">https://www.wiltshirepensionfund.org.uk/Voting</a>
Equity holdings transparency tool	Quarterly	<a href="https://www.wiltshirepensionfund.org.uk/Equity-Holdings">https://www.wiltshirepensionfund.org.uk/Equity-Holdings</a>
<b>Strategies, Policies and Plans</b>	<b>Frequency</b>	<b>Where to find it</b>
Investment Strategy Statement (ISS)	Reviewed at least once every 3 years, but in practice under regular review	<a href="https://www.wiltshirepensionfund.org.uk/Investment-approach">https://www.wiltshirepensionfund.org.uk/Investment-approach</a>
Responsible Investment (RI) Policy	Updated annually	<a href="https://www.wiltshirepensionfund.org.uk/Investment-approach">https://www.wiltshirepensionfund.org.uk/Investment-approach</a>
Stewardship Report and Responsible Investment and Stewardship Highlights mini-magazine	Annual	<a href="https://www.wiltshirepensionfund.org.uk/Stewardship-Highlights-2023">https://www.wiltshirepensionfund.org.uk/Stewardship-Highlights-2023</a>

## Glossary

<b>Active</b>	an active investment is one which aims to beat an index or deliver returns based on asset manager skill. Annual charges are higher and manager selection and monitoring more important than for passive, but potential returns may be higher.
<b>Administering Authority</b>	means a body required to maintain a pension fund under the LGPS Regulations, usually this is a local authority. For the Wiltshire Pension Fund, this is Wiltshire Council.
<b>Affordable housing</b>	in an investment context, the definition of affordable housing can vary. However, generally this would include housing that is affordable to those with a household income at or below the (local) median. In practice, investment may include residential property in supported, social, shared ownership, affordable private market rent, and mixed tenures. For the wider policy context, there is no agreed definition of affordable housing. Annex 2 to the National Planning Policy Framework (NPPF) is the most commonly referred to definition. This is used by local planning authorities when making provision within their areas to meet local demand/need for affordable housing.
<b>Analytics for Climate Transition (ACT)</b>	is Mercer's proprietary solution to help investors construct climate resilient portfolios. Mercer's framework and analytics draw on multiple data providers and metrics to assess portfolios across a spectrum of carbon risk, with portfolios ranked from low transition capacity (gray investments) to investments that are low carbon risk/zero carbon already, or are providing climate solutions (green investments). The majority of companies in investor portfolios fall somewhere in between the two sides.
<b>Baseline</b>	this provides a starting point from which to project indicative pathways and plan to achieve net zero.
<b>Benchmark</b>	a benchmark is used to measure the performance of a fund, or asset manager against the investment objective. The FTSE 100 is a common benchmark for UK equities, for example.
<b>Biodiversity</b>	is the variety of all living things and their interactions. This includes, but is not limited to, species diversity, genetic diversity and ecosystem diversity.
<b>Brunel Pension Partnership ("Brunel")</b>	one of eight national LGPS asset pools that bring together investments of ten partner funds, including Wiltshire.
<b>Climate change</b>	is the long-term change in average weather patterns that have come to define Earth's local, regional and global climates. These changes have a broad range of observed effects that are synonymous with the term.
<b>Diversified</b>	a strategy that blends a variety of investments, asset types and investment vehicles, within a portfolio. This limits exposure to single assets and mitigates risk.
<b>Employee</b>	in general, an employee is also a member of the Wiltshire Pension Fund. The LGPS has a very low opt out rate, nearly all employees are members of the scheme
<b>Employer</b>	in general, an employer is either scheduled or admitted to the Wiltshire Pension Fund so its employees are members of the scheme.
<b>Environmental, Social and Governance (ESG)</b>	a broad range of factors which investors can assess to identify risks and opportunities.



<b>Equities</b>	Equities are a synonym for stocks, which are the financial instruments issued by companies which represent ownership, or part ownership, of the issuing company.
<b>Fast fashion</b>	inexpensive clothing produced rapidly by mass-market retailers in response to the latest trends.
<b>Fiduciary duty</b>	the Committee's responsibility to act in the best interest of the Fund's beneficiaries.
<b>Global warming</b>	is the long-term heating of Earth's surface observed since the pre-industrial period (between 1850 and 1900) due to human activities, primarily fossil fuel burning, which increases heat-trapping greenhouse gas levels in Earth's atmosphere. This term is not interchangeable with the term "climate change."
<b>Greenhouse Gas (GHG)</b>	The atmospheric gases responsible for causing global warming and climate change. The major GHGs are carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ) and nitrous oxide (N <sub>2</sub> O).
<b>Impact investing</b>	investing to generate a positive measurable environmental or social impact in addition to earning competitive market returns.
<b>Investment manager</b>	for the purpose of responsible investment and stewardship reporting in the context of the LGPS, "asset manager" is interchangeable with "investment manager" as defined in the LGPS (Management and Investment of Funds) Regulations 2016 (9) <a href="https://www.legislation.gov.uk/uksi/2016/946/regulation/9/made">https://www.legislation.gov.uk/uksi/2016/946/regulation/9/made</a>
<b>Investment Strategy Statement (ISS)</b>	a key document of the Fund, which sets out the Fund's investment strategy.
<b>Local Authority</b>	an administrative body in local government. A local authority may act as an administering authority for its own pension fund and those of other local authorities.
<b>Local Pension Board</b>	is responsible for assisting the administering authority in securing compliance with the LGPS regulations, overriding legislation and guidance from the Pensions Regulator.
<b>Low carbon economy</b>	is defined as the activities which generate products or services which themselves deliver low carbon outputs.
<b>Member</b>	unless preceded or followed by reference to the Committee or Local Pension Board, member refers to a member of the Wiltshire Pension Fund.
<b>Nature</b>	Biodiversity has become a familiar term in the responsible investment context, giving reference to living things. Nature has a wider definition to include land and water as essential components of ecosystems.
<b>Net Zero</b>	net zero refers to the balance between the amount of greenhouse gas produced and the amount removed from the atmosphere. Net zero is reached when the amount added is no more than the amount taken away.
<b>Paris-aligned</b>	Paris-alignment refers to being in line with the Paris Agreement, which is an international treaty which aims to ensure that global average temperature increases are well below 2°C above pre-industrial levels.
<b>Paris Aligned Benchmark</b>	developed with Brunel, FTSE Russell's Paris-aligned benchmark series aims to achieve a 50% reduction in carbon emissions over a 10-year period and integrate forward-looking metrics and governance protections from the transition pathway initiative (TPI).
<b>Passive</b>	a passive investment is one which tracks a market-weighted index. Passive management is most common in equity markets and often used by pension funds to build a diversified portfolio with a long-term investment horizon.

<b>Pension Fund Committee (the "Committee")</b>	the body running the Wiltshire Pension Fund with delegated authority to exercise the functions of Wiltshire Council as administering authority under the Local Government Superannuation Acts and Regulations.
<b>Pool</b>	an investment term which refers to the grouping together of investment holdings. This method of investing offers significant economies of scale and is well suited to investors sharing the same investment objectives.
<b>Renewable Infrastructure</b>	is a broad asset classification, which could include investment in energy, power, communications, water/waste/utilities, transport and social infrastructure, via either public or private vehicles.
<b>Responsible Investment</b>	a strategy and practice to incorporate environmental, social and governance (ESG) factors in investment decisions and active ownership (as defined by the Principles for Responsible Investment, an investor initiative in partnership with UNEP Finance Initiative and UN Global Compact).
<b>Scope 1, 2, and 3</b>	are emissions that are owned or controlled by a company, whereas scope 3 emissions are a consequence of the activities of the company but occur from sources not owned or controlled by it.
<b>Stewardship</b>	the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society (as defined by the 2020 Stewardship Code).
<b>Strategic Asset Allocation (SAA)</b>	the mix of different types of assets held in order to generate the required investment return for an appropriate amount of risk.
<b>Sustainability</b>	investing in a way that incorporates ESG criteria and active ownership, to generate superior risk-adjusted returns.
<b>Task Force on Climate-related Financial Disclosures (TCFD)</b>	reporting on climate change risk, set out under governance, strategy, risk management and carbon metrics.
<b>Transition (to low carbon economy)</b>	the process of moving from using both high carbon energy and low carbon energy to just using low carbon energy.

## WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD  
23 September 2024

---

### Employer Underperformance Charges for Additional Administration Costs

#### Purpose of the Report

1. The purpose of this report is to present to Wiltshire Local Pension Board an outline of the proposed charges applied to underperforming Scheme employers for additional administration costs. The Board is asked to consider these before we pass them to the Committee for approval.

#### Background

2. Regulation 70 (1) of The Local Government Pension Scheme Regulations 2013 provides pension funds with the ability to recover any additional administrative costs that have been incurred, because of a Scheme employer's underperformance.
3. Regulation 70 (2) of The Local Government Pension Scheme Regulations 2013 states that the Administering Authority may give written notice to the Scheme employer stating the reasons for underperformance, the amount should pay and detailing the parts of the Pension Administration Strategy which are relevant in reaching their decision.

#### Considerations for the Board

4. The Fund works to support employers in various ways to avoid underperformance such as remote/Teams support, a dedicated point of contact, training events, electronic newsletters, signposting guidance on the Fund's website.
5. Presently additional costs generated by underperforming employers are shared across all employers whereas, these should be met directly by that underperforming employer.
6. The proposed steps to recover administration costs for underperforming employers are detailed below:
  - a) **Write to the Scheme employer** – setting out the area(s) of non-compliance with performance standards outlined in the Pension Administration Strategy and offer to support them. The Fund may also request their attendance at a training session, if required
  - b) **Meeting with the Fund** – the Scheme employer will be asked to attend a meeting with representatives of the Fund to discuss area(s) of non-compliance with the performance standard outline in the Pension Administration Strategy and to agree an action plan, where they've not demonstrated improvement, taken agreed actions and/or responded to the initial letter in (a) above
  - c) **Formal written notice** – If no improvement is seen within one month of meeting with the Scheme employer or they decline to attend a meeting detailed in (b) above, the Fund will issue a formal written notice setting out the areas of non-compliance, how the the underperformance contributed to additional costs, the amount of costs incurred and provide notice that the additional costs as a result of their poor performance will now be reclaimed.

Where appropriate in respect of Admission Bodies, the outsourcing / letting / ceding employer will be informed and expected to work with the Fund to resolve the issues.

7. The proposed additional administration charges for underperformance for Scheme employers in the Wiltshire Pension Fund will be based on the “time spent” officer charges detailed below:

Time taken	Charge levels			
	Level 1 – Officer	Level 2 – Senior Officer	Level 3 – Principal Pensions Officer / Work Management Officer	Level 4 – Pension Administration Manager / Lead
Daily	£214	£233	£284	£548
Half day	£106	£116.50	£142	£274

Charges for ‘time spent’ on underperformance issues will be made on a half day basis, with the Fund rounding up to the nearest half day i.e. the minimum charge would be a half day per officer that undertook the work.

For example if a Level 1, Level 2 and Level 3 Officer time spent is 3 hours, this would be rounded up to a half day rate per Officer - £106 (Level 1), £116.50 (Level 2) and £142 (Level 3) giving a total charge to the underperforming employer of £364.50.

The above rates apply for 2024/2025 and are reviewed annually.

8. Where an employer fails to pay any amount due to the Fund within 30 days for the underperformance costs, interest for late payment will be charged accordingly. Regulation 71 of The Local Government Pension Scheme Regulations 2013 states that the Administering Authority may require a Scheme employer from which any payment is due under Regulation 70 is overdue to pay interest on that amount. The interest payable is stated within Regulation 71(4) of The Local Government Pension Scheme Regulations 2013 i.e. one per cent above base rate on a day to day basis from the due date of the date of payment and compounded with three-monthly rests.

### **Environmental Impact of the Proposal**

9. There are no known environment implications from this report.

### **Financial Considerations & Risk Assessment**

10. In general, the proposals will encourage employers to maintain good performance and avoid additional charges for underperformance.

### **Legal Implications**

11. The Local Government Pension Scheme Regulations 2013 allow the Administering Authority to charge for additional costs where a Scheme employer is underperforming. These regulations also allow for interest to be charged for non or late payment of these costs.

### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

12. There are no known implications at this time.

**Reasons for Proposal**

13. To encourage employers to maintain good performance and avoid additional charges for underperformance..

**Proposal**

14. The Board is asked to consider and if they are in agreement approve this report is presented to the Committee for approval.

Matt Allen  
Employer Funding and Risk Lead

Report Authors: Matt Allen, Employer Funding and Risk Lead

---

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

This page is intentionally left blank

## WILTSHIRE COUNCIL

LOCAL PENSIONS BOARD  
23 September 2024

---

### Integrated Payroll System Update

#### Purpose of the Report

1. To update the Board on the integrated payroll system and an update following the Council's migration of Payroll service from SAP to Oracle and Oracle to Altair.

#### Background

2. Wiltshire Pension Fund have held regular weekly meetings with key members of the Evolve Programme and recorded full minutes and actions.
3. The Council formally migrated to Oracle from SAP following an Evolve Programme Board Meeting on 22<sup>nd</sup> April 2024 that approved the go live based on the results of the final phase of parallel running.
4. The final parallel run for the Wiltshire Pension Fund had an accuracy of 99.5%. Of those that did not match the following breakdown was provided detailing the errors identified:

Deceased or suspended in SAP	60 records
Outside of 50p tolerance	16 records
Outside of 5p tolerance	11 records

These were all manually keyed to correct prior to payment being made.

5. Payment was successfully made on 25<sup>th</sup> April to all pensioners and dependants. Altair and Oracle are now aligned.
6. Pension payslips were uploaded to the online rPowered portal on 25<sup>th</sup> April.
7. The April 2024 payment was a pro-rated amount as the pension increase was due with effect from 8<sup>th</sup> April 2024. The final step of the migration to Oracle will see a final load with the full increased amount being applied to Oracle. The full increase was included in the May 2024 payment.

#### Issues experienced with member payments

8. Members typically receive their payslips more than one week prior to payment date. No correspondence was issued to pensioners and dependants advising the timescales would be different in April and May. This resulted in a large spike of phone calls and concerned pensioners and dependants. We continue to receive queries as to when payslips will be uploaded 5 months after migration.
9. Payslips were loaded to rPowered but all pensioners and dependants opting in to receive a paper payslip did not receive this until after the payment date.
10. 10 pensioners with an injury allowance had tax deducted from this element. This was fixed in May 2024.

11. A number of overseas pensioners advised that their payment arrived late, but we are unable to determine if this was an issue with Western Union transferring the monies.

### Reporting issues

12. Data has only recently been received however we have completed a reconciliation, unfortunately there. There are 14 members who are being paid a difference of greater than 2p amount compared to Altai which amounts to a total difference of £904. We are currently investigating this as no payments should have changed since the May 2024 increase file was submitted.
13. Details of any over or under payment in respect of deceased member was passed to the Pension Fund a month after the initial payment run. This information was previously provided a week following payment to allow the Fund to notify the family/estate of the deceased of any under or overpayment in a timely manner. These reports are still being received later than before SAP Migrated to Oracle.
14. April, May and June AVC data was submitted late to Prudential, however, though the contributions were paid on time. This meant that Prudential were unable to invest the AVCs in a timely manner. This has also delayed retirements and the Fund has received one complaint regarding this. Potentially the Council could be liable for any investment losses if members lose out financially.
15. The April iConnect submission in respect of the Council payroll was submitted 6 weeks late with a large number of errors. We have been advised that these errors will be resolved on the May Submission which was due on 9<sup>th</sup> June and has not yet been submitted. All submissions for April and May for the remaining employers that the Council administer payrolls have now been submitted. All contributions due have been paid. Delays in receipt of data will mean the records will become out of date quickly and this resulted in the Status 2 cases going over 500.

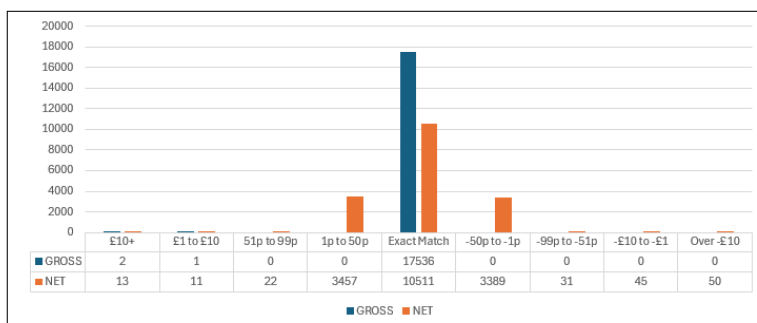
### Migration from Oracle to our integrated Payroll System

16. The migration to our integrated payroll system has now begun and we have received a cut of the Oracle payroll data which has now been shared Heywood Technologies.
17. The migration will involve parallel running our integrated payroll with Oracle payroll prior to the transition. Our first payroll run produced the following results:

**Payroll Gross to Net Comparison**

Difference	GROSS	NET
£10+	2	13
£1 to £10	1	11
51p to 99p	0	22
1p to 50p	0	3457
Exact Match	17536	10511
-50p to -1p	0	3389
-99p to -51p	0	31
-£10 to -£1	0	45
Over -£10	0	50
Percentage (£1)	99.98%	99.32%
Percentage (50p)	99.98%	99.02%

	Oracle	Altair	Difference
GROSS	£ 8,643,080.07	£ 8,643,303.69	£ 223.62
NET	£ 7,235,664.25	£ 7,224,718.79	-£ 10,945.46



### Environmental Impact of the Proposal



18. Not applicable.

**Financial Considerations & Risk Assessment**

19. Not applicable

**Legal Implications**

20. There are no material legal implications from this report.

**Safeguarding Considerations/Public Health Implications/Equalities Impact**

21. There are no known implications at this time.

**Proposals**

22. The Committee is asked to note the progress concerning the Evolve migration and the Integrated Payroll System.

Jennifer Devine  
Head of Wiltshire Pension Fund

Report Author: James Franklin, Pension Administration Lead

---

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

This page is intentionally left blank

## WILTSHIRE COUNCIL

LOCAL PENSION BOARD  
23 September 2024

---

### Immediate Payments Update

#### Purpose of the Report

1. To update the Committee on the impact to the Fund of immediate payments and payroll to scheme members following the Council's migration of service from SAP to Oracle.

#### Background

2. On Monday 13 November the Council formally began to migrate its live SAP service to its new Oracle software platform. The phased transfer of services to the new platform included an administration blackout period of 3 working weeks prior to 13 November to enable readiness for the migration and allow a clean and stable data strategy from day one. Part of this phased transfer included the Pension Fund's immediate payments arrangements.
3. For information, the Fund's immediate payments arrangements include its ability to pay retirement tax free cash sums, refunds, cash equivalent transfer values & death grants for the benefit of the Fund's membership, as those liabilities fall due.
4. In preparing for this transition the Fund communicated with relevant members, likely to be impacted, that there would be a delay in the payment of their benefits, notably during the administration blackout period, this communication allowed some contingency if there were further delays to manage the members expectations. Whilst such a delay was accepted by the majority of members, Fund officers did experience an upturn in complaints from members unhappy with an enforced delay.
5. Additionally, in preparation for the transition Fund officers also sought to liaise with the Evolve team to ensure that the appropriate communication and immediate payment loading arrangements to Oracle were in place, thus clearing the accumulated backlog at the earliest possible opportunity. Due to time constraints the Evolve team faced they were unable to respond to the Fund until 3 days before the Oracle go live date. The Fund officers then received a draft loading template to submit payments for processing through the BACS systems.

#### Issues experienced with member payments

6. On 13 November three issues quickly transpired. These were:
  - a) The template designed to load payments to Oracle was not working and consequently payments could not be loaded.
  - b) The spreadsheet had not been tested using the Oracle software to check whether the payment templates could be loaded, and &
  - c) Due to resource issues within the Evolve team, communications were extremely limited, meaning that it was not possible to obtain updates in order to manage the expectations of members, some of whom were growing increasingly agitated about the delays.

7. As a consequence of these issues many payments were further delayed, noting that only critical and complainant payments had been processed via Oracle on a manual basis, and onward via the CHAPS system. The remaining backlog of some 200 payments was finally cleared by 6 December, 3 weeks after the original go-live date, meaning that some members experienced a delay of up to 6 weeks (including the original 3-week blackout period).
8. When the most urgent payments were made via CHAPs the BACs file created for loading into Oracle was not updated for all members. This meant 47 members were paid a second time, £228,257.81 was paid in error. 8 overpayments were less than £250, these payments were written off in the line with the Fund's Overpayment policy.
9. 37 members have now repaid the Fund and 2 members are currently returning the payments in instalments. One further member has had their overpayment £271.81 written off due to the member's current financial position. £208,961.15 has been paid back. 9 members have not paid back anything, one of these members disputes the double payment and we are currently investigating this. £17,896.10 is currently outstanding.
10. The Fund has raised invoices for the remaining members, the highest amount being, £5,108.16 and the Council's debt recovery process is currently be followed. There are currently issues with Oracle reporting, so these invoices are currently being managed manually rather than automatic reminders being sent. The Debt Recovery team have advised they chase 3 times before referring the case back to the relevant service area. Two chasers have occurred.
11. If the members do not engage with the Council's debt recovery process the Committee have agreed, where appropriate, to take legal action and to raise this matter with Council's Legal Services.
12. If the Fund is unable to recover the overpayments the Fund could be subject to a Scheme Sanction Charge for making unauthorised payments to members. This could be up to 55% of the outstanding amount.

### **Environmental Impact of the Proposal**

13. Not applicable.

### **Financial Considerations & Risk Assessment**

14. Risks to the Pension Fund's ability to fulfil core operational requirements and/or breach of agreements with suppliers, and risk of reputational damage.

### **Legal Implications**

15. There are no material legal implications from this report.

### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

16. There are no known implications at this time.

### **Proposals**

17. The Board is asked to take note of the Committee's agreed actions the Fund should take if outstanding monies are not received.

Jennifer Devine  
Head of Wiltshire Pension Fund

Report Author: James Franklin, Pension Administration Lead

---

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

This page is intentionally left blank

## WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD  
23 September 2024

---

### **PROPOSED CONSTITUTIONAL CHANGES**

#### **Purpose of the Report**

1. To bring before Board members proposed changes concerning the Board's terms of reference and the Fund's Governance Compliance Statement (GCS). Noting that:
  - a) These changes to the Board's terms of reference (Protocol 2b) will cover titles, membership and appointment processes: &
  - b) These changes to the Fund's GCS are limited to the standing down of the Investment sub-Committee in order to ensure its continued continuity with the Committee's terms of reference (Protocol 2a)

#### **Background**

2. The Local Pension Board's terms of reference (Protocol 2b) and the GCS, introduced under the LGPS Regulations 2008, were last updated in July 2020. Since then, a number of operational practices have changed in the way the Fund is governed, leading to the summary of recommended changes below:

##### **LPB terms of reference changes**

- a) Access to the guidance from an Independent Governance Adviser is to be updated:
- b) Relaxing the requirement for nominations from a trade union to a minimum of 1-member representative and a maximum of 2-member representatives, rather than the current mandating of two union reps:
- c) To review the current process for the appointment of member and employer reps. In particular, relaxing the sourcing of nominations from a particular employer group, the number of advertising cycles undertaken to fill a vacancy, the requirement for shortlisting candidates & removing the requirement to ask the active membership to vote for an active member candidate:
- d) To stipulate the term of office for the chair, by increasing it up to five years:
- e) Relaxing the requirements for appointing a vice chair on an alternate basis, between member and employer reps: &
- f) Updating the attendees in an observer capacity who may speak with the permission of the chair.

##### **Governance Compliance Statement changes**

- a) To remove all references to the Investment sub-Committee: &
- b) To reflect that the Committee meets more frequently under the new Committee meeting structure:

3. A further review of both of these documents will take place to consider relevant changes arising from the introduction of the Regulator's new general code of practice and the awaited SAB's good governance review when it is published.

#### **Considerations for the Board**

4. The Board terms reference (Appendix 1) and the GCS (Appendix 2) have been updated to reflect the changes outlined above. Members are asked to consider the changes and where required, recommend those changes be submitted to the Council's Constitution Focus group for their own consideration and onward implementation.

5. Members should note that the Committee members will be reviewing their own terms of reference (Protocol 2a) changes in October, prior to submission to the Council's Constitution Focus group.

#### **Further review**

6. As outlined in paragraph 3 the following broad areas of review and recommendation are likely to be considered:
  - a) The continued refinement of roles and responsibilities of both the Committee & Board members, so that each group can work effectively with the other: &
  - b) To review a number of definitions and clarifications within the existing suite of documents to ensure the continued continuity between documents.

#### **Conclusions**

7. Officers consider these changes will lead to a better & stronger cooperation between all parties as well as be consistent with the prevailing legislation and regulations.

#### **Environmental Impact**

8. There is no environmental impact from this report.

#### **Financial Considerations**

9. There are no immediate financial considerations.

#### **Risk Assessment**

10. There are no risks identified at this time.

#### **Legal Implications**

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

#### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

12. There are no implications at this time.

#### **Proposals**

13. The Board is asked to recommend those changes be submitted to the Council's Constitution Focus group for their own consideration and onward implementation.

Jenny Devine  
Head of Wiltshire Pension Fund

Report Author: Richard Bullen – Fund Governance Manager

Appendix 1 – LPB Terms of Reference  
Appendix 2 – Governance Compliance Statement

---



## Protocol 2B

### LOCAL PENSION BOARD OF WILTSHIRE COUNCIL TERMS OF REFERENCE

#### Introduction

1. This document sets out the Terms of Reference of the Local Pension Board of Wiltshire Council (the “Administering Authority”) being a scheme manager as defined under Section 4 of the Public Service Pensions Act 2013. The Local Pension Board (the “Board”) is established under Section 5 of that Act and Regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended).
2. The Board is established by the Administering Authority and operates independently of the Committee. Relevant information about its creation and operation are contained in these Terms of Reference.
3. The Board is not a committee constituted under Section 101 of the Local Government Act 1972 and therefore has no general duties, responsibilities or powers assigned to such committees or to any sub-committees or officers under the constitution, or scheme of delegation of the Administering Authority applying to the Board unless expressly included in this document.
4. Except where approval has been granted under Regulation 106(2) of the Regulations the Board shall be constituted separately from any committee or sub-committee constituted under Section 101 of the Local Government Act 1972 with delegated authority to execute the function of the Administering Authority.

#### Interpretation

5. The following terms have the meanings as outlined below:

**'the Act'** The Public Service Pensions Act 2013.

**'the Code'** means the Pension Regulator's Code of Practice No 14 governance and administration of public service pension schemes and any successor Codes of Practice.

**'the Committee'** means the Wiltshire Pension Fund Committee which has delegated decision making powers for the Fund in accordance with Section 101 of the Local Government Act 1972.

**'the Fund'** means the Wiltshire Pension Fund managed and administered by the Administering Authority.

**'the Guidance'** means the guidance on the creation and operation of local pension boards issued by the Scheme Advisory Board.

**'the Regulations'** means the Local Government Pension Scheme Regulations 2013 (as amended from time to time), the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended from time to time) including any earlier regulations as defined in these regulations to the extent they remain applicable and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (as amended from time to time).

**'Relevant Legislation'** means relevant overriding legislation as well as the Pension Regulator's Code of Practice as they apply to the Administering Authority and the Board notwithstanding that the Codes of Practice are not legislation.

**'the Scheme'** means the Local Government Pension Scheme in England and Wales.

**'Other Member'** means a person who does not have a pre-existing employment, financial or other material interest in either the Administering Authority or any scheme employer in the Fund and is not a consultant or adviser of the Fund in the last 5 years from the date of the advertisement and they are not a member of the Fund or a Wiltshire Councillor. Membership is defined as any status holding an existing liability.

#### **Statement of purpose**

6. The purpose of the Board is to assist the Administering Authority in its role as a scheme manager of the Scheme. Such assistance is to:

(a) monitor compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme; and

(b) to ensure the effective and efficient governance and administration of the Scheme.

#### **Duties of the Board**

7. The Board should always act in a reasonable manner in the conduct of its purpose. In support of this duty all Board members shall make declarations on the register of interests of the Administering Authority in accordance with its code of conduct.

#### **Establishment**

8. The Board was established on 1 April 2015 after approval by Full Council at its meeting on 24 February 2015 (minute 22).

#### **Membership**

9. The Board shall consist of 6 voting members, as follows:

3 Member Representatives (as set out in paragraph 13 and appointed in accordance with paragraphs 17 to 22 below); and

3 Employer Representatives (as set out in paragraph 23 and appointed in accordance with paragraphs 24 to 33 below).

10. There shall be an equal number of Member and Employer Representatives.

11. There shall also be an independent chairman who is not entitled to vote.

12. The Board will also have access to an independent governance adviser.

#### **Member representatives**

13. Member representatives shall either be scheme members or have capacity to represent scheme members of the Fund. At least one member representative should be an active member of the Wiltshire Pension Fund.

14. Member representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

15. Substitutes shall not be appointed.

16. The 3-member representatives shall be appointed following a transparent recruitment process. Of these a minimum of 1-member representative and a maximum of 2-member representatives shall be nominated from a recognised trade union. At least 1-member representative position should be open to all Fund members and be approved by the Administering Authority (rather than the Committee) based on the process outlined below.

**For the member representatives:**

17. The Administering Authority (rather than the Committee) will administer the appointment process as follows:

18. The Administering Authority shall advertise the member representative role, including information on where to access a nomination pack for each of the 3-member groups. The Administering Authority shall also notify all employer organisations and registered trade unions in writing of the vacancies, including information on where to access a nomination pack for each of the member groups. The nomination pack will include these Terms of Reference, details of the member representative role, a nomination form and instructions for application. The Administering Authority anticipates that any nominations it receives for a trade union representative will have also compiled with that trade union's nomination process. The closing date for receipt of nominations by the Administering Authority will initially be four weeks from the date of advertisement or notice, but where subsequent rounds of nomination are sought this period can alter, as legitimate circumstances dictate.

19. The Administering Authority's Director of Legal & Governance and the Administering Authority's Director Finance, s151 (or their nominated representatives) will score all nominations returned by the deadline against criteria relating to each nominee's ability to meet the capacity requirements of the role, to produce a winning candidate.

21. Where no nominations are submitted in the initial round of advertising for a role, one subsequent request for nominations will be made to the relevant member group and if there is still no success, an advert to a wider member group will take place regardless of their trade union membership, or if they are an active or non-active scheme member. If suitable nominations are still not received, Pension Fund Officers will be entitled to approach suitable individuals who they believe may be suitable members to serve a term of office on behalf of a member group. Approval of a suitable individual will be required from Administering Authority's Director of Legal & Governance and the Administering Authority's Director Finance, s151 (or their nominated representatives). A recommendation will then be made to full council for the appointment to the Board.

22. Full Council/the Standards Committee on behalf of the Council will appoint the member representative(s) of the Board.

**For the Employer representatives**

23. Employer representatives shall be suitable office holders of employers within the Fund or have experience of representing scheme employers in a similar capacity. No officer of Wiltshire Council who is responsible for the discharge of any function of the Administering Authority under the Regulations may serve as a member of the Board.

24. Employer representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

25. Substitutes shall not be appointed.

26. The employer representative(s) shall be appointed following a transparent recruitment process which should be open to employer organisations of the relevant group and be approved by the Administering Authority (rather than the Committee) based on the process outlined below.

27. The Administering Authority (rather than the Committee) will administer the appointment process as follows:

28. To ensure that the employer representative(s) are truly representative of the employer organisations within the Fund, whilst also being given equal opportunity for nomination, employer organisations within the Fund will be divided into three groups based on organisation size (by number of employees) for nomination purposes:

Group 1: Wiltshire Council:

Group 2: Swindon Borough Council and Wiltshire Police: and

Group 3: all other employer organisations within the Fund.

29. The Administering Authority shall publish information on where to access a nomination pack for each employer group. The nomination pack will include these Terms of Reference, details of the employer representative role, a nomination form and instructions for application. Each employer within the group will be invited to put forward one suitable nominee using the prescribed nomination form, which must be returned to the Administering Authority within four weeks of the date of the invitation. However, where subsequent rounds of nomination are sought this period can be altered, as legitimate circumstances dictate.

30. The Administering Authority's Director of Legal & Governance and the Administering Authority's Director Finance, s151 (or their nominated representatives) will score the nomination(s) returned by the deadline against criteria relating to each nominee's ability to meet the capacity requirements of the role, to produce a winning candidate from an employer group.

32. Where no nominations are submitted in the initial round of advertising the role, one subsequent request for nominations will be made to the relevant employer group, following which a third request will be made to the wider employer group. If suitable nominations are still not received Pension Fund Officers will be entitled to approach employer representatives who they believe may be suitable representatives to serve a term of office on behalf of an employer group.

33. Full Council/the Standards Committee on behalf of the Council will appoint the employer representative(s) of the Board.

#### **Other Members**

34. One other member shall be appointed to the Board to act as independent chair by the agreement of both the Administering Authority and the Board.

35. Other members do not have voting rights on the Board.

#### **Appointment of chair**

36. The Administering Authority (rather than the Committee) will administer the appointment process as follows:

37. The independent chair shall be appointed by the Administering Authority but shall count as an 'Other' member under paragraphs 34 to 35 above.

38. The Administering Authority shall advertise the role of chair on the Fund website, the Wiltshire Council job vacancy website and such other appropriate media as it thinks fit, including information on where to access a nomination pack. The nomination pack will include these Terms of Reference, details of the role or chair, a nomination form and instructions for application. The closing date for receipt of nominations by the Administering Authority will be four weeks from the date of advertisement. However, where subsequent rounds of nomination are sought this period can be altered, as legitimate circumstances dictate.

39. The Administering Authority will score all nominations returned by the deadline against criteria relating to each nominee's ability to meet the relevant experience and capacity requirements of the role, to produce a shortlist of nominees.

40. Shortlisted nominees will be invited to an interview by the Administering Authority's Director of Legal & Governance and the Administering Authority's Director Finance, s151 (or their nominated representatives). A recommendation will then be made to Full Council/the Standards Committee on behalf of the Council for the appointment of the chair to the Board based on criteria relating to ability to meet the experience and capacity requirements of the role.

41. Full Council will ratify the chair to the Board. However, the appointment of the chair shall be subject to the passing of a motion to confirm by a majority of the employer and member representatives of the Board.

42. The Board will appoint the vice chair from amongst its remaining voting members. There being no requirement to alternate between an employer representative and a member representative on an annual basis.

#### **Duties of chair**

43. The chair of the Board:

- (a) Shall ensure the Board delivers its purpose as set out in these Terms of Reference :
- (b) Shall ensure that meetings are productive and effective, and that opportunity is provided for the views of all members to be expressed and considered ; and
- (c) Shall seek to reach consensus and ensure that decisions are properly put to a vote and won by a simple majority where consensus cannot be reached. Instances of a failure to reach a consensus position will be recorded and published.

#### **Independent governance adviser**

44. The Administering Authority will procure the services of the independent governance adviser in accordance with Part 11 of the Administering Authority's constitution, having regard to the best interests of the purpose of the Fund. The role will be re-tendered periodically and be consistent with the wider procurement strategy of the Fund as a whole .

45. In this respect the term independent means being able to demonstrate that they can act impartially having no material interest in either Wiltshire Council or any scheme employer in the Fund other than for this role; and not being a member of the LGPS in the Fund.

#### **Notification of appointments**

46. When appointments to the Board have been made the Administering Authority shall publish the name of Board members and the process followed in their appointment, together with the way in which the appointments support the effective delivery of the purpose of the Board.

### **Terms of Office**

47. The term of office for Board members is 4 years, for other members the term can be a maximum of 5 years, where agreed with the Administering Authority.

48. On completion of a Board member's term the nomination process will be undertaken as outlined above and incumbents may seek re-appointment as part of this process. However, an extension to terms of office may be made by the Administering Authority with the agreement of the Board.

49. Board membership may be terminated prior to the end of the term of office if:

(a) there exists a conflict of interest in relation to a Board member which cannot be managed within the internal procedures of the Board:

(b) a Board member becomes incapable of acting:

(c) a Board member becomes responsible for the discharge of any function of the Administering Authority under the Regulations (apart from any function relating to Local Pension Boards or the Scheme Advisory Board), for instance by being appointed to the Committee or accepting employment in relation to the Fund:

(d) a Board member resigns:

(e) a member representative ceases to be a member of the body or scheme on which their appointment relied:

(f) an employer representative ceases to hold the office, employment or membership of the body on which their appointment relied:

(g) a councillor ceases to represent their constituency; or

(h) the Administering Authority (at its sole discretion) determines that a member is no longer able to demonstrate his or her capacity to attend and prepare for meetings or to participate in required training

### **Conflicts of interest**

50. All members of the Board must declare to the Administering Authority on appointment and at any such time as their circumstances change, any potential conflict of interest arising because of their position on the Board.

51. A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Board. It does not include a financial or other interest arising merely by that person being a member of the Scheme.

52. On each appointment to the Board and following any subsequent declaration of potential conflict, the Administering Authority shall ensure that any potential conflict is effectively managed in line with the internal procedures of the Administering Authority, the requirements of the Act, the requirements of the Code and the requirements of Relevant Legislation on conflict of interest for Board members.

### **Knowledge and understanding (including Training)**

53. Knowledge and understanding must be considered in light of the role of the Board to assist the Administering Authority with the requirements outlined in paragraph 6 above. The Board shall establish and maintain a Knowledge and Understanding Policy and Framework to address the knowledge and understanding requirements that apply to Board members under the Act.

54. Board members shall attend and participate in training arranged to meet and maintain the requirements set out in the Board's Knowledge and Understanding Policy and Framework.

55. Board members shall participate in such personal training needs analysis or other processes that are put in place to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board.

56. Failure to attend training or participate in the processes referred to above may lead to removal from the Board.

### **Meetings**

57. Meetings of the Board will be held at least four times a year.

58. The Board will meet at the Administering Authority's main offices, or another location to be agreed by the chair. Meetings will be held during normal working hours at times to be agreed by the chair.

59. The chair of the Board may call additional meetings with the consent of voting members of the Board. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone conferencing and emails.

### **Quorum**

60. A meeting is only quorate when at least 50% of voting members are present and with at least one scheme member and employer member representative present.

61. A meeting that becomes inquorate may continue but any decisions will be non-binding.

### **Board administration**

62. The chair shall agree with the Administering Authority's Democratic Services team (the 'Board Secretary') an agenda prior to each Board meeting.

63. The agenda and supporting papers will be issued at least 5 working days in advance of the meeting except in the case of matters of urgency.

64. Draft minutes of each meeting including all actions and agreements will be recorded and circulated to all Board members within 10 working days after the meeting. These draft minutes will be subject to formal agreement by the Board at their next meeting. Any decisions made by the Board should be noted in the minutes and in addition where the Board was unable to reach a decision such occasions should also be noted in the minutes.

65. The minutes may with the agreement of the Board, be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 2018.

66. The Board Secretary shall ensure that Board members meet and maintain the knowledge and understanding as determined in the Board's Knowledge and Understanding Policy and Framework and other guidance or legislation.

67. The Board Secretary shall ensure an attendance record is maintained along with advising the Administering Authority on allowances and expenses to be paid under these terms.

68. The Board Secretary shall liaise with the Administering Authority on the requirements of the Board, including advanced notice for officers to attend and arranging dates and times of Board meetings.

**Public access to Board meetings and information**

69. The Board meetings will be open to the public (unless there is an exemption under relevant legislation which would preclude part (or all) of the meeting from being open to the public). The Board is subject to the Access to Information Procedure Rules in Part 5 of the Administering Authority's constitution and the publication requirements of the Act.

70. The following will be entitled to attend Board meetings in an observer capacity, and may speak with the permission of the chair:

- (a) Members of the Board:
- (b) The Administering Authority's Director Finance, s151:
- (c) The Administering Authority's Head of Wiltshire Pension Fund:
- (d) All Officers of the Wiltshire Pension Fund's Senior Management Team:
- (e) The Administering Authority's Corporate Director of Resources & Deputy Chief Executive:
- (f) The Administering Authority's Cabinet member for finance; and
- (g) Any person requested to attend by the Board.

71. In accordance with the Act the Administering Authority shall publish information about the Board to include:

- (a) The names of Board members.
- (b) The representation of employers and members on the Board.
- (c) The role of the Board.
- (d) These Terms of Reference.

72. The Administering Authority shall also publish other information about the Board including:

- (a) Agendas and minutes
- (b) Training and attendance logs
- (c) An annual report on the work of the Board to be included in the Fund's own annual report.

73. All or some of this information may be published using the following means or other means as considered appropriate from time to time:

- (a) On the Fund's website.
- (b) As part of the Fund's Annual Report; and
- (c) As part of the Governance Compliance Statement.

74. Information may be excluded on the grounds that it would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A (2) of that Act and/or they represent data covered by the Data Protection Act 2018.

**Expenses and allowances**

75. Any Wiltshire Councillor appointed to the Board will be entitled to receive expenses in accordance with the Administering Authority's constitution (Members' Allowance Scheme).



76. The independent governance adviser will be paid in accordance with the contract concluded with the Administering Authority.

77. Allowances and reimbursement of expenses for all non-Wiltshire Councillor members of the Board will be decided by the Administering Authority.

### **Budget**

78. The expenses of the Board falls as a cost to the Fund. Therefore, the Committee will, via its delegation from Full Council, approve the allocation of an annual budget for the Board which is adequate to fulfil its role as part of its budget setting process. The budget will be managed by and at the discretion of the Board. The budget shall allow for:

- a) accommodation and administrative support to conduct its meetings and other business:
- b) training:
- c) legal, technical and other professional advice; and
- d) other contractual arrangements, as approved by Committee as part of the annual budget.

79. The Board may make requests to the Administering Authority's Director Finance, s151 to approve any additional expenditure required to fulfil its obligations which will then be charged to the Fund budget.

### **Functions**

80. The first function of the Board is to assist the Administering Authority in securing compliance with the Regulations, other legislation relating to the governance and administration of the Scheme and requirements imposed by the Pensions Regulator in relation to the Scheme. Within the extent of this function the Board may determine the areas it wishes to consider including but not restricted to:

- a) Regular compliance monitoring of reports which shall include reports to, and decisions made by the Committee, under the Regulations:
- b) Management, administrative and governance processes and procedures to ensure that they remain compliant with the Regulations, Relevant Legislation and in particular the Code:
- c) The compliance of scheme employers with their duties under the Regulations and Relevant Legislation:
- d) Reviewing such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Investment Strategy Statement:
- e) Reviewing scheme members and employers' communications as required by the Regulations and Relevant Legislation:
- f) Monitoring complaints and performance on the administration and governance of the scheme.
- g) The Internal Dispute Resolution Process:
- h) Pensions Ombudsman cases:
- i) 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:
- j) The complete and proper exercise of employer and administering authority discretions:
- k) The outcome of internal and external audit reports: and
- l) The draft accounts and Fund annual report.

81. The second function of the Board is to ensure the effective and efficient governance and administration of the Scheme. Within the extent of this function the Board may determine the areas it wishes to consider including but not restricted to:

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

82. In support of its functions the Board may make a request for information to the Committee regarding any aspect of the Administering Authority's function. Any such request should be complied with where reasonable both in scope and timing.

83. The Board may make recommendations to the Committee which should be considered, and a response made to the Board on the outcome within a reasonable period.

### **Reporting**

84. The Board is accountable solely to the Administering Authority for the operation of its functions.

85. The Board will submit reports to the Committee as often as the Board deems necessary, typically through the minutes of its meetings. The Board should also report its requests, recommendations or concerns to the Committee. In support of this any member of the Board may attend a committee meeting as an observer.

86. The Board should report any concerns over a decision made by the Committee to the Committee subject to the agreement of at least 50% of voting Board (as detailed in paragraph 60)

87. The Local Pension Board via its annual report will detail its work over the preceding 12 months. Such reports will 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) details of training received since the last report and planned:
- e) details of all expenses and costs incurred over the past 12 months and projected for the next year; and
- f) details of any conflicts of interest identified since the last report and how they were dealt with.

88. On receipt of a report under paragraph 85 and 86 above the Committee should, within a reasonable period, consider and respond to the Board.

89. Where the Board is not satisfied with the response received it may request that a notice of its concern be placed on the website and in the Fund's annual report.

90. Where the Board is satisfied that there has been a breach of regulation which has been reported to the Committee under paragraph 85 and 86 and has not been rectified within a reasonable period the Board is under an obligation to escalate the breach.

91. The appropriate internal route for escalation is to the Administering Authority's Director Finance, s151 Officer.

92. The Board may report concerns to the LGPS Scheme Advisory Board for consideration after, but not instead of, using the appropriate internal route for escalation.

93. Board members are also subject to the requirements to report breaches of law under the Act and the Code, and the whistleblowing provisions set out in the Administering Authority's whistleblowing policy.

**Review of Terms of Reference**

94. These Terms of Reference shall be reviewed on each material change to those parts of the Regulations and relevant scheme guidance covering Local Pension Boards and at least every 5 years.

**Protocol 2B**

**Last updated August 2024**

This page is intentionally left blank

## Wiltshire Pension Fund Governance Compliance Statement

The Fund is required to publish a compliance statement under Regulation 55 of the Local Government Pension Scheme Regulations 2013.

In accordance with this requirement, the table below is the Fund's assessment of its compliance with those standards categorised by nine principles;

- Principle A – Structure
- Principle B – Representation
- Principle C – Selection & role of lay members
- Principle D – Voting
- Principle E – Training
- Principle F – Meetings
- Principle G – Access
- Principle H – Scope
- Principle I – Publicity

In addition to the nine required principles the Wiltshire Pension Fund Committee has included two further principles reflecting the changes to the Fund's structure since 2013 and in the interests of best practice. These are;

- Principle J – Assignments & delegations
- Principle K – Reporting

Under section 101 of the Local Government Act 1972, a local authority can delegate their statutory functions to the Council's committees, sub-committees or to officers. This delegation is laid out in Part 3B of Wiltshire Council's Constitution and the existing governance arrangements\* of the Fund are provided for using the following structure;

- Pensions Committee – the role and responsibilities of which are set out in its own terms of reference within the Council's Constitution under Part 3B paragraph 2.7 and Protocol 2A;
- Local Pension Board – the role and responsibilities of which are set out in the Council's Constitution under Part 3B paragraph 7 and Protocol 2B (effective April 2015);
- Brunel Pension Partnership (BPP)\*\* – an FCA regulated investment pooling company with its own governance structure in which the Fund seeks to integrate its own governance arrangements. The Administering Authority on behalf of the Fund has four distinct areas of relationship with the BPP, the first two of which are outlined within this compliance statement (effective April 2018). These areas of relationship are;
  - 1) Shareholder – The role and responsibilities of which are set out in a Shareholder Agreement dated 13 July 2017;
  - 2) Client – The role and responsibilities of which are set out in the Fund's Client Service Agreement 13 July 2017;
  - 3) Scheme Employer – The role and responsibilities of which are set out its Admission Agreement and the Fund's Pension Administration Strategy document; and
  - 4) Payroll service provider – The Administering Authority provides the BPP with a payroll service the scope of which is laid out within a separate contract 24 November 2017.

This compliance statement primarily seeks to set out the Pension Committee's compliance with the Regulations. Details of the terms, structure and operational procedures relating to

the Local Pension Board and Brunel Pension Partnership can be found via the following links;

**Wiltshire Pension Fund Local Pension Board [Terms of Reference](#).**

\*The Board is established under Section 5 of the Public Service Pensions Act 2013 and Regulation 106 of the Local Government Pension Scheme Regulations 2013 and is not a committee constituted under Section 101 of the Local Government Act 1972.

**Brunel Pension Partnership**

- 1) Terms of Reference covering the governance of Shareholder & Services Agreements ([Terms of Reference](#))
- 2) Service Agreement [Service Agreement](#)

\*\*BPP is established in accordance with the Companies Act 2006 and under its articles of association as submitted to Companies House. Its status as an investment pooling company are governed by the LGPS Investment Regulations 2016.

AREA	PRINCIPLE	LEVEL OF COMPLIANCE	REFERENCE
A) Structure	a) The management of the administration of benefits and strategic management of fund assets clearly rests with the committee established by the appointing council.	<p><b>FULL – The Council’s Constitution says that the Committee will “exercise the functions of the Council as Administering Authority under the Local Government Superannuation Act and Regulations and deal with all matters relating thereto”.</b></p> <p><b>The Wiltshire Pension Fund Committee has the power to “...make decisions on matters of significant policy...” (Part 3B, para 4).</b></p>	<b>(Part 3, para 2.7 and Protocol 2A)</b>
	b) That governance arrangements exist with the Brunel Pension Partnership, the Fund’s investment pooling company, in which the Administering Authority is both a Shareholder and a client and that the structure ensures effective communication in both capacities	<p><b>The governance arrangements include a Shareholder Agreement, Service Agreement &amp; Terms of Reference detailing the relationship of each party which will form part of the Brunel Pension Partnership’s constitution.</b></p> <p><b>A separate representative will represent it as a shareholder and as a client.</b></p> <p><b>BPP will be responsible for the appointment of external investments managers to implement the Fund’s investment policy. All minutes of meetings and decisions taken by the BPP will be</b></p>	<b>BPP Shareholder and Service Agreements and BPP’s Terms of Reference</b>

AREA	PRINCIPLE	LEVEL OF COMPLIANCE	REFERENCE
	c) That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of the committee.	reported back to the next committee meeting. <b>FULL – There are two voting representatives from Swindon Borough Council, two voting representatives from Admitted Bodies and 2 UNISON Observers (representing active, deferred and pensioner members), all of whom are members of the main committee.</b>	Protocol 2A
B) Representation	a) That all key stakeholders are afforded the opportunity to be represented within the committee structure. These include: <ul style="list-style-type: none"> <li data-bbox="512 846 778 1077">i. employing authorities (including non-scheme employers, eg, admitted bodies);</li> <li data-bbox="512 1350 746 1581">ii. scheme members (including deferred and pensioner scheme members);</li> <li data-bbox="512 1653 778 1749">iii. independent professional observers; and</li> <li data-bbox="512 1955 778 2051">iv. expert advisors (on an ad-hoc basis).</li> </ul>	<p><b>FULL – four representatives in total, two from Swindon Borough Council and two from Scheduled bodies such as Academies/Colleges, or Admitted Bodies. The non-elected members will hold their office for a maximum of 4 years before a re-election process needs to take place.</b></p> <p><b>FULL – two non-voting representatives from UNISON, who represent active, deferred and pensioner members</b></p> <p><b>FULL – Our Independent Pension Adviser, who attends all meetings, fulfils this role and feeds back any observations to the Chief Finance Officer and/or Heads of Pensions</b></p> <p><b>FULL – The Fund’s Investment Consultant and the Fund’s Actuarial Consultant attends all</b></p>	<p>Protocol 2A</p> <p>Protocol 2A</p>

AREA	PRINCIPLE	LEVEL OF COMPLIANCE	REFERENCE
	b) That where lay members sit on the committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision-making process, with or without voting rights.	meetings where expert advice relating to their area is required  <b>FULL – All members of the Committee are given equal access to papers, meetings and training and can fully participate in debates.</b>	<b>Protocol 2A</b>
C) Selection and Role of Lay Members	a) That committee members are made fully aware of the status, role and function they are required to perform on the committee.	<b>FULL – Full Induction Training and Governance is given, and each member is given a Guide to the LGPS</b>	<b>Protocol 2A</b>
	b) That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.	<b>FULL – this is a standard part of committee procedure.</b>	<b>Protocol 2A</b>
	c) That Committee members selection is undertaken in accordance with the Local Government and Housing Act 1989.	<b>FULL – selection will follow consultation between Wiltshire Council and the political groups.</b>	Local Government and Housing Act 1989
	d) That Brunel Pension Partnership selection for the roles of Administering Authority Shareholder and Client representative will be made in accordance with the Shareholder and Services Agreements.	<b>Unless by other agreement the Chair of the Committee will take the role of Shareholder representative and the Head of Wiltshire Pension Fund will take the role of Client representative</b>	<b>Shareholder and Service Agreements</b>
	e) That substitute member selection will be undertaken in accordance with both Wiltshire and Swindon Borough Council's constitutions	<b>FULL – All substitute members will be subject to the requirements of Committee members in terms of their selection, training and standards</b>	<b>Constitutions of Wiltshire and Swindon Borough Councils</b>
D) Voting	a) The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or	<b>FULL – The Committee has afforded each of its members voting rights, except the UNISON Observers who represent members. Being a statutory pension</b>	<b>Protocol 2A</b>



AREA	PRINCIPLE	LEVEL OF COMPLIANCE	REFERENCE
	<p>group represented on main LGPS committees.</p>	<p>scheme, the local committee has very little influence over benefits and the members are fully protected by statute. Therefore, there is very little that scheme members (or their representatives) can influence on the committee that has any direct impact upon them. Further, giving voting rights to the observers would mean increasing the size of the However, the Committee, because on behalf of the Administering Authority must legally be able to maintain a majority.</p>	
	<p>b) The role of the Administering Authority's Shareholder representative on voting on behalf of the interests of the Authority in respect of the Brunel Pension Partnership.</p>	<p>The scope of the Shareholder representative's voting powers will be in accordance with the Agreement. The Shareholder representative will always only vote with the consent of the Administering Authority, who must receive written notification of all matters voted upon and how their vote was cast.</p>	<p>Shareholder Agreement</p>
<p>E) Training/Facility Time/Expenses</p>	<p>a) That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.</p>	<p><b>FULL – There is a Members' Training Plan which is fully implemented and is updated regularly. All members and substitutes (including observers) have full access to all training opportunities and can claim all reasonable expenses.</b></p>	<p>Protocol 2A</p>
	<p>b) That where such a policy exists, it applies equally to all members of committees.</p>	<p><b>FULL – see Members Training Plan</b></p>	<p>Protocol 2A</p>
	<p>c) That where a statutory training requirement exists, all members of committee, will ensure that they remain competent to fulfil their</p>	<p><b>See Members Training Plan</b></p>	<p>Protocol 2A</p>

AREA	PRINCIPLE	LEVEL OF COMPLIANCE	REFERENCE
	role and responsibilities		
F) Meetings - Frequency	a) That an administering authority's committee meet at least quarterly.	<b>FULL – The Committee meets eight times per year, plus on an ad-hoc basis for special issues (eg. Valuation &amp; tenders) The annual meeting cycle will typically comprise of four investment focused and four non-investment focused meetings</b>	<b>Wiltshire Council Constitution</b>
	b) That a representative of the administering authority will attend each Shareholder, Brunel Oversight Board and Client Group meeting held by the Brunel Pension Partnership.	<b>The Shareholder, Brunel Oversight Board and Brunel Client Group will meet as often as required and should be attended by the relevant representative stated in the Structure Principle</b>	<b>Shareholder Agreement</b>
	c) That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	<b>FULL – From 1 April 2015, Wiltshire Council in its role of Administering Authority has established a Local Pension Board. It consists of 6 voting members (3 employer and 3-member representatives) along with a non-voting independent chair. The purpose of this Board is to review and ensure the Wiltshire Pension Fund secures compliance with the Scheme regulations and all other relevant legislation.</b>	<b>Protocol 2B</b>
G) Access	a) That subject to any rules in the Council's Constitution, all members have equal access to committee papers, documents and advice that falls to be considered at meetings of the committee.	<b>FULL – All members of the Committee (including non-voting and substitute members) receive all the papers for every meeting, including the confidential ones</b>	<b>Wiltshire Council Constitution</b>
H) Scope	a) That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	<b>FULL – All matters in relation to the Fund, whether Benefits, Governance, Investments, Communications, Employers, Financial, etc, are covered by the governance arrangements.</b>	<b>Protcocol 2A</b>
I) Publicity	a) That administering authorities have	<b>FULL – The Governance Compliance Statement is</b>	<b>Protocol 2A</b>

AREA	PRINCIPLE	LEVEL OF COMPLIANCE	REFERENCE
	published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	available on the <b>Wiltshire Pension Fund Website and in the Wiltshire Pension Fund Annual Report. This statement is approved by the committee which is held as a meeting open to public participation</b>	
J) Assignments & delegations	a) That the Brunel Pension Partnership authority to make an investment decision has been delegated to it by the administering authority and that the Committee acts as the administering authority's decision-making forum	<b>The BPP will act on the instructions of the Committee as advised to it by the Fund's Client representative (or their designated substitute). BPP will act subject to that instruction and in accordance with its mandates, Terms of Reference or any other recognised document.</b>	<b>Service Agreement</b>
	b) That in the event of an emergency, the administering authority's emergency powers will allow officers to take decisions.	<b>Where a Committee meeting cannot take place, the scheme of sub-delegation to the Director of Finance and Procurement allows that Director to take decisions on behalf of the Council, unless responsibility has not been specifically reserved.</b>  <b>Subject to approval and after consultation with the Chair and Vice-chair the Director can make decisions on behalf of the Fund. All decisions must be reported back to the next Committee meeting.</b>	<b>Wiltshire Council Constitution, Part 3, Section D2, Paragraph 1. With reference to the Pension Committee minutes dated 26 March 2020 – Minute 124.</b>
K) Reporting	a) The Committee will report to the Local Pension Board to the extent that the Board can fulfil its statutory function.	<b>Reporting will include items specified within the Local Pension Board's Terms of Reference</b>	<b>Protocol 2B</b>
	b) The Committee will ensure all external reporting is completed to the extent that it will fulfil its statutory function.	<b>Reporting will include, but is not limited to the Scheme Return, GAD Financial reporting and HMRC Event reporting</b>	

This page is intentionally left blank

## WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD  
23 September 2024

---

### TPR Breach Policy Guidelines

#### Purpose of the Report

1. The purpose of this report is for the Board to ratify that the Fund's existing TPR Breach Policy has been aligned to the requirements of TPR's new General Code of Practice.

#### Background

2. There is a legal requirement on all LPB Members (as well as the Pension Fund committee Members, officers of the Fund, employers, and advisers) to report any significant breaches of the law to the Pensions Regulator (tPR).
3. As part of the Board's training in February 2022 on tPR Breach Policy it agreed that a further review should take place following the introduction of tPR's new general code of practice. The new code came into force on 27 March 2024.
4. The aim of the review was to ensure that the Fund's attached tPR Breach Policy (Appendix 1), continues to set out all the responsibilities of relevant stakeholders and provide a framework for the Fund which continues to align with the new code, identifying, managing and where necessary, making a decision to report breaches of the law to the Regulator. Noting that this framework applies to the management and administration of the Fund.
5. Under Sections 49 to 51 of the new Code of Practice the Fund is required to ensure that:
  - a) It recognises "who must report":
  - b) The process in relation to the "Decision to report": &
  - c) "How to report".

As well as incorporating a mechanism for the "Reporting of payment failures".

#### Considerations for the Board

6. As reviewing the new code officers are satisfied that no material changes were required to the exist policy. However, a number of associated activities are being completed in order to assist with the execution of this policy. These include:
  - a) The development of "material significance" examples to accompany the Pension Regulator's breach decision tree and assist officers in correctly categorising the severity of a breach:
  - b) The policy's alignment with the Fund's escalation arrangements, as set out in the LPB's terms of reference and the Pensions Administration Strategy document to ensure a consistent approach to escalation matters between policies. Clarifying that where a difference may occur, tPR breach policy's escalation approach for breaches of law will take primacy: &
  - c) Clarifications in relation to reporting arrangements to the Pensions Regulator, which in practice will allow for another senior officer, other than the s151 officer to submit a report to the Regulator, on behalf of the s151 officer.

7. As indicated in the February 2022 training, since this policy was introduced in October 2015 an established framework of documents is now in place to assist in the recording, managing and reporting of any breaches of law which may occur. This includes an annual summary of all recorded breaches in each scheme year, which is set out in the Low Volume Performance Report.
8. It is noted that it was originally agreed that all Fund breaches would be published in the Annual Report and on the Fund's website. However, in practice this approach has been modified so that the publication of breaches via the Fund's annual Low Volume Performance Report within Part 1 of the Board/Committee's meeting papers is seen as its preferred method of openness and transparency.

### **Environmental Impact of the Proposal**

9. Not applicable.

### **Financial Considerations & Risk Assessment**

10. There are no significant financial implications from this report.
11. The implementation of these Guidelines will mitigate the risk of the Fund breaching the Regulations and failing to report this or taking appropriate remedial action.

### **Legal Implications**

12. The Guidelines will ensure compliance with tPR Code of Practice.

### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

13. There are no known implications at this time.

### **Proposals**

14. The Board is asked to:
  - a) to review the attached tPR Breach Policy Guidelines and recommend its approval to the Committee on the basis that it is aligned with the tPR's new general code of practice.
  - b) to recommend to the Committee the practice of publishing the Fund's record of breaches via the annual Low Volume Performance Report as a preferred approach.

Jennifer Devine  
Head of Wiltshire Pension Fund

Report Author: Richard Bullen, Fund Governance Manager

---

Appendix 1 – TPR Breach Policy

## Wiltshire Pension Fund

### Breaches of the Law Policy Guidelines for Wiltshire Council Officers, Councillors and Members of the Wiltshire Pension Fund Local Pension Board

#### 1 Status of this document

This document contains the Committee’s policy guidelines on identifying, managing and where necessary reporting breaches of the law in relation to the management and administration of the Fund. The guidelines apply to Councillors, Council officers and Board members. The guidelines do not cover the responsibility of any other person required by law to report such breaches.

Please note that Board members must comply with the Reporting Policy set out at paragraphs 84 to 93 of their Terms of Reference. These guidelines complement the Reporting Policy in respect of Board members.

These guidelines will be reviewed and approved by the Committee at least every three years. The Committee will monitor all breaches and will ensure that adequate resources are allocated to managing and administering this process.

The Council’s Section 151 Officer will be responsible for the management and execution of these guidelines.

#### 2 Definitions used in this document

<b>“Board”</b>	The Wiltshire Pension Fund Local Pension Board
<b>“Code”</b>	The Pensions Regulator’s Code of Practice no. 14: Governance and administration of public service pension schemes (as amended from time to time) (Currently the General Code of Practice)
<b>“Committee”</b>	The Wiltshire Pension Fund Committee
<b>“Council”</b>	Wiltshire Council
<b>“Councillor”</b>	An elected or co-opted member of the Council
<b>“Fund”</b>	The Wiltshire Pension Fund within the LGPS
<b>“Regulations”</b>	The Local Government Pension Scheme Regulations 2013 (as amended from time to time)
<b>“Reporting Policy”</b>	The Council’s policy on reporting matters including breaches of the law set out in this document and the Local Pension Board’s terms of reference (as amended from time to time)

#### 3 Objectives of this document

- a) To set out the principles and procedures that all Councillors, Council officers and Board members are expected to follow in order to comply with the Board’s terms of reference, relevant legislation, codes of practice, government guidance and the Council’s and Pension Fund’s policies.
- b) To ensure that all Councillors, Council officers and Board members are aware of their duty to report relevant breaches of the law to the Pensions Regulator.
- c) To set out procedures for identifying, assessing, recording and reporting relevant breaches within appropriate timescales (including processes for clarifying the facts and applicable law where needed, referral

to Council staff of appropriate seniority, dealing with difficult cases and identifying promptly any breaches that are so serious that they must always be reported to the Pensions Regulator).

d) To ensure that a breaches log is kept and reviewed.

#### 4 Relevant Legislation

Section 70 of the Pensions Act 2004 sets out the legal duty to report breaches of the law:

##### 70. Duty to report breaches of the law

- (1) Subsection (2) imposes a reporting requirement on the following persons —
  - (a) a trustee or manager of an occupational or personal pension scheme;  
[(aa) a member of the pension board of a public service pension scheme;]
  - (b) a person who is otherwise involved in the administration of [an occupational or personal pension scheme];
  - (c) the employer in relation to an occupational pension scheme;
  - (d) a professional adviser in relation to such a scheme;
  - (e) a person who is otherwise involved in advising the trustees or managers of an occupational or personal pension scheme in relation to the scheme.
- (2) Where the person has reasonable cause to believe that—
  - (a) a duty which is relevant to the administration of the scheme in question, and is imposed by or by virtue of an enactment or rule of law, has not been or is not being complied with, and
  - (b) the failure to comply is likely to be of material significance to the Regulator in the exercise of any of its functions,He/she must give a written report of the matter to the Regulator as soon as reasonably practicable.
- (3) No duty to which a person is subject is to be regarded as contravened merely because of any information or opinion contained in a written report under this section. [*i.e. Duty to report overrides other obligations like duty of confidentiality, except where legal professional privilege applies*]  
This is subject to section 311 (protected items). [*Deals with exemption for legal professional privilege*]
- (4) Section 10 of the Pensions Act 1995 (c 26) (civil penalties) applies to any person who, without reasonable excuse, fails to comply with an obligation imposed on him by this section.

#### 5 The Pensions Regulator’s Code: Reporting breaches of the Law

The Pensions Regulator has responsibility for regulatory oversight of the governance and administration of public service pension schemes, including the LGPS. The Pensions Regulator has published guidance in the Code. Sections 49 to 51 of the General Code deals with reporting breaches of the law.

#### 6 Overview

The identification, management and reporting of breaches is important. It is a requirement of the Pensions Act 2004 and the Code; failure to report a breach without “reasonable excuse” is a civil offence that can result in civil penalties.

At the same time, in addition to identifying, rectifying and where necessary reporting a particular breach, the process provides an opportunity to learn from mistakes and review and improve processes in the areas where the breach occurred.



All Councillors, Council officers and Board members are expected, indeed required, to take a pro-active approach to the identification, management and reporting of all breaches that have occurred, or are likely to occur.

The Head of Pensions will maintain a log of all breaches of the law as applicable to the management and administration of the Fund.

The Council, as Scheme Manager, and the Board cannot rely on waiting for other reporters to report a breach where it has occurred. Where a breach has occurred and has been identified by the Council or Board it should be recorded, assessed and where necessary reported as soon as reasonably practicable.

## 7 What is a breach of the law?

A breach of the law is “*an act of breaking or failing to observe a law, agreement, or code of conduct.*”. In the context of the Local Government Pension Scheme (LGPS) it can encompass many aspects of the management and administration of the LGPS, including failure:

- a) to do anything required under the Regulations;
- b) to do anything required under overriding legislation, applicable statutory guidance or codes of practice;
- c) to maintain accurate records;
- d) to act on any fraudulent act or omission that is identified;
- e) to comply with policies and procedures (e.g. the Fund’s Investment strategy statement, Funding strategy statement, discretionary policies, etc.);
- f) of an employer to pay over member and employer contributions on time;
- g) to pay member benefits accurately and in a timely manner; and
- h) to issue annual benefit statements on time or non-compliance with the Code.

## 8 Responsibilities in relation to breaches

Responsibility to report identified breaches of the law falls on the following reporters:

- a) Councillors and Council officers (on behalf of the Council as Scheme Manager);
- b) Board members;
- c) Scheme employers;
- d) Professional advisers (including the Fund actuary, investment advisers, legal advisers); and
- e) Third party providers (where so employed).

These guidelines only apply to Councillors, Council officers and Board members. It is for the other reporters to ensure their own adequate procedures and policies are put in place in order to identify, assess and where necessary report breaches. Both the Council and the Board will take all necessary steps to consider a breach and report to the Pensions Regulator, rather than having the breach solely reported by any of the other reporters

## 9 Requirement to report a breach of the Law

Breaches of the law which affect pension schemes should be considered for reporting to the Pensions Regulator in accordance with the Code.

The decision whether to report an identified breach depends on whether:

- a) there is reasonable cause to believe there has been a breach of the law;

b) and if so, is the breach likely to be of material significance to the Pensions Regulator?

It is important to understand that not every breach that is identified needs to be reported to the Pensions Regulator. For example, where it can be demonstrated that appropriate action is being taken to rectify the breach, or the breach has occurred due to teething problems with new or revised systems or processes, it may not be necessary to report the incident to the Pensions Regulator. It is still necessary that all incidents of breaches identified are recorded in the Fund's breaches log. This log will be reviewed on an on-going basis to determine any trends in the breaches log that might indicate any serious failings or fraudulent behaviour.

Where such failings or fraudulent behaviour are identified immediate action will be taken to agree and put in place a plan of action to rectify the matter and prevent such an occurrence in the future.

## 10 When is a breach required to be reported to the Pensions Regulator?

The Code requires that a breach should be notified to the Pensions Regulator as soon as is reasonably practicable once there is reasonable cause to believe that a breach has occurred and that it is of material significance to the Pensions Regulator. The time taken should reflect the seriousness of the breach. In any event, where a breach is considered to be of material significance it must be reported to the Pensions Regulator no later than **10 working days** after becoming aware of the breach or likely breach.

Where it is considered that a breach is of such significance that the Pensions Regulator is required to intervene as a matter of urgency (for example, serious fraud) the matter should be brought to the attention of the Pensions Regulator immediately (e.g. by calling them direct). A formal report should then be submitted to the Pensions Regulator, marked as "urgent" in order to draw the Pensions Regulator's attention to it.

## 11 Assessing "reasonable cause"

It is important that the Council and the Board are satisfied that a breach has actually occurred, rather than acting on a suspicion of such an event.

It will be necessary, therefore, for robust checks to be made by Councillors, Council officers and Board members when acting on any suspicion of a breach having occurred. Where necessary this will involve taking legal advice from the Head of Legal Services (who may recommend specialist external legal advice if necessary) as well as other advisers (e.g. the auditors, the Fund actuary or its investment advisers).

## 12 Deciding if a breach is "materially significant" and should be reported to the Pensions Regulator

The Pensions Regulator has produced a decision tree to assist schemes in identifying the severity of a breach and whether it should then be reported. When determining materiality of any breach or likely breach the following aspects are considered in all cases:

- a) cause – e.g. dishonesty, poor governance, incomplete or inaccurate information, acting or failing to act in contravention of the law;
- b) effect – e.g. ineffective internal controls, lack of knowledge and understanding, inaccurate records, potential for further breaches occurring;
- c) reaction – e.g. taking prompt and effective action to resolve a breach, notifying scheme members where appropriate; and
- d) wider implications – e.g. where a breach has occurred due to lack of knowledge or poor systems and processes making it more likely that other breaches will emerge in the future.

The decision tree provides a "traffic light" system of categorising an identified breach:

**Green** – not caused by dishonesty, poor governance or a deliberate contravention of the law and its effect is not significant and a plan is in place to rectify the situation. In such cases the breach may not be reported to the Pensions Regulator, but should be recorded in the Fund’s breaches log;

**Amber** – does not fall easily into either green or red and requires further investigation in order to determine what action to take. Consideration of other recorded breaches may also be relevant in determining the most appropriate course of action. The Council or Board will need to decide whether to informally alert the Pensions Regulator of the breach or likely breach, formally reporting the breach if it is subsequently decided to categorise the breach as red;

**Red** – caused by dishonesty, poor governance or a deliberate contravention of the law and having a significant impact, even where a plan is in place to rectify the situation. The Council or Board must report all such breaches to the Pensions Regulator in all cases;

Where a Councillor, Council officer or Board member is satisfied that a breach has actually occurred and it is significant, he or she must as soon as reasonably practicable report it to either the Head of Pension and the Chairman of the Board.

If it is unclear as to whether the breach or likely breach is significant, in the first instance full details should always be reported to the Board (through its chairman) to determine the appropriate course of action. The Board will then report full details to the Committee as soon as reasonably practicable and otherwise in accordance with the Reporting Policy, including escalation under paragraph 90 of the Board’s terms of reference where necessary.

It should be noted that failure to report a significant breach or likely breach is likely, in itself, to be a significant breach.

The Committee will use the Pensions Regulator’s decision tree as a means of identifying whether any breach is to be considered as materially significant and so reported to the Section 151 Officer for reporting to the Pensions Regulator. To assist the Committee in its consideration of “materially significant” Appendix I to this policy seeks to provide broad “traffic light” examples to accompany the decision tree and to enable the appropriate categorisation of identified breaches.

Any failure of a scheme employer to pass over employee contributions that are considered to be of material significance must be reported to the Pensions Regulator.

In order to determine whether failure to pay over employee contributions is materially significant or not the Committee will seek from the employer:

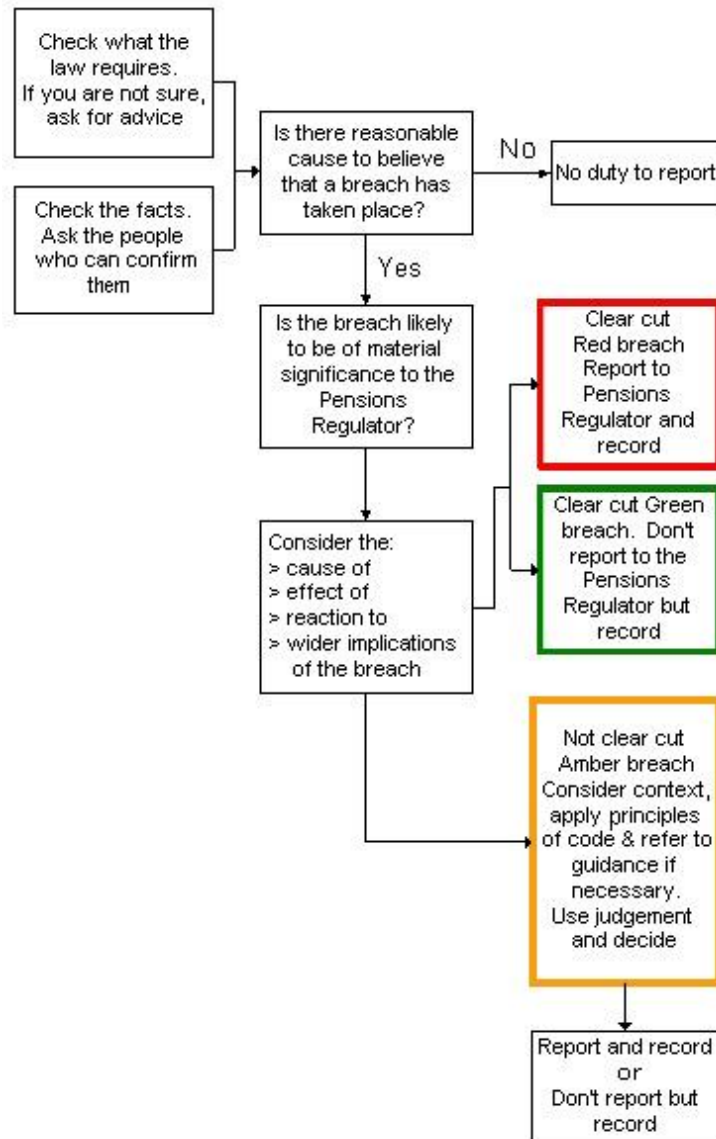
- a) the cause and circumstances of the payment failure;
- b) what action the employer has taken as a result of the payment failure, and
- c) the wider implications or impact of the payment failure.

Where a payment plan is agreed with the employer to recover outstanding contributions and it is being adhered to or there are circumstances of infrequent one-off late payments or administrative failures the late payment will not be considered to be of material significance.

All incidences resulting from the unwillingness or inability of the employer to pay over the employee contributions, dishonesty, fraudulent behaviour or misuse of employee contributions, poor administrative procedures, or the failure to pay over employee contributions within 90 days from the due date will be subject to a material significance test and where that test is failed, reported to the Pensions Regulator.

As soon as a breach or likely breach has been identified to the Committee, regardless of whether it needs to be reported to the Pensions Regulator, the relevant manager, in consultation with the Head of Pensions, must review the circumstances of the breach in order to understand why it occurred, the consequences of the breach

and agree the corrective measures required to prevent re-occurrence, including an action plan where necessary. All breaches must be recorded in the Fund's breaches log.



### 13 Process for reporting breaches

All Councillors, Council officers and Board members have a responsibility to:

- identify and assess the severity of any breach or likely breach;
- report all breaches or likely breaches to the Head of Pensions and Chairman of the Board, and in the case of Board members, escalate to the Section 151 officer (notifying the Committee too) where required under the Reporting Policy;
- in conjunction with relevant colleagues agree a proposed course of action to rectify the breach and put in place measures to ensure the breach does not re-occur, obtaining appropriate legal or other advice where necessary;
- ensure that the appropriate corrective action has been taken to rectify the breach or likely breach and to prevent it from re-occurring; and

- e) co-operate with, and assist in, the reporting of breaches and likely breaches to the Board, Committee, Section 151 Officer and where necessary the Pensions Regulator.

#### 14 Responsibilities of the responsible officer

The Council will appoint one of its senior officers to be responsible for the management and execution of these guidelines. That officer will be the Section 151 Officer.

The Section 151 Officer will be responsible for ensuring that breaches and likely breaches are recorded and reported as follows:

- a) ensure that all identified breaches and likely breaches are recorded by the Head of Pensions in the Fund's breaches log;
- b) ensure investigation of the circumstances of all reported breaches and likely breaches;
- c) ensure, where necessary that an action plan is put in place and acted on to correct the identified breach and also ensure further breaches of a similar nature do not re-occur;
- d) ensure reporting to the Committee and Board of:
  - 1) all materially significant breaches or likely breaches that will require reporting to the Pensions Regulator as soon as practicable, but no later than **10 working days** after becoming aware of the breach or likely breach; and
  - 2) all other non-green breaches at least quarterly as part of the Committee cycle. Green breaches to be reported annually.
- e) report all materially significant breaches to the Pensions Regulator as soon as practicable but not later than **10 working days** after becoming aware of the breach.

The Section 151 Officer will make the final determination of whether any breach or likely breach is materially significant, having regard to the guidance set out in the Code and after consultation with the Head of Legal Services and were considered appropriate the Committee and Board.

If appropriate, the matter will be referred to an external party to obtain any necessary legal or other advice before deciding if the breach is considered to be of material significance to the Pensions Regulator. Where uncertainty exists as to the materiality of any identified breach the Section 151 Officer (or delegated officer) may informally notify the Pensions Regulator of the issue and the steps being taken to resolve the issue.

#### 15 How should a breach be reported to the Pensions Regulator?

All materially significant breaches must be reported to the Pensions Regulator in writing. This can be via post or electronically. The Pensions Regulator encourages the use of its standard reporting facility via its Exchange on-line service.

The Section 151 Officer (or delegated officer) will report all material breaches to the Pensions Regulator via Exchange ideally within **10 working days** of being identified, or as soon as is reasonably practical.

To enable compliance with tPR's requirement to notify breaches within **10 working days** the process for reporting will be conducted by email with officers liaising with the Chairs of the Board and Committee prior to submission of any report by the s151 Officer. The decision to report will be included as an agenda item in the next cycle of meetings.

#### 16 How are records of breaches maintained?

All breaches and likely breaches identified are to be reported to the Head of Pensions as soon as they are identified. The Head of Pensions will log all breaches on the Fund's breaches log, including the following information:

- a) date the breach or likely breach was identified;
- b) name of the scheme;
- c) name of the employer (where appropriate);
- d) any relevant dates;
- e) a description of the breach, its cause and effect, including the reasons it is, or is not, believed to be of material significance;
- f) whether the breach is considered to be red, amber or green.
- g) a description of the actions taken to rectify the breach;
- h) a brief description of any longer-term implications and actions required to prevent similar types of breaches re-occurring in the future.

The Section 151 Officer will be responsible for ensuring the effective management and rectification of any breach identified, including submission of any report to the Pensions Regulator. The collection of evidence and any documentation supporting the breach will be maintained by the Section 151 Officer.

## 17 Whistleblowing

It is a statutory duty to report breaches of the law. In rare cases this may involve a duty to whistle blow on the part of an employee of the Council or a member of the Board. The duty to report overrides any other duties a reporter may have, such as confidentiality. Any such duty is not breached by reporting to the Pensions Regulator. Given the statutory duty that exists, in exercising these guidelines the Council will ensure it adheres to the requirements of the Employment Rights Act 1996 in protecting an employee making a whistleblowing disclosure to the Pensions Regulator. The provisions of the Council’s whistleblowing policy apply.

The duty to report, however, does not override ‘legal professional privilege’, so oral and written communications between the Council, Committee or Board and a professional legal adviser must not be disclosed.

## 18 Training

The Head of Pensions will ensure that all Councillors, Council officers and Board members receive appropriate training on reporting breaches of the law and these guidelines at the commencement of their office, employment or appointment to the Board as appropriate and on an ongoing basis.

## 19 Associated guidance

- a) Material Significance – Appendix 1 (to assist in assessing the Pensions Regulator’s decision tree)
- b) Escalation – Escalation arrangements relating to breaches within the Pensions Administration Strategy document, the Board’s terms of reference and this TPR Breach policy should all be consistent. Where an inconsistency is identified between these documents the escalation arrangements for breaches of law set out within this TPR Breach policy will take primacy.

### [Wiltshire Pension Fund policies](#)

Effective date of policy	10 <sup>th</sup> October 2024
Date approved	10 <sup>th</sup> October 2024
Current Version	XXXXXX
Next review	10 <sup>th</sup> October 2027

LOCAL PENSION BOARD - WORK PLAN 2024-25

Meeting:	LPB Term of Reference item	Description of scope as defined by the LPB ToR	22/05/24	15/08/24	07/11/24	11/02/25	No expected review in 2024/25	May '25	Guidance comments
<b>GOVERNANCE - Board Specific</b>									<b>Comments</b>
Election of Vice Chair	42	Appointments made as defined in the Board's Term of Reference				✓			Annual appointment
Board Annual Report	85	Recommendation under the legislation	✓					✓	Draft submission to the Board for their approval
Board Budget setting	78	Review & recommend to the Committee the budgetary requirements for the Board during the next Scheme year				✓			Review in conjunction with the Look Forward plan in order to anticipate future costs
Review Board's Terms of Reference (if and as required)	81g	Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness and efficient operation and governance of the Fund.			✓				This review should be in conjunction with the Committee's ToR review and other strategic documents to ensure continuity. Lasted reviewed in July 2020.
TPR General Code of Practice plan and self-assessment	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.			✓			✓	The self-assessment to be independently audited in 2025/26. Replaces tPR Code of Practice 14.
Board Annual Training Plan Update (To include Member training policy)	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.	✓						To be completed each Scheme year for subsequent inclusion in the Board's Annual Report & the Fund's AR&A.
Member Training review	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.				✓			To review the strategy for Committee and Board member training. Plus, consideration of the 4 year training plan last approved on 16/12/2021.
Effectiveness review	81g	Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness and efficient operation and governance of the Fund.					Not expected		Four year plan last prepared for the Board in November 2022. The LPB should periodically compare itself against its own core functions.
Training Item relevant to agenda	80i	Review arrangements for training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.	✓	✓	✓	✓		✓	Aligned with the Member's annual training plan
Code of Conduct & Conflicts of Interest Policy (Review all Fund Declarations of Interest)	80d	Review such documentation as is required by the Regulations including the Single Code of Practice and Good Governance Review					Not expected		Three year review last approved February 2024. Annual reviews should be undertaken by Democratic Services in each Q4
Review Actions from previous meetings	n/a	Maintained by officers to enable Members manage their responsibilities	✓	✓	✓	✓		✓	Addressed primarily during pre-meeting planning meetings
Forward Work Plan Review	87	Maintained by officers to enable Members manage their responsibilities	✓	✓	✓	✓		✓	Annual reviews to be undertaken in Q2
<b>GOVERNANCE - Fund Specific</b>									<b>Comments</b>
Review of Risk Register	81e	Review the risk register as it relates to the scheme manager function of the Administering Authority	✓	✓	✓	✓		✓	Quarterly review. Recommendations are made to the Committee, via LPB minutes and HAM Report.

Fund update & comments on minutes of the Pension Fund Committee	80a	Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.	✓	✓	✓	✓		✓	In addition to the Fund's operationally based risk register, Members should use the minutes to identify risks for incorporation into the register
Review Governance Compliance Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.			✓				Five year plan last approved on 30/03/2021. To form part of the changes arising from the Good Governance review.
This should consider the Fund's internal escalation strategy and breach reporting.	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.		✓					Three year plan last raised with the Board on 17/02/2022. To be reviewed again in line with the General Code of Practice and SAB Good Governance Review.
Scheme Legal, Regulatory & Fund update	n/a	A summary for Board members the latest legal, regulatory and Fund issues affecting the Pension Fund	✓	✓	✓	✓		✓	Quarterly update by the Head of Wiltshire Pension Fund
Review service providers, both internal & external. Include advisor appointments, processes, controls & SLAs	81b	Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.			✓				Committee requested the Board annually review advisors & services providers.
Input into and monitor External & Internal Audit Reports	80k & 81d	Recommend to Committee the audit scope & timetable to be commissioned in the next Scheme year & Monitor internal and external audit reports	✓	✓	✓	✓		✓	Committee to liaise with the Audit Committee concerning the scope of Council's AR&A's and SWAP audits. Ensure audit recommendations are actioned.
<b>GOVERNANCE - Fund Plans, policies &amp; strategies</b>									<b>Comments</b>
Review Business Plan (To include KPI Improvement Plan)	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.	✓	✓	✓	✓		✓	Business plan 24/27 approved on 28/03/2024. KPI Improvement Plan approved on 14/12/2023 6 monthly checkpoints initially agreed
Review Pension Administration Strategy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.		✓					3 year plan last approved on 28/07/2022
Review Communication strategy	80e	Review scheme members and employers communications as required by the Regulations and Relevant Legislation			✓				3 year plan last approved on 16/12/2021. E-communication strategy update and customer service assessment
TPR Breach Policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.		✓					Last reviewed on 17/02/2022. To review as part of new TPR GCOP requirements
Review Compliance with FRC stewardship code	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.				✓			Last approved on 28/03/2024. Annually - Consider TCFD requirements as part of the process
Review Investment Strategy Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.			✓				Annual review. last approved on 02/03/2023 (Ensure inclusion of MiFID II arrangements)
Review Fund "Responsible Investment Strategy"	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.		✓					To be reviewed in conjunction with the Investment Strategy Statement. To cover Climate Change Statement. To also cover topical changes on policy relating to BPP & ESG



Review the Fund's Annual Report & Accounts	80l	Review draft accounts and Fund annual Report		✓					To ensure CIPFA compliance requirements have been applied
Review Admin Charging Policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.						Not expected	3 year plan last approved on 28/07/2022
Review Admin Authority Discretions	80j	Review the complete and proper exercise of employer and administering authority discretions						Not expected	3 year plan last approved in 28/03/2024
Review Cessations policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.						Not expected	3 year plan last approved in 13/07/2023.
Review Funding Strategy Statement	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.						Not expected	3 year plan last approved on 17/11/2022. Next Fund Valuation 31/03/2025
New Employer Admissions Policy	80d	Review such documentation as is required by the Regulations including the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.						Not expected	3 year plan last approved in 13/07/2023.
<b>ADMINISTRATION</b>									<b>Comments</b>
Payroll migration, i-Connect & Members Self-service update	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.			✓				Present as part of a Fund digital platform update. Progress report on take up and functional developments
Receive an annual report of an complaint & IDPR cases, including a review of the Fund's procedures	80f, 80g & 80h	Monitor complaints and performance on the administration and governance of the scheme & review the Internal Dispute Resolution Process & Pensions Ombudsman cases	✓					✓	Covered in Low Volume Performance Report.
Review of Cyber, Data Security & Business Recovery	80b	Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, Relevant Legislation and in particular the Code.			✓				Report sets out the arrangements in place & when they were last tested. Includes annual BCP review.
Review of Payroll	81a	Monitor performance of administration, governance and investments against key performance targets and indicators		✓					Annual update on payroll administration following the PI exercise. To include reconciliations, cashflows and certificate of existence exercises
Board KPIs to monitor	81a	Monitor performance of administration, governance and investments against key performance targets and indicators	✓	✓	✓	✓		✓	Quarterly Administration performance reporting. Including outsourced backlog KPIs
Benchmark KPIs in Annual Report & Accounts information with other Funds	80f	Monitor complaints and performance on the administration and governance of the scheme				✓			Annual Report & Accounts must be disclosed each 1st December
Review of Annual Benefit Statement and Pension Saving Statement processes	81a	Monitor performance of administration, governance and investments against key performance targets and indicators			✓				Percentage issued, action plan to issue outstanding ABSs & process improvement review
Strategic Project reviews	81a	Monitor performance of administration, governance and investments against key performance targets and indicators			✓			✓	Regular updates on strategic projects, for example McCloud and the Pensions Dashboard
Review employers compliance (data)	80c	Review the compliance of scheme employers with their duties under the Regulations and Relevant Legislation			✓				Ideally incorporate with ABS review process & update on Fund's Data Improvement Plan. Statistics on Employer Report Cards
<b>FUNDING &amp; INVESTMENTS</b>									<b>Comments</b>

Review Triennial Valuation Process	n/a	Consider how the whole valuation exercise will be executed & what recommendations may be made to the Committee				✓			Next valuation currently due 31/03/2025
Review Triennial Valuation Results	81f	Review the outcome of actuarial reporting and valuations					Not expected		Verify that the FSS, ISS & Valuation results are consistent
Brunel Governance review	81g	Provide advice and make recommendations when required to the Committee on areas that may improve the effectiveness and efficient operation and governance of the Fund.	✓	✓	✓	✓			To receive an annual update on Brunel governance and operational issues
Pension Fund budget outturn	81c	Monitor investment costs including custodian and transaction costs.	✓					✓	To receive a monitoring update on the Fund's actual expenditure against its budget for the previous Scheme Year
Treasury Management Strategy	81c	Monitor investment costs including custodian and transaction costs.			✓			✓	Annual review, including cashflow forecasting and preferred bank account maintenance (Last reviewed 23/03/2023)
Cost transparency of BPP, Managers & the Custodian	81c	Monitor investment costs including custodian and transaction costs.		✓					Annual review presented in conjunction final Annual Report & Accounts.
Review Investment performance against Fund's benchmarking criteria	81a	Monitor performance of administration, governance and investments against key performance targets and indicators				✓			To be presented in conjunction final Annual Report & Accounts

<b>Total number of Agenda Items:</b>	<b>14</b>	<b>17</b>	<b>22</b>	<b>17</b>	<b>15</b>
--------------------------------------	-----------	-----------	-----------	-----------	-----------

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank