WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE
12 December 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) Headlines
    b) Scheme, Regulatory, Legal and Fund Update
    c) Administration KPI update – 1 October 2024 to 30 November 2024
        1) McCloud and Pension Dashboard updates
        2) Pension Review update
    d) Risk Register
    e) Audit update
        1) SWAP Audit KC action log 2024/25
        2) Audit strategy 2025/26

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 Sep-24 was +1.9%, outperforming the combined benchmark for all portfolios of +1.3%. The fund value at the end of Sep-24 was £3.4bn.
    b) The migration of the pensioner payroll from Oracle to Altair has now successfully completed.
    c) Following a thorough revision of checks and controls and the roll out of extensive training for fund employers, several employers are currently being onboarded to iConnect.
    d) The Annual Report and Accounts have been completed for 2023/24, although audit work is still ongoing. The Annual Report has been published online pending audit sign off.
    e) The Government has launched the consultation "LGPS – Fit for the Future", which details proposals for significant change to the LGPS. This important item is covered elsewhere on this agenda. The deadline to respond to the consultation is 16 January 2025.
    f) Progress against the KPI Improvement Plan is behind schedule, and the team will not be able to deliver against the Plan's next milestone at 31 December 2024. A paper setting out a proposed amended approach is elsewhere on this agenda.
    g) The Fund's report on Investing in the UK is due to be published in the next couple of weeks, showcasing several different UK investments that have been made and supporting the fact that the LGPS is already delivering at a high level in this area.
    h) The salary benchmarking review has now been enacted, and this has led to being able to recruit two new officers 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.

i) The Fund has won a couple of awards recently. Firstly the Fund's Communications and Stakeholder Engagement Lead, Krystie Waterhouse, won the award for Excellence in Customer Service and Communications at the Professional Pensions Rising Star Awards 2024. And the Fund won the award for Investment Innovation at the LGC Investment Awards, in recognition of the Climate Opportunities portfolio. Congratulations to the team!

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

Risk Section	Section rating change	Key notes and mitigations during the period
Fund Governance	Green to Amber	a) The Pension Regulator has indicated that the pace of change to comply with the new general code of practice should quicken. Fund changes have been identified, however implementation via the constitution has been delayed due to member concerns. b) Member engagement with the approved training plan is also inconsistent.
Projects	Green to Amber	a) Procurement of an interface to assist with the implementation of the Pension Dashboard project has been slower than expected. The target deadline is December 2024. b) The Fund's external providers have announced that they will not support MSS after October 2025. A project plan

		is to be created to migrate the Fund's services to the new platform

9. Officers can advise that they held a workshop with the Council's Corporate Support team on 14 October. The workshop was intended to cover the wording of risks, the scoring of risks and risk appetite. Following this meeting the Fund officers started to update their risk register design prior to wider presentation to the rest of the management team. Further meetings were held on 18 and 25 November with a view to this exercise being completed by the end of November.

Administration KPIs (Appendix 4)

10. Tables 1 & 2 show the admin performance over the period from 1 August 2024 to 31 October 2024. November statistics were not available at the time of drafting. The Admin KPI picture has improved since the last update but not at the pace needed. The backlog has decreased by 326 cases since our last report, however the mid-month reports currently available show these gains have been wiped out since the payroll migration. Based on the current work position we will not be able to meet the target set for the 31 December 2024 checkpoint. A full update will be provided later in the meeting.

11. Table 3 provide some analysis of the open cases. Table 3 shows the number of cases older than 2 and 3 years have decreased slightly). The graph under the table shows the difference between completed and received cases which shows the team not keeping up with the incoming post. The second graph shows the continued trend of cases over SLA decreasing over the period with a slight increase in August.

12. We have now included a section detailing the current position onboarding employers onto iConnect. As you can see, we now have 138 employers onboarded and 41 manually submit data and we expect this project to be completed by 31 March 2024. The team will then focus on employer training to ensure submissions are made on time.

Audit update (SWAP KC audit) (Appendix 5)

13. Since the Committee meeting in October a summary of the following progress against that action plan has recorded below:
    - The Complaints Monitoring & Reporting & the KPIs, Reports & Monitoring of Staff Productivity actions are considered complete by officers. Evidence of completion will be provided to SWAP.
    - **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: Considerable progress has been made in relation to this action, which is recorded at 85% complete. A paper at agenda item 12 of this meeting updates the progress and requests officer recommendations for member approval. Subject to approval officers request a 3-month extension to complete the work.
    - **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. This action is considered 70% complete and the delay in its progress is subject only to the appointment of a suitable QA Lead. Officers request a 3-month extension to complete the work.
    - **i-Connect", the Employer Scorecard and Administrative Charging** – To complete the implementation arrangements for these employer related activities:

Progress: The administration charging strategy has been approved and i-Connect has on-boarded all but 14 employers, down from 35, including the large employers such as SBC. On-boarding of employers is now nearing a business-as-usual phase. The Employer Scorecard is designed, and officers will start to issue the cards in the new year. Officers consider the action 99% complete, however a request of a 3-month extension is made to complete the work.

Audit strategy 2025/26

14. The aims and objectives of the Fund's package of commissioned audits is to ensure independent assurance that all the laws, regulations & practice by which the Fund operates are being appropriately adhered to. In addition, to enable a dynamic audit strategy by which the oversight of key operations, new practices and innovations can be monitored:

15. For the Scheme Year 2025/26 the proposed plan of audits recommended are:

Audit	Proposed auditor	Proposed completion date	Comments
Standard Annual Audits – 2025/26			
Annual Report & Accounts	Grant Thornton	30/09/2025	For sign off and publication by 1st December 2025
Key Financial Controls	SWAP	30/06/2025	Review of the Fund's internal controls
Audits targeting Fund innovations, progress improvements & new regulations, based on a risk identification approach			
TPR's General Code of Practice	Barnett Waddingham/ Internal	31/07/2025	A review against the changes made by the Fund relating to tPR's General Code of Practice.
Pension Dashboard	SWAP	30/09/2025	A "Go-live" ready review of internal controls prior to 31 October.
Payroll Migration – Unfunded Benefits	SWAP	30/09/2025	A review of internal controls relating to the migrated payroll from Altair to Oracle.
Customer Service Excellence	CSI	30/09/2025	To receive accreditation
Website Accessibility	Shaw Trust	30/11/2025	To receive accreditation

16. The Committee is asked to consider whether the range of audits set out above represent the complete range of audits which need to be commissioned.

Financial Implications

17. No direct implications.

Legal Implications

18. There are no known implications from the proposals.

Environmental Impacts of the Proposals

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

20. There are no known implications currently.

Proposals

21. 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 September version of the risk register:
    b) to note the SWAP Key Controls action log and approve an extension to all outstanding audit actions to 31 March 2025:
    c) to approve the scope of audit recommendations for 2025/26.

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

Appendices:
Appendix 1 – Legal & Regulatory update
Appendix 2 – WPF Heath Check Dashboard
Appendix 3a – Full risk Register 1 – September 2024 version.
Appendix 3b – Full risk Register 2 – October 2024 version.
Appendix 4 – Administration KPIs
Appendix 5 – SWAP Key Controls action log