



**OUR YEAR IN REVIEW**  
**31 MARCH 2022**



Wiltshire Pension Fund is one of the UK Local Government Pension Schemes (LGPS). Under the LGPS Regulations Wiltshire Council is the Administering Authority for the Wiltshire Pension Fund.

Members of the Fund include people who work for Wiltshire Council, and a whole range other organisations such as local Colleges or Town and Parish Councils. Around **189 employers** allow their employees to join the Fund.

We currently have over **80,000 members**.

The LGPS is a Statutory Scheme. This means that it is very secure because the amount members are paid in retirement is defined and set out in law.

Members' pensions are funded in part by contributions paid into the scheme by the employers and the members, and in part by the returns earned on the Fund's investments, which are held in investment portfolios valued at **>£3.2bn**.

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**189**

Number of employers  
in the Fund

We currently have

**>80,000**  
MEMBERS

**£3.2bn**

(current value  
of the Fund)

# CHAIR'S FOREWORD

This Annual Report marks my first full year as Chair of the Wiltshire Pension Fund Committee; it has been eventful.

The value of the Fund has risen to **£3.2bn**, and the **investment return was 8.5%** for the year, 0.4% ahead of our investment managers' combined benchmarks. The first half of the year saw strong investment growth following Covid-19. Valuations dipped and recovered in the autumn following news of the Omicron variant.

The humanitarian situation in Ukraine is deeply saddening and concerning to all. An immediate statement was made that the Fund's investment managers would divest the minimal Russian holdings as and when practical, in line with their views on what was best for the investment portfolios.

The Fund has continued to evolve, developing its robust approach to responsible investment, taking advantage of opportunities to deliver sustainable risk-adjusted investment returns. The Fund's first **Responsible Investment Policy**, which included a climate action plan, and **Stewardship Report** against the principles of the 2020 Stewardship Code were also published during the year.

Investment milestones during the year have included making a dedicated allocation to **sustainable equities**, collaborating with other funds in the Brunel pool to develop a **Paris-Aligned Benchmark**, and portfolio that tracks this. Allocations were also made to **UK affordable housing** and **renewable infrastructure**.



Engagement with scheme employers and members has been a key theme. An employer survey resulted in setting up a new Strategic Employer Focus Group, and scheme member campaign around COP26, the UN's climate conference in November 2021, set to explain how the Fund is taking action to protect investments and transition to a low carbon economy.

The Business plan and budget for 2022/23 aims to drive improvements in administration for our scheme members, fitting the new vision for the Fund: "to deliver an outstanding service to our scheme employers and members".

**Richard Britton, Chairman**  
**On behalf of the Wiltshire Pension**  
**Fund Committee**  
**28 July 2022**

“ **Our vision is to deliver an outstanding service to our scheme employers and members** ”

# OFFICERS' FOREWORD

As in recent years, we have devoted significant time to working with the Brunel pool. We are keen to help define the direction of travel for the pool as we move out of the first phase of setting up and transitioning to the core portfolios.

Through this work, we aim to ensure that Brunel delivers the intended fee savings and investment performance in a cost-efficient way. Following a transition on 1 April 2022 of the Fund's property portfolio to Brunel, over **70% of the Fund's assets are now managed through Brunel.**

We have built responsible investment into our internal processes and have not been afraid to hold managers to account. We are proud to have achieved national recognition for this at the 2021 LAMP Investment Awards, where the team were awarded **"Best Approach to Responsible Investment"**.



LAMP  
INVESTMENTS  
AWARDS  
\*\*\*\*\*  
2021

WINNER OF  
**BEST APPROACH TO  
RESPONSIBLE INVESTMENT**



**Andy Brown,**  
Treasurer to  
the Fund  
28 July 2022



**Jennifer Devine,**  
Head of Wiltshire  
Pension Fund  
28 July 2022

Developing our communication and engagement activities has been another area of focus. Our website has undergone several upgrades, with completely new **"investment pages"** and **"about us"** sections. We actively promote **transparency on our activities**, encourage dialogue with our employers and members, have explored new methods to reach our audience, and fed back views on strategic issues to the Pension Fund Committee.

A leadership restructure took place in late 2021, and this will help to bring the Fund together, and enable the Fund's managers to adopt a "whole Fund" approach. Looking ahead to the next year, we will undertake large projects to outsource the backlogs of work, resolve the legacy issues with the pensioner payroll and monitor our administration Key Performance Indicators KPIs to further improve our performance.

We look forward to reporting back in a year's time on our progress.

# HOW ARE WE DOING?

## IMPROVEMENT PLAN

We acknowledge that there is work to be done to improve how we deliver our administration service, as we are still resolving **historical issues** involving the pensioner payroll, and dealing with significant backlogs of low-priority cases. In late 2021, we commissioned an **independent review** into our administration function, to help us identify key areas to focus on, and to assess whether we have sufficient resource in this area. The Committee and officers are committed to making **positive, sustainable changes** to the way we deliver our service, and providing better outcomes for our employers and members. As part of setting the 2022/23 budget, the Committee approved additional, **one-off spend** to support achieving these improvements, via outsourcing projects which will commence during 2022/23.

**£350,000**

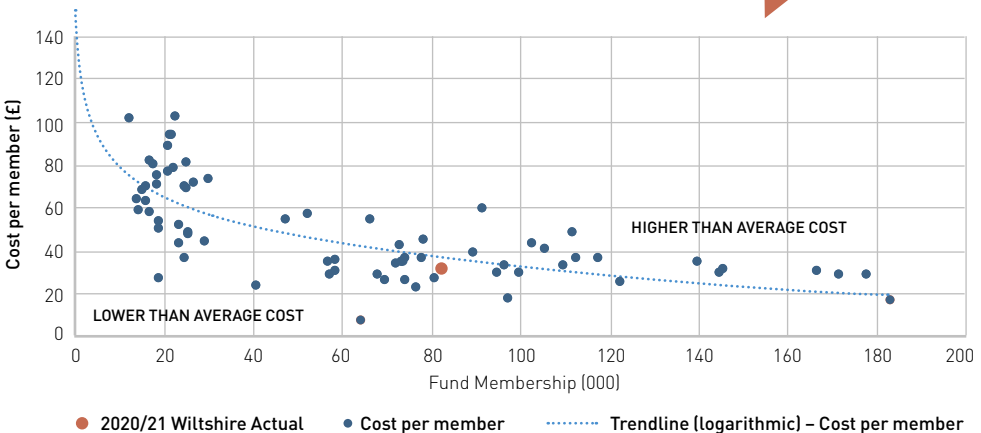
one-off budget to resolve the **PENSIONER PAYROLL ISSUES**

**£450,000**

one-off budget for outsourcing the **OPERATIONAL BACKLOGS**

## VALUE FOR MONEY

### Administration Cost per member (2021)



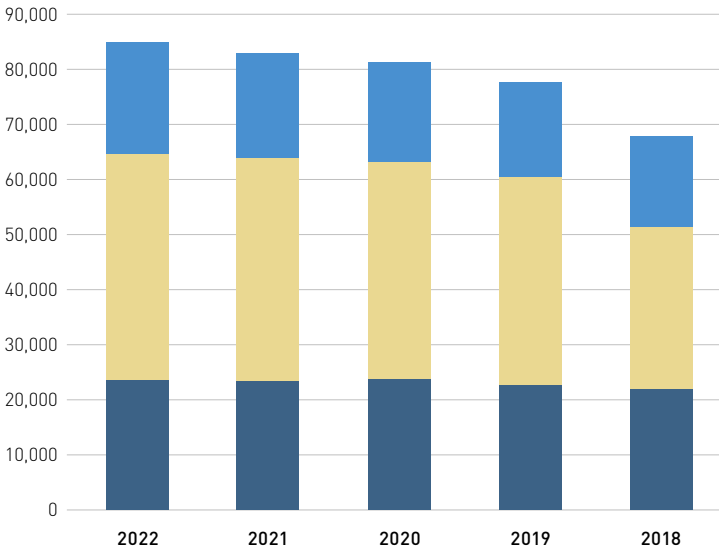
Source: Local government pension scheme funds for England and Wales: 2020 to 2021

Whilst carrying out these projects at a significant one-off cost, we are also very conscious of **delivering value for money**. Using the latest available data from 2021, our (administration) cost per member compared favourably with other LGPS funds of a similar size. Once the one-off improvement projects have been completed, our cost per member should revert to a similar level.

# SCHEME MEMBERSHIP

The membership of the scheme at the end of the year is set out below:

## 5-YEAR ANALYSIS OF FUND MEMBERSHIP



	2022	2021	2020	2019	2018
Active members	23,324	23,131	23,487	22,541	21,781
Deferred members	40,826	40,287	39,187	37,417	29,253
Pensions in payment	20,288	19,036	18,150	17,222	16,273
<b>Total membership</b>	<b>84,438</b>	<b>82,454</b>	<b>80,824</b>	<b>77,180</b>	<b>67,307</b>

In 2019 for the first time, members categorised as undecided leavers and frozen refunds have been included in the membership numbers, under deferred members.

**Active** members are those that are currently employed by Wiltshire Council or other participating employers. **Deferred** members are those that have left employment before retirement and have preserved benefits in the Fund. **Pensioners** are those members that are receiving a pension from the fund and includes those in receipt of a dependant's pension.

# SCHEME EMPLOYERS

The number of employers has increased this year. Two Academies have merged into larger Multi Academy Trusts and a one new Academy was set up. Two Town and Parish councils have joined the fund, but the largest increase has been the Admitted Bodies, with School and Academies outsourcing their catering and cleaning services the Admitted Bodies have increased.

	Total 2021	Total 2022
Scheduled Body – Includes Academies, Town and Parish Councils and Wiltshire, Swindon, and Salisbury Councils	109	110
Admitted Body	70	79
<b>Total</b>	<b>179</b>	<b>189</b>

**WILTSHIRE  
COUNCIL**

**SWINDON  
COUNCIL**

**WILTSHIRE PC & CC**

**WHITE HORSE ACADEMIES FEDERATION**

**TOWN & PARISH COUNCILS** **NEW COLLEGE SWINDON** **BRUNEL SEN MAT** **WOOTON BASSETT ACADEMY** **BRUNEL PENSION PARTNERSHIP**

**WILTSHIRE COLLEGE** **DORSET & WILTSHIRE FIRE AUTHORITY** **MAGNA LEARNING CIPFA PARTNERSHIP**

# ENGAGEMENT

Follow the links  
to learn more!

We have set up an  
**EMPLOYER  
STRATEGIC  
FOCUS GROUP**

**80%**  
**OF EMPLOYERS**  
(by value of contributions)  
participated in our survey

**OVER  
7,000  
MEMBERS**  
read our campaign  
on climate risk



Transparency  
and information  
sharing



Employers are  
advocates for  
the scheme



Members  
understand  
their benefits

Our Pension  
Awareness Week  
website received over

**2,000  
VISITS**

**35%**  
**OF OUR MEMBERS**  
are signed up to our  
online portal



**CLEAR  
COMMUNICATIONS**

We communicate with  
all our stakeholders in a  
clear, concise, relevant  
and effective way



Widely adopted  
self-service  
solutions



# REPORT FROM THE EMPLOYER REPRESENTATIVES OF THE FUND

Working alongside Fund's officers, representation for employers at a strategic level has improved along with increased focus on providing employers with relevant, accessible information on the Fund.

In summer 2021, we helped design a **survey** which was sent to employer organisations to gather information and opinions on strategic issues.

The survey achieved a really good **response rate**, representing just under **80%** of all employers by value of contributions.

Findings from the survey revealed that awareness of employer representation was low, there was some keen interest in the financial health of the Fund, and that **changes in regulations** and impact on Fund members was a popular topic. A preference for short communications, newsletters and online events was another insight that will be implemented.

With our support, the Fund has now launched an **Employer Strategic Focus Group** as another engagement outcome. This informal way for employers to engage with the Fund on strategic issues will help us to feed back employers' views to the Committee.



**Tracy Adams**  
HR Manager  
Salisbury City Council



**Claire Anthony**  
Director of Finance & Business  
Magna Learning Partnership

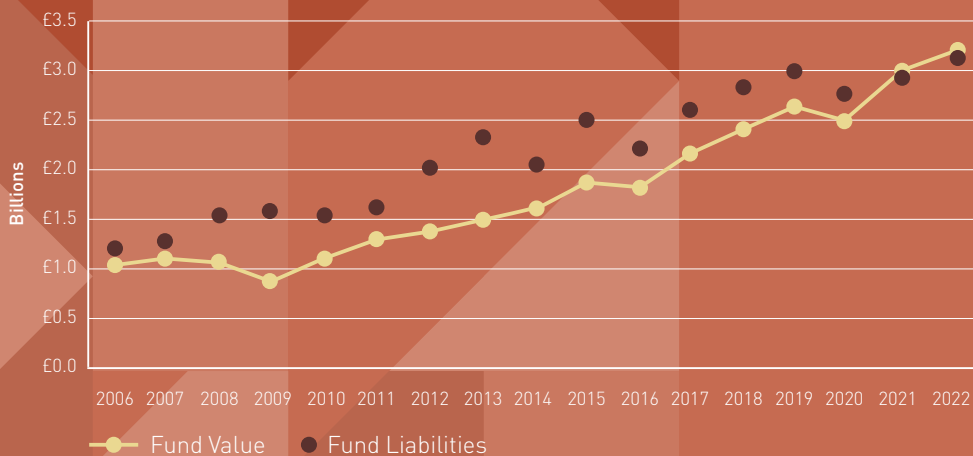
# THE FINANCIAL HEALTH OF THE FUND

FUNDING LEVEL

# 103%

(based on roll-forward of 2019 valuation)

Fund Value vs Liabilities for years ending 31 March

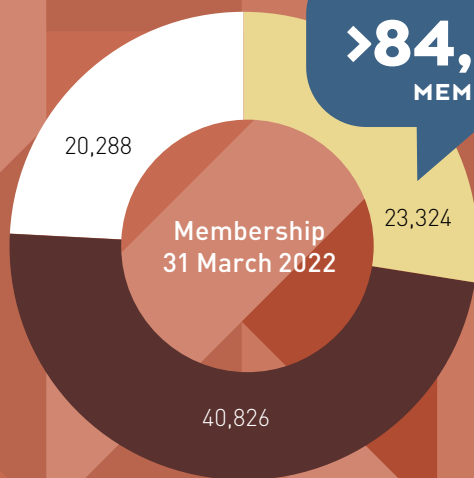


We currently have  
**>84,000**  
MEMBERS

- Active
- Deferred
- Pensioners

Total number of members in the pension scheme –

## 84,438



We received contributions of

**£125m**

and paid out benefits of

**£102m**

during the year

IT COSTS US

**£3m**

to run the fund (admin, oversight and governance costs), equivalent to

**£33**

PER MEMBER

**£3.2bn**

(current value of the Fund)

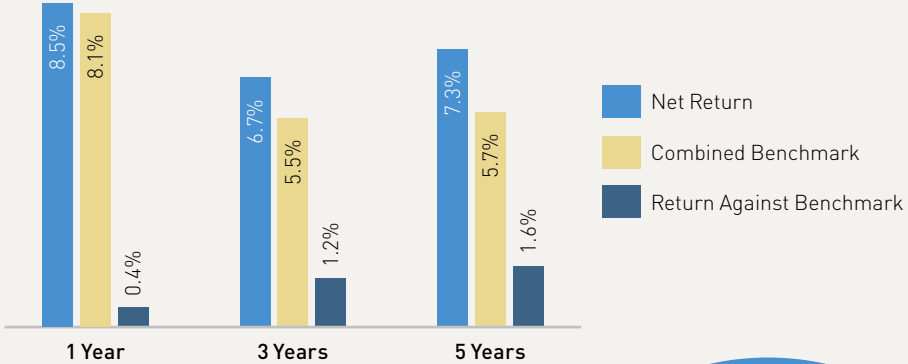
**189**

Number of employers in the Fund

# INVESTMENT HIGHLIGHTS

## WHOLE FUND RETURNS

to 31 March 2022



**60%**

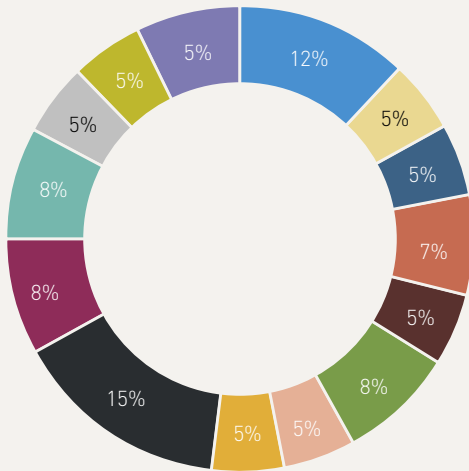
**OF OUR ASSETS**  
are now pooled through  
the Brunel Pension  
Partnership

During the  
year, we made  
new allocations to  
**SUSTAINABLE  
EQUITIES,  
RENEWABLE  
INFRASTRUCTURE,**  
and  
**IMPACT AFFORDABLE  
HOUSING**

**£3.2bn**

**(CURRENT VALUE OF  
OUR INVESTMENTS)**

## LONG TERM STRATEGIC ASSET ALLOCATION



- Paris-aligned passive equities
- Global High Alpha active equities
- Sustainable Global active equities
- Private equity
- Emerging Markets active equity
- Private infrastructure
- Multi-asset credit
- Emerging Markets debt
- Property
- Private debt
- Secured income
- Impact affordable housing
- Renewable infrastructure
- Passive gilts

We have set  
**DECARBONISATION  
TARGETS**  
for our investment portfolios:

Our private markets portfolios are growing!  
During 2021/22, we funded

**55 PRIVATE MARKET CAPITAL CALLS**  
at a value of

**£193.9M**

1

We commit to a whole Fund carbon reduction target of **50% by 2030**

2

We commit to a listed equities carbon reduction target of **43% by 2025** and **69% by 2030**

3

We commit to allocating **30% of the Fund to sustainable/low carbon green assets by 2025** and **35% by 2030** (as measured by the long-term strategic asset allocation).

4

We will expand specific net zero target setting and monitoring of metrics for other asset classes over 2022, starting with property and infrastructure.



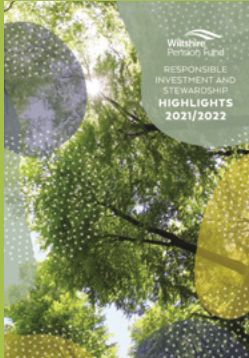
Transparency  
and information  
sharing

As part of our goal of

## TRANSPARENCY AND INFORMATION SHARING

we made a brand new investment  
area on our website:

[https://www.wiltshirepensionfund.org.uk/  
investment-pages](https://www.wiltshirepensionfund.org.uk/investment-pages)



## RESPONSIBLE INVESTMENT AND STEWARDSHIP MINI-MAGAZINE:

[https://www.wiltshirepensionfund.org.uk/  
article/6176/Summary](https://www.wiltshirepensionfund.org.uk/article/6176/Summary)

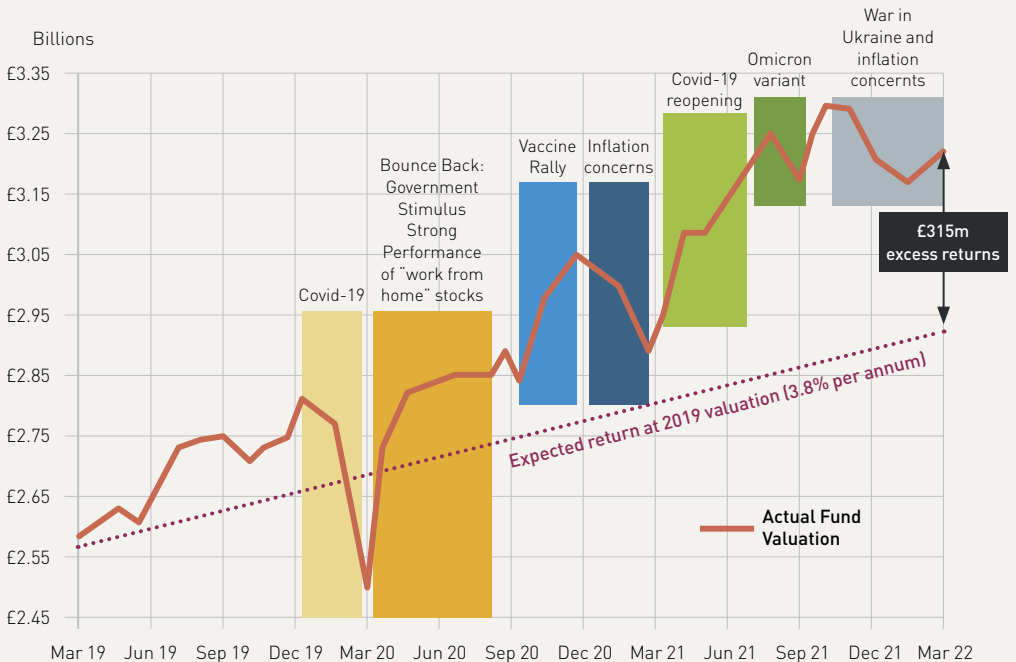
We have reflected on our

# INVESTMENT PERFORMANCE

over the last three years  
in the light of some very

# SIGNIFICANT GLOBAL EVENTS

## WILTSHIRE PENSION FUND VALUATION



# SUMMARY FINANCIAL STATEMENTS (UNAUDITED)

## FUND ACCOUNT

For the year ended 31 March 2022

	2021/22 £m*	2020/21 £m*
<b>Contributions and other income</b> (member and employer contributions, transfers in from other pension funds)	132.8	118.6
<b>Benefits and other payments</b> (pension payments, lump sums and leavers)	-110.2	-112.3
<b>Expenses</b> (investment management, administration, governance and advisory expenses)	-33.0	-29.2
<b>Investment returns</b> (change in market value, investment income)	280.8	478.9
<b>Net increase in the fund during the year</b>	<b>270.4</b>	<b>456.1</b>
<b>Opening net assets of the scheme</b>	<b>2,960.0</b>	<b>2,503.9</b>
<b>Closing net assets of the scheme</b>	<b>3,230.4</b>	<b>2,960.0</b>

## NET ASSETS STATEMENT

For the year ended 31 March 2022

	2021/22 £m*	2020/21 £m*
<b>Investments</b>		
Pooled funds (held on behalf of the Fund by Brunel Pension Partnership)	1,920.8	1,266.5
Pooled funds (held on behalf of the Fund by investment managers)	1,286.1	1,696.8
<b>Current assets and liabilities</b>	<b>23.4</b>	<b>-3.3</b>
<b>Net assets of the Scheme</b>	<b>3,230.4</b>	<b>2,960.0</b>

\*Some figures may not sum to total assets due to rounding



# WOULD YOU LIKE TO FIND OUT MORE?

Please follow the links below to learn about what we do in more detail.

**OUR VISION,  
GOALS AND  
VALUES**

**HOW WE  
RUN THE  
FUND**

**PREVIOUS  
ANNUAL REPORTS  
AND FURTHER  
INFORMATION**

**INVESTMENT**

**NEWS ITEMS**

