

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

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

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

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

5. The Health Check Dashboard provides a snapshot of the Fund's performance against its Business Plan objectives, and these are shown under the Fund's seven pillars of customer service. Service Delivery KPIs, Investment performance, Funding level, Customer Service Excellence, Internal audit ratings, Cost per member and Staff engagement. This update provides commentary on trends from June to September.

### **Risk Register (Appendix 3a & b)**

6. The version of the risk register presented in Appendix 3 relates to the month of July 2024. However, at the Committee's request officers have also included the latest available version (the August version) in support of the July 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 September meeting and the summary of changes covers the period April to July. 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 April and July versions of the risk register are:

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

		<p>impacted the Fund's administration. This included data to the Fund's AVC provider, Prudential.</p> <p>b) Delays in the provision of information from Oracle for the Fund's Accounts team has also impacted their ability to monitor and manage the Fund's budgets and complete the year end annual accounts on a timely basis.</p>
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9. Resourcing: The Board noted a change to this risk rating area at their September meeting from Red to Amber, which was due to several staff vacancies being filled during the period particularly in the Accounting and Investment areas with only a couple of key appointments left to fill. However, since that meeting officers have altered this back to red due to the vacancies still to be filled within the Administration areas.
10. A brief summary of progress in relation to changes to the Fund's risk management framework are set out in the audit update section. To accompany that summary officers can advise that they will be holding a workshop with the Council's Corporate Support team on 14 October. The workshop is intended to cover the wording of risks, the scoring of risks and risk appetite. Following this meeting the Fund's updated risk register design will be presented to the wider management team so that they can reconsider risks within their own areas and update them by mid-November.

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

11. Tables 1 & 2 show the admin performance over the period from 1 July 2024 to 30 September 2024. The Admin KPI picture has improved over the period to the level we reported at the end of June 2024. The backlog has decreased by 47 cases since our last report. However, these figures now include cases on Reply Due (cases that could not be actioned as we did not have all of the information) previous reports did not include these cases as it was unclear what actions, if any, were needed. We have now audited these cases and the ones that remain are cases that need further work. Incoming cases are at an expected level for this time of year.
12. Table 3 provide some analysis of the open cases. Table 3 shows the number of cases older than 2 years has remained at the same level and there are no cases older than 4 years and 14 cases older than 3 years (this is due to including reply due cases in the figures). The graph under the table shows the difference between completed and received cases which shows a slight difference between the cases completed to cases we have received. The second graph shows the continued trend of cases over SLA decreasing over the period with a slight increase in August.
13. We have now included a section detailing the current position onboarding employers onto iConnect. As you can see, we now have 137 employers onboarded and we expected this number to increase once the 2023/24-year end checks have been completed and the data verified in respect of the current membership. Training has been rolled out to employers and Swindon Borough Council will be the next employer onboarded, and we expect a significant uptake now year-end has been completed. We have invited 32 employers to enrol and

#### **Audit update (SWAP KC audit) (Appendix 5)**

14. Officers have prepared an action plan covering the recommendations made by SWAP in June 2024 (Appendix 5). Since the Committee meeting in July a summary of the following progress against that action plan has recorded below:

- Risk Register – Elements of the Fund's current risk management system require improvement, including integration with the Council's risk management framework and that some gaps identified need to be corrected:  
*Progress: Officers have agreed and approach to integration with the Council's risk management framework and during October will review the structure of the Fund risk register, including the drafting of a policy.*
- Quality Assurance – To address weaknesses in the existing QA process, such as sample checking and trend analysis:  
*Progress: Officers has drafted a presentation and QA log. A policy will be drafted on appointment of a QA Lead*
- i-Connect", the Employer Scorecard and Administrative Charging – To complete the implementation arrangements for these employer related activities:  
*Progress: An administration charging strategy is included within the meeting pack and 35 employers have been invited to enrol onto i-Connect. It is intended to action the Employer Scorecard on appointment of an Employer Liaison officer.*
- Complaints Monitoring & Reporting - To improve Altair reporting in this area: &  
*Progress: Changes to complaint reporting have been made and are currently in testing, however a small extension to the 30 September deadline is requested by officers to complete this work.*
- 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.  
*Progress: Officers consider this reporting to be complete and are seeking to provide evidence to SWAP to support the completion of this action.*

### **Financial Implications**

15. No direct implications.

### **Legal Implications**

16. There are no known implications from the proposals.

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

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

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

18. There are no known implications currently.

### **Proposals**

19. 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 July version of the risk register:
  - b) to note the SWAP Key Controls action log and approve an extension to the Complaints Monitoring & Reporting action to 31 December 2024:

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

**Appendices:**

Appendix 1 – Legal & Regulatory update

Appendix 2 – WPF Health Check Dashboard

Appendix 3a – Full risk Register 1 – July 2024 version.

Appendix 3b – Full risk Register 2 – August 2024 version.

Appendix 4 – Administration KPIs

Appendix 5 – SWAP Key Controls action log