

AGENDA

Meeting: Wiltshire Pension Fund Committee
Place: Kennet Room - County Hall, Bythesea Road, Trowbridge,
BA14 8JN
Date: Thursday 11 July 2024
Time: 10.00 am

Please direct any enquiries on this Agenda to Ben Fielding - Senior Democratic Services Officer of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line: 01225 718656 or email: Benjamin.Fielding@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

Membership:

Voting Membership

Wiltshire Council Members:

Cllr Richard Britton (Chairman)
Cllr Gavin Grant
Cllr Gordon King
Cllr Stuart Wheeler
Cllr Robert Yuill

Substitute Members

Cllr Sarah Gibson
Cllr Carole King
Cllr Christopher Newbury
Cllr Ian Thorn

Swindon Borough Council Members

Cllr Kevin Small
Cllr Vijay Manro

Employer Body Representatives

Jodie Smart
Claire Anthony

Non-voting Membership

Observers

Stuart Dark
Mike Pankiewicz

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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](#).

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Items to be considered

Time

PART I

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

- 1 **Membership and Apologies** 10:00am

To receive any apologies or substitutions for the meeting.

- 2 **Minutes of Previous Meetings** *(Pages 7 - 14)*

To approve and sign the Part I minutes of the Investment focused Committee meeting on 20 June 2024.

- 3 **Declarations of Interest**

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

- 4 **Chairman's Announcements**

To receive any announcements through the Chair.

- 5 **Review of Actions arising from previous meeting(s)** *(Pages 15 - 16)*

To review progress on any actions requested by the Committee in previous meetings.

- 6 **Review of the Minutes of the Local Pension Board** *(Pages 17 - 28)*

To receive the minutes of the meeting of the Local Pension Board held on 22 May 2024. To review the summary of the recommendations made by the Board.

- 7 **Public Participation**

The Council 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 on the front of the agenda for any further clarification.

Questions

To receive any questions from members of the public or members of the Council received in accordance with the constitution.

Those wishing to ask questions are required to give notice of any

such questions in writing to the officer named on the front of this agenda no later than 5pm on **Thursday 4 July 2024**, in order to be guaranteed of a written response. In order to receive a verbal response, questions must be submitted no later than 5pm on **Monday 8 July 2024**. Please contact the officer named on the front 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 Committee members prior to the meeting and made available at the meeting and on the Council's website.

- 8 **Headlines and Monitoring (HAM)** *(Pages 29 - 72)* **10:10am**
- A report for the committee's ongoing oversight of:
- Scheme, Regulatory, Legal and Fund Update
 - Risk Register
 - Business & KPI Improvement Plan update
 - Administration KPI update – 1 March 2024 to 30 June 2024
 - Annual Low Volume Performance summary
 - Audit
 - a) SWAP Audit KC Report 2024/25
 - b) Payroll Migration – Phase 3
 - c) CSE & PASA accreditations
 - Training plan 2024/25
- 9 **Risk Register Review** *(Pages 73 - 76)* **10:30am**
- The Head of Wiltshire Pension Fund will present a paper outlining the Fund's review of its risk register design against Wiltshire Council's newly approved corporate design.
- 10 **Key Financial Controls** *(Pages 77 - 82)* **10:40am**
- An update by the Investment and Accounting Team Lead concerning the operational accounting arrangements, to include the budget outturn 2023/24 and budget monitoring for 2024/25.
- 11 **Fund Annual Report and Accounts** *(Pages 83 - 126)* **10:50am**
- Presentation of the draft Annual Accounts 2023/24 and ongoing concern assessment.
- 12 **Pension Administration Strategy** **11:00am**
- The Pension Administration Lead will provide a verbal update to members and advise on the requirements for the need for an employer consultation process.
- 13 **Committee Forward Work Plan** **11:10am**

To review the work plan for the committee.

14 **Date of Next Meeting** *(Pages 127 - 130)*

To determine the date of the next Committee meeting dates:

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

15 **Urgent Items**

Any other items of business which, in the opinion of the Chairman, should be considered as a matter of urgency. Urgent items of a confidential nature may be considered under Part II of this agenda.

16 **Exclusion of the Public**

11.15am

To consider passing the following resolution:

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 17 – 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.

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

17 **Minutes of Previous Meeting** *(Pages 131 - 166)*

11:20am

To approve and sign as a true and correct record the Part II (private) minutes of the previous meeting held on 20 June 2024.

18 **Local Pension Board Minutes (Part II)** *(Pages 167 - 176)*

To consider the Part II (private) minutes, and recommendations arising, from the last meeting of the Local Pension Board held on 22 May 2024 respectively.

19 **Brunel Governance Update** *(Pages 177 - 182)*

11:30am

The Head of Wiltshire Pension Fund will update the Committee on the Fund's response to the Minister's letter submitted by 19th July.

20 **Integrated Payroll System Update** *(Pages 183 - 186)*

11:40am

The Pension Administration Lead will present a payroll migration and immediate payments update. To include outstanding matters

in respect of the migration from SAP to Oracle, payslip issuance.

21 **Integrated Immediate Payments Update** *(Pages 187 - 190)* **11:50am**

The Pension Administration Lead will present an immediate payments update covering Oracle reporting & debt recovery arrangements.

22 **Procurement Update** **12:00pm**

The Fund Governance Manager will provide members with a verbal update on the procurement of strategic service providers.

23 **Training Item** **12:10pm**

An understanding of best practices in pensions administration to be presented by the Pension Administration Lead.

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

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Agenda Item 5

Wiltshire Pension Fund Committee - Actions Log					
Minute reference	Section	Meeting Action	Task owner	Target date for completion	Date completed
142 (23/11/23)	Governance (Business Plan)	The Committee to receive a 3 year Business Plan for the period 2024-27 at their March 2024 meeting which will include the KPI Improvement Plan	JD	28/03/24	28/03/24
142 (23/11/23)	Governance (Budget)	To receive the findings of a resource review of the whole Fund for incorporation, if necessary, into the budget to support the 2024-27 Business Plan	JD	28/03/24	28/03/24
16 (29/02/24)	Investment (BPP)	To receive an update following the contacting of other Fund's concerning a new approach to budget setting.	JD	20/06/24	
18 (29/02/24)	Administration (Payroll migration)	The Committee was invited to make any comments or recommendations in relation to the payroll migration	Committee	28/03/24	28/03/24
27 (28/03/24)	Governance (Audit)	The Committee agreed to extend the completion of the KPI audit recommendations to 30 June 2024	JF	11/07/24	Agenda item
33 (28/03/24)	Scheme Employers (Covenant Risk)	For Officers to provide Councillors with a simplified Covenant Risk document of answers to questions they may experience at Town & Parish Council meetings	MA	10/10/24	

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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

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Wiltshire Council

Wiltshire Pension Fund Committee

11 July 2024

Recommendations of the Local Pension Board 22 May 2024

Minute at Board	Recommendation	Committee Agenda
Minute 33 – Risk Register Update	To endorse the Risk Register and summary of risk changes since the last review and to recommend the Committee they accept the proposed changes as set out in the HAM Report.	Item 08 – Headlines and Monitoring – Risk Register
Minute 33 – Risk Management	For officers to present a paper detailing the Fund's current risk management system in operation and compare it against the new 'corporate' risk management system.	Item 09 –Risk Management Review
Minute 33 – Training Plan 24/25	To recommend a training plan is approved by the Pensions Committee.	Item 08 – Headlines and Monitoring – Training

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WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE

11 July 2024

WILTSHIRE PENSION FUND HEADLINES AND MONITORING REPORT

Purpose of the Report

1. The purpose of this report is to provide the Committee with information in relation to various standard issues, to enable the Committee to fulfil its monitoring role.
 - a) Scheme, Regulatory, Legal and Fund Update
 - b) Risk Register
 - c) Business & KPI Improvement Plan update
 - d) Administration – KPI review – 1 March 2024 to 30 June 2024
 - e) Annual Low Volume Performance summary
 - f) Audit update.
 - 1) SWAP Audit KC Report 2024/25
 - 2) Payroll Migration – Phase 3
 - 3) CSE & PASA accreditations
 - g) Training plan 2024/25
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 year to Mar-24 was +8.1%, compared to a benchmark return of +9.4%. The fund value at the end of Mar-24 was just over £3.3bn.
 - b) The funding level at the end of Apr-24 was 130.1% (based on a roll-forward of the 2022 funding level).
 - c) The migration of the pensioner payroll from SAP to Oracle has now taken place, this has been successful in that payments have been made, but there are still a lot of data and reporting issues to be resolved.
 - d) The actuarial contract and independent investment advisor contract have been finalised, with Barnett Waddingham appointed as the fund actuary, and Anthony Fletcher reappointed as our independent advisor. The investment consultant tender is in its final stages, and a verbal update will be provided at the meeting.
 - e) The new General Code has been published, and training on this important topic was arranged for the LPB and Committee in March 2024. Officers are now working to implement any required changes.
 - f) Several key investment publications have recently been completed – specifically the [Stewardship Report](#), the [Affordable Housing Impact Report](#), and a report into social factors in our investments, [Spotlight on Social](#). Next up will be the Climate and Nature Report.
 - g) The Fund's Business Plan 24/27 was approved at the Committee meeting on 28 March 2024. This included an improvement plan for the admin performance, and the first checkpoint for this plan is at this meeting. The Business Plan also defined key measures of success for WPF. Officers have developed a “health check dashboard” to summarise these key measures, and this is included for the first time in Appendix 1.
 - h) A verbal update will be provided at the meeting regarding resourcing.

- i) The Committee members have now been added to the distribution list for our internal Fund Focus newsletter, so that interim updates can be received on a monthly basis. Please look out for this in your inbox!

Business Plan Priority Area Progress Updates

- 4. As set out in the Business Plan 24/27, this meeting marks the first checkpoint for the KPI Improvement Plan. The commentary and supporting data will be presented to the Committee at the meeting with a presentation.

Scheme, Regulatory and Legal Update (Appendix 2)

- 5. A scheme update is included in paragraph 3 of this report. Regulatory & legal updates have been provided via Hymans June 2024 Current Issues circular (Appendix 1). Key additional strategic Fund updates have been incorporated within the Fund’s risk register section of this report.

Risk Register (Appendix 3a & b)

LPB Recommendation – Minute 33 – 22 May

- 6. The version of the risk register presented in Appendix 2 relates to the month of April 2024. However, at the Committee’s request officers have also included the latest available version (the May version) in support of the April version reviewed by the Board at their last meeting.
- 7. For members to be able to monitor the key changes between versions submitted to meetings officers have provided a summary table below. Please note that this summary provides changes reviewed by the Board at their May meeting and the summary of changes covers the period January to April. The purpose of this summary of changes is intended to assist Committee members by focusing on all the key recommended changes endorsed by the Board during the period.
- 8. The summary of key changes between the January and April versions of the risk register are:

Risk Section	Section rating change	Key notes and mitigations during the period
Fund Governance	Amber to Red	a) The key reason for the increase in this risk rating relates to the protracted procurement of the Fund’s strategic procurements of actuarial and investment management consulting services. The impact caused by internal delays has placed a significant strain on Fund officers to carry out their responsibilities. Further functional delays could potentially risk the Fund’s funding and investment strategy positions.
Compliance and Regulations	Amber to Green	a) A suitable candidate is being offered a role within the team as an investment analyst, which in turn will assist investment governance. a) Improvements in i-Connect processing and the collection of data on a timely basis have enabled statutory deadlines to be met.
Data Management	Amber to Green	a) The initial issues caused by the rollout of Oracle immediate payments arrangements in November 2023 have largely been overcome.

		<p>b) Data management processes implemented by the Fund's employer services team have now been embedded.</p> <p>c) Access to information in Oracle by the Fund's Accounts team has enable better data integrity in respect of the financial movements of the Fund.</p>
Projects	Red to Green	<p>a) Two key projects ended in January 2024, namely the Outsourced Aggregations and Leavers backlog managed by Hymans and the Payroll Rectification exercise managed by Aon Consulting</p> <p>b) The internal backlog of Leavers and Aggregations was stood down, with outstanding work reincorporated into business-as-usual casework management.</p> <p>c) The Evolve Project to migrate the pensioner payroll from SAP to Oracle occurred in April and along with the embedding of the Altair payroll system, the risk in this area has reduced, with the SAP to Oracle migration project now being stood down.</p> <p>d) The remaining key projects are McCloud and the Pensions Dashboard project, both of which are being well managed.</p>

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 March 2024 to 30 2024. The overall Admin KPI picture, continues to be challenging however the administration team has met its first objectives in the KPI improvement plan. The focus for the administration team has been on training with process training occurring for every team member, in the office, every Wednesday. The impact of Oracle migration has also impacted the team's ability to process work. The backlog has decreased by 154 cases since the last report. The team have also completed significantly more cases than received. However, we have received less cases than expected due to late iConnect submissions following the iConnect submission. Two new officers have joined the Member Services Team, and the fund also has a new Member Services Assistant. One more permanent officer is due join the Member Services Team in September and we have a temporary resource due to start for 3 months to focus on backlog tasks.
11. Table 3 provides some analysis of the open cases. Table 3 shows that the number of cases older than 2 years decreased to 86 cases. The graph under the table shows the difference between completed and received cases. The second graph shows that cases over SLA are 283 cases lower than the number reported at the end of 2023.

Annual Low Volume Performance summary

12. Each year the Local Pension Board receives a summary of low volume performance indicators which it monitors on behalf of the Committee. This is to ensure that all the Fund's disclosure and other requirements are reported, where they are not regularly

reported elsewhere. The scope of the report submitted to the Board covered the following topics for 2023/24:

- 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

13. On review of the low volume performance report the Board noted no areas of concern, however the following overview was noted:

- a) **General Complaint Activity** – The report added two new sections in 2023/24 to enable clearer review of the information provided. The two additions were Informal Complaints to assist Customer Service Excellence reporting and Pension Ombudsman cases. Overall complaint activity increased significantly during the scheme year, however in consideration of the circa 85,000 membership of the Fund the volume of recorded complaints (94 cases) was still considered within the level expected for a Fund of this size and nature. In regard to the increased recording, the key causes were as a result of the introduction of informal complaint recording (w.e.f. 1 September 2023), which by its nature involved lowering the threshold for identifying potential complaints & improved recording methods. In addition, the execution of key projects during the year, such as the payroll rectification exercise and the payroll migration to Oracle also significantly increased the volume of complaints made. Consequently, this volume of complaints did impact response times, with a greater number falling outside of their target deadlines, however it should be noted that other than communication and service delivery issues many of the complaints raised were not upheld. The reason being that many responses actually involved advising the correction of historic inaccuracies and communicating those historic issues appropriately: &
- b) **Other General Activity** – Regarding the report's other areas of disclosure concerning data, breaches of law and freedom of information requests, all saw low or decreasing levels of activity. Notable amongst these activities was the circa 40% fall in Pension Regulator's breach recording, due to improved reporting arrangements and the active scheme employer management of contribution submissions. Whilst there are notable areas that need improvement such as responding to FOI requests within 20 days and the management of Swindon Borough Council contribution submissions, these failing disclosures were not seen as significant.

Audit update (SWAP KC audit) (Appendix 5a)

14. SWAP conducted their Key Controls audit of Fund processes during May and June.

Following on from their last full audit report of the Fund in January 2023 which offered an assurance rating of "Limited", this audit has provided an improved assurance rating of "Reasonable".

15. This improvement in assurance rating is welcomed by Fund officers who have committed considerable time and effort in completing the recommendations set out in the 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 is 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 rating and trend analysis. (Priority 2 rating).
 - i-Connect", the Employer Scorecard and Administrative Charging – To complete the implementation arrangements for all of 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).
16. Officers have accepted these recommendations along with their proposed targets dates and will prepare a new action plan to complete the recommendations stated. Regular progress updates will be submitted to the Committee for review.

17. Payroll Migration – Phase III

In accordance with the Committee's audit strategy for 2024/25, the audit scope for Phase 3 of the payroll migration has now been agreed with SWAP. The purpose of this Phase 3 audit is to ensure that the necessary preparations are in place for the Fund to migrate its data from its Oracle to Altair databases and pay its first full payroll on Altair without disruption to its service or causing financial or reputational damage to the Fund.

18. SWAP intend to start its work shortly, noting that it is the intention of the Fund to complete its first full payroll run from Altair in September 2024. Both the Board and Committee will be provided with updates on the progress of the audit recommendations and payroll migration as the information becomes available.

19. Customer Service Excellence (CSE)

- The Fund has been working towards an accreditation in Customer Service Excellence. An initial review was undertaken by the CSE body in 2023 following which a number of areas were highlighted as either being only partially compliant or not compliant. These areas were:
 - a) To analyse and publicise a range of satisfactory customer service levels:
 - b) To demonstrate the Fund's commitment to developing and delivering customer focused services:
 - c) To demonstrate that the information the Fund provides to customers is accurate and complete:
 - d) To monitor and meet the Fund's standards and tell customers about our performance:
 - e) To provide staff training on complaints management & that we investigate them objectively, as well as empower staff to put things right:
 - f) To regularly review the Fund's complaints procedure and take account of feedback:
 - g) To ensure that the outcome of upheld complaints is satisfactory for our customers: &
 - h) To respond to enquiries promptly, meet customer service standards and demonstrate that our standards are comparable with similar schemes.
- A programme of work is underway to make improvements in these areas and a further review was due to take place in May 2024. However, it was decided to delay this review until 2025 to enable the full impact of the KPI Improvement Plan to have an effect. This is due to the fact that the fulfilment of a number of compliance areas within the CSE accreditation are interwoven with the activities be managed under the Improvement Plan. A further update will be provided in 2025.

20. Pension Administration Standards Association (PASA)

- As part of the Fund's business plan 2024/27 it is its intention to gain accreditation with PASA. Whilst the Council's internal auditor's conduct audits on the Fund's internal controls, accreditation through PASA will also seek to consider the Fund's pension technical controls with a view to establishing a benchmark of pension administration excellence.
- Officers have already held meetings with another LGPS Fund which has already achieved accreditation under PASA as well as PASA too and their auditing body RSM. At present, officers are seeking to recruit a suitable member of the team who will act as the Fund's Quality Assurance Lead. This QA Lead will manage the process to accreditation currently anticipated to take about 18 months to complete.
- A project plan will be put in place to oversee the progress to achieving this accreditation with an anticipated start date in September. In a similar view to the CSE accreditation officers will keep members periodically updated on the progress being made.

Training Plan 2024/25 (Appendix 6)

LPB Recommendation – Minute 33 – 22 May

21. A training plan, consistent with the members training policy, for both Board & Committee members, for the Scheme Year 2024/25 is attached in Appendix 4. The plan has been developed using the self-assessment feedback provided by members during February 2024, as well as considering forthcoming events over the next 12 months, in particular the March 2025 triennial valuation.
22. The aim of this plan, in addition to addressing the members assessment needs, is to ensure that all members achieve and maintain a sufficient level of knowledge and understanding to be able to make appropriate decisions and carry out their roles and responsibilities as required. Board members have a statutory obligation to ensure that they maintain their knowledge & skills requirements in accordance with the Public Services Pension Act 2013, and following issuance of the Pension Regulator's new general code of practice, Committee members must abide by the requirements the Pension Act 2004. In addition, this plan seeks to ensure that Committee members will also be able to comply with the FCA's MiFID II Regulations in relation to professional competence. The purpose of this being to maintain the Fund's classification as a "professional client".
23. Whilst training sessions at meetings have been specified over the next 12 months, the training plan is designed to be a living document to enable the substitution of topical training as it arises as well as recognise the need for flexibility by inviting members of one group to attend training organised for the other group.
24. In addition, the plan seeks to ensure new starters complete essential training during the first 12 months of their appointment, as well as enable attendance at external events such as conferences, seminars, engagement days and forums. The training is set out in Appendix 5 and both the Board and officers recommend the plan to Committee members for their approval.

Financial Implications

25. No direct implications.

Legal Implications

26. There are no known implications from the proposals.

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

28. There are no known implications currently.

Proposals

29. The Committee is asked:

- a) 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:
- b) to note the SWAP Key Controls audit report and instruct the officers create a log to complete the recommendations stated in the report:
- c) to approve the members training plan 2024/25.

JENNIFER DEVINE
Head of Wiltshire Pension Fund

Report Authors: Richard Bullen (Fund Governance Manager) and Jennifer Devine (Head of Wiltshire Pension Fund)

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

Appendices:

- Appendix 1 – WPF Heath Check Dashboard
- Appendix 2 – Legal & Regulatory update – Current Issues
- Appendix 3a – Full risk register 1 – April 2024 version.
- Appendix 3b – Full risk register 2 – May 2024 version.
- Appendix 4 – Administration KPIs
- Appendix 5 – SWAP Key Controls audit report
- Appendix 6 – Training plan 2024/25

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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

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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

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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

Q1K2 - Apr - June 2024

Sample Checking

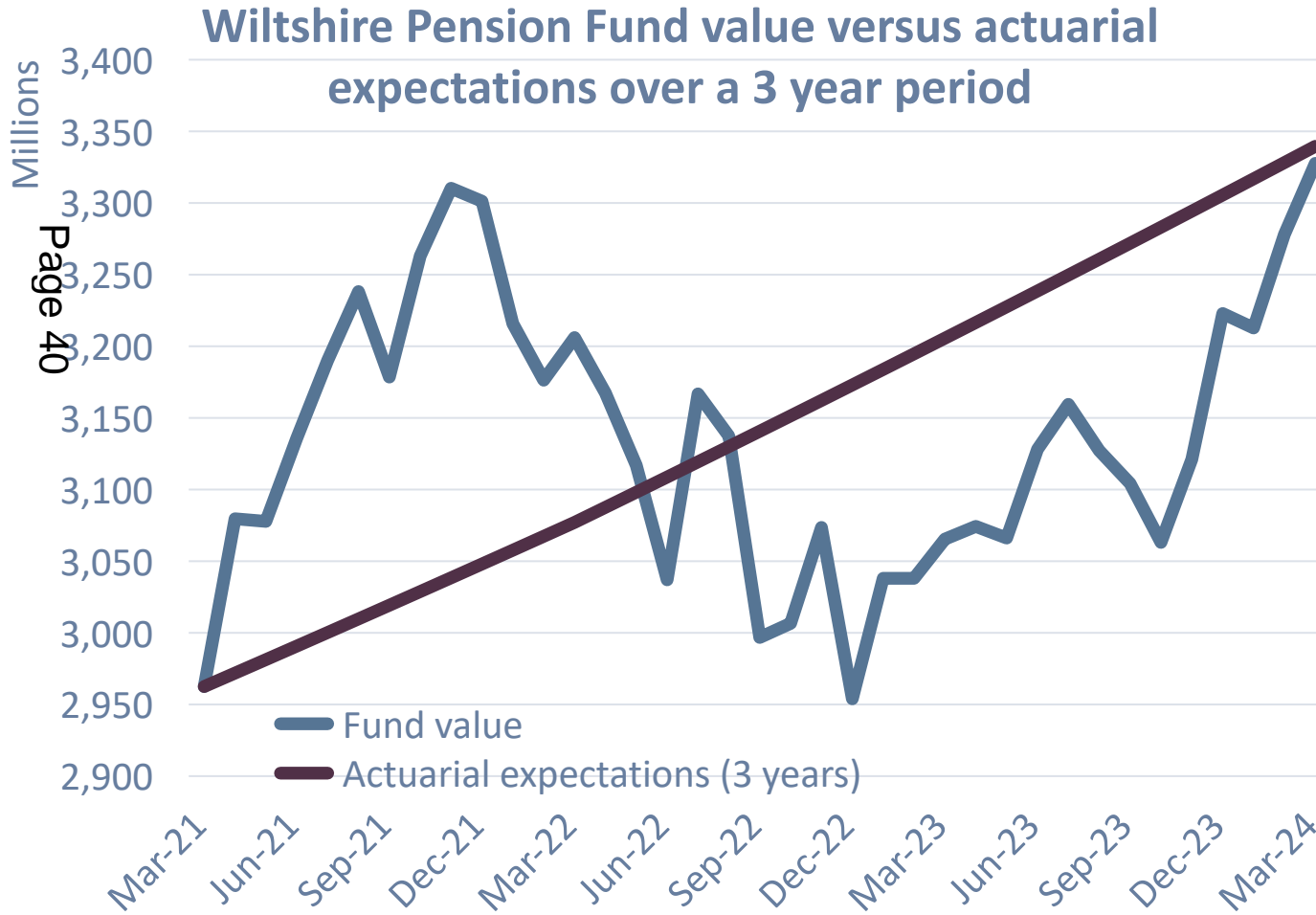
100% Correct

*Process implemented within the last month

Investment Performance



Investment performance



Long term actuarial investment return target
4.1%

Investment Performance

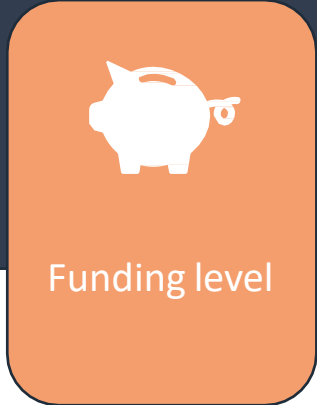
3 Months 3.3%
1 Year 8.1%
3 Years 3.4%

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.

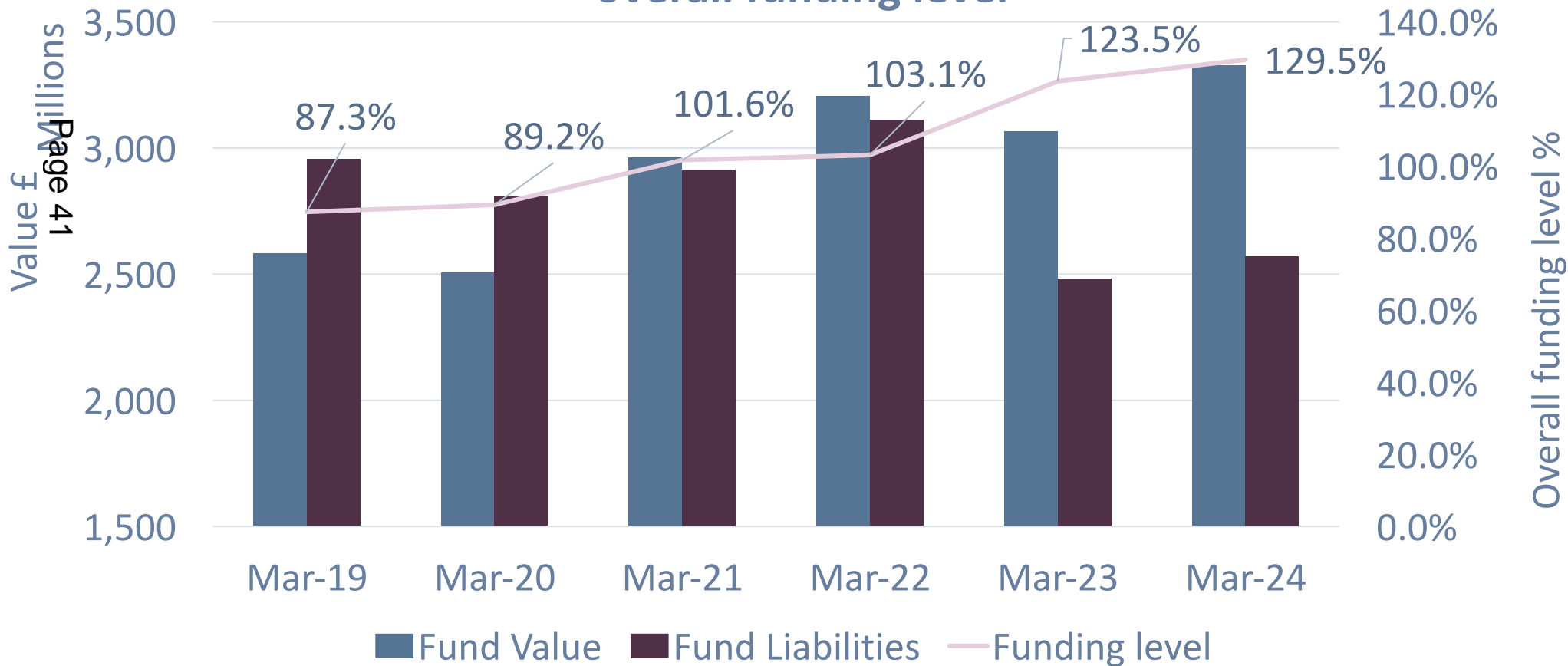
Q1	Orange
Q2	Grey
Q3	Grey
Q4	Grey

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

Funding Level



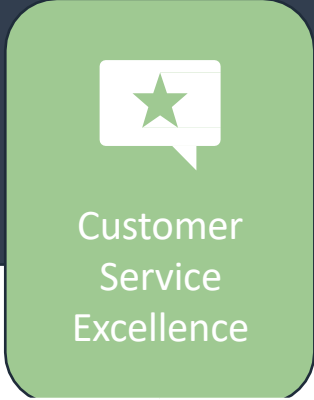
Present value of Wiltshire Pension Fund assets, liabilities and overall funding level



Q1	Green
Q2	Grey
Q3	Grey
Q4	Grey

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

Customer Service Excellence



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 KPIs, customer complaints feedback.	Partials: Need email data to monitor initial response times, meet KPIs and CS levels.

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	■
Reasonable assurance	■
Substantial assurance	■

Internal audit actions progress

Not yet started, but not overdue

Not on track	■
Partially complete	■
Substantially complete	■



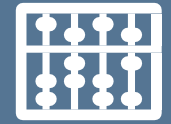
Audit ratings

Q1	■
Q2	■
Q3	■
Q4	■



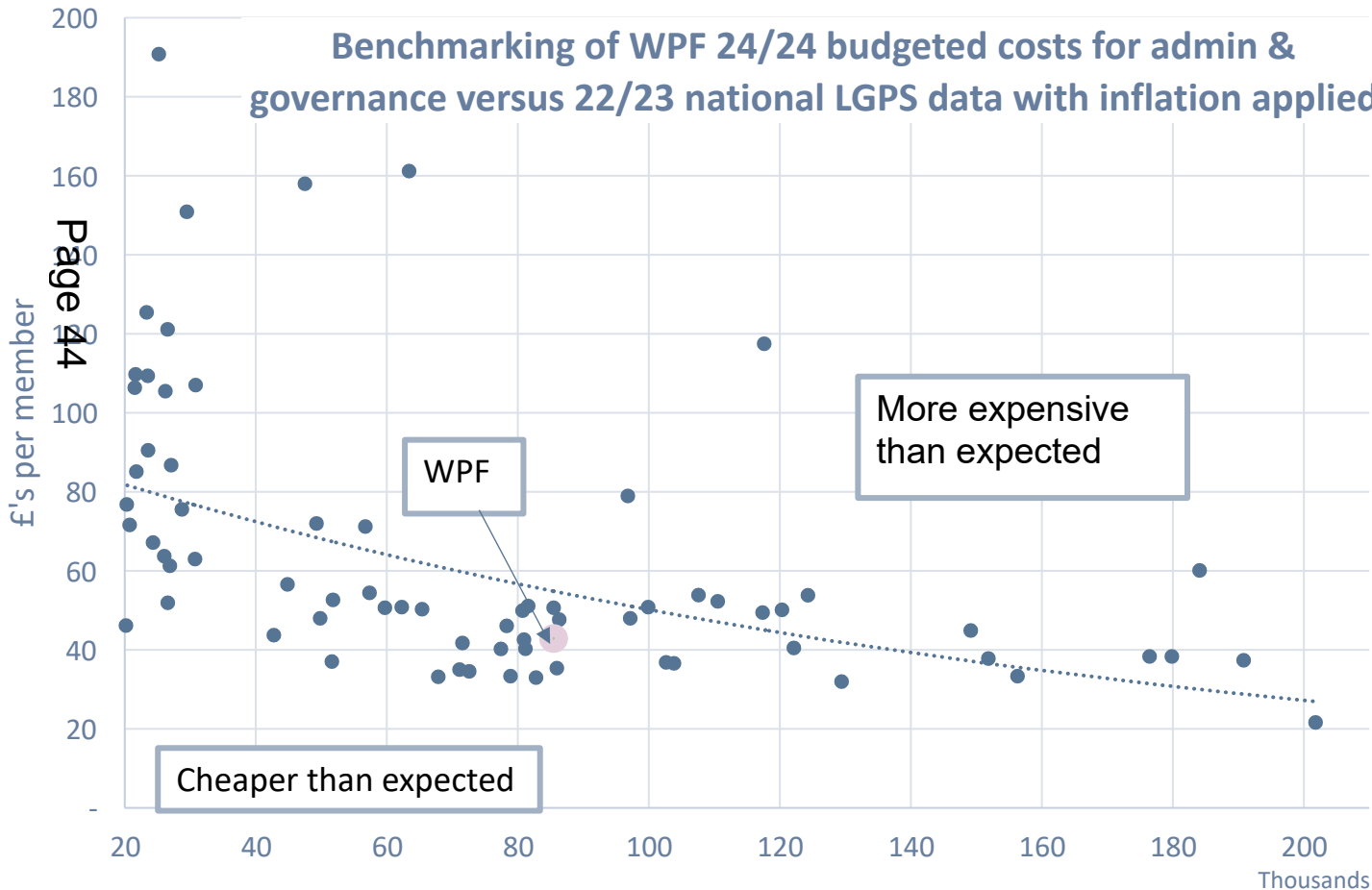
To be added in due course – PASA accreditation status

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

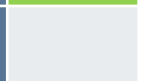
Q1



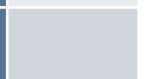
Q2



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%	
61%-99%	
100%	

Fund Focus open rates

Q1	60%
Q2	78.6%
Q3	
Q4	

Whole Fund Meeting Attendance

Q1	
Q2	68%
Q3	
Q4	

*Monitoring started in May

Q1	
Q2	
Q3	
Q4	

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Team Productivity	Member Services	Employer Services
Q1	94%	79%
Q2	86%	77%
Q3		
Q4		

2023 Staff Engagement Survey Result



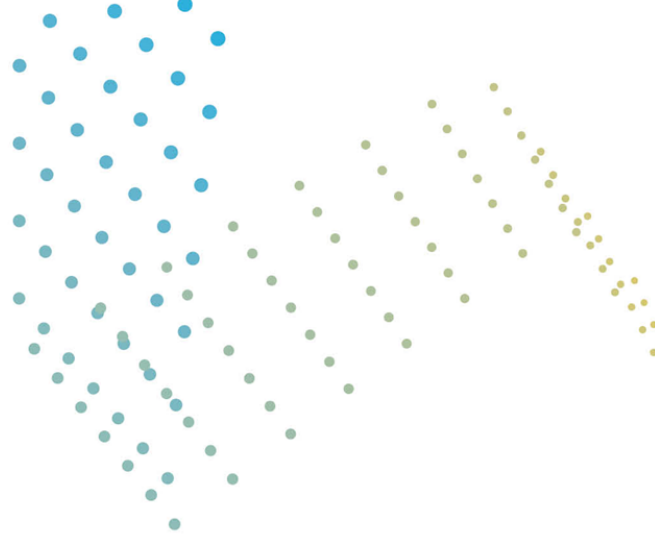
Agreement levels

68%

*Target 80%

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Current issues in the LGPS



June 2024



Richard Warden
Partner

With meteorological summer underway, our ‘hot’ topics include new guidance for academies and changes to the Scottish exit credit regime. Our Edinburgh conference focussed on the future and we continue on that theme by shining the spotlight on longevity, inflation and AI.

Scottish exit credit consultation

A new regime will soon apply to employers in Scottish funds that cease in surplus. [Proposed regulations](#) that are due to come into force on 29 June will create a discretion for funds to determine the amount of any exit credit (regulations currently force funds to pay out the full surplus). This will bring the Scottish Regulations largely in line with those in England and Wales. The accompanying consultation ended on 30 May. Our short [consultation response](#) is available here; it mentions the governance challenges and seeks clarity over the intention behind the Transitional Provision.

Educating academies about the LGPS

In April the Education and Skills Funding Agency (ESFA) published best practice [guidance](#) for academies in the LGPS. Our [60 Second Summary](#) considers this latest guidance and discusses the impact of the DfE’s guarantee which was extended a year ago to cover outsourced contracts at academies. Whilst the extension of the guarantee will be very welcome by LGPS funds, there are still scenarios that are not automatically covered. Funds will need to decide how to handle requests for outsourced contracts that are open to new LGPS members.

Learning about TCFD

Our LGPS Online Learning Academy (LOLA) team has released a standalone module covering Task Force on Climate-related Financial Disclosures (TCFD). It covers 5 training videos (introduction, governance and reporting, strategy and scenario analysis, risks and opportunities, and metrics and targets) for Committees, Boards and Officers. It also provides a jargon buster and a knowledge check for the audit trail. There is a one-off fee to release the module to your LOLA licence holders. Please contact andrew.mckerns@hymans.co.uk to set up access.

Longevity and biological clocks

In addition to providing pension funds with longevity analysis, Club Vita regularly host webinars to explore emerging trends in longevity risk. Its latest webinar series, focussed on the “Risk of Living Longer”, explores the impact of achieving significantly longer lifespans. Its fourth webinar on 18 June explores ‘biomarkers’ and insights on how we can accelerate the feedback loop of medical interventions. You can register for the session [here](#) and watch recordings of historic sessions [here](#).

Latest InflationWatch

We issued our quarterly [InflationWatch](#) last month. Energy price falls and disinflation on goods and food is likely to mean that headline CPI will fall below target over the coming months, although there remains uncertainty over how quickly inflation will reach its target on a sustainable basis. As ever, InflationWatch also considers consensus forecasts on future inflation rates and whether risks to the consensus view are tilted to the upside or downside.

Election fever!

Rishi Sunak’s surprise announcement of a general election on 4 July will put the blockers on any further LGPS legislation or guidance until a new government is formed. With Parliament now dissolved and those who were formerly MPs on the hustings, no further legislation can make its way through Parliament. While the government remains in post, the pre-election period of sensitivity (what used to be called ‘purdah’) means that ministers are expected to observe discretion in announcing initiatives that are controversial, new or of a long-term character. The triumphant party on 4 July will begin the task of appointing ministers to a new government. It will be for whoever has responsibility for local government and the LGPS to decide the policy direction for the department and what the future holds for Good Governance, Mansion House, and the rest.

Driving efficiencies - DLUHC letter

LGPS funds received a [letter](#) from the Minister for Local Government, Simon Hoare, on 16 May. It requests information on the work funds are doing to drive efficiencies in the management, governance, and administration of funds, with a particular focus on the consideration of the benefits of greater scale. The letter follows the increase in pressure to pool assets, as well as numerous communications setting out the government’s preference for a smaller number LGPS funds. Responses are requested by 19 July, although the general election on 4 July raises uncertainty around progress on this (if the polls are to be believed!)

Gender pensions gap

An update on the above subject is covered in a [letter](#) from the Scheme Advisory Board (SAB) in England and Wales to HM Treasury. Following the production of two reports with analysis from the Government Actuary’s Department, a working group set up by SAB is currently considering ways to address this issue. Raising awareness is one step of this process. If you’d like to understand the position for your own fund, please speak to your usual Hymans contact.

Accounting for surplus

As we move into June, the majority of LGPS employers will have received their FRS102 or IAS19 reports for the 31 March 2024 year-end. In a period of strong investment returns and high corporate bond yields, many employers now have (or continue to have) a net asset position at this date. Navigating this surplus environment can be complex depending on each employer’s own circumstances; our accounting specialists are on hand to answer any queries that employers, auditors or fund officers may have in relation to this evolving topic. Please reach out to our LGPS Accounting team [here](#) if you want to hear more about the services we offer in this space.

Building nature into your investment strategy: why, how and what next?

Our recent webinar on factoring nature into your investment strategies is now [available](#) to watch on-demand. Iain Campbell was joined by André Ranchin and Christina Williams to explore nature and biodiversity, the key nature-related opportunities and risks for investors and what actions to take now. You can find lots of helpful resources about the 'blue economy' on our [Nature Hub](#). If you have any questions or would like to discuss this topic further, please [get in touch](#).

PLSA Local Authority Conference 11-13 June

We're delighted to be supporting this event in the Cotswolds in Gloucestershire again this year. The agenda is filled with lots of interesting topics and has a great line-up of speakers, including our very own Catherine McFadyen. Catherine will be joined by Rachel Wood from West Sussex County Council for a session on Strategies for a New Funding Era. Please click [here](#) for more information and to register.

Together, stepping into the future of the LGPS conference

What does the future hold for the LGPS? We tried to answer that very question at our 2024 LGPS Conference in Edinburgh on 16 May. The day was full of insightful sessions, giving funds the opportunity to think about the future and how the LGPS may evolve. If you were unable to join us on the day, we've produced [Conference Highlights](#) that summarise each session. You can also [hear](#) from some of our speakers and delegates about their highlights and key takeaways from the day.

A technology guide for time-pressed pensions professionals

As a follow-up to his entertaining session at our conference, our Head of LGPS Digital, Chris Varley has written a [blog](#) about some simple ways to embrace new technology. On AI, he suggests a hands-on approach to its adoption, something that he (bravely!) demonstrated live at the conference. If you'd like to learn more about the likes of LLM's and ChatGPT, contact Chris [here](#).

In brief....

Inflation figures

The latest [ONS figures](#) recorded annual CPI for the year to April 2024 at 2.3%, down from 3.2% in the prior month. RPI for the same period was 3.3%.

TUPE regulations

The Department for Business and Trade is [proposing](#) some changes to the Transfer of Undertakings (Protection of Employment) legislation. The tweaks include clarifying the definition of 'employee'. The consultation closes on 11 July.

More on McCloud!

FBU appeal

Following the dismissal of a judicial review by the High Court in 2023 and the rejection of the subsequent appeal to reverse the decision, the Fire Brigades Union (FBU) is [seeking permission](#) to appeal to the Supreme Court over the government's method of incorporating McCloud remedy costs into the cost cap mechanism of public sector pension schemes.

Non-Club calculations

LGA have published the 2024/25 version of the McCloud non-Club spreadsheet. Separate versions are available for England & Wales [here](#) and for Scotland [here](#).

Appendix

Scottish exit credit consultation

[SI/SR Template \(pensions.gov.scot\)](#)

[The Local Government Pension Scheme \(Scotland\) \(Amendment\) \(No. 2\) Regulations 2024 - Hymans Robertson](#)

Educating academies about the LGPS

[Local Government Pension Scheme \(LGPS\) - GOV.UK \(www.gov.uk\)](#)

[60-second summary - Best practice guidance for academies in the LGPS - Hymans Robertson](#)

Longevity and biological clocks

[Club Vita | UK | Events](#)

[Club Vita | UK | Event recordings](#)

Latest InflationWatch

[InflationWatch - May 2024 - Hymans Robertson](#)

Driving efficiencies - DLUHC letter

[240515Efficiencies LGPS Ministerial Letter.pdf \(lgpsboard.org\)](#)

Gender pensions gap

[17052024_LettertoLauraTrottMPfromCllrPhillips_GPG.pdf \(lgpsboard.org\)](#)

Building nature into your investment strategy: why, how and what next?

[Factoring nature into your investment strategy: why, how and what next? \(on24.com\)](#)

[Nature hub - Hymans Robertson](#)

PLSA Local Authority Conference 11-13 June

[Local Authority Conference | PLSA](#)

Together, stepping into the future of the LGPS conference

[Conference highlights - Together, stepping into the future of the LGPS.pdf \(hymans.co.uk\)](#)

[Together, stepping into the future of the LGPS - Conference highlights on Vimeo](#)

A technology guide for time-pressed pensions professionals

[Engaging with Technology: a guide for time-pressed pensions professionals - Hymans Robertson](#)

In brief....

[Inflation and price indices - Office for National Statistics \(ons.gov.uk\)](#)

[Smarter regulation: employment law reform - GOV.UK \(www.gov.uk\)](#)

[FBU seeks Supreme Court appeal for pensions challenge | Fire Brigades Union](#)



[Guides and sample documents \(lgpsregs.org\)](https://lgpsregs.org)

[Guides and sample documents \(scotlgpsregs.org\)](https://scotlgpsregs.org)

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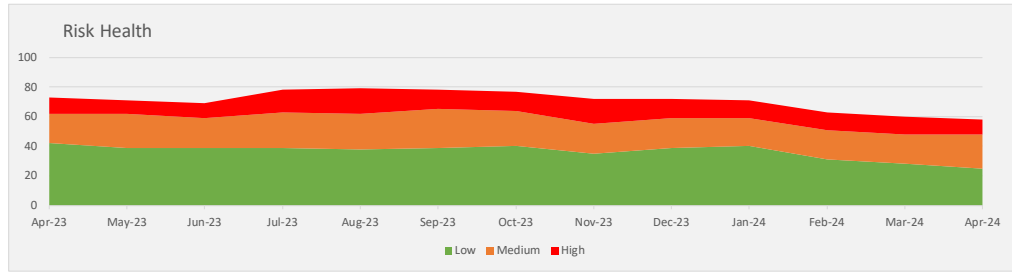
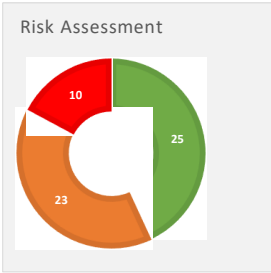
Hymans Robertson LLP (registered in England and Wales - One London Wall, London EC2Y 5EA - OC310282) is authorised and regulated by the Financial Conduct Authority and licensed by the Institute and Faculty of Actuaries for a range of investment business activities. A member of Abelica Global. © Hymans Robertson LLP.

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Committee Risk Register

Owner: Richard Bullen

Medium Overall Risk



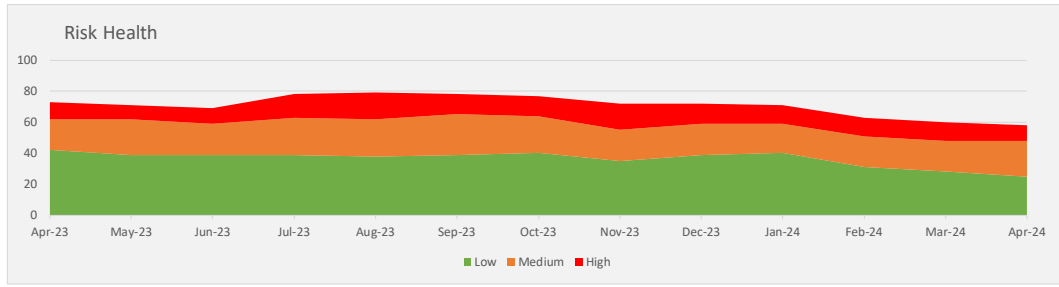
Risk Area	Key Risks	Risk Assessment	Updates to note
Service Delivery	<p>A failure exists where levels of post and work volumes remain high creating a concern over the failure to meet the KPI targets. This includes the internal backlogs which staff are seeking to reduce.</p> <p>A failure exists where 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>	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>
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>The Fund pays incorrect 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>A lack of 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 & 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 working with Wiltshire Council Finance to review finance procedures and enable Fund officers to directly reconcile against the Fund's bank account.</p> <p>Officers are now able to access Oracle information to manage ledger coding & the recording of financial movements in the accounts. This has improved the Fund's ability to monitor payments on a timely basis and financial data integrity generally.</p>
Fund Governance	<p>Failure to maintain the implemented risk and control framework and embed it into departmental culture</p> <p>A failure to receive consistent independent auditing of the Fund's internal controls could lead to material risks being created.</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>	High	<p>Officer training on the risk and control framework has been completed and regular meetings are held to reinforce the concept.</p> <p>Officers are working with both the procurement team and internal auditors to ensure that these strategic management issues of the Fund are fulfilled.</p>
Systems Management	<p>Failure to successfully migrate from SAP the Fund's payroll function in April 2024.</p> <p>Failure from April 2024 of the Evolve Project plan to properly embed the migrated payroll system and other fund services to Oracle and prepare for the subsequent migration of the payroll to Altair in August/September 2024.</p>	Medium	<p>The migration to the Oracle payroll database occurred in April 2024, however Fund officers continue to work with the Evolve team to manage the secondary activities associated with the migration, as well as other WC functions that could impact the Fund if not properly migrated.</p> <p>Implementation of the Altair payroll to mitigate risks has helped and has been successful, however the Fund remains reliant on the Council's Evolve programme to move the Fund's payroll in August/September.</p>
Investment	<p>Failure in investment performance by managers is poor or misaligned with expectations leading to risks concerning the funding level, the fulfilment of the investment strategy and poor benchmarking.</p> <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>The Fund is currently benefitting from net fee savings, but costs are under constant pressure to rise with high budget increases.</p> <p>Officers are working with BPP and other authorities in the partnership to update BPP's constitution.</p> <p>A new arrangement with BPP is enabling face to face visits concerning portfolio discussions</p> <p>A suitable candidate has been offered a role in the team as an investment analyst</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 & deadlines due to work volumes</p>	Low	<p>Regular updates to the Committee and Board enable all stakeholders to monitor any potential changes in legislations. This work is supported by adviser guidance.</p> <p>Project planning and holding of regular management meetings to ensure deadlines are achieved. Where required, meetings with Scheme Employers are also held to ensure deadlines are met, particularly where those deadlines involve 3rd party input.</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> <p>Failure of Scheme Employers to perform appropriately, by providing full and accurate information of a timely basis. Which as a result requires escalation measures to be taken.</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> <p>Scheme Employers are regularly monitored via the Employer Data and Contribution Working Group. Where required, the performance of underperforming employers is escalated. The revised escalation strategy is being updated within the Pension Administration Strategy document.</p>

Employer Management	<p>Failure of contacts to have inadequate knowledge, skills and experience to administer the Scheme correctly and effectively.</p> <p>Failure of contact maintenance which requires ongoing improvement.</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>The Fund offers training to employers to mitigate the risks highlighted. Implementation of the Stabilisation Policy provides a certain amount of increased security for employers. The Fund also works closely with its Actuarial advisers to ensure new sets up are managed correctly. In addition, officers maintain the Fund's unitisation database.</p> <p>Exercises to update employer contacts, issue scorecards, attend communication forums, review historic employer relationship issues and admission agreements are all being undertaken.</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 & checks by employers may impact data accuracy and timeliness, noting that information is posted through both i-Connect & employer spreadsheets and can be provided late.</p>	Low	<p>To enable the i-Connect onboarding process officers have worked closely 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>With the migration to Oracle accounting resource has also been assigned to managing this implementation.</p> <p>Assignment of responsibilities to specific officers aids the management of data.</p> <p>Where employers or their payroll providers are not providing data on a timely basis, or correctly, officers are actively contacting those organisations.</p>
Stakeholder Engagement	<p>Failure to ensure good customer service is maintained due to poor service delivery</p>	Low	<p>Feedback from members indicates a fall in customer satisfaction with the Fund's service. This has also been identified through the Low Volume Performance Report which has recorded an increase in complaints during 2023/24. Officers are reinforcing the KPI Improvement Plan as the framework by which to improve the underlying poor customer service. The key issue being the delay in the payment of member benefits.</p>
Funding	<p>No material risks are current identified in this area</p>	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. 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>	High	<p>Key people in the team are seeking to transfer specialist knowledge to colleagues by documenting procedures and notes. In addition, a training strategy is in place for the department. However, in the event of a knowledge gap, we can call on our external consultants and independent advisors for help in the short-term;</p> <p>Whilst key vacancies have been filled staff have also left leading to a cycle of recruitment & replacement which can effect the overall knowledge base. The Board/Committee are following their approved training plans and a new training plan for 2024/25 is being developed.</p>
Climate risk	<p>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.</p> <p>Difficulty in receiving updated climate data reporting could lead to poor decision making</p>	Medium	<p>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).</p> <p>BPP hold stock in the name of the Fund which is not in accordance with the Fund's climate change flightpath. However, 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</p>
Projects	<p>Failure of projects to be managed effectively, the key project currently being managed is McCloud. Regular oversight is provided by the management team, Committee and Board to avoid projects failing.</p>	Low	<p>McCloud calculation routines have been run and it is anticipated that only about 200 potential members will be effected.</p>
Other External Risks	<p>No "other" risks currently identified.</p>	Low	

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: &</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>The CSE accreditation has been postponed until the KPI Improvement Plan has achieved a larger impact.</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 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 & 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 & the recording of financial movements in the accounts. This has improved the Fund's ability to monitor payments on a timely basis and financial data integrity generally, however there is still much work to be completed and the Annual Accounts has fallen behind schedule.</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>	Medium	<p>Officer training on the risk and control framework has been completed and regular meetings are held to reinforce the concept.</p> <p>Officers are working with both the procurement team to ensure that these strategic management issues of the Fund 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 are holding meeting with the Council's Security Management. The review of its cyber security arrangements includes cyber 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>Officers are working with BPP and other authorities in the partnership to update BPP's constitution, manage large budget increases and consider the Shareholder rep. amendments.</p> <p>A Central Govt. response on the future of pooling is being 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 & deadlines due to work volumes</p>	Low	<p>Regular updates to the Committee and Board enable all stakeholders to monitor any potential changes in legislations. This work is supported by adviser guidance.</p> <p>Project planning and holding of regular management meetings to ensure deadlines are achieved.</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> <p>Failure of Scheme Employers to perform appropriately, by providing full and accurate information of a timely basis. Which as a result requires escalation measures to be taken.</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> <p>Scheme Employers are regularly monitored via the Employer Data and Contribution Working Group. Where required, the performance of underperforming employers is escalated. The revised escalation strategy is being updated within the Pension Administration Strategy document.</p>
Employer Management	<p>Failure of contact maintenance which requires ongoing improvement.</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 to update employer contacts, issue scorecards, attend communication forums, review historic employer relationship issues and admission agreements are all being undertaken.</p> <p>New employer processes are now embedded however, ongoing resource issues are hampering progress. Officers are seeking to improve the tracking 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 & checks by employers may impact data accuracy and timeliness, noting that information is posted through both i-Connect & 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>With the migration to Oracle accounting resource has been assigned to managing this implementation and the Fund's employer services and project teams are working together to acquire 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. However, officers have highlighted a resource concern to actively contact employers.</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>	High	<p>Key people in the team are seeking to transfer specialist knowledge to colleagues by documenting procedures and notes. In addition, a training strategy is in place for the department. However, in the event of a knowledge gap, we can call on our external consultants and independent advisors for help in the short-term;</p> <p>Whilst key vacancies have been filled staff have also left leading to a cycle of recruitment & replacement which can effect the overall knowledge base.</p> <p>The Board/Committee are following their approved training plans and a new training plan for 2024/25 is awaiting approval.</p>
Climate risk	<p>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.</p> <p>Failure in receiving updated climate data reporting could lead to poor decision making</p>	Medium	<p>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).</p> <p>BPP hold stock in the name of the Fund which is not in accordance with the Fund's climate change flightpath. However, 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</p>
Projects	Failure of projects to be managed effectively, the key project currently being managed is McCloud. Regular oversight is provided by the management team, Committee and Board to avoid projects failing.	Low	McCloud calculation routines have been run and it is anticipated that only about 200 potential members will be effected.
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	

Appendix 3 – Administration KPI's

An analysis of the administrative performance over the period

1 April 2024 – 30 June 2024



Internally set targets (Fund)

The Fund's internally set administration targets are set to help met the goals of the Fund's business plan. The Fund also must meet certain disclosure targets, but these will now only be monitored on an exceptions basis (i.e. if we are failing).

Table 2 Performance over 1 April 2024 to 30 June 2024

Priority Category	Process	SLA (Working days)	Target KPI	Closing cases prior report	Terminated Cases	Cases Open at Start	Cases received	Cases processed	Cases open at end	Case Change	Completed on target
High	Deaths	5/10/20 days	95%	291	1	290	481	424	347	●	77%
High	Retirements	10/20 days	95%	430	0	430	789	755	464	●	63%
High	Refunds	10 days	95%	18	10	8	134	133	9	●	99%
Medium	Transfers Out	10/20 days	90%	312	62	250	257	228	279	●	68%
Medium	Transfers In	10/15/20 days	90%	56	17	39	47	52	34	●	44%
Medium	Aggregations	23 days - 1 year	90%	1566	214	1352	713	429	1636	●	68%
Medium	Leavers	23 days - 46 days	90%	910	258	652	1524	1815	361	●	79%
Medium	Divorce	20 - 25 days	90%	36	4	32	60	71	21	●	66%

*red alert shown for anything below 10% of tolerable performance

Process	Reply Due	In Office	Of which: Currently within SLA *	Of which: Already beyond SLA *
Deaths	298	49	37	12
Retirements	225	239	180	59
Refunds	8	1	1	0
Transfers Out	71	208	78	130
Transfers In	9	25	11	14
Aggregations	395	1241	648	593
Leavers	139	222	210	12
Divorce	2	19	15	4
Total	1147	2004	1180	824

*Table 1 shows the Fund's process times against the timeframes set out in the administration strategy

*shows in office cases only

Table 2: Monthly breakdown of completion on target percentage

				Financial QTR3 Jul - Sept 2023	Financial QTR4 Oct - Dec 2023	Yearly QTR1Jan - Mar 2024	Yearly QTR2Apr - Jun 2024	March	April	May	June
Priority Category	Process	SLA (Working days)	Tolerable Performance	Completed on target	Completed on target	Completed on target	Completed on target	Completed on target	Completed on target	Completed on target	Completed on target
High	Deaths	5/10/20 days	95%	81%	92%	77%	77%	73%	77%	78%	78%
High	Retirements	10/20 days	95%	58%	70%	55%	63%	50%	59%	54%	77%
High	Refunds	10 days	95%	100%	100%	99%	99%	100%	100%	100%	95%
Medium	Transfers Out	10/20 days	90%	61%	66%	52%	68%	49%	61%	71%	70%
Medium	Transfers In	10/15/20 days	90%	71%	68%	60%	44%	50%	50%	40%	50%
Medium	Divorce	20 - 25 days	90%	89%	80%	73%	66%	40%	51%	61%	100%
Medium	Aggregations	23 days - 1 year	90%	84%	83%	78%	68%	64%	66%	87%	55%
Medium	Leavers	23 days - 46 days	90%	77%	79%	85%	79%	82%	84%	70%	85%

*red alert shown for anything below 10% of tolerable performance

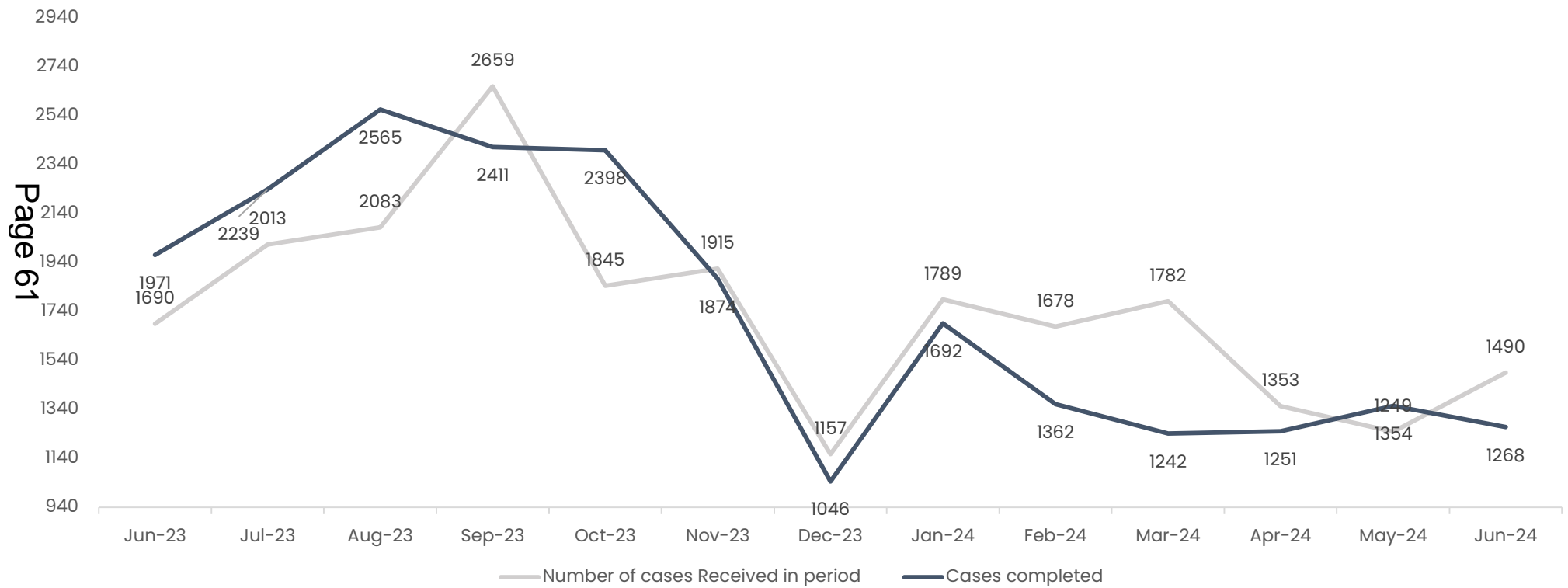
Table 3: 'In Office' (as at 30 June 2024)

*'In Office' refers to any cases that are currently ready to be worked on

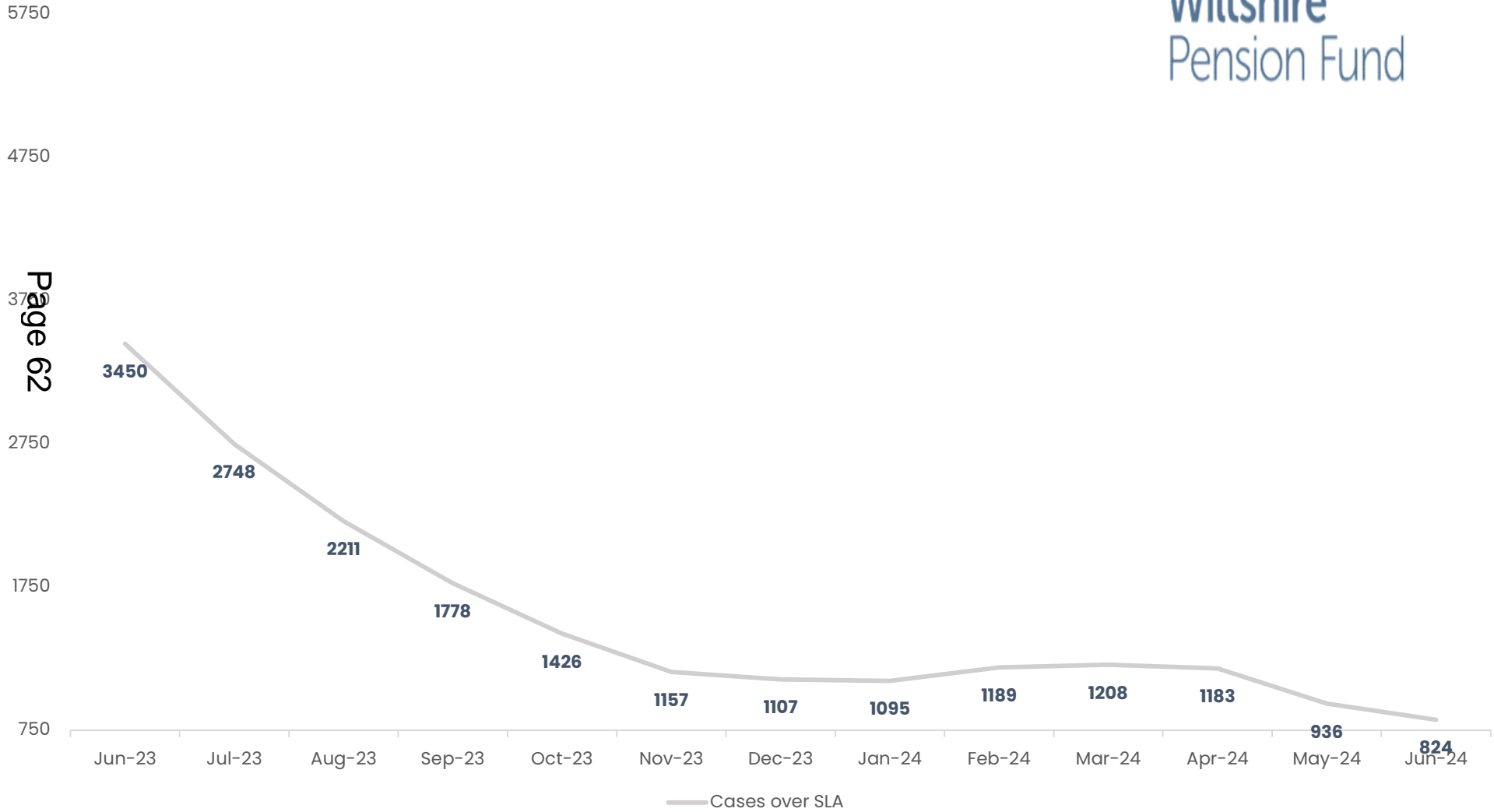
Priority level	Process	Age analysis (working days)							Total
		1-40	2-6 months	6-12months	1year +	2year +	3year +	4 year +	
High	Deaths	44	1	3	1	0	0	0	49
High	Retirements	203	34	0	2	0	0	0	239
High	Refunds	1	0	0	0	0	0	0	1
Medium	Transfers Out	85	123	0	0	0	0	0	208
Medium	Transfers In	18	7	0	0	0	0	0	25
Medium	Aggregations	328	657	141	29	86	0	0	1241
Medium	Leavers	212	3	1	4	0	2	0	222
Medium	Divorce	16	3	0	0	0	0	0	19

*The leaver and aggregation scores are reliant on bringing case numbers down and therefore the existing KPI target scores are likely to worsen while older cases are cleared. With both Officers and Hymans working on aggregations we can see that this is starting to have an impact on the statistics.

Comparison of cases completed in period vs cases received



Open cases over SLA



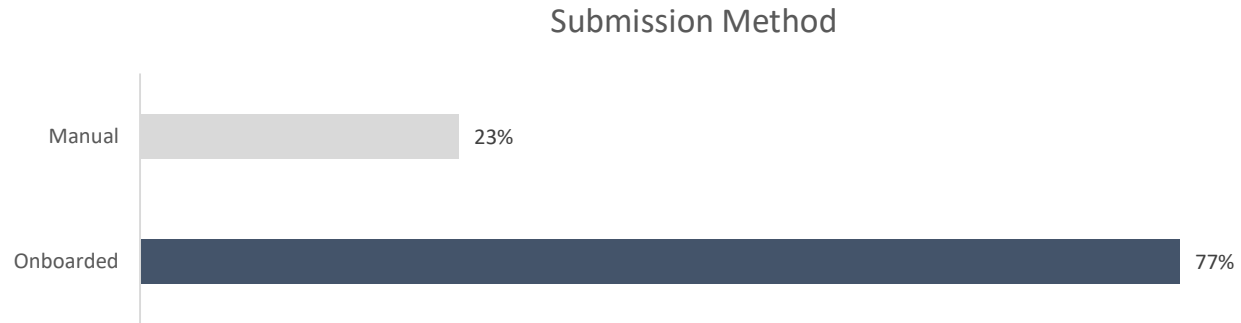
*Includes all open cases over SLA



4. i-Connect onboarding progress figures at end of period

* I-Connect onboarding resumed with effect from 01/02/2024*

Manual Submissions	42	23%
Onboarded	137	77%
Total	179	100%



5. MSS (My Wiltshire Pension) take up

	Active	Deferred	Total
Registered	12,655	14,335	26,990
Total	23,471	30,902	54,373
Percentage	43%	57%	100%

*Excludes members with password resets or disabled account.

Internal targets - Employers



6. i-Connect submission performance - as at 30/06/2024

Size of Scheme	Apr			May			Jun		
	On-time	Late	Submitted on Target	On-time	Late	Submitted on Target	On-time	Late	Submitted on Target
Small	16	25	39%	12	68	15%	15	76	16%
Medium	1	0	100%	1	9	10%	0	12	0%
Large	0	0	0%	1	1	50%	0	76	0%
Total	17	25	40%	14	78	15%	15	164	8%

*size of scheme - small <250members, medium 250 members +, large >1000 members

*Newly onboarded employers are not included with the performance statistics as typically more support is needed in the initial months and therefore the normal deadlines do not apply.

*All employers onboarded on to i-Connect are required to submit their return by the 10th of the month following the month the data relates to.

*Figures pulled within the period 01/04/2024 - 30/04/2024 - any submissions outside these date will not be included

tPR Data performance measures

The Pension Regulator (tPR) helps regulate each LGPS's Fund compliance with various legislation. In respect of administrative performance, tPR focuses on Common and Conditional data measures. The Fund is required to submit its scores against these measures each year as part of its Scheme Return

98

tPR Common Data

Percentage score at 30 June 2024

Common Data various data measures it expects all Pension Funds to hold (e.g., name, address etc).

98

tPR Conditional Data

Percentage score at 30 June 2024

Conditional/Scheme Specific data scores are those data types which are needed for the administration of that specific scheme. For the LGPS, the Scheme

Advisory Board (SAB) has determined the relevant data items.

98.8

Active Annual Benefit Statements (ABS)

Percentage score at 30 June 2024

+0.1% increase since 31 August 2021

The Fund is required under the LGPS Regulations to produce active ABSs by the 31 August of each year The Fund currently uploads all ABS to the member portal.

The active Annual Benefit Statement score is slightly short of the target of 99%. Most of failures relate to Swindon Borough Council employees, due to their ongoing administrative difficulties following their change of payroll system early this year.

However, this score is still relatively high compared to previous years:

2022; 98.7% 2021: 99.5%; 2020: 96.9%; 2019: 95.0%; 2018: 93.9%.

100

Pension Saving Statements

Percentage score at 30 June 2024

All Pension Saving Statements (relating to annual allowance tax charges) were sent on time despite a number of delays with receiving data from certain employers (in particular, Swindon Borough Council). All active members were analysed (c23,000) to see whether they exceeded

the annual allowance limit and the final exercise resulted in 90 statutory statements being sent and 36 members being likely to need to pay a tax charge.

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Audit Findings & Management Action Plan – June 2024

Finding 1.	Action		
<p>Risk Register</p> <p>The Pension Fund has some elements of a risk management framework in place including service risk registers, a strategic risk register, regular review of controls and discussions of emerging risks, and reporting of headline risks to Committee.</p> <p>Managers are engaged with the process and the embeddedness of risk management has improved significantly over approximately the past two years. However, there are elements that are already in place that require improvement and some gaps identified as part of our audit review, such as:</p> <ul style="list-style-type: none"> • No documented risk management policy in place; • No guidance for officers on risk wording; • No set risk appetite; • Dates missing from the risk register to identify when a risk was added, reviewed or updated; and • No recording of inherent risk on the register. <p>It has not been previously defined, or clear, how the Pension Fund’s risk management processes should align with the Council’s framework. The Council has recently launched a new risk management framework, and the expectation of the current S151 Officer and Treasurer to the Fund is that the Pension Fund should now be working towards compliance with the Council’s own established risk management framework.</p>	<p>Following on from the recent launch of the Council’s new risk management framework, the Pension Fund’s arrangements will be further developed in order 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>In the shorter term, we will work with the S151/Treasurer of the fund to ascertain what the risks to the Council are and where these sit as they do not form part of the operational risk register that we manage within the Pension Fund by the end of July.</p>		
<p>Priority</p>	<p>2</p>	<p>SWAP Reference</p>	<p>AP#4343</p>
<p>Responsible Officer</p>	<p>Head of the Pension Fund</p>		
<p>Timescale</p>	<p>31st December 2024</p>		

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Finding 2.	Action												
<p>Quality Assurance</p> <p>The Fund has implemented a new Quality Assurance (QA) process, with a Quality Assurance and Sample Checking Guide having been approved in April 2024 by the Administration Lead. The new process addresses some weaknesses previously identified in the January 2023 Key Controls review, namely:</p> <ul style="list-style-type: none"> • The new policy defines the number of cases to be quality checked (25 per week); and • There is now a clear separation between the quality assurance and authorisation process. <p>However, we identified the following issues with the process at the time of our review:</p> <ul style="list-style-type: none"> • There is no separate record of the quality checks that are being carried out. A log should be maintained of how many quality checks were completed, who completed them, which task they related to, which officer completed the task initially, and what errors or discrepancies were identified. This would help provide assurances that samples selected are representative and include a range of officers and tasks. Importantly, this would also provide the data to allow the Fund to carry out trend analysis and identify common errors/discrepancies and further training needs for officers; • There is currently no monitoring of how many Quality Assurance checks are carried out against the agreed weekly target; and • At the time of our review the current QA Lead also had the role of authoriser. Whilst it is expected that QA is done by the Administration Lead where the QA Lead has completed an authorisation, this was not written into the guide. We have since been informed that the guide has now been updated to address this. 	<p>We have begun to pull together a log of the quality assurance work that is taking place and will continue to develop this log and monitor the number of QA checks that are taking place each week.</p> <p>The policy has been updated to address the issue of quality checkers also carrying out authorisations.</p> <table border="1" data-bbox="1131 837 2116 1093"> <tr> <td data-bbox="1131 837 1377 885">Priority</td> <td data-bbox="1377 837 1624 885">2</td> <td data-bbox="1624 837 1870 885">SWAP Reference</td> <td data-bbox="1870 837 2116 885">AP#4477</td> </tr> <tr> <td data-bbox="1131 885 1624 933">Responsible Officer</td> <td colspan="3" data-bbox="1624 885 2116 933">Administration Lead</td> </tr> <tr> <td data-bbox="1131 933 1624 1093">Timescale</td> <td colspan="3" data-bbox="1624 933 2116 1093">31st December 2024</td> </tr> </table>	Priority	2	SWAP Reference	AP#4477	Responsible Officer	Administration Lead			Timescale	31st December 2024		
Priority	2	SWAP Reference	AP#4477										
Responsible Officer	Administration Lead												
Timescale	31st December 2024												

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<p>Finding 3. <u>Introduction of i Connect, the Employer Scorecard and Administrative Charges</u></p> <p>Our previous audit of this area included an action for the full introduction of i-Connect, the data portal between employers and the Pension Fund, along with the Employers Scorecard and the introduction of Administrative Charges for participating employers who are not using i-Connect correctly. Although further progress has been made in moving the participating employers to i-Connect, we understand that this project has only recently restarted after a lengthy suspension. The Wiltshire Pension Fund Business Plan 2024-27 (approved by the Wiltshire Pension Fund Committee on 28th March 2024) includes an objective to have all Employers using i-Connect by 2027, but we feel that a more ambitious target would be appropriate.</p> <p>We can see from the Contributions Monitoring Report that there are some employers who do not make their contribution payments by the due date and we would suggest that in conjunction with the introduction of i-Connect, the Employer Report Card and Administration Charges, the fund should consider charging interest for late payments.</p>	<p>Action</p> <p>We will continue to encourage employers to join i-Connect. We 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.</p> <table border="1" data-bbox="1131 542 2116 710"> <tr> <td>Priority</td> <td>3</td> <td>SWAP Reference</td> <td>AP#4417</td> </tr> <tr> <td>Responsible Officer</td> <td colspan="3">Employers Services Manager and Administration Lead</td> </tr> <tr> <td>Timescale</td> <td colspan="3">31st December 2024</td> </tr> </table>	Priority	3	SWAP Reference	AP#4417	Responsible Officer	Employers Services Manager and Administration Lead			Timescale	31 st December 2024		
Priority	3	SWAP Reference	AP#4417										
Responsible Officer	Employers Services Manager and Administration Lead												
Timescale	31 st December 2024												

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<p>Finding 4. <u>Complaints Monitoring & Reporting</u></p> <p>Testing of complaints received throughout the year were found to be adequately recorded, monitored and resolved by the Governance Manager. All complaints are detailed in the Performance Report to the Board, which also included an outline summary.</p> <p>We were provided with a report from Altair that contained 20 complaints, however it was identified from the Performance report that there had been 58 informal complaints and 28 formal complaints listed for 23/24. This means that only 23% of complaints were recorded on Altair, indicating that the process relies heavily on manual intervention to obtain accurate complaints data from Altair.</p> <p>Reporting could be improved by upgrading Altair's existing workflows, specifically downloading reports with clear column headings, requesting extra mandatory field completions such as casework opening dates with times, providing better commentary boxes to encourage casework timeline construction, and adding extra fields such as determination statuses on closure.</p>	<p>Action</p> <p>Altair workflows for complaint reporting to be updated to include clear column headings, mandatory field completions (e.g. casework opening dates without times), updated commentary boxes to encourage timeline construction, and closure determination statuses.</p> <table border="1" data-bbox="1131 1181 2116 1380"> <tr> <td>Priority</td> <td>3</td> <td>SWAP Reference</td> <td>AP#4342</td> </tr> <tr> <td>Responsible Officer</td> <td colspan="3">Operations Manager & Governance Manager</td> </tr> <tr> <td>Timescale</td> <td colspan="3">30th September 2024</td> </tr> </table>	Priority	3	SWAP Reference	AP#4342	Responsible Officer	Operations Manager & Governance Manager			Timescale	30 th September 2024		
Priority	3	SWAP Reference	AP#4342										
Responsible Officer	Operations Manager & Governance Manager												
Timescale	30 th September 2024												

Outstanding Actions from January 2023 Pensions Key Controls Review

Finding	Action																
<p>J: KPIs, Reports and Monitoring of Staff Productivity A weekly KPI report is produced and monitored by the Management team to help determine if tasks are being completed in line with the agreed SLAs. We reviewed the KPIs report and identified the following issues:</p> <p>Inaccuracy of KPIs</p> <ul style="list-style-type: none"> The aggregations KPIs were not accurate as it did not include aggregations where a workflow had not been set up. The Status 2 KPIs fall under the leavers data but this was not accurate as it did not include Status 2 members where a workflow had not been set up and did not include 'Status 2 Chase' workflows. The backlog of transfers in allocations was not flagged as an issue. 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. We were advised that this has been raised with the systems external support team; Heywoods. <p>KPIs not captured</p> <ul style="list-style-type: none"> There are no KPIs to monitor the progress of overpayment aged debt chasing. There are no KPIs to monitor new joiners processing. There are no KPIs to monitor amendments processing. <p>We also reviewed how the Fund monitors the data recorded for active members to ensure the data quality requirements set by The Pensions Regulator are met. We were advised that a data quality report can be run but this is only done on an ad hoc basis and the results are not reported to management to monitor.</p> <p>Finally, we reviewed how the Fund monitors staff productivity and found a weekly report has been introduced for the Member Services Team. For each type of task, the management team have determined an average time it should take to complete. A report is then produced weekly to look at the tasks which have been completed against the team members availability. In return a productivity percentage is produced. This is not yet live for the Employer Services Team but is in the testing phase.</p>	<p>We will review the KPIs and address the inaccuracy issues identified.</p> <p>We will introduce KPI monitoring for overpayments, new joiners, amendments.</p> <p>We will regularly monitor the data quality for active members and ensure the requirements set by The Pensions Regulator are met.</p> <p>We will implement the staff productively monitoring report in the Employer Services Team.</p> <table border="1" data-bbox="1332 877 2128 1177"> <tr> <td>Priority</td> <td>2</td> <td>SWAP Reference</td> <td>AP#434</td> </tr> <tr> <td>Responsible Officer</td> <td colspan="3">Head of Wiltshire Pension Fund and Employer Services Manager (once in post), and Member Services Manager</td> </tr> <tr> <td>Timescale</td> <td colspan="3">30th April 2023</td> </tr> <tr> <td>Revised Timescale</td> <td colspan="3">31st October 2024</td> </tr> </table>	Priority	2	SWAP Reference	AP#434	Responsible Officer	Head of Wiltshire Pension Fund and Employer Services Manager (once in post), and Member Services Manager			Timescale	30 th April 2023			Revised Timescale	31 st October 2024		
Priority	2	SWAP Reference	AP#434														
Responsible Officer	Head of Wiltshire Pension Fund and Employer Services Manager (once in post), and Member Services Manager																
Timescale	30 th April 2023																
Revised Timescale	31 st October 2024																

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January 2024 Update

We agree with the Fund’s assessment of 70% progress made against this action. Terminated cases and additional KPIs were covered as part of SWAP’s KPI review. Overpayment aged debt chasing is being reported on and the procedure for chasing up is under review.

June 2024 update

The Fund has completed the majority of the work required to address the issues identified. Work was initiated on addressing the finding relating to overpayments however, since the Council moved to Oracle it has been unable to get the required data from the Oracle system. We understand that aged debt reports should be available but are currently not working. The Fund is moving to Altair Payroll later this year and the integrated system will rectify this issue going forward. We have revised the timescale to take into account the dates for migration to Altair Payroll and subsequent work required to address overpayment aged debts.

Wiltshire Pension Fund Committee & Board Member Training Plan					
2024 - 2025					
PENSION FUND COMMITTEE					
Period	Actual Meeting Date	CIPFA Framework category	Proposed training item	By whom	Meeting Focus
Newly inducted members will receive a Member Handbook, Induction training from Officers, attend the LGPS Fundamentals training course & be required to complete the Pension Regulator's on-line toolkit					
All members, in addition to the organised training set out below will be invited to attend additional internal training events, plus external conferences, seminars & pension forums to supplement & maintain their knowledge & understanding. Technical notes will also be circulated as required.					
Q2 2024	20/06/24	Accounting & Audit	Treasury Management arrangements	Officers	Investment Board members to be invited
Q3 2024	11/07/24	Administration	An understanding of best practices in pensions administration including scheme policies and procedures relating to data, record keeping, comms & complaints, dispute & disclosure requirements	Officers	Administration Board members to be invited
All Stakeholders event to welcome the newly appointment Actuarial Consultants, Independent Investment Advisor & Investment Management Consultants					
Q3 2024	19/09/24	Investment Governance	Understanding of the Myners principles and associated CIPFA and SOLACE guidance	External Adviser	Investment Board members to be invited
Q4 2024	10/10/24	Actuarial method	The importance of employer covenants and their relative strengths across the fund employers	Officers	Administration Board members to be invited
MiFID II self certification					
Annual self-assessment review					
Q4 2024	21/11/24	Financial Markets and Products Knowledge	An understanding of how the fund interacts with the UK & Overseas taxation system in relation to admin & investments	External Adviser	Investment Board members to be invited
Q4 2024	12/12/24	Administration	An understanding of Additional Voluntary Contributions	Officers	Administration Board members to be invited
Q1 2025	27/02/25	Accounting & Audit	Understanding of the range of support services, who supplies them and the nature of the performance monitoring regime	Officers	Investment Board members to be invited
Q1 2025	20/03/25	Actuarial method	The Actuary, the formal valuation process (including the FSS and inter-valuation modelling) and the treatment of new and ceasing employers (including employer covenants)	External Adviser	Administration Board members to be invited
LOCAL PENSION BOARD					
Period	Actual Meeting Date	CIPFA Framework category	Proposed training item	By whom	Comments
Q2 2024	22/05/24	Governance	Presentation of draft training plan 2024/25	Officers	Board to approve & recommend to Committee
Q3 2024	15/08/24	Legal	Understanding the roles and responsibilities of DLUHC, the Pensions Regulator, the PO & SAB	Officers	Committee members to be invited
Annual self-assessment review					
Q4 2024	07/11/24	Governance	Knowledge of the consultation and Communication process with Stakeholders	Officers	Committee members to be invited
Q1 2025	11/02/25	Governance	Understanding how the fund monitors and manages the performance of their outsourced providers	Officers	Committee members to be invited

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WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE

11 July 2024

LPB Recommendation – Minute 33 – 22 May

Fund Risk Management Review

Purpose of the Report

1. To update the Committee on changes to the Council's risk management system, and agree a way forward on what this means for the Pension Fund.

Background

2. Wiltshire Council has recently introduced a new corporate risk management system.
3. At the Board meeting on 22 May, members were advised of the Council's new risk management system and as a result requested that officers undertake a review of both systems in order to bring forward a paper to this Committee meeting on the proposed way forward.

Considerations for the Committee

Current Pension Fund risk management arrangements

4. The Fund's current Risk Register came into operation in November 2022 and is maintained by officers. Each operational area within the Fund has a risk tab, with the key risks managed by that area on it, mapped to relevant controls. Each risk is given a letter code relating to a theme (such as "service delivery", which will be contributed to by many operational areas), and this is aggregated up for reporting to the Committee and Board.
5. Managers meet monthly to present on their risk areas, this facilitates challenge from other managers and ensures that risks are appropriately and consistently rated, and that all managers are educated on Fund-wide issues. This process embeds risk management in the way that the Fund is run. A group of senior officer make up the Compliance, Risk and Operational Controls (CROC) group, which meets monthly to review the risk register and ensure it is operating effectively.

Wiltshire Council's new corporate risk management system – what's changed?

6. The Council's new risk management framework is accompanied by a new policy. A summary of the key changes to the corporate risk register includes:
 - a) A **new 5x5 matrix for scoring the likelihood and impact** of a risk.
 - b) **Five new risk levels**, ranging from very low to very high.
 - c) **Five new risk appetite levels**, to help describe the risk scores of different activities.
 - d) **14 new risk categories**, to allow the appetite to be applied at a more granular level.
 - e) **Formalising the tiers of risk**, such as strategic, corporate & service.
 - f) A **new criteria for escalating and de-escalating risks** between tiers: &
 - g) A **new criteria for reporting risks to Cabinet**.

What are the requirements for the Fund in this area?

7. In March 2024, the Pension Regulator introduced a new General Code of Practice. This new Code was based on the former Code of Practice 14 template and outlines the requirements of governing bodies in relation to the maintenance of a risk management framework system. In summary, the requirements specifying a risk register within the Code of Practice are fairly generic, however, as part of the GCOP review officers will be considering the scope of the Fund's risk register more closely. There is currently no reason to believe that the Council's risk management framework would not be consistent with the regulatory requirements for the LGPS.
8. Officers consider there to be a number of advantages to Fund's current design, which are interwoven with its internal controls and accepted by members in 2022. These include:
 - a) Risks are less specific in scope, making the register more manageable.
 - b) Risks are operationally embedded, ensuring operational activities are monitored and acted upon on a timely basis.
 - c) Risks are reviewed monthly, rather than quarterly: &
 - d) Greater focus is placed on risk comments and mitigations, rather than ratings.
9. Senior officers believe that transitioning to the 2022 risk register enabled additional improvements to be seen. In particular, a greater awareness amongst the Fund's managers of their contribution, impact and the risks associated with their roles, as well as better collaboration across the team and a greater focus on output & outcomes, particularly in relations to KPI targets. Furthermore, the introduction of the CROC Group's process of moderating the ratings has enabled the process to remain consistent, prior to submitting risk reviews to the Board and Committee at each meeting.
10. Continuous improvement is important, and the introduction of the Council's new risk management framework presents an opportunity to improve current risk management arrangements. In their latest Key Controls audit, SWAP have made a recommendation that the Fund align with the Council's framework.
11. There are also risks for the Council in being an administering authority, which are currently not included in the Council's risk register, and officers believe that these should be added to the Council's risk register at a Corporate level, with the risk owner being the s151 officer, and support to review and manage the risks coming from the Head of Wiltshire Pension Fund. These risks are as follows:
 - Reputational risk from association with the Pension Fund – this could come from many sources, such as poor service delivery, failure to deliver against climate targets, controversial investments, breach of laws and regulations etc.
 - Funding risk – i.e. the risk that the Fund does not deliver against its funding strategy, risking that employer contributions need to be increased.
12. These risks are managed through the existing arrangements, i.e. regular updates and escalation of important matters between the Head of Wiltshire Pension Fund and the s151 officer, delegation from the Council to the Pension Fund Committee, operation of the Local Pension Board, and appointment of a senior officer with sole responsibility of running the Pension Fund (i.e. the Head of Wiltshire Pension Fund).

13. Other risks on the Pension Fund's risk register are the operational risks of the Fund, and therefore although they do not need to be included on the Council's own risk register, work should be done to improve the operational risk register to align with the Council's new framework. This work will take time, as it has taken significant work to get to the current point regarding understanding and embedding risk (and this is still a work in progress), so it will be important to ensure that the Fund's managers fully understand each new change and use these to be more effective.

Recommended next steps

14. Officers' recommendations are:

- a) 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 6-12 months.
- b) To recommend the suggested Corporate-level risks identified in para 11 above for inclusion on the Council's risk register.
- c) To incorporate SWAP's audit recommendations into the Fund's risk register
- d) 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.

Environmental Impact of the Proposal

15. Not applicable.

Financial Considerations & Risk Assessment

16. There are no specific financial and risk assessments resulting from this report.

Legal Implications

17. There are no material legal implications from this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

18. There are no known implications at this time.

Proposal

19. The Committee is asked to approve the recommendations in paragraph 14.

Jennifer Devine
Head of Wiltshire Pension Fund

Report Author: Richard Bullen, Fund Governance Manager

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WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE

11th July 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.

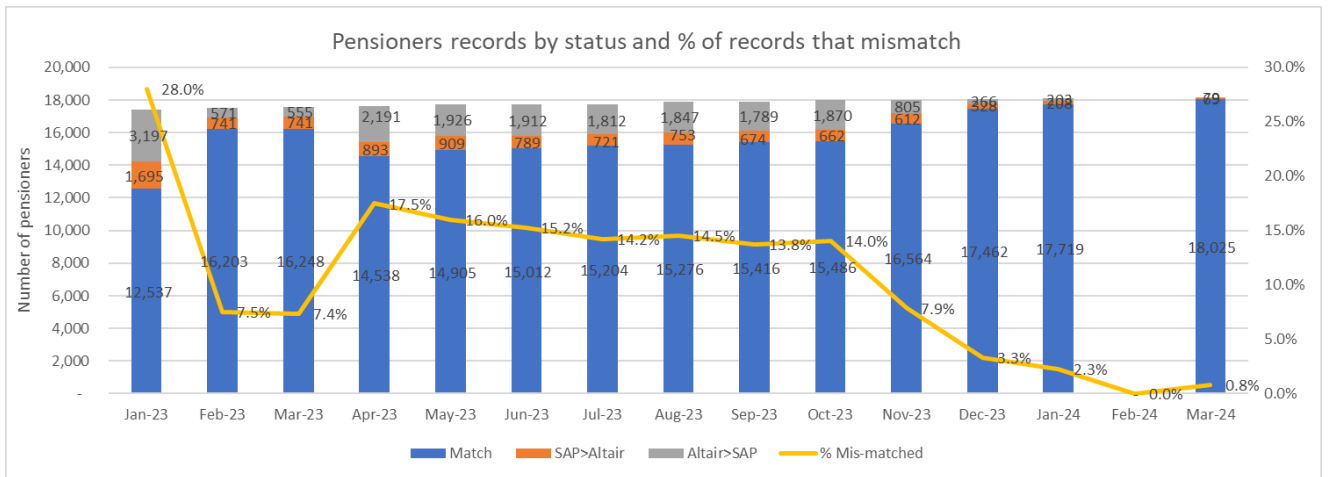
Key Considerations for the Committee / Risk Assessment / Financial Implications

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. 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.
4. A draft set of accounts for 2023/24 has been prepared, these were provided after the 31st May deadline due to issues caused by the oracle system issues. Interim audit work has been undertaken by Grant Thornton and they will be commencing on site audit of the accounts during the summer.

Payroll reconciliations

5. Work to reconcile and correct discrepancies between the Altair pension admin system and SAP payroll records is almost complete. The reconciliation compares the annual pension payable on each system and quantifies the number of cases and value of discrepancies. The following graph shows the extent of the variances between the two systems. The reconciliation classifies anything >£1 per annum as a variance. There can be multiple reasons for the discrepancies which can range from a fundamental incorrect payment to data mismatch problems.



6. The chart above shows the progress made to resolve differences between the SAP payroll and Altair since January 2023. The final payroll on SAP shows a small discrepancy, this difference is fully resolved in the April 24 payroll where members payments were all based on values calculated from the Altair system. Monitoring of variances between Altair and the oracle payroll will continue until the payroll is transferred onto Altair.

Quarterly Financial Performance Dashboard

Wiltshire Pension Fund - Key Financial Controls Dashboard

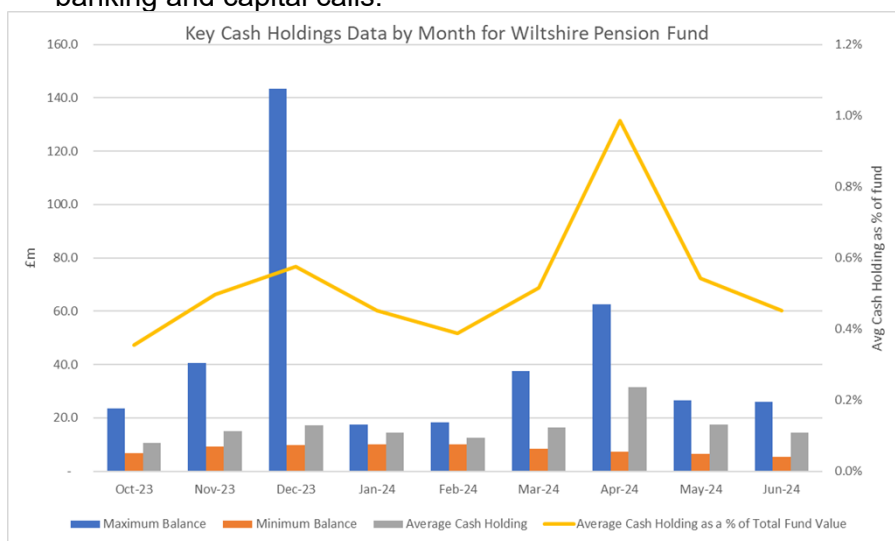
Control Area	RAG	Items reviewed under this control area	Comments on Performance	Ongoing Actions
	Jun-24			
1. Employer Contributions	Green	Timely and accurate payment of employer contributions each month.	See summary performance table for full details. Almost all employers paying on time and with the correct rate. New reconciliation process established between I connect and banking	None
2. Cashflow, banking and capital calls	Green	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	Yellow	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	Refreshing working documents for future work with Oracle system
4. Altair Checks	Yellow	Check between the ledger and pension admin system (altair) that any transactions, such as payments or receipts match the admin system.	All reconciliations have been undertaken discrepancies have reduced following active engagement with the Admin team to review old cases. Evolve implementation has delayed this work, latest reconciliations are being caught up to October 23.	To catch up on outstanding months following the evolve implementation. New integrated payments process has removed the need for these checks.
5. Financial Budget Reporting	Green	Review of year to date and forecast operating budget performance, or any unusual monthly movements on the overall fund account.	Year end budget expenditure below plan.	Get the processes up and running again following the evolve implementation.
No material concerns	Green			
Minor issues	Yellow			
Major issues	Red			

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

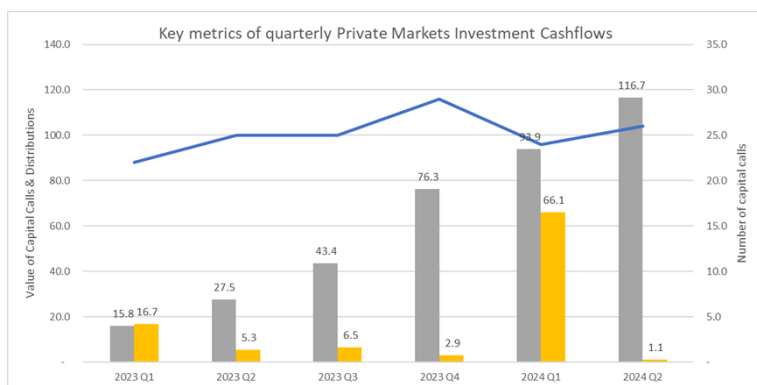
Quarter	Payroll Month	Paid contributions £000's				Average late and overdue contributions total days		Number of employers payments status		
		Total Payment	On Time Payment	Late Payment	Late Payment %	Days Late Recd	Days Overdue	On time	Late	Not Received
Q1	Apr-24	8,982	6,528	2,455	37.6%	3.0	-	153	9	-
Q1	May-24	8,957	8,127	831	10.2%	3.0	12.0	156	4	2
Total	Q1	18,309	15,023	3,285	21.9%	2.0	4.0	348	13	125

8. 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.

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



10. 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%
Total investment administration costs	120	116	210	206	207	253	46	18%
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%
Total scheme administration costs	1,743	1,775	1,838	3,199	3,155	3,604	450	12%
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%
Total oversight & governance costs	815	775	936	1,178	1,055	902	(153)	-17%
Local Pension Board costs	14	14	15	25	21	24	3	12%
Total operational running costs	2,692	2,679	2,998	4,608	4,438	4,783	345	7%
Number of Members	80,824	82,454	84,438	85,458	85,739	85,739		
Total Running Cost per member (Admin & Governance)	£ 31.83	£ 31.09	£ 33.03	£ 51.51	£ 49.35	£ 52.84	£ 3.49	7%
Additional Costs								
New Office Space					49	0	(49)	
Climate solutions investment costs					50	0	(50)	
Exclude Additional Approved Costs					99	0	(99)	
Amended Costs Excluding additional Approved costs					4,339	4,783	444	
Reference item - Managed as part of investment manager fees								
Brunel Running Costs	1078	1,575	1,206	1,192	1,253	1,222	(31)	(0)

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

12. There are no known implications at this time.

Proposals

13. 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

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE
11 July 2024

ANNUAL REPORT AND ACCOUNTS

Purpose of the Report

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

Background

2. The Pension Fund is required to produce a set of annual accounts, these accounts in draft unadutirs form should be published in draft by 31st May of each financial year, as part of the Administering Authorities Accounts. Due to issues caused by the transfer of the Council accounting system the fund missed this publication deadline. The unaudited accounts for 2023/24 are included in Appendix 1.
3. The annual report is in the process of drafting and is scheduled to come to the September Committee, well ahead of the statutory deadline of 1st December.

Considerations for the Committee

4. It is proposed that the Committee note the unaudited statement of accounts for 2023/24. This set of accounts has not been subject to audit review, this process is ongoing.
5. 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 Committee are requested to review information provided in the separate Going Concern paper to inform their approval of the going concern assessment.

Environmental Impact of the Proposal

6. There are no known implications at this time.

Safeguarding Considerations/Public Health Implications/Equalities Impact

7. There are no known implications at this time.

Financial Considerations & Risk Assessment

8. The financial status of the Pension Fund is explained in the appended statement of accounts.

Proposals

9. The Committee is asked to:
 - a) Note the unaudited Statement of accounts for 2023/2024.
 - b) Approve the appended statement of going concern.

CHRISTOPHER MOORE

Accounting & Investment Team Lead

Report Author: Christopher Moore, Accounting and Investment Team Lead

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

Appendix 1 – Statement of accounts (unaudited) 2023/24

Appendix 2 – Statement of going concern

Wiltshire Pension Fund

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

General

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

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

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

Membership

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

Organisations participating in the Wiltshire Pension Fund include the following:

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

Membership details are set out as below:

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

Funding

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

Benefits

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

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

Responsibility for the Report

Wiltshire Council

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

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

Wiltshire Pension Fund Committee

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

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

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

Local Pensions Board

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

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

S151 Officer

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

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

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

Audit

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

Investment Management Policy

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

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

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

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

The Wiltshire Pension Fund

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

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

The Wiltshire Pension Fund

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

Notes

Related notes form an integral part of these financial statements

1. Basis of Preparation

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

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

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

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

The accounts have been prepared on a going concern basis.

2. Summary of Significant Accounting Policies

The principal accounting policies of the Fund are as follows:

Fund account – revenue recognition

a) Contributions

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

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

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

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

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

b) Transfers to and from other schemes

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

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

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

c) Investment Income

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

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

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

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

e) Taxation

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

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

f) Management expenses

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

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

Net Asset Statement

g) Financial assets

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

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

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

Valuation of Investments

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

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

(iii) Foreign Currency Transactions

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

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

(iv) Cash and cash equivalents

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

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

h) Financial liabilities

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

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

i) Actuarial present value of promised retirement benefits

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

j) Additional Voluntary Contributions (AVCs)

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

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

k) Contingent assets and contingent liabilities

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

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

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

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

3. Critical Judgements in Applying Accounting Policies

Pension Fund Liability

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

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

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

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

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

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

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

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

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

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

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

7. Payments to and on account of leavers

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

8. Management expenses

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

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

8a. External Audit Costs

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

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

9. Investment management expenses

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

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

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

11. Stock lending

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

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

12. Details of investments held at year end

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

12a. Reconciliation of movements in investments

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

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

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

12b. Investments Analysed by Fund Manager

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

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

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

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

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

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

13. Derivative Contracts

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

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

14. Fair value – basis of valuation

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

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

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

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

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

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

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

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

Sensitivity of assets valued at level 3

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

14a. Fair value hierarchy

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

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

14a. Fair value hierarchy (cont'd)

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

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

14b. Reconciliation of fair value measurements within Level 3

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

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

15. Classification of Financial Instruments

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

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

Net gains and losses on financial instruments

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

15. Classification of Financial Instruments (cont'd)

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

16. Nature and extent of risks arising from financial instruments

Risk and risk management

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

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

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

16.1. Market Risk

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

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

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

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

Other Price Risk

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

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

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

Market Price - Sensitivity Analysis

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

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

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

16.2. Interest Rate Risk

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

Interest Rate – Sensitivity Analysis

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

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

16.3. Currency Risk

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

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

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

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

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

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

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

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

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

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

16.4. Credit Risk

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

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

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

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

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

16.4. Credit Risk (cont'd)

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

16.5. Liquidity Risk

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

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

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

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

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

17a. Long Term Debtors

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

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

18. Current liabilities

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

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

18a. Long Term Creditors

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

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

19. Additional Voluntary Contributions (AVCs)

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

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

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

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

20. Employer Related Assets

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

21. Related Party Transactions

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

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

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

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

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

21. Governance

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

22. Guaranteed Minimum Pension (GMP)

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

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

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

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

23. Contingent Liabilities and Contractual Commitments

Capital Commitments

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

Transitional protections

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

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

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24. Actuarial Statement in respect of IAS26 as at 31.03.2024

Introduction

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

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

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

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

Present value of promised retirement benefits

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

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

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

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

Assumptions

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

Financial assumptions

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

Demographic assumptions

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

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

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

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

Sensitivity Analysis

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

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

Professional notes

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

Prepared by:-

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19 June 2024

For and on behalf of Hymans Robertson LLP

Schedule of Employer Bodies

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

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

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

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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.

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Agenda Item 14

Wiltshire Pension Fund Committee - 2024/25									
Meeting:	20/06/24	11/07/24	19/09/24	10/10/24	21/11/24	12/12/24	27/02/25	20/03/25	Guidance comments
GOVERNANCE - Committee Specific									Comments
Confirmation of annual election of Chair & Vice Chair	✓								Annual appointments made by Full Council
Review Committee's Terms of Reference (if and as required)							✓		This review should be in conjunction with the Board's ToR review and other strategic documents to ensure continuity. Lasted reviewed in July 2020.
Fund's annual budget setting								✓	Prior to 31st March each year
Budget Monitoring		✓		✓		✓		✓	Quarterly spend & allocation of costs review against budget
Budget Outturn		✓							Annual actual review of financial pension fund spend against the previous year's budget
Committee Annual Training Plan Update		✓						✓	To be completed following each Scheme year for subsequent inclusion in the Fund's AR&A
Training Item relevant to agenda	✓	✓	✓	✓	✓	✓	✓	✓	To be consistent with Members training & development strategy
Committee effectiveness review									4 year plan last undertaken with the Committee in Nov 2022, due next in 2026. The Committee should also compare itself against its own terms of reference core functions.
Forward Work Plan Review		✓		✓		✓		✓	Quarterly review of Committee's work plan. Officers to update the next Scheme year's plan with annual reviews undertaken in calendar Q2
GOVERNANCE - Fund Specific									Comments
Scheme Legal, Regulatory & Fund update		✓		✓		✓		✓	Quarterly update by the Head of Pensions
Review of Risk Register		✓		✓		✓		✓	Quarterly review. Request risks to be added & changes made by Board prior to Committee approval.
Updates & comments on the previous Committee & Board meeting minutes	✓	✓	✓	✓	✓	✓	✓	✓	Amongst other purposes Members should use the minutes to identify risks for inclusion in the risk register
Review Governance Compliance Statement				✓					Five year plan last approved on 30/03/2021. To form part of the changes arising from the Good Governance review.
TPR General Code of Practice plan and self-assessment							✓		The self-assessment to be independently audited in 2025/26. Replaces tPR Code of Practice 14.
Review Fund Training Programme		✓					✓	✓	Complete 4 year training plan last approved on 16/12/2021. Annual reviews undertaken in Q4 each year
Review the Fund's Annual Report & Accounts		✓							Annual Report & Accounts to be completed & published by statutory deadline of 1st December
Approve Internal Audit Report scope							✓		Audits include: AR&A's - Published by 1st December, Key Controls, TPR GCOP assessment & Payroll Migration III.
Input into and monitor External & Internal 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.
Treasury Management Strategy			✓						Annual review, including cashflow forecasting and preferred bank account maintenance (Last reviewed 23/03/2023)
Review service providers, both internal & external. Include advisor appointments, processes, controls & SLAs							✓		Committee to receive an annual update from the Board on the effectiveness of the Fund's advisers
Review Actions from previous meetings	✓	✓	✓	✓	✓	✓	✓	✓	Addressed primarily during meeting agenda planning stage

GOVERNANCE - Fund Plans, policies & strategies									Comments
Review Business Plan (To include KPI Improvement Plan)		✓		✓		✓		✓	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		✓							3 year plan last approved on 28/07/2022
Review Communication strategy						✓			3 year plan last approved on 16/12/2021. E-communication strategy update and customer service assessment
TPR Breach Policy (Internal escalation strategy)				✓					Last reviewed on 17/02/2022. To review as part of new TPR GCOP requirements
Review Compliance with FRC stewardship code	✓							✓	Last approved on 28/03/2024. Annually - Consider TCFD requirements as part of the process
Review Triennial Valuation Process						✓		✓	Next valuation currently due 31/03/2025
Review Investment Strategy Statement			✓						Annual review. last approved on 02/03/2023 (Ensure inclusion of MiFID II arrangements)
Review Fund "Responsible Investment Strategy"			✓						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 Admin Charging Policy									3 year plan last approved on 28/07/2022. No reviewed expected in 2024/25
Review Admin Authority Discretions									3 year plan last approved in 28/03/2024. No reviewed expected in 2024/25
Review Employer Cessations policy (New Employer Policy)									3 year plan last approved in 13/07/2023. No reviewed expected in 2024/25
Review Funding Strategy Statement									3 year plan last approved on 17/11/2022. Next Fund Valuation 31/03/2025

ADMINISTRATION									Comments
Receive an annual report of an complaint & IDPR cases, including a review of the Fund's procedures		✓							Covered in Low Volume Performance Report.
Review of Cyber, Data Security & Business Recovery						✓			Report sets out the arrangements in place & when they were last tested. Includes annual BCP review.
Review of Payroll				✓					Annual update on payroll administration following the PI exercise. To include reconciliations, cashflows and certificate of existence exercises
Committee KPIs to monitor		✓		✓		✓		✓	Quarterly Administration performance reporting. Including outsourced backlog KPIs
Strategic Project reviews						✓		✓	Regular updates on strategic projects, for example McCloud and the Pensions Dashboard
Benchmark KPIs in Annual Report & Accounts information with other Funds								✓	Annual Report & Accounts must be disclosed each 1st December
Review of Annual Benefit Statement and Pension Saving Statement processes				✓					Percentage issued, action plan to issue outstanding ABSs & process improvement review
Review employers compliance (data)						✓			Ideally incorporate with ABS review process & update on Fund's Data Improvement Plan. Statistics on Employer Report Cards
Payroll migration, i-Connect & Members Self-service update						✓			Present as part of a Fund digital platform update. Progress report on take up and functional developments

INVESTMENT PERFORMANCE & RISK									Comments
Investment Quarterly Progress Report	✓		✓		✓		✓		Provided by each Investment Manager, the Investment Adviser & the Investment Consultant, who summarise the information and offer independent assessment of the market generally
Review Investment performance against Fund's benchmarking criteria	✓	✓	✓		✓		✓		To be presented quarterly and in conjunction with the draft Annual Report & Accounts
Investment Strategy Review / Asset Allocation Review	✓		✓		✓		✓		Quarterly review of strategy, plus an annual document last updated in 17/11/2022. To cover topical changes relating to BPP & ESG
Governance update relating to BPP	✓		✓		✓		✓		Quarterly (generally verbal) update on Brunel governance and operational issues
Cost transparency of BPP, Managers & the Custodian			✓						Usually presented in conjunction with the draft Annual Report & Accounts
Total number of Agenda Items:	9	17	11	14	7	21	8	16	

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