

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
18 August 2022

WILTSHIRE PENSION FUND HEADLINES AND MONITORING REPORT

Purpose of the Report

1. The purpose of this report is to provide the Board with highlights on key issues and developments covering Scheme, Regulatory, Legal and Fund Updates.

Report from Head of Wiltshire Pension Fund

2. This section summarises key events across the Pension Fund over the last quarter.
 - a) Investment performance for the quarter to Mar-22 was -2.6%, compared to a benchmark return of -2.1%. The fund value at the end of Mar-22 was £3.2bn. Performance has continued to be challenging over the second quarter of 2022, due to global events. The value of the Fund's investments at the end of May-22 (the latest audited figures at the time of writing) was £3.12bn.
 - b) Work has continued on the Actuarial Valuation. Initial discussions have been held with the finance directors of Wiltshire Council and Swindon Borough Council, and officers are continuing to develop comms with the employers to keep them engaged in the process.
 - c) Progress has been made regarding the two large outsourcing projects. The backlog outsourcing tender is now live and is being let via the LGPS framework. The same framework is being used for the pensioner payroll rectification outsourcing, and it is hoped that this will be live shortly.
 - d) Committee members have attended training on the strategic asset allocation (SAA), on which work is ongoing, and amended SAA will be coming to the Committee for approval at the meeting on 5 September 2022.
 - e) Officers have begun work with procurement to put out a tender for a provider of a new liquidity solution to maximise investment returns in line with the Fund's strategy, via a liquidity solutions portfolio, called the Strategic Allocation to Liquid Asset-Matching Investments (SALAMI).
 - f) The annual report and accounts have been completed for 2022/23, although due to national resourcing issues, Deloitte have been unable to deliver against the agreed audit timetable, and consequently the audit will not be happening until later this year. This is covered in detail elsewhere on this agenda.
 - g) Significant progress has been made against other Business Plan 22/23 actions.

Scheme, Regulatory and Legal Update (Appendix 1)

3. Using available consultancy budget, the Head of Wiltshire Pension Fund has asked Aon to report in more detail on two large and emerging areas, McCloud and dashboards. Aon will provide short reports on what they would expect an LGPS fund to be doing/have already done at this stage on these areas. The intention is that the Fund is fully prepared (given the evolving situation) and the Committee and senior Fund officers can obtain full assurance that all that is needed to be done is being done. The Aon reports will need to be reviewed by officers to identify gaps and put in place additional measures, if needed. The findings of this piece of work will be presented at the next cycle of Board and Committee meetings. In the meantime, Aon have provided some short text to set the scene in a little more detail, which is included in Appendix 1.

Financial Implications

4. No direct implications.

Legal Implications

5. There are no known implications from the proposals.

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

7. There are no known implications currently.

Proposals

8. The Board is asked to:
 - a) Note the information included within this report and attached appendix.

JENNIFER DEVINE
Head of Wiltshire Pension Fund

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

Appendix 1 – Scheme, Legal, Regulatory and Fund updates