

HIGHLAND COUNCIL

Committee: Pensions Committee

Date: 22 February 2024

Report Title: Service Plan 2024/25

Report By: Head of Corporate Finance

1. Purpose/Executive Summary

- 1.1 The Highland Council Pension Fund Service Plan 2024/25 details the Fund's priorities over the next year alongside the budget and performance targets for the year ahead.
- 1.2 Over the next year the Fund will face many challenges and opportunities from both external and internal sources. It is essential that these are identified in order to set out the key work priorities for the Administering Authority and the corresponding resourcing requirements.

2. Recommendations

- 2.1 It is recommended that Committee approve the following:
 - the Pension Fund Service Plan 2024/25.
 - the Pension Fund budget for 2024/25 (section 9)
 - budget to support the implementation of the Pensioners payroll as part of the Pensions Administration system integrated solution to improve efficiency and customer service (section 9).
 - budget to support data cleanse during 2024 in preparation for the implementation of Pensioners payroll system and the Pensions Dashboard (section 9).
 - work plans for the Pensions Board, Pensions Committee and Investment Sub Committee.

3. Implications

- 3.1 Resource – staffing resources and the budget required to deliver the service plan are considered in the report at sections 6 and 9.
- 3.2 Legal – the Fund must administer pensions and manage investments in accordance with the LGPS regulations. The Fund must also operate in accordance with The Pension Regulator Code of practice and comply with HMRC reporting requirements. Tasks have been included at the workplan in Appendix to comply with these legal and regulatory requirements.
- 3.3 Community (Equality, Poverty and Rural) – there are no specific community implications for this report.
- 3.4 Climate Change / Carbon Clever – environmental, social and governance (ESG) is considered by the Investment Sub Committee (ISC). Members of ISC can question the Fund Managers on their investment approach (2 Fund Managers attend each Investment Sub Committee to provide a performance update – see the Investment Sub Committee workplan, Appendix 5).
- 3.5 Health and Safety (risks arising from changes to plant, equipment, or people) – any Health and Safety risks would be considered as part of overall risk management which is one of the key tasks in the workplans (Appendices 3 and 5)
- 3.6 Risk – risk management is one of the key tasks in the workplans (Appendices 3 and 5).
- 3.7 Gaelic – there were no Gaelic implications to be considered in the report.

4. Background

The Highland Council is the Administering Authority of the Highland Council Pension Fund (“the Fund”) covering local government employees and elected members in the Highland Council area and scheduled and admitted organisations that provide public or charitable services.

5. Fund Objectives

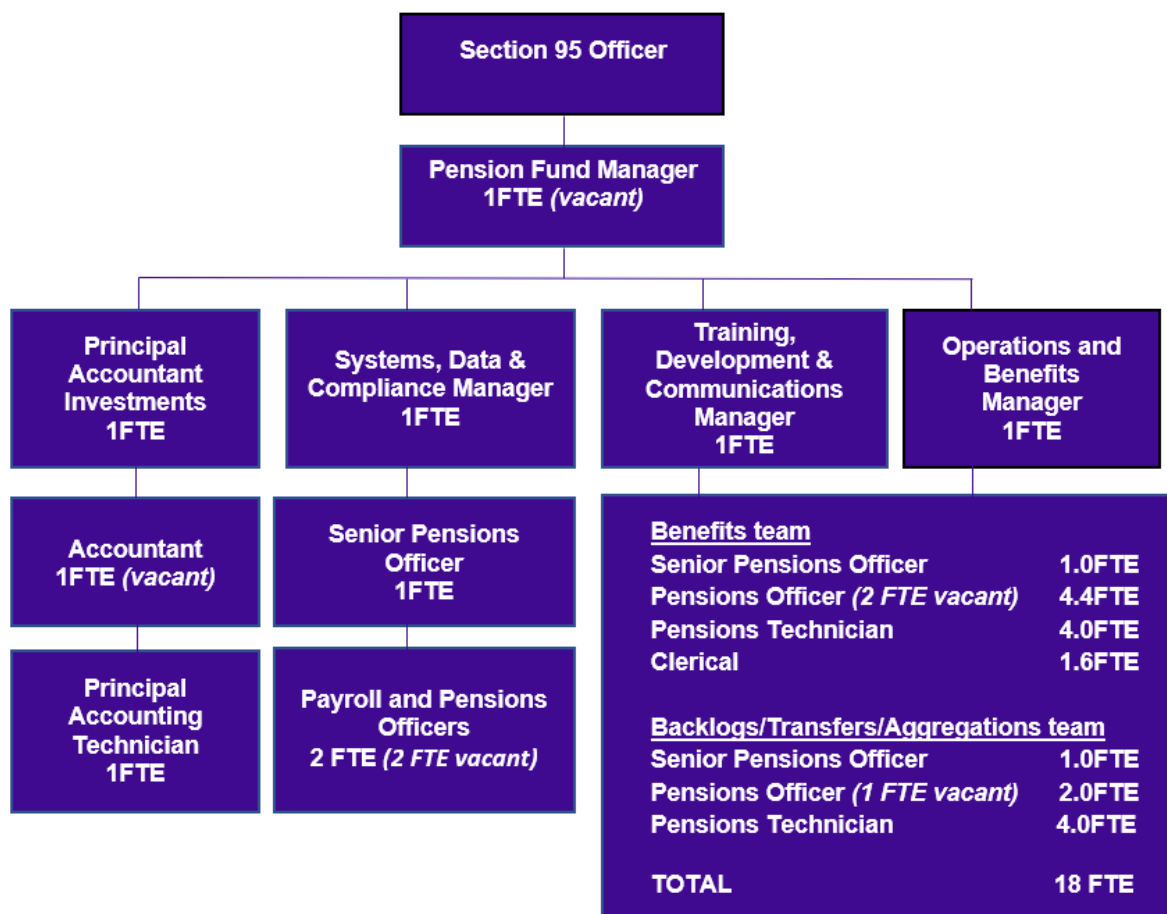
- 5.1 The Fund’s key objectives are:
 - The correct amount of contributions are received from employees and employers and also any transfer payments are correctly made/received.
 - Contributions are invested appropriately and in accordance with legislation with the aim that the Fund’s assets grow over time with investment income and growth.
 - Assets and income are used to accurately pay Fund benefits to its members and their dependants as defined in the LGPS Regulations.

5.2 This document sets out the staffing structure, work plan and budget for 2024/25, necessary to achieve the above objectives.

6. Staffing structure

6.1 The structure along with an estimated FTE figure as approved at Pensions Committee in February 2023 is in the diagram below with the recent appointment of 3 Senior Pensions officers, and interviews scheduled for the Accountant post in the next few weeks. There are additional resources included within the systems, data and compliance team to administer the Pensions Payroll system.

Highland Council Pension Fund – staff structure



6.2 Looking ahead the changes in the structure proposed in the previous Service Plan 2023/24 which is currently being implemented will more clearly define the roles of the Pension Fund as governing body and Highland Council payroll as an employer body and establish segregation of duties. This will also potentially avoid conflicts of interest where employers should be reported by the governing body in the event of any breaches.

- 6.3 Pensions Regulator data/information handling requirements are that the Fund as governing body should:
- 1) have processes in place enabling participating employers to provide timely and accurate data
 - 2) ensure that appropriate procedures are in place to reconcile employer data and scheme data
 - 3) have processes in place for situations where an employer fails to meet their legal duties to the scheme (and report breaches where these are not being met)

7. Work Plans 2024/25

- 7.1 The Highland Council Pension Fund Officers' Work Plan for 2024/25 is at **Appendix 1** and details the planned tasks for the Pensions Administration and the Investment and Governance teams.
- 7.2 The Officers' Work Plan includes the continued roll out and implementation of Member Self Service (task 1.1) across all employers which was started in 2023/24 and will interface with the current Pensions Administration system. This will improve the efficiency of existing processes and costs have been included in the proposed budget. The Officers' Work Plan may change depending on changes in the regulatory environment and/or to cover ad hoc requirements.
- 7.3 One of the key tasks during 2024/25 will be the implementation of the Pensioners Payroll system.
- 7.4 The Altair payroll solution is a fully integrative, comprehensive processing system, which will support the processing and payment of pensioner benefit entitlements. The module interacts with and supports the administration functionality of Altair. Complete integration removes any requirement for reconciliation between separate Administration and Payroll systems, because all member and affiliated payee data is held within a single Altair database.
- 7.5 Holding systemic data under one database will enable the Pensions team to efficiently pass member data onto payroll teams, who can subsequently maintain and process efficient, accurate and secure payments of pensioner benefits. Users can efficiently transition benefit payments through an integrated interface and authorisation process, before passing these calculation results onto the Altair Pensioner Payroll system. This ensures that annual pensions and lump sums are successfully replicated and converted into a multitude of payroll elements, which are then used to pay members their correct entitlements.
- 7.6 In October 2023, the Highland Council and Heywood Limited signed a variation to contract to vary the Agreement (July 2019) to include the Member Self Service modules.

- 7.7 The pensioners payroll project was approved by the People and Finance Systems Programme Board on 2 May 2023 as part of the People and Finance Systems transformation programme.
- 7.8 There is also data cleansing scheduled to be completed in 2024 in advance of the implementation of the Altair payroll and to prepare for the roll out of the Pensions Dashboard (LGPS deadline October 2025).
- 7.9 On the investments side, during 2024/25 the Statement of Investment Principles will be updated in and a review undertaken of the strategic asset allocation undertaken.
- 7.10 The monitoring report for the 2023/24 Work Plan is at **Appendix 2**.
- 7.11 The proposed Work Plan for the Pensions Board, Pensions Committee and Investment Sub Committee is at **Appendix 5**. The Board and Committee members' Work Plan may also change depending on changes in the regulatory environment and/or to cover ad hoc requirements.

8. Performance Indicators

- 8.1 Performance indicators were included and reported in the Annual Report and Annual Accounts 2022/23, and these are detailed in **Appendix 3** alongside targets from the previous Service Plan for 2023/24 and the proposed targets for 2024/25.
- 8.2 Performance against targets in 2022/23 improved in the processing of retirement despite increases in work volumes, and staff shortages in key areas. Staff turnover across employer organisation increased again in 2022/23 which has meant an increased workload for the Administration team with high volumes of leavers and new starts to process. The increased volumes have impacted performance with the Administration team continuing to focus on prioritising the processing of death and retirement benefits, achieving 100% for contacting next of kin within 5 days of notification being received for deaths in service.
- 8.3 The Scheme Employer Performance statistics for 2022/23 show the benefits and efficiencies of the take up by employers of i-connect which has resulted in improved performance as employer bodies can now upload forms and submit these electronically.
- 8.4 The implementation of Member Self Service (MSS) will improve efficiencies as it will enable members to readily access information on their pensions online, securely and all in one place though this will not be reflected in the performance indicators until 2024/25.

- 8.5 In the previous Service Plan, reference was made to the backlogs for aggregations. The Pensions Administration Team are in the process of creating a dedicated team for processing new and backlog aggregations, as this is a complex area of work, a lengthy training period is expected. We will develop a performance indicator to manage and monitor this backlog.
- 8.5 The CIPFA guidance Preparing the Annual report 2019, sets out indicators for Pensions Administration. These have been developed by a CIPFA working group which is reviewing the reporting on scheme administration data on a consistent basis across all Funds. Going forward, the Pensions Administration section is looking at preparatory work required to collate these indicators.

9. Budget 2024/25

- 9.1 The Budget in **Appendix 4** sets out the financial resources required to meet the key objectives and deliver the proposed Work Plan for 2024/25. The exact level of budget required will depend on the level of staff pay award agreed for 2024/25. The Budget for 2024/25 includes computer costs for implementing the Member Self Service, under the heading Computer and ICT (external providers).
- 9.2 The Budget for financial year 2024/25 includes the following costs:
- implementation costs for the Altair payroll system and Member Self Service which will be non-recurring costs, though there will be ongoing licensing and annual maintenance costs for using the modules (Computer and ICT (external providers))
 - data cleansing costs are included under the heading Computer and ICT (external providers)
 - staff resource costs to administer the Altair pensioners payroll are included in the 2024/25 budget (administrative expenses, pensions administration staff).

For information purposes, there are future budgets for 2025/26 and 2026/27.

- 9.3 It should be noted that although a budget has been set for Fund Manager fees these are payable based on market valuations and for private equity investments performance fees are payable when a specific target rate of return is achieved, as set out in the Fund Manager agreements.

Designation: Head of Corporate Finance

Date: 12 February 2024

Author:

Principal Accountant

Appendix 1 – Highland Council Pension Fund Work Plan 2024/25 (Officers)

PENSIONS ADMINISTRATION

Ref	Task	Deadline	Basis of requirement
1.1	Member Self Service (Transformational Member Experience, TME) - enable members to access information themselves through Member Self Service which will reduce volume of enquiries, allowing staff to focus on technical and other areas. Implementation will continue during 2024/25.	Mar 2025	Efficiency
1.2	Payroll system – roll out of Altair payroll system and training staff to complete payroll processes.	Nov 2024	Efficiency
1.3	Payroll system –recruiting and training staff to complete payroll processes within the Pensions Administration team.	June 2024	Efficiency
1.4	Data cleansing – work with Heywoods on data cleansing in preparation for the implementation of the Pensions Dashboard (October 2025).	June 2024	Efficiency and Statutory
1.5	Employer training - work with Employers to identify training needs/areas for improvement and provide them with regular feedback on their performance.	Ongoing	Statutory
1.6	Reduce backlogs – dedicated team will be focused on aggregation calculations.	Ongoing	Statutory
1.7	Staff training – organise structured training programme to develop specialist skills and technical knowledge.	Ongoing	Statutory
1.8	Website and communications – develop website and resources available for members and employers.	Ongoing	Statutory
1.9	Technology – build automated and bulk processes into monthly workloads to increase the efficiency of processes.	Ongoing	Efficiency
1.10	Year-end info from employers - receive and review all pension data from fund employers.	13 May 2024	Admin strategy statement
1.11	Update Pension system with employer information - verify and load data onto system.	30 June 2024	Agreed with Actuaries
1.12	Pension increase (Payroll system) - update pension records on Payroll with Annual Pension increase.	30 April 2024	Statutory
1.13	Pension increase (Pension system) - update pension records with Pension increase.	30 April 2024	Statutory
1.14	Pension Increase letter / Annual newsletter (April) - draft and issue electronic correspondence to pensioners informing them of annual increase and newsletter with general items of interest.	30 April 2024	Admin strategy statement
1.15	Annual Pension Statements / Annual Newsletter (Aug) Details of benefits accrued to previous year end and future projection. Newsletter providing scheme updates such as regulation changes and general items of interest. Both published online.	31 Aug 2024	Statutory

Appendix 1 – Highland Council Pension Fund Work Plan 2024/25 (Officers)

PENSIONS ADMINISTRATION

Ref	Task	Deadline	Basis of requirement
1.16	Actuarial Accounting reports - deliver information to Actuaries for the preparation of annual returns for employers.	Depends on Employers' year-end	Admin strategy statement
1.17	Pension Savings Statements issued to members who have breached HMRC Annual Allowance limits and responding to queries.	6 Oct 2024	Statutory
1.18	Quarterly returns to HMRC - Government Gateway return on specific payments.	Quarterly	Statutory
1.19	Annual return to HMRC - Government Gateway return on specific payments.	31 Jan 2025	Statutory
1.20	Annual return to the Pension Regulator - compliance statement.	30 Sept 2024	Statutory
1.21	Performance reporting - development of Altair Insight reporting to deliver regular reporting on the service delivery performance of the Pensions Administration team.	Dec 2025	Admin strategy statement
1.22	The Pensions Regulator Single Code of practice - review compliance and check controls are in place. Single Code is applicable from March 2024 (applicable to both the Pensions Administration and Investments and Accounting teams).	Sept 2025	Statutory
1.23	Pensions Scams - ongoing work to raise awareness of the risks of pension scams to Members and follow Pension Regulator requirements.	Ongoing	Statutory

Appendix 1 – Highland Council Pension Fund Work Plan 2024/25 (Officers)

INVESTMENTS AND ACCOUNTING

Ref	Task	Deadline	Basis of requirement
2.1	Annual Report and Accounts Preparation of draft Annual Report and Accounts. Develop the reporting to follow best practise.	30 June 2024	Statutory
2.2	External Audit Liaison with external audit on assurance work required for final Annual Report and Accounts.	30 Sept 2024	Statutory
2.3	Annual Report and Accounts Preparation of Final Annual Report and accounts following the External Audit review.	30 Sept 2024	Statutory
2.4	Internal Audit Liaison with Internal Audit on reviews.	Ongoing	Statutory
2.5	Statement of Investment Principles completion of the triennial actuarial valuation the Statement of Investment Principles will be updated to reflect that target investment return and a review the strategic asset allocation undertaken as required.	31 Oct 2024	Statutory
2.6	Local Finance return for the pensions fund.	31 Oct 2024	Government
2.7	Monthly reconciliations of investment data Review of Fund manager transactions compared to Custodian and update financial ledger.	Monthly	Financial controls
2.8	Office of National Statistics returns Quarterly returns on Pension Fund investments and market values.	Quarterly	Government
2.9	Preparation of Investment Sub Committee reports Regular update reports and ad hoc reports as required.	Quarterly	Financial controls
2.10	Governance policy Annual update prepared and approved by Pensions Committee	9 Oct 2024	Governance
2.11	Training Annual training plan updated and presented to Pensions Committee. Training organised as required. Induction training will need to be provided for any new Committee members.	9 Oct 2024	Governance
2.12	Risk management Risk register maintained and reported to Pensions Committee	Ongoing	Governance
2.13	Compliance Monitor changes in regulations and legislation and ensure that the Fund is compliant.	Ongoing	Governance
2.14	Cost transparency system Scheme Advisory Board (SAB) is rolling out the implementation of the Fund Manager cost database to all Scottish LGPS. Develop regular reporting on Fund Manager costs to include in Investment update report reported to Investment Sub Committee.	Mar 2025	Required by SAB
2.15	Cashflow – Monitoring of cash flow position daily.	Daily	Financial
2.16	Global equities manager – onboarding of the new fund manager (value) to be completed and transition of assets to the new fund manager.	June 2024	Procurement

Appendix 1 – Highland Council Pension Fund Work Plan 2024/25 (Officers)

INVESTMENTS AND ACCOUNTING

Ref	Task	Deadline	Basis of requirement
2.17	Investment Advisor procurement Once the current asset strategy is implemented, a procurement exercise will be completed for the Investment Advisor.	June 2024	Procurement
2.18	Responsible investment Implementation of responsible investments policy and establishing monitoring and reporting processes. Officers will also continue to keep updated on Climate Change initiatives through membership of the Institutional Investors Group on Climate Change.	Sept 2024 Ongoing	Governance
2.19	Custodian online instruction processing Review of the functionality in the Custodian's system for online instructions to be completed. Following outcome of review, system may be implemented to improve efficiency of submitting instructions.	Sept 2024	Efficiency
2.20	Financial ledger The Fund uses the Highland Council financial ledger for financial reporting and budget monitoring which is being migrated to a new financial system during 2023, with plans to fully implement the new ledger by early 2024. Investments accounting staff are involved in the general ledger stream of the project.	June 2024	Financial

Appendix 2 – Monitoring - Highland Council Pension Fund Work Plan 2023/24

PENSIONS ADMINISTRATION

Ref	Task	Deadline	Progress update
1.1	Member Self Service Enable members to access information themselves through Member Self Service which will reduce volume of enquiries, allowing staff to focus on technical and other areas.	31 Dec 2023	Ongoing
1.2	Triennial actuarial valuation and update of Funding Strategy Statement The valuation exercise requires liaising with the Actuary, providing data and communicating with employers regarding the funding position and future employer contributions rates. Following the Actuarial Valuation, the Funding Strategy Statement will be updated.	31 Mar 2024	Near complete
1.3	Employer training - Working with Employers to identify training needs/areas for improvement and provide them with regular feedback on their performance.	Ongoing	Ongoing
1.4	Reduce backlogs – dedicated team will be focused on aggregation calculations.	Ongoing	Ongoing
1.5	Staff training – organise structured training programme to develop specialist skills and technical knowledge.	Ongoing	Ongoing
1.6	Website and communications – develop website and resources available for members and employers.	Ongoing	Ongoing
1.7	Technology – build automated and bulk processes into monthly workloads to increase the efficiency of processes.	Ongoing	Ongoing
1.8	Year-end info from employers Receive and review all pension data from fund employers.	13 May 2023	Complete
1.9	Update Pension system with employer information Verify and load data onto system.	30 June 2023	Complete
1.10	Pension increase (Payroll system) Update pension records on Payroll with Annual Pension increase.	30 April 2023	Complete
1.11	Pension increase (Pension system) Update pension records with Pension increase.	30 April 2023	Complete
1.12	Pension Increase letter / Annual newsletter (April) Draft and issue electronic correspondence to pensioners informing them of annual increase and newsletter with general items of interest.	30 April 2023	Complete
1.13	Accounting reports Delivering information to Actuaries for the preparation of annual returns for employers.	Depends on Employers' year-end requirements	Ongoing
1.14	Annual Pension Statements / Annual Newsletter (Aug) Details of benefits accrued to previous year end and future projection. Newsletter providing scheme updates such as regulation changes and general items of interest. Both published online.	31 Aug 2023	Complete

Appendix 2 – Monitoring - Highland Council Pension Fund Work Plan 2023/24

PENSIONS ADMINISTRATION

Ref	Task	Deadline	Progress update
1.15	Pension Savings Statements issued to members who have breached HMRC Annual Allowance limits and responding to queries.	6 Oct 2023	Complete
1.16	Quarterly returns to HMRC Government Gateway return on specific payments.	Quarterly	Ongoing
1.17	Annual return to HMRC Government Gateway return on specific payments.	31 Jan 2024	Complete
1.18	Annual return to the Pension Regulator Compliance statement.	30 Sept 2023	Complete
1.19	Valuation Ongoing engagement with Actuary and preparation for next valuation as at 31 March 2023.	Complete	Complete
1.20	Performance reporting Development of Altair Insight reporting to deliver regular reporting on the service delivery performance of the Pensions Administration team.	June 2023	Ongoing
1.21	The Pensions Regulator Single Code of practice Review compliance and check controls are in place when single code is issued (applicable to both the Pensions Administration and Investments and Accounting teams).	Sept 2023	Ongoing Code will be effective from March 2024
1.22	Pensions Scams ongoing work to raise awareness of the risks of pension scams to Members and follow Pension Regulator requirements.	Ongoing	Ongoing

INVESTMENTS AND GOVERNANCE

Ref	Task	Deadline	Progress update
2.1	Annual Report and Accounts Preparation of Draft Annual Report and Accounts. Develop the reporting to follow best practise.	30 June 2023	Ongoing
2.2	Statement of Investment Principles alongside the completion of the triennial actuarial valuation the Statement of Investment Principles will be updated to reflect that target investment return and a review the strategic asset allocation undertaken as required.	31 Mar 2024	Ongoing
2.3	Taskforce on Climate-related Financial Disclosures Develop plan to implement Taskforce on Climate-related Financial Disclosures (TCFD) disclosures and set relevant targets for reporting in 2023/24.	31 July 2023	Ongoing
2.4	Annual Report and Accounts Preparation of Final Annual Report and accounts following the External Audit review.	30 Sept 2023	Ongoing
2.5	Local Finance return for the pensions fund.	31 Oct 2023	Complete

Appendix 2 – Monitoring - Highland Council Pension Fund Work Plan 2023/24

2.6	Monthly reconciliations of investment data Review of Fund manager transactions compared to Custodian and update financial ledger.	Monthly	Complete
2.7	Office of National Statistics returns Quarterly returns on Pension Fund investments and market values.	Quarterly	Complete
2.8	Preparation of Investment Sub Committee reports Regular update reports and ad hoc reports as required.	Quarterly	Complete
2.9	Governance policy Annual update prepared and approved by Pensions Committee	21 Sept 2023	Complete
2.10	Training Annual training plan updated and presented to Pensions Committee. Training organised as required. Induction training will need to be provided for any new Committee members.	21 Sept 2023	Complete
2.11	Risk management Risk register maintained and reported to Pensions Committee	Ongoing	Ongoing
2.12	Compliance Monitor changes in regulations and legislation and ensure that the Fund is compliant.	Ongoing	Ongoing
2.13	Cost transparency system Scheme Advisory Board (SAB) is rolling out the implementation of the Fund Manager cost database to all Scottish LGPS. Develop regular reporting on Fund Manager costs to include in Investment update report reported to Investment Sub Committee.	Sept 2023	Complete
2.14	Cashflow – Monitoring of cash flow position daily.	Daily	Complete Dec 2022
2.15	Global equities manager – onboarding of the new fund manager (value) to be completed and transition of assets to the new fund manager.	Mar 2024	Ongoing
2.16	Investment Advisor procurement Once the current asset strategy is implemented, a procurement exercise will be completed for the Investment Advisor.	Sept 2023	Ongoing
2.17	Responsible investment Implementation of responsible investments policy and establishing monitoring and reporting processes. Officers will also continue to keep updated on Climate Change initiatives through membership of the Institutional Investors Group on Climate Change	Sept 2023	Ongoing
2.18	Custodian online instruction processing Review of the functionality in the Custodian's system for online instructions to be completed. Following outcome of review, system may be implemented to improve efficiency of submitting instructions.	March 2024	Ongoing
2.19	Financial ledger The Fund uses the Highland Council financial ledger for financial reporting and budget monitoring which is being migrated to a new financial system during 2023, with plans to fully implement the new ledger by early 2024. Investments accounting staff are involved in the general ledger stream of the project.	March 2024	Ongoing

Appendix 3 – Performance Indicators

Pensions Administration service delivery

The performance of the administering authority will be measured as follows. Following the development and implementation of Altair Insight performance monitoring reports (Appendix 1, task 1.19), there will be regular performance reporting against these targets to senior management and Committee.

Task	Target	Target 2022/23 % on target	Actual 2022/23 % on target	Target 2023/24 % on target	Target 2024/25 % on target
New Entrants (includes re-employments)	Issue Statutory Notice within 14 days of receipt of a new start notice.	90%	29%	90%	90%
Early Leavers	The standard issue date is 10 days from receipt of leavers forms and 15 days for deferred benefit entitlement. (Legal requirement 2 months)	100%	10%	100%	100%
Retirements- process and pay benefits including deferred benefits coming into payment	Calculate and pay retirement lump sum benefit, including deferred into payment within 5 working days of receiving all required information from the scheme employer and/or member or date of entitlement, whichever is later.	100%	92%	100%	100%
Retirement (pension payment)	- Calculate and pay members pension benefits on the first available monthly pension pay date following receipt of all required information and following the date of members retirement	100%	92%	100%	100%
Deaths in Service	Contact next of kin within 5 days of notification being received. Calculate and pay survivor pension benefits within 10 working days of receipt of all required information and once any overpayments have been settled. (Legal requirement 2 months)	90%	100%	90%	90%
Transfers in from out with Fund	The standard is to issue statutory notice within 10 days of receipt of payment.	95%	25%	95%	95%
Transfers of pension rights out with Fund	Case to be finalised & payment made within 10 days of receipt of election payment.	95%	37%	95%	95%
Estimate of benefits	Issue within 10 days of request for all requests (both active and deferred members)	90%	74%	90%	90%

Appendix 3 – Performance Indicators

Proportion of Annual Benefits statement issued by statutory deadline (31 August)	100%	100%	100%	100%
Proportion of Pension Savings statements issued by statutory deadline (6 October)	100%	100%	100%	100%

Employer performance

The performance of the Employer bodies will be measured as follows. Targets are as specified by regulation.

Standard	Target 2022/23 % on target	Actual 2022/23 % on target	Target 2023/24 % on target	Target 2024/25 % on target
New Start Notification – within 30 days of joining (or 10 days from first deduction if later).	95%	92%	95%	95%
Retirement information – to allow benefits to be paid on time.	95%	90%	95%	95%
Early leaver notification – within 30 days of leaving (or 10 days after last deduction if later).	90%	88%	90%	90%
Death in Service notification – within 7 days of death.	100%	100%	100%	100%
Year End Queries issued to employers, responses – within 14 days.	95%	100%	95%	95%

Investments and Accounting

Standard	Target 2022/23	Actual 2022/23	Target 2023/24	Target 2024/25
Long term objective is to achieve a real rate of return of 3-4% per annum on average.	<i>Achieve</i>	<i>Achieved</i>	<i>Achieve</i>	<i>Achieve</i>
Achieve performance benchmark over a 5-year rolling period.	<i>Achieve</i>	<i>Under BM 5.42% compared to 5.79% BM</i>	<i>Achieve</i>	<i>Achieve</i>
Audit of annual accounts	<i>Unqualified Audit opinion</i>	<i>Unqualified Audit opinion</i>	<i>Unqualified Audit opinion</i>	<i>Unqualified Audit opinion</i>
Governance policy updated annually	<i>Achieve</i>	<i>Achieved</i>	<i>Achieve</i>	<i>Achieve</i>
Training policy updated annually	<i>Achieve</i>	<i>Achieved</i>	<i>Achieve</i>	<i>Achieve</i>
Funding position at triennial valuation	<i>100%</i>	<i>101%</i>	<i>100%</i>	<i>100%</i>
Risk policy updated annually	<i>Achieve</i>	<i>Achieved</i>	<i>Achieve</i>	<i>Achieve</i>
All staff to complete 2 days training annually	<i>Achieve</i>	<i>Achieved</i>	<i>Achieve</i>	<i>Achieve</i>
All Pensions Committee and Pensions Board member to complete 2 sessions training annually.	<i>Achieve</i>	<i>Achieved</i>	<i>Achieve</i>	<i>Achieve</i>

Appendix 4 Budget 2024/25

	Annual Budget 2023/24	Forecast Year End 2023/24	Proposed Annual Budget 2024/25	Annual Budget 2025/26	Annual Budget 2026/27
<u>Administrative expenses</u>	£000	£000	£000	£000	£000
Medical exams (staff)	5	5	5	5	5
Conference & seminar (includes subsistence)	1	1	1	1	1
Subscriptions to organisations	5	5	5	5	5
Bank charges	2	2	2	2	2
Other charges (pension levy, tax certification)	3	3	3	3	3
Pensions administration staff	946	834	1,036	1,074	1,113
Central support charge (internal ICT support, property costs, payroll, business support)	150	150	156	162	168
Computer and ICT (external providers)	401	401	600	450	450
Fares, travel, accommodation	1	1	1	1	1
Printing and stationery	2	2	1	1	1
Postages	4	4	4	4	4
Other Pension Admin costs	8	8	8	8	8
Total	1,528	1,416	1,822	1,716	1,761
<u>Oversight and governance</u>					
Actuarial Fees	150	150	100	100	150
Audit Fees	36	36	36	37	38
Pension Investments and Accounting staff	234	190	262	272	281
Central support charge (internal ICT support, internal audit, payroll, business support)	20	20	21	22	23
Training	5	5	5	5	5
Subsistence and travel	0	0	1	1	1
Investment Consultant Fees	75	75	100	100	100
Performance Management Fees (custodian)	50	50	50	50	50
Legal and Tax Expenses	10	10	10	10	10
Total	580	536	585	597	658
<u>Management fees</u>					
Investment expenses	350	400	350	350	350
Custodian Fees	100	100	100	100	100
Transaction costs	350	350	350	350	350
<u>Fund Manager fees</u>					
Unitised insurance policies	206	440	450	468	486
Equities	4,900	4,000	4,500	4,700	4,900
Bonds	309	500	520	540	560
Property	515	480	500	520	540
Private equity	3,800	3,800	4,000	4,000	4,000
Property debt	309	309	318	328	340
Total	10,839	10,379	11,088	11,356	11,626
Overall total	12,947	12,331	13,495	13,669	14,045

Appendix 5 Draft Pension Board, Committee and ISC Work Plans 2024/25

PENSIONS BOARD

Date	Workplan
22 Feb 2024	Consider papers of Pensions Committee
9 Oct 2024	Appointment of Chair of Pensions Board (rotated annually between employee and employer representative)
	Consider papers of Pensions Committee
20 March 2024	Pension Board observers attend ISC
28 May 2024	Pension Board observers attend ISC
6 Sept 2024	Pension Board observers attend ISC
29 Nov 2024	Pension Board observers attend ISC

PENSIONS COMMITTEE

Date	Workplan
22 Feb 2024	Service plan and budget 2024/25 - review and approve
	Internal Audit annual plan - review and approve
	Internal Audit (audit of Pension Fund contributions) report - review and approve
	External Audit annual plan - review and approve (to be circulated later than meeting)
	External audit report of annual accounts - review and approve
	Audited Annual report and accounts 2022/23 - review and approve
	Pensions Admin and Contributions report - review and approve
	Risk Register – review and approve
9 Oct 2024	External audit report of annual accounts - review and approve
	Audited Annual report and accounts 2023/24 - review and approve
	Pensions Admin and Contributions report (includes budget monitoring) - review and approve
	Governance Policy Statement 2024/25 – review and approve
	Training Policy and Training Plan 2024/25 – review and approve
	Monitoring of Retirements report – review and approve
	Risk Management policy – review and approve
	Risk Register – review and approve

Appendix 5 Draft Pension Board, Committee and ISC Work Plans 2024/25

INVESTMENT SUB COMMITTEE (ISC)

Date	Workplan
20 Mar 2024	Investment activity update - review and approve
	Review Q4 2023 Fund Manager performance
	Two Fund Managers will attend for ISC to provide performance update and briefing on investment approach.
28 May 2024	Investment activity update – review and approve
	Review Q1 2024 Fund Manager performance
	Discussion of strategic asset allocation
	Two Fund Managers will attend for ISC to provide performance update and briefing on investment approach.
6 Sept 2024	Investment activity update – review and approve
	Review Q2 2024 Fund Manager performance
	Two Fund Managers will attend for ISC to provide performance update and briefing on investment approach.
29 Nov 2024	Investment activity update – review and approve
	Review Q3 2024 Fund Manager performance
	Two Fund Managers will attend for ISC to provide performance update and briefing on investment approach.