



**Wiltshire Pension Fund**

**Business Plan 2019-2022**

## Introduction

The purpose of the Wiltshire Pension Fund Business Plan 2019-2022 is to set out Wiltshire Pension Fund's (WPF) aspirations, strategic direction and goals and objectives during the period. The plan also outlines some of the specific actions WPF intends to take during 2019.

The Local Government Pension Scheme Funds have been, and continue to be, in an environment of transition and change. Over the last few years, the transition to asset pooling has had a major impact on all Funds, including WPF, while additional layers of oversight and scrutiny has been implemented in the form of Local Pension Boards, the Scheme Advisory Board and with an expanded role for the Pension Regulator. In terms of administration, these changes have also been coupled with ever increasing complexity from Scheme changes, the continual increase in outsourcings, academy changes and ceasing employers.

Many employers continue to face budget challenges which means they continue to look for new and innovative ways to make savings against their costs. The Fund is fully aware of its responsibility to try to maximise investments returns, keep employer contributions low and relatively stable and to minimise risk where possible. In this digital age, member requirements have also changed, not just in looking for online access to information but also to receive quicker and easy to read information to meet their needs.

WPF has two main types of customers: Scheme members and participating employers. Whilst both changes in the external environment and the needs of customers have created additional challenges for Funds, WPF, much like its host Wiltshire Council, is and will continue to be ambitious in setting itself objectives and goals. The starting point for this ambition is a clear vision.

## The vision

**“Wiltshire Pension Fund is an exemplar LGPS Fund”**

Wiltshire Pension Fund recognises that it not only has to meet its statutory requirements but it should also aspire to be cost effective, efficient, provide outstanding customer service and, importantly, to think and act with the long-term in mind. We are currently administering pensions that may not be paid out for over 50 years, so we also need to adapt, change and ensure the infrastructure is in place for future generations in terms of both administration and financing.

Subsequently, the vision outlined within this document is a long-term one and an important part of this vision is to put steps in place to plan for the long-term.

## Vision themes

Exemplar will have a different meaning to different individuals and hence WPF has broken down its vision into different themes and then derive specific actions from each of the themes. Many of the themes interact and actions will often relate to more than one theme.

- **Management of investments:** The Fund's investments need to be managed in accordance with the Strategic Asset Allocation, which is developed in consultation with the Fund actuary and investment consultants and approved by the WPF Committee, in order to ensure that the Fund is best placed to deliver the required investment returns

over the long term. The Fund will work with investment managers to monitor performance returns.

- **Working with other Funds to deliver investment pooling:** WPF is a member of the Brunel pool, and over the next few years investments will be transferred to the pool, in order to achieve reductions in investment management costs, by combining assets with other LGPS funds to achieve economies of scale. WPF will work with the other nine funds in the Brunel pool to ensure that pooling of investments delivers the required savings, and that the Funds hold Brunel to account successfully and effectively.
- **Innovative and secure Funding approaches:** The Fund's financial goals always need to be more than just reaching and maintaining a whole-fund funding level of 100%. We are a multiple employer fund with a wide variety of employers of different statuses, financial positions and risk appetites. The Fund, working closely with its actuary, strives to set contribution rates, and enact policies which both address this variety in the best way possible while managing the risk to the Fund.
- **Outstanding customer service and stakeholder relationships:** WPF exists to serve its customers and to be exemplar it needs to aspire to high levels of customer service. WPF is also reliant on a number of internal and external partners to operate successfully and it is essential to maintain strong working relations with them.
- **Lean processes, high performing and efficient with a culture of continuous improvement:** With ever changing complexity and technology, WPF needs to make sure its processes are, and remain, lean and customer focused but still well controlled to meet regulatory and business requirements.
- **Embracing Technology:** Technology has been, and continues, to change at a fast pace. It provides both opportunities and challenges for the Fund and it also changes customer expectations. WPF aims to embrace technological changes and use it to improve its service and efficiency, not just by using third party products aimed at the LGPS market but to look more widely at the use of technology across pension funds and beyond.
- **Robust and accurate service delivery:** We operate in a highly regulated, complex environment and handle large amounts of payments and hence an essential part of our core service is to meet the mantra of paying the right pension to the right person at the right time. A key part of this is effective processes and controls.
- **Thriving team and fluid governance:** Even with greater use of technology we are still heavily reliant on a strong and knowledgeable team to deliver our objectives against our strategy with appropriate oversight, scrutiny and decision making through our governance arrangements.
- **Effective governance, employer and staff training:** We need to ensure we equip our Committee and Board with the relevant level of knowledge to facilitate effective decision making and scrutiny. Similarly, for WPF officers and employer contacts, in such a complex area as pensions there is continual need for high quality training to maximise the levels of efficiency and minimise the risks of mistakes being made.
- **Strong accounting controls:** WPF has a strong accounting framework and will continue to assess and improve its processes. The accounts and the annual report will be delivered in line with reporting timescales and with all required content.

- **Sharing excellence and learning from others:** As one of over 80 LGPS administering authorities, together with a wider range of other pension funds and comparable organisations, there is plenty of opportunity to learn from others and share good ideas and to be exemplar the Fund needs to look at best practice elsewhere and share its best practice too.

The Fund has outlined the specific actions to plans to take place in 2019 within Appendix 1 and its aspirations for 2020-2022 in Appendix 2.

### **Measuring Success**

WPF will measure its success against its vision in a variety of ways. Initially, it will self-assess that it is completing the actions it has set itself and is working towards meeting its current aspirations and creating new ones. Over time, it will determine a series of key performance indicators and measures that it considers to be the attributes of an exemplar fund and it will measure itself against those, both in absolute sense and relative to other Funds. Furthermore, as the Fund is ultimately run for the benefit of its participating members and employers, the view of those customers is essential in determining if the Fund is truly exemplar.

### **Further Information**

Further information about the Wiltshire Pension Fund, including its governance structure, membership, employers and accounts can be found on its website [www.wiltshirepensionfund.org.uk](http://www.wiltshirepensionfund.org.uk)

### Appendix 1: Action plan for 2019 (areas for development only)

The table below focuses on actions which relate to developing the Fund and working towards its vision. All business as usual related actions such as renewing essential contracts, external reporting, updating existing policies and strategies and processing routine administration work are excluded from this table.

No	Vision Theme	Action	Target date (latest)
1	Embracing Technology	<u>Member Self Service (MSS)</u> : Complete stage 1 of the implementation of MSS by inviting all active and deferred members to sign up.	June 2019
2	Embracing Technology	<u>I-connect</u> : Start and complete the set-up of I-connect and commence onboarding several large and smaller employers on to the new system.	July 2019
3	Embracing Technology	<u>E-payslips</u> : To complete the rollout of e-payslips by inviting new and existing pensioner members to sign up.	December 2019
4	Embracing Technology & Robust and accurate service delivery	<u>Member payment instruction automation</u> : Automate the process for setting up all one-off (e.g. refunds, transfers, lump sums etc) and regular member payments (e.g. monthly pension payments).	August 2019
5	Embracing Technology & Outstanding customer service and stakeholder relationships	Rollout a new enhanced employer website with access to online training materials and webinars	September 2019

6	Innovative and secure Funding approaches	Implement separate employer investment strategies in conjunction with the 2019 triennial valuation.	December 2019
7	Innovative and secure Funding approaches	Review and update the Funding Strategy Statement to imbed the changes made to the cessation policy, and other changes made as part of the 2019 triennial valuation, to improve the way funding matters are dealt with.	December 2019
8	Management of investments	Complete the Strategic Asset Allocation review, and make necessary changes to the Fund's asset allocation to bring it in line with this review.	December 2019
9	Management of investments	Review and update the Investment Strategy Statement to bring it in line with the new Strategic Asset Allocation, and progress made in investment pooling	December 2019
10	Working with other Funds to deliver investment pooling	Complete the transition of assets to the Brunel high alpha equities portfolio. Continue to monitor fee savings and ensure that Brunel are effectively held to account.	December 2019
11	Strong accounting controls	Complete the Fund's account and annual report in line with updated CIPFA guidance. The deadline for the annual report will be brought forward this year to 31 July to bring it in line with the accounts deadline, and to improve the information available to stakeholders.	July 2019
12	Lean processes, high performing and efficient with a culture of continuous improvement	Start a Lean/Systems Thinking, end to end processing review of all repeatable processes in the section with the key objectives of improving the customer experience and identifying and realising efficiencies.	March 2019
13	Lean processes, high performing and efficient with a culture of	Set up a formal process for monitoring the performance of all supplier and adviser contracts.	October 2019

	continuous improvement		
14	Lean processes, high performing and efficient with a culture of continuous improvement	Introduce a new, semi-automatic work allocation system for all benefits work. The purpose of this is to help identify priority cases quicker with less analysis and discussion needed.	October 2019
15	Outstanding customer service and stakeholder relationships	Imbed the regular monitoring of employer covenant strengths and monitor active membership numbers for small employers to start cessation discussions prior to a crystallisation events.	October 2019
16	Outstanding customer service and stakeholder relationships	Review and update the Pension Administration Strategy and improve internal performance monitoring to ensure the Fund and employers are meeting the requirements of the Strategy and thus improving the administration performance of the Fund.	December 2019
17	Sharing Excellence and learning from others	Continue to take part in regional and national discussion groups and committees, volunteering where possible to take on responsibility and build networks across all key areas of the Fund.	Ongoing
18	Robust and Accurate Service Delivery	Complete the analysis of GMP-related pension in payment issues and agree a final approach on GMP rectification.	December 2019
19	Backlog processing	Implement the data improvement sub-plan for processing of administration backlogs and make reductions in backlog levels in line with the details of the sub-plan.	December 2019

20	Thriving team and fluid governance	Design and start populating an internal website-based, 'Knowledge hub' and 'interactive procedures' to help guide new and existing pension team members smoothly through the complexity of the LGPS whilst reducing risk and improving efficiency.	May 2019
21	Thriving team and fluid governance	Review and update the Terms of Reference for Committee, Local Pension Board and Investment Sub-Committee to provide clarity on the distinctions between each one and to help improve their effectiveness	December 2019
22	Thriving team and fluid governance	Improve the range of Key Performance Indicators (KPIs) produced for the Committee and Local Pension Board to help provide transparency and clearer oversight of administration performance.  Investigate and implement, where appropriate, benchmarking statistics.	November 2019
23	Effective governance, employer and staff training	<u>Employer Training</u> : The Fund will create a new, comprehensive training plan for all employers within the Fund. The plan will aim to make available a mixture of training approaches including presentations, webinars, 1-1 employer meetings and telephone calls. The plan will be proportionate to employer sizes, needs and their location.	May 2019
24	Effective governance, employer and staff training	<u>Governance Training</u> : The Fund will implement its three-year training strategy for all members approved by both the Committee & the Board. The strategy aims to ensure that members have sufficient knowledge & understanding to carry out their duties and are compliant with the LGPS Regulations, tPR Code of Practice 14, Data Protection legislation & MiFID II. In addition, it aims to address the CIPFA guidance on training standard.	April 2019
25	Effective governance, employer and staff training	<u>Staff Training</u> : The Fund will finalise a new modular based, onboarding process and policy for all new staff covering. For existing staff, it will put in place an annual plan to maintain and enhance knowledge and understanding through training as part of team meetings and other, separate bitesize sessions.	June 2019



## Appendix 2: Aspirations for 2020 to 2022

Given the ever-changing nature of the LGPS and the new and evolving challenges, it is difficult to set specific actions far in advance. Therefore, the Fund will produce a new set of actions at the beginning of each calendar year following consideration of progress to date of the previous year's actions, any changes in priorities and other developments which have occurred in the meantime.

No	Vision Theme	Aspiration
1	Embracing Technology	<u>Member Self Service (MSS)</u> : To achieve a sign-up rate of 40% with over 25% of members having logged in with the last 6 months and having switched from paper to electronic communications (e.g. for annual benefit statements, newsletters and other ad-hoc communications)
2	Embracing Technology	<u>I-connect</u> : All WPF employers are onboarded and successfully using I-connect.
3	Embracing Technology	<u>E-payslips</u> : Over 20% take up of all pensioners and over 50% take up of overseas pensioner residents.
4	Working with other Funds to deliver investment pooling	Assets will have continued to transition to the pool in line with the Brunel timetable, and the Fund will be realising significant fee savings in line with expectations.
5	Lean processes and a cultural of continuous improvement	The end to end processing review is complete, the benefits are realised and a culture of continuous improvement is imbedded.
6	Outstanding customer service and stakeholder relationships	Employers and the Fund are consistently meeting all KPIs and the Fund compares well against peers in key, comparable benchmarks such as the Pension Regulator data quality measures.

7	Robust and Accurate Service Delivery	GMP Rectification exercise is complete with minimal difficulties encountered.
8	Robust and Accurate Service Delivery	Continue to make improvements to data quality to reach a 'steady state' position where processing levels and data quality are maintained high levels.