



PENSION FUND COMMITTEE

Friday, 13 December 2024

10.00 am

**Council Chamber, Council Offices, Cannards
Grave Road, Shepton Mallet BA4 5BT**

SUPPLEMENT TO THE AGENDA

To: The members of the Pension Fund Committee

We are now able to enclose the following information which was unavailable when the agenda was published:

- | | |
|----------------|--|
| Agenda Item 6 | Review of investment performance (Report to follow) (Pages 3 - 24)

To consider this report from the Funds & Investments Manager. |
| Agenda Item 7 | Review of administration performance (Report to follow) (Pages 25 - 34)

To consider this report from the Head of Peninsula Pensions. |
| Agenda Item 8 | Business plan update (Report to follow) (Pages 35 - 42)

To consider this report from the Funds & Investments Manager. |
| Agenda Item 9 | Finance and membership statistics update (Report to follow) (Pages 43 - 48)

To consider this report from the Funds & Investments Manager. |
| Agenda Item 10 | Review of pension fund risk register (Report to follow) (Pages 49 - 56)

To consider this report from the Funds & Investments Manager. |

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Review of Investment Performance

Lead Officer: Maria G. Christofi: Interim Chief Finance Officer (Section 151 Officer)
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1. Summary

1.1 This report is to inform the Committee about the performance of the Pension Fund's investments for the quarter ending 30 September 2024 and related matters.

2. Recommendation

2.1 That the Committee note the contents of the report.

3. Brunel - LGIM (Passive Global Equity)

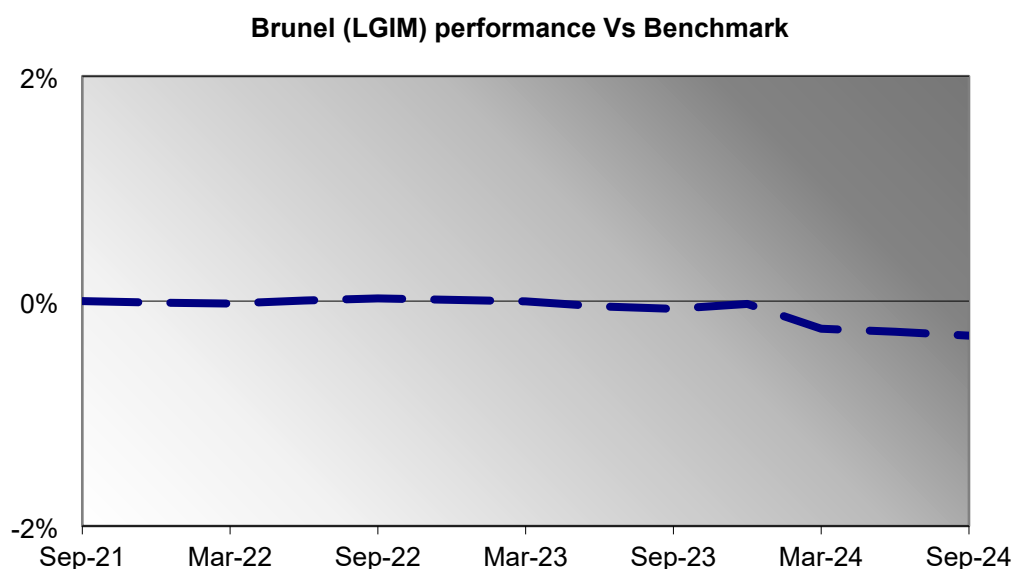
3.1 The performance for Quarter 2, 1 July 2024 to 30 September 2024 is summarised in the following table:

1 July 2024 to 30 September 2024				
Value as at 30 Sept 2024 £m	Fund for quarter %	Performance Benchmark for Quarter %	Relative to Benchmark %	
692.9	Global equities	0.4	0.4	+0.0

3.2 During the quarter to 30 June 2022 passive equity was switched from the standard FTSE Developed Equity benchmark to the Paris aligned FTSE Carbon Transition Benchmark (CTB) in accordance with the new Investment Strategy Statement approved by the Committee at its March 2022.

3.3 The portfolio matched the performance of the benchmark during the quarter. Absolute performance was positive.

3.4



3.5 The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	18.4	18.6	-0.2
3 years	9.5	9.5	+0.0
5 years	11.5	11.5	+0.0
10 years	Initial investment in July 2018		

4. Brunel - (Global High Alpha Equity)

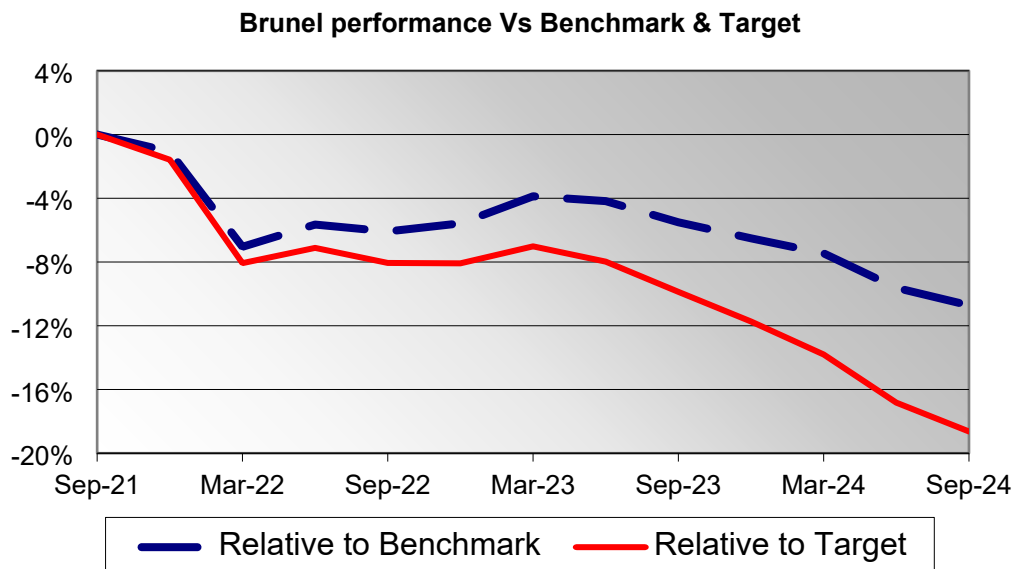
4.1 The performance for Quarter 2, 1 July 2024 to 30 September 2024 is summarised in the following table:

1 July 2024 to 30 September 2024			
Value as at 30 Sept 2024 £m	Fund for quarter %	Performance Benchmark for Quarter %	Relative to Benchmark %
922.2 Global equities	-0.5	0.3	-0.8

4.2 The Brunel Global High Alpha portfolio is managed by a combination of Alliance Bernstein, Baillie Gifford, Fiera Capital, Harris Associates and Royal London Asset Management. The benchmark for the portfolio is the MSCI World Index.

4.3 The portfolio underperformed the benchmark during the quarter. Absolute performance was negative.

4.4 The Brunel GHA portfolio's target is to outperform the benchmark by an annualised return of 2%-3% over continuous three to five-year periods after fees have been deducted. The graph below shows performance against 2%.



4.5 The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	17.1	21.1	-4.0
3 years	6.7	9.8	-3.1
5 years	Initial investment in November 2019		

5. Brunel (UK Equities)

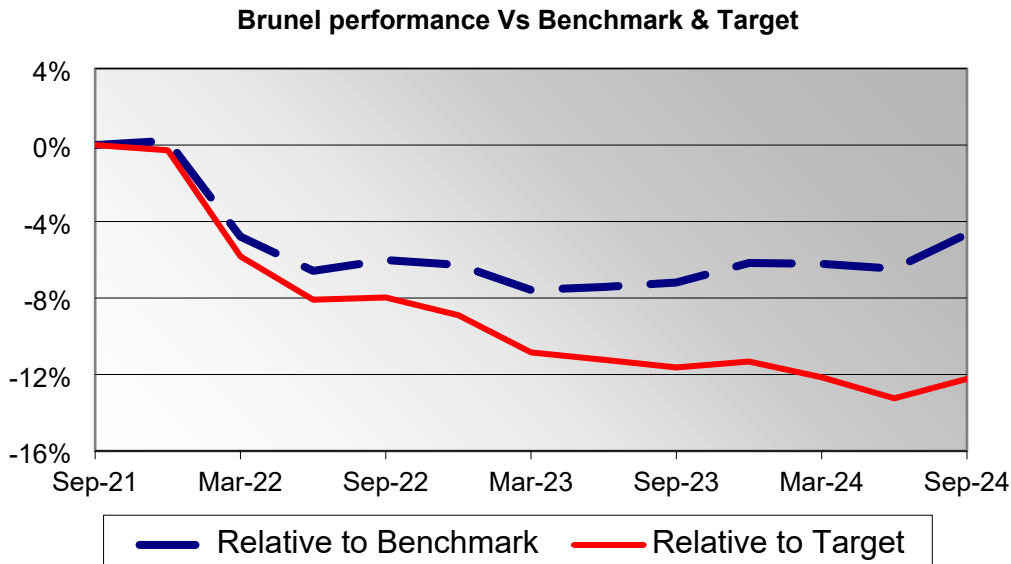
5.1 The performance for Quarter 2, 1 July 2024 to 30 September 2024 is summarised in the following table:

1 July 2024 to 30 September 2024				
Value as at 30 Sept 2024 £m		Fund for quarter %	Performance Benchmark for Quarter %	Relative to Benchmark %
355.3	UK	4.1	2.4	+1.7

5.2 The Brunel UK portfolio is managed by a combination of Invesco and Baillie Gifford. The benchmark for the portfolio is the FTSE All-Share excluding Investment Companies Index.

5.3 The portfolio underperformed the benchmark during the quarter. Absolute performance was positive.

5.4 The Brunel UK portfolio’s target is to outperform the benchmark by an annualised return of 2% over continuous three to five-year periods after fees have been deducted.



5.5 The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	16.6	13.3	+3.3
3 years	6.7	8.0	-1.3
5 years	5.3	6.1	-0.8
10 years	Initial investment in November 2018		

6. Brunel (Global Smaller Companies Equity)

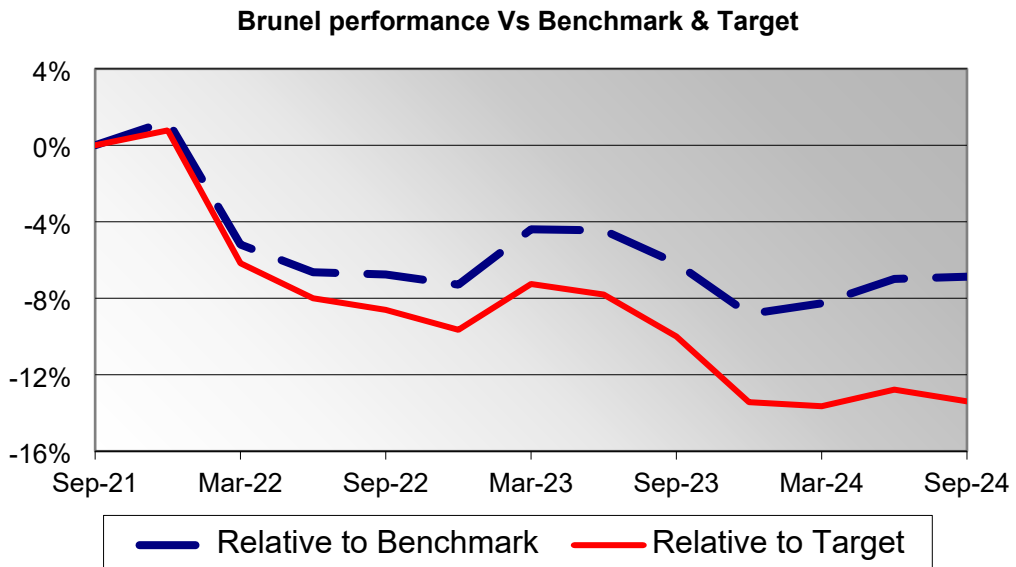
6.1 The performance for Quarter 2, 1 July 2024 to 30 September 2024 is summarised in the following table:

1 July 2024 to 30 September 2024			
Value as at 30 Sept 2024 £m	Fund for quarter %	Performance Benchmark for Quarter %	Relative to Benchmark %
204.9 Smaller Companies	3.4	3.1	+0.3

6.2 The Brunel Smaller Companies Market portfolio is managed by a combination of Montanaro Asset Management, American Century and Kempen Capital Management. The benchmark is the MSCI World Small Cap Index

6.3 The portfolio outperformed the benchmark during the quarter. Absolute performance was positive.

6.4 The Brunel Smaller Companies portfolio's target is to outperform the benchmark by an annualised return of 2% over continuous three to five-year periods after fees have been deducted.



6.5 The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	13.8	13.6	+0.2
3 years	0.1	2.4	-2.3
5 years	Initial investment in September 2020		

7. Brunel (Emerging Market Equity)

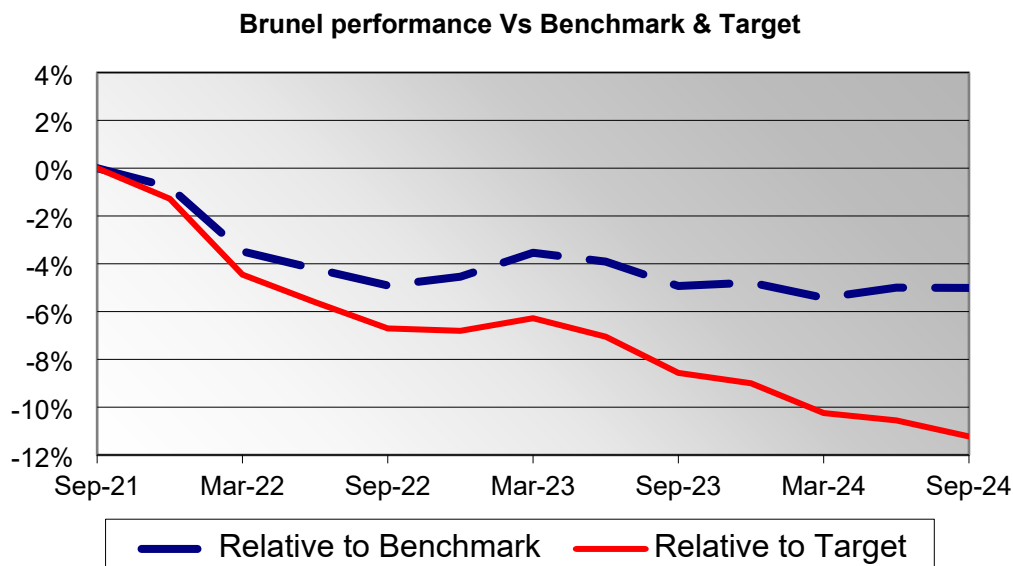
7.1 The performance for Quarter 2, 1 July 2024 to 30 September 2024 is summarised in the following table:

1 July 2024 to 30 September 2024				
Value as at 30 Sept 2024 £m	Fund for quarter %	Performance Benchmark for Quarter %	Relative to Benchmark %	
115.5	Emerging Market	2.6	2.5	+0.1

7.2 The Brunel Emerging Market portfolio is managed by a combination of Genesis Investment Management, Wellington Management and Investec Asset Management. The benchmark is the MSCI Emerging Markets Index.

7.3 The Brunel portfolio outperformed during the quarter. Absolute performance was positive.

7.4 The Brunel Emerging Market portfolio's target is to outperform the benchmark by an annualised return of 2%-3% over continuous three to five-year periods after fees have been deducted. The graph below shows performance against 2%.



7.5 The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	15.5	14.7	+0.8
3 years	-1.1	0.6	-1.7
5 years	Initial investment in October 2019		

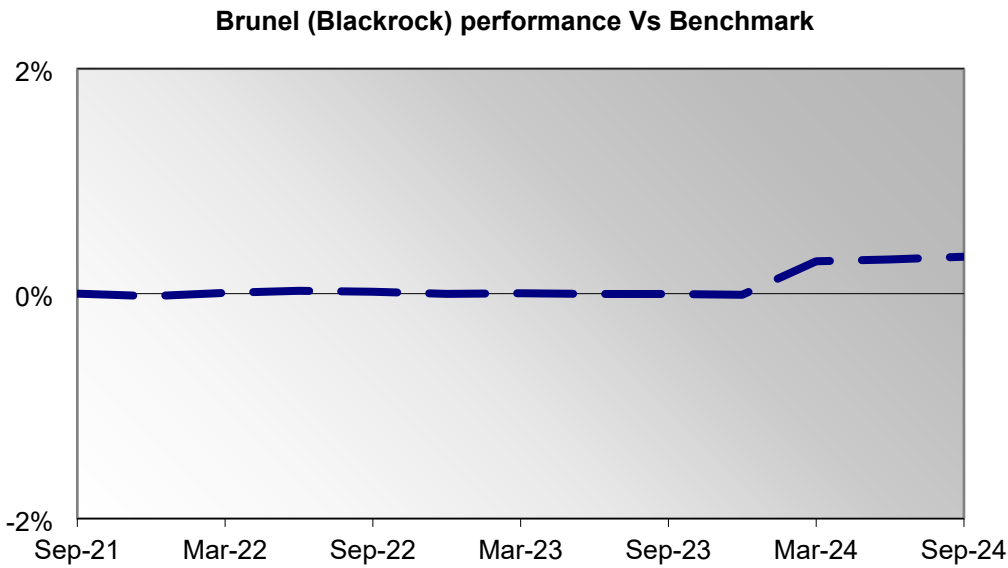
8. Brunel (Passive Gilts)

8.1 The performance for Quarter 2, 1 July 2024 to 30 September 2024 is summarised in the following table:

1 July 2024 to 30 September 2024			
Value as at 30 Sept 2024 £m	Fund for quarter %	Performance Benchmark for Quarter %	Relative to Benchmark %
62.2 UK Gilts	2.7	2.6	+0.1

8.2 The Blackrock managed passive UK Gilts Fund matched the performance of the benchmark for the quarter. The benchmark is FTSE Actuaries UK Gilts over 15 years index. Absolute performance was positive.

8.3



8.4 The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	10.7	10.1	+0.6
3 years	-14.6	-14.8	+0.2
5 years	Initial investment in June 2021		

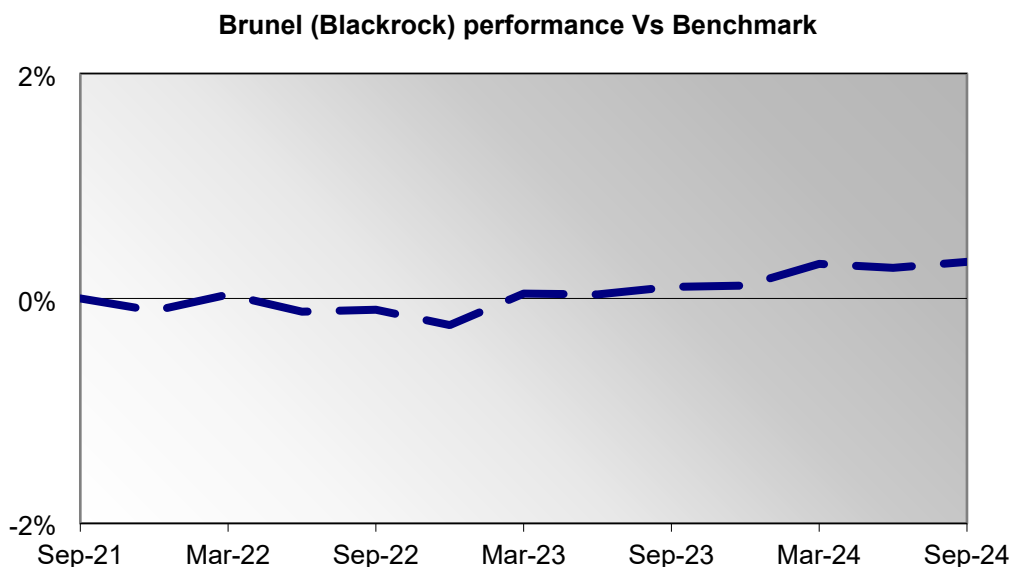
9. Brunel (Passive (index-Linked Gilts))

9.1 The performance for Quarter 2, 1 July 2024 to 30 September 2024 is summarised in the following table:

1 July 2024 to 30 September 2024				
Value as at 30 Sept 2024 £m	Fund for quarter %	Performance Benchmark for Quarter %	Relative to Benchmark %	
72.4	UK Index-Linked Gilts	1.6	1.5	+0.1

9.2 The Blackrock managed passive UK Index-Linked Gilts Fund matched the performance of the benchmark for the quarter. The benchmark is FTSE Actuaries UK Index Linked Gilts over 5 years index. Absolute performance was positive.

9.3



9.4 The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	6.8	6.4	+0.4
3 years	-14.1	-14.3	+0.2
5 years	Initial investment in June 2021		

10. Brunel (Sterling Corporate Bonds)

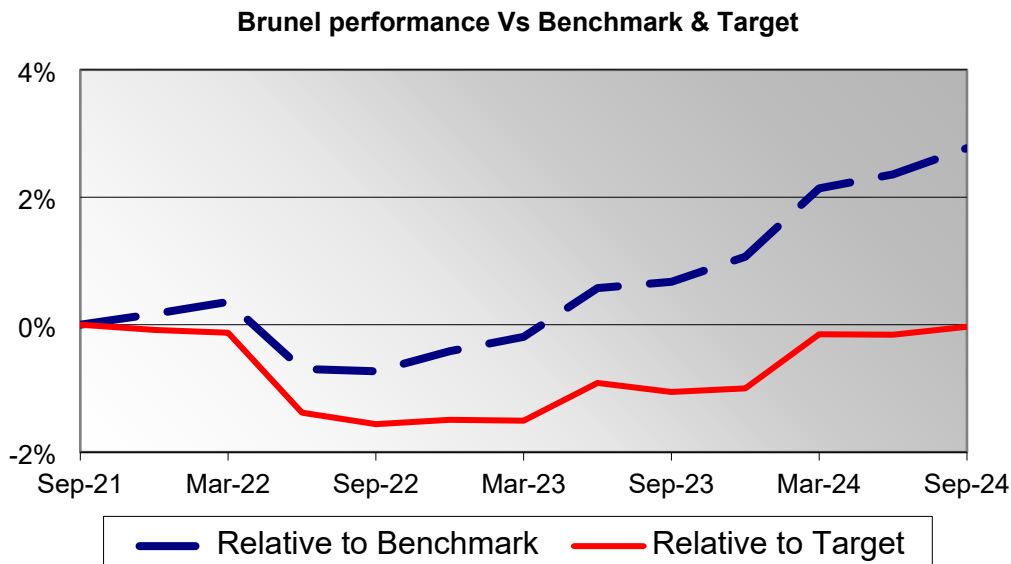
10.1 The performance for Quarter 2, 1 July 2024 to 30 September 2024 is summarised in the following table:

1 July 2024 to 30 September 2024				
Value as at 30 Sept 2024 £m	Fund for quarter %	Performance Benchmark for Quarter %	Relative to Benchmark %	
271.3	£ Corporate Bonds	2.7	2.3	+0.4

10.2 The Brunel Sterling Corporate Bond portfolio is managed by Royal London Asset Management. The benchmark is iBoxx Sterling Non-Government bonds index.

10.3 The portfolio outperformed the benchmark during the quarter. Absolute performance was positive.

10.4 The Brunel Sterling Corporate Bond portfolio's target is to outperform the benchmark by an annualised return of 1% over continuous three to five-year periods after fees have been deducted.



10.5 The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	12.1	9.7	+2.4
3 years	-1.9	-2.9	+1.0
5 years	Initial investment in July 2021		

11. Brunel (Multi Asset Credit)

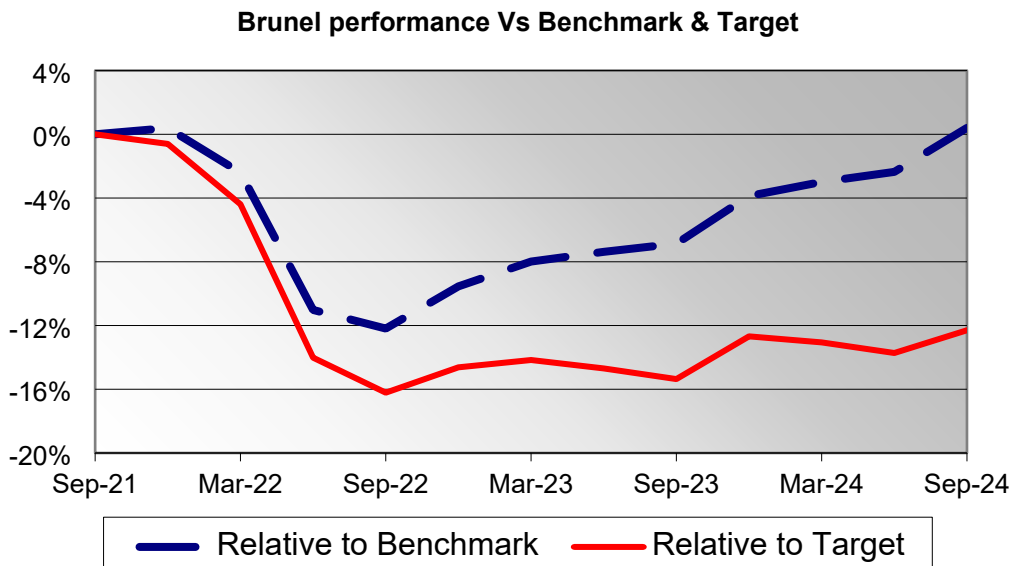
11.1 The performance for Quarter 2, 1 July 2024 to 30 September 2024 is summarised in the following table:

1 July 2024 to 30 September 2024			
Value as at 30 Sept 2024 £m	Fund for quarter %	Performance Benchmark for Quarter %	Relative to Benchmark %
123.0 Multi Asset Credit	3.9	1.3	+2.6

11.2 The Brunel Multi Asset Credit portfolio is managed by a combination of CQS, Neuberger Berman and Oaktree. The Benchmark is Cash (SONIA).

11.3 The portfolio outperformed the benchmark during the quarter. Absolute performance was positive.

11.4 The Brunel Multi Asset Credit portfolio’s target is to outperform the benchmark by an annualised return of 4% to 5% over continuous three to five-year periods after fees have been deducted. The graph below shows performance against 4%.



11.5 The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	14.0	5.3	+8.7
3 years	3.7	3.3	+0.4
5 years	Initial investment in June 2021		

12. Brunel (Property Fund of Funds)

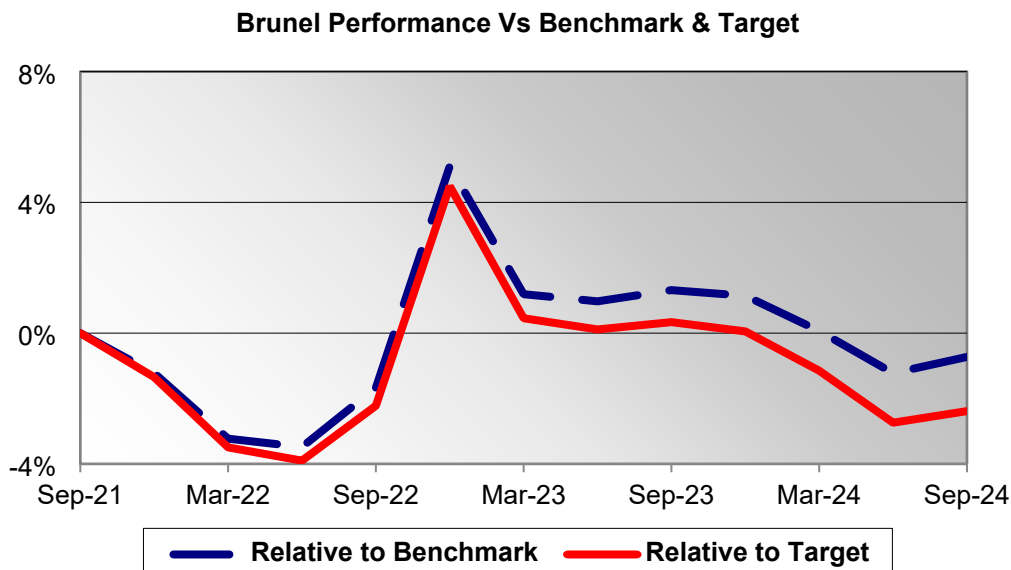
12.1 The performance for Quarter 2, 1 July 2024 to 30 September 2024 is summarised in the following table:

1 July 2024 to 30 September 2024				
Value as at 30 Sept 2024 £m		Fund for quarter %	Performance Benchmark for Quarter %	Relative to Benchmark %
218.8	UK Property	1.7	1.2	+0.5
6.4	Cash			
225.2	Total	1.8	1.2	+0.6

12.2 Management of the property portfolio moved from LaSalle to Brunel on 1st November 2020. Unlike other asset classes Brunel simply took over management with no underlying change in holdings. Going forward performance records will report the full history of this portfolio. The benchmark is MSCI/AREF All balanced funds index.

12.3 The portfolio outperformed the benchmark for the quarter. Absolute performance was positive.

12.4 Brunel's target is to outperform the benchmark by an annualised return of 0.5% over continuous five to seven year periods after all fees have been deducted.



12.5 The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	-0.4	1.7	-2.1
3 years	-0.7	-0.4	-0.3
5 years	0.4	1.7	-1.3
10 years	3.3	4.5	-1.2

13. Neuberger Berman (Global Private Equity)

13.1 The performance for Quarter 2, 1 July 2024 to 30 September 2024 is summarised in the following table:

1 July 2024 to 30 September 2024			
Value as at 30 Sept 2024 £m	Fund for quarter %	Performance Benchmark for Quarter %	Relative to Benchmark %
68.6 Private Equity	-4.9	1.3	-6.2

13.2 The return indicated above is significantly affected by currency movements, specifically the change in the value of the US dollar against GBP. The benchmark is Cash (Bank of England Base Rate)

13.3 There is a delay in the reporting of returns on private equity of about a quarter and this needs to be considered when looking at returns.

13.4 The table below shows annualised performance over a range of time periods, unlike in the table above a broad global equity index has been used as the benchmark as over long time periods this is more appropriate:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	-7.7	18.6	-26.3
3 years	8.1	9.5	-1.4
5 years	12.9	11.5	+1.4
10 years	14.8	12.6	+2.2

14. Brunel (Global private equity)

14.1 The performance for Quarter 2, 1 July 2024 to 30 September 2024 is summarised in the following table:

1 July 2024 to 30 September 2024			
Value as at 30 Sept 2024 £m	Fund for quarter %	Performance Benchmark for Quarter %	Relative to Benchmark %
37.2 Private Equity	-2.1	1.3	-2.4

14.2 Brunel have invested in a number of private equity funds on the Fund's behalf. The portfolio is still very immature but appears to be making good progress at generating positive returns. The benchmark is Cash (Bank of England Base Rate).

14.3 The table below shows annualised performance over a range of time periods, unlike in the table above a broad global equity index has been used as the benchmark as over long time periods this is more appropriate:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	-1.1	18.6	-19.7
3 years	5.7	9.5	-3.8
5 years	Initial investment in December 2020		

15. South West Ventures Fund

15.1 The fund continues to make reasonable progress.

16. Combined Fund

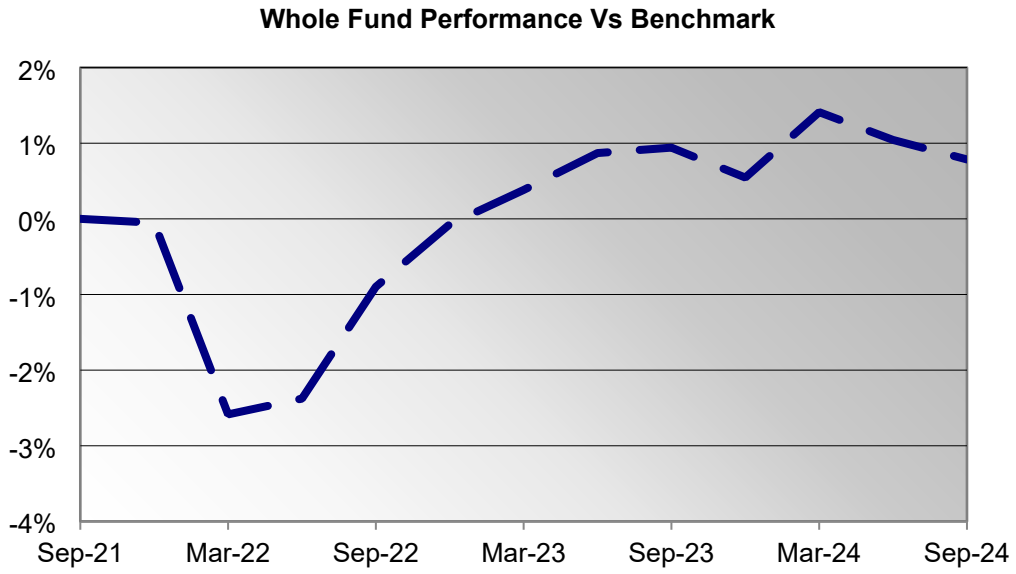
16.1 The performance for Quarter 2, 1 July 2024 to 30 September 2024 is summarised in the following table:

1 July 2024 to 30 September 2024				
Value as at 30 Sept 2024 £m		Fund for quarter %	Performance Benchmark for Quarter %	Relative to Benchmark %
692.9	Brunel (Passive GI Eq)	0.4	0.4	+0.0
922.2	Brunel (GHA Eq)	-0.5	0.3	-0.8
355.3	Brunel (UK Eq)	4.1	2.4	+1.7
204.9	Brunel (Small Cap Eq)	3.4	3.1	+0.3
115.5	Brunel (EM Eq)	2.6	2.5	+0.1
62.2	Brunel (Passive Gilts)	2.7	2.6	+0.1
72.4	Brunel (Passive I-L)	1.6	1.5	+0.1
271.3	Brunel (£ Corporate)	2.7	2.3	+0.4
123.0	Brunel (MAC)	3.9	1.3	+2.6
225.2	Brunel (Property)	1.8	1.2	+0.6
1.4	SWRVF	0.0	1.3	-1.3
68.6	Neuberger Berman	-4.9	1.3	-6.2
37.2	Brunel (Private Eq)	-2.1	1.3	-3.4
0.8	Brunel (holding in Co)	0.0	0.0	+0.0
93.6	Cash	1.3	1.3	+0.0
3,246.5	Whole Fund	1.1	1.3	-0.2

16.2 The fund, as a whole, underperformed its benchmark during the quarter. The level of absolute return was positive.

16.3 Asset allocation was positive for the quarter, overall fund manager performance was negative with the most significant contributor being the GHA portfolio.

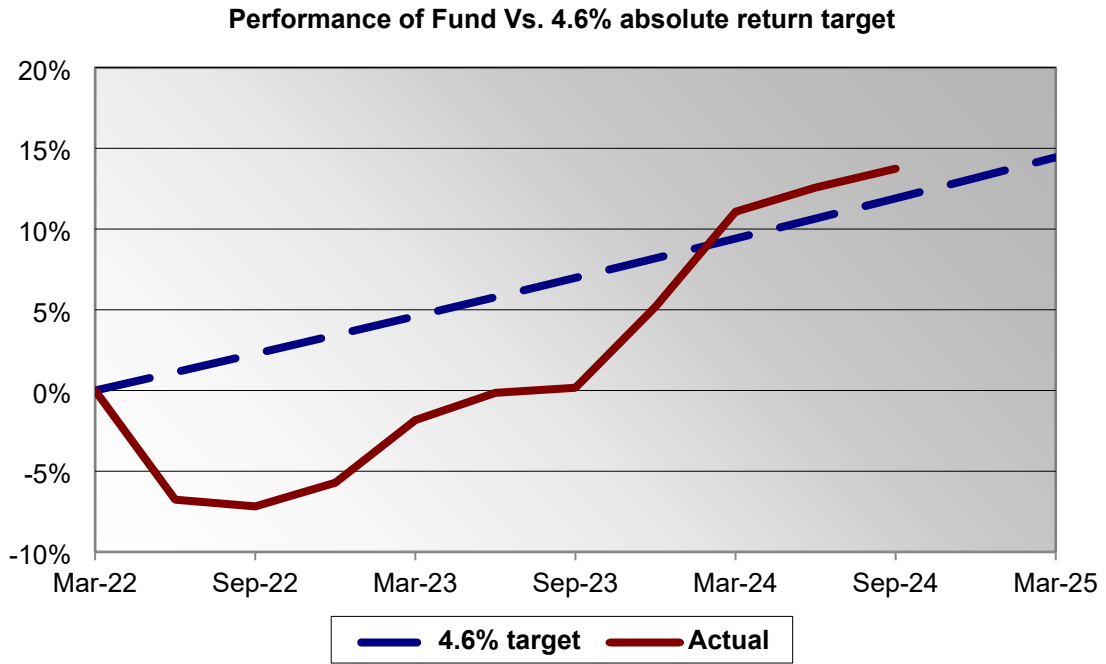
16.4



16.5 The table below shows annualised performance over a range of time periods:

	Fund % p.a.	Benchmark % p.a.	Relative to Benchmark % p.a.
1 year	13.6	13.8	-0.2
3 years	4.5	4.2	+0.3
5 years	6.6	5.6	+1.0
10 years	8.0	7.5	+0.5
20 years	11.1	10.8	+0.3

16.6 At the March 2024 committee meeting the committee adopted an absolute return target of 4.6% for the fund as this is consistent with the fund becoming fully funded within the timescales indicated by the actuary as part of the 2022 valuation. Progress against this target for the 2022 to 2025 actuarial cycle is shown in the graph below.



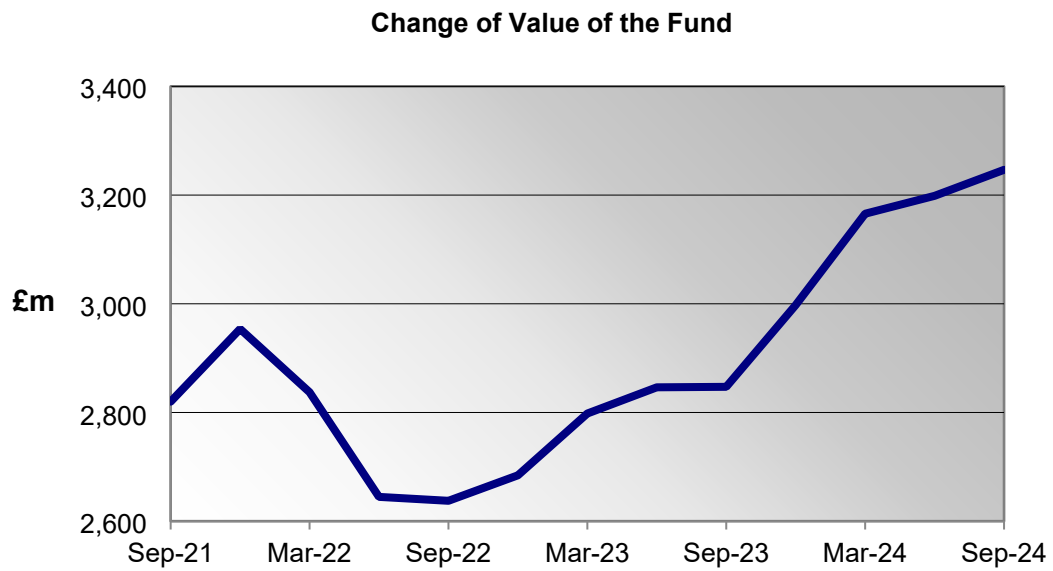
16.7 The movement in the value of the fund over the quarter is summarised in the table below.

	Value as at 30 June 2024		Value as at 30 Sept 2024		Strategic Weighting %
	£m	%	£m	%	
Brunel (Passive GI Eq)	690.3	22	692.9	21	20
Brunel (GHA Eq)	927.2	29	922.2	29	25
Brunel (UK Eq)	341.4	11	355.3	11	10
Brunel (Small Cap Eq)	198.1	6	204.9	6	5
Brunel (EM Eq)	112.6	4	115.5	4	5
Brunel (Passive Gilts)	60.6	2	62.2	2	4
Brunel (Passive I-L)	71.3	2	72.4	2	4
Brunel (Corp bonds)	264.3	8	271.3	8	8
Brunel (MAC)	118.4	4	123.0	4	3
Brunel/LaSalle (Prop)	223.1	7	225.2	7	10
SWRVF	1.5	0	1.4	0	0
Neuberger Berman	72.2	2	68.6	2	0
Brunel (Private Eq)	37.8	1	37.2	1	5
Brunel (holding in Co)	0.8	0	0.8	0	0
Cash	79.0	2	93.6	3	1
Whole Fund	3,198.6	100	3,246.5	100	100

16.8 During the quarter the following movements of cash between funds took place:

- £0.080m was withdrawn from SWRVF.
- £1.6m was added to the Brunel private equity fund as the underlying investments continued to drawdown on commitments.

16.9 The change in the value of the investment fund over the last three years can be seen in the graph below.

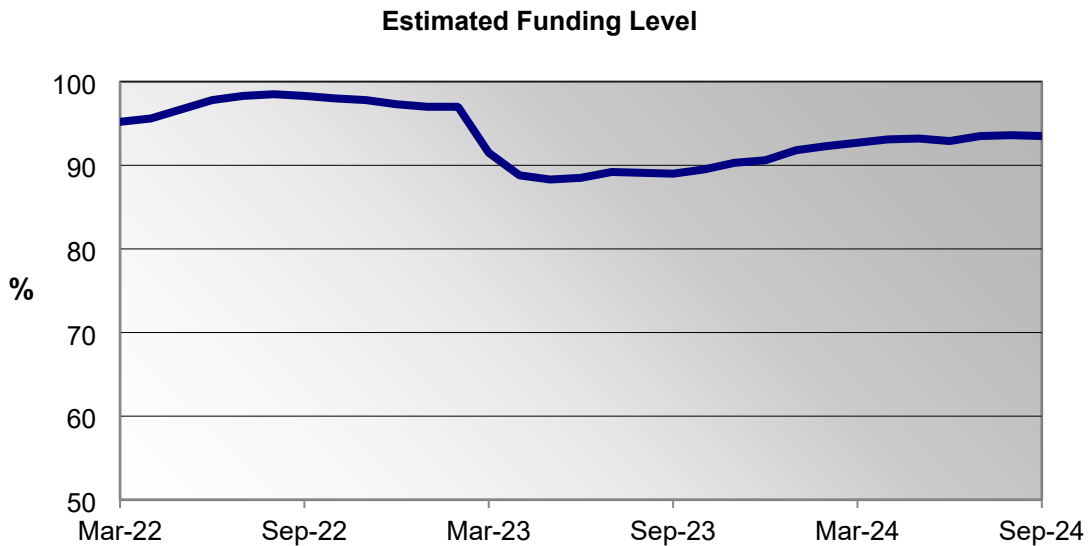


16.10 The Fund's Actuary, Barnett Waddingham, have provided the following update.

"The results of our assessment indicate that:

- *The current projection of the smoothed funding level as at 30 September 2024 is 94.3%*
- *This compares with the reported (smoothed) funding level of 95.2% at the 2022 funding valuation.*
- *The primary rate is estimated at 18.5% as at 30 September 2024.*
- *This compares to with the certified primary rate of 19.8% at the 2022 funding valuation.*

It should be borne in mind that the nature of the calculations is approximate and so the results are only indicative of the underlying position."



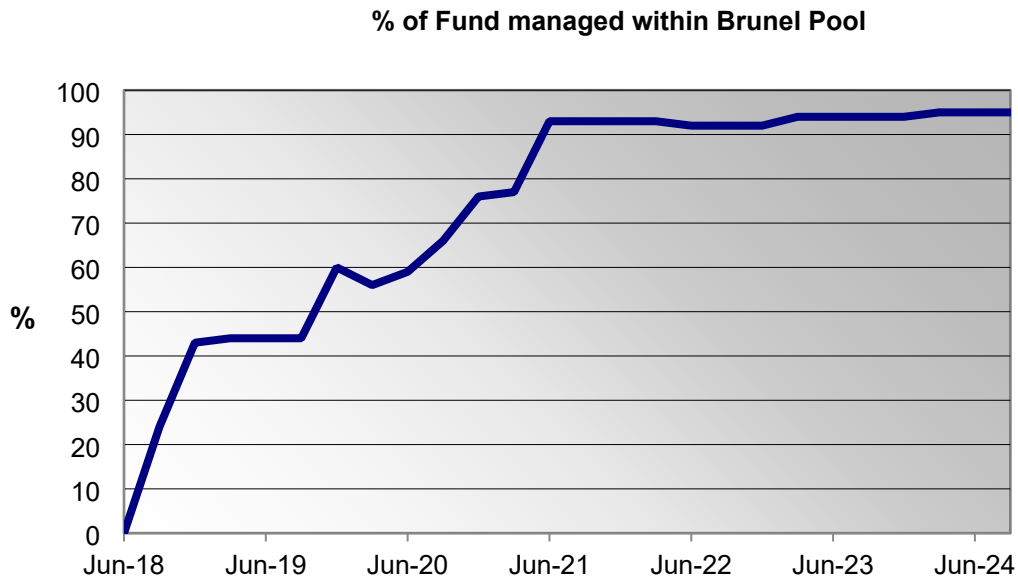
17. Pooling Update

17.1 Under guidance published by the Government on “LGPS: Investment Reform Criteria and Guidance” in November 2015 we are required to work towards the pooling of the Fund’s investment assets with other LGPS funds with pooling beginning in April 2018.

17.2 For the purposes of pooling Somerset Council has aligned itself with 9 other funds in South West England and worked with those funds to create an FCA regulated investment Company, Brunel Pension Partnership Ltd. (BPP).

17.3 Somerset largely completed its transition of assets to Brunel in summer 2021, with only some legacy private equity investments and cash not invested via the pool. Progress on moving to pooling can be seen in the table and graph below.

	Value as at 30 June		Value as at 30 Sept	
	£m	%	£m	%
Pooled assets	3,045.1	95	3,082.1	95
Retained assets	153.5	5	164.4	5
Whole Fund	3,198.6	100	3,246.5	100



18. Consultations undertaken

18.1 None

19. Financial implications

19.1 Over time the performance of the pension fund investments will impact the amount that Somerset Council and other sponsoring employers have to pay into the fund to meet their liabilities. The fund actuary calculates these amounts every three years and sets payments for the intervening periods.

20. Legal implications

There are no specific legal implications associated with this report.

20. Background papers

20.1 None

Note: For sight of individual background papers please contact the report author.

Review of Administration Performance

Lead Officer: Maria G. Christofi: Interim Chief Finance Officer (Section 151 Officer)
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1. Summary

1.1 Administration quarterly performance report.

2. Recommendation

2.1 The Committee note the report and actions being undertaken by officers to ensure compliance and best practice.

3. Background

3.1 Peninsula Pensions monitors performance against the [Occupational and Personal Pension Schemes \(Disclosure of Information\) Regulations 2013](#), which set out the statutory requirements regarding the disclosure of pension information. In addition there are some internal targets outlined within the [Pension Administration Strategy](#) which the team aim to achieve.

3.2 Performance targets are monitored via a task management system and reporting tool within the pension administration database.

3.3 This report also encompasses an update on employer bodies covered by the Fund.

4. Administration team performance

4.1 Total performance against the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 for the quarter ending 30th September 2024 was 87% (92% for High Priority procedures).

4.2 During the quarter, the team received 16 recorded compliments.

4.3 Appendix 1 of the report provides a detailed breakdown of administration performance relating to the Somerset Pension Fund only for both the quarter ending 30 September 2024 against both the Statutory Disclosure Regulations and internal targets where applicable. It also includes a graph which shows the monthly trend analysis on the percentage of high, medium, and low priority cases completed within timescales since June 2022.

- 4.4 Appendix 2 of the report highlights the longer-term performance of Peninsula Pensions (Somerset Fund only) from 1st October 2023 to 30th September 2024. The bottom chart shows how many of the 'remaining' tasks outstanding to be actioned are awaiting information from another third party (member/employer) and therefore are on 'reply due'.
- 4.5 Appendix 3 of the report highlights the amount of work received over the previous 12 month rolling period, compared to the same period in the previous year. The chart currently is showing an increase in demand.

5. Employer updates

5.1 New admitted body employers

On 1 August 2024 Futura Learning Trust (Bridgewater Schools) transferred their cleaning services to Churchill Contract Services.

On 1 August 2024 Priory Learning Trust (St Andrews School) transferred their catering services to Aspen Services.

On 1 August 2024 Bridgewater & Taunton College transferred their catering services to Innovate (Impact Food).

On 1 September 2024 King Arthur's School (SAST) transferred their catering services to Aspen Services.

On 1 September 2024 Churchfield School (Bath & Wells MAT) transferred their cleaning staff to Green Machine SW Limited.

5.2 New academies

On 1 July 2024 Ashlands CofE Primary School joined Quantock Education Trust.

On 1 July 2024 Frome College joined Midsomer Norton Partnership.

On 1 September 2024 Brookside Academy (Community Primary School) joined Bridgewater and Taunton College Trust.

5.3 New town councils

None

5.4 Cessations

On 31 July 2024 Aspens ceased their catering contract with Bridgewater & Taunton College Trust.

6. Other issues

6.1 McCloud

Peninsula Pensions continue to work on the implementation of the remedy accordingly and liaise with software providers as required.

There is a project team of 2.5 full time equivalent (FTE) staff allocated to the LGPS McCloud Remedy. The team will be reviewing pension calculations as below, with the intention of completing prior to the issue of the 24/25 annual benefit statements due by 31 August 2025. We are currently recruiting 1 further FTE staff member to work on the project.

Members identified to date requiring a calculation review (though not necessarily entitled to an underpin addition): 2,720 (170 of these are Pensioner/Survivor scheme members). Please note that these figures exclude scheme members that have changed jobs and joined (amalgamated) their pension records together and require a review accordingly.

6.2 Annual Benefit Statements:

The annual benefit statement deadline of 31st August 2024 was achieved in advance for both active and deferred members as below:

Active Members: 19,765 issued (of which 683 had paper copies).

Deferred Members: 28,486 issued (of which 1,029 had paper copies).

6.3 The Pension Dashboard:

[Homepage | UK Pensions Dashboards Programme](https://www.legislation.gov.uk/ukdsi/2022/9780348239645/contents)
<https://www.legislation.gov.uk/ukdsi/2022/9780348239645/contents>
[Pensions dashboards: guidance on connection: the staged timetable - GOV.UK](#)

Peninsula Pensions are starting to test the Integrated Service Provider (ISP) provided by Heywood (pension administration software provider), this year, to ensure that we can comply with the statutory connection deadline of 31st October 2025 and any data cleansing required in advance.

6.4 Staffing:

Peninsula Pensions raised concerns about resignation of experienced staff in the previous quarter, where a higher/different package had been offered by another administrator. A review of the remuneration structure of the administration team was undertaken and measures put in place to ensure that DCC offers competitive salaries for the roles specifically impacted, as staff retention in vital roles is imperative for the Shared Service.

7. Consultations undertaken

7.1 None

8. Financial implications

8.1 There are no Specific financial implications associated with this report. The costs of the administration service provided by Peninsula Pensions are charged to the Fund.

9. Legal implications

9.1 Under the LGPS regulations the Fund is required to calculate and pay benefits and manage the administration/data records of the membership. There are no specific legal implications associated with this report.

Note: For sight of individual background papers please contact the report author.

Appendix 1

Administration Performance: 1st July 2024 – 30th Sept 2024

(Somerset Fund)

* On average for Q1 period: July 2024 – September 2024:

1. Total days from member retirement to date payment processed = 40 days.
2. Number of days after retirement date to receive information from employer = 7 days.
3. Number of days for member options to be provided; member to make choice by returning completed forms; and payment processed = 33 days.
4. 52% of retirement notifications received in advance of retirement.
5. 17% of retirement notifications received more than 1 month after date of retirement.

Performance Summary

	Total Cases	Performance (Disc Regs – statutory requirement - whole process)
High Priority Procedures	1536	92%
Medium Priority Procedures	2557	88%
Low Priority Procedures	702	76%
TOTAL	4795	87%

High Priority Cases

	Total Cases	Performance (Disc Regs – statutory requirement - whole process)	Performance (PAS internal target - 10 working days from receipt of all information)
Changes	142	99%	
Complaints (First Instance)	9	100%	89%
Complaints (Stage 1 IDRP)	1	100%	
Complaints (Stage 2 IDRP)	-	-	
Deaths	223	80%	
Deferred (Over 55)	120	100%	
Payroll	325	93%	95%
Refunds	6	100%	
Retirements (Active)*	205	92%	88%
Retirements (Deferred)	505	92%	84%
TOTAL	1536	92%	

Medium Priority Cases

	Total Cases	Performance (Disc Regs – statutory requirement - whole process)	Performance (PAS internal target - 10 working days from receipt of all information)
Amalgamation of Records	475	59%	
Deferred Benefit Calculations	722	85%	
Divorce Calculations	63	79%	
Estimates (Bulk)	-	-	
Estimates (Employer)	22	100%	100%
Estimates (Member	13	100%	
General	921	100%	99%
HMRC	-	-	
Member Self-Service	341	100%	
TOTAL	2557	88%	

Low Priority Cases

	Total Cases	Performance (Disc Regs – statutory requirement - whole process)	Performance (PAS internal target - 10 working days from receipt of all information)
Estimates (Other)	76	96%	
GMP Queries	-	-	
Interfund Transfers In	41	83%	
Interfund Transfers Out	67	79%	
Pension Top Ups	118	99%	
Frozen Refunds	293	53%	97%
New Starters	-	-	
Pension Transfers In	46	98%	93%
Pension Transfers Out	61	92%	80%
TOTAL	702	76%	

NB: Employer performance will be reported separately for the 24/25 financial year and therefore no longer included within this report.

* **Complaints:** These are broken down into 3 categories:

First instance complaints

These are 'informal' member complaints with the aim of resolving prior to Internal Dispute Resolution Procedure (IDRP).

These complaints are generally raised through the Member Self Service portal. Out of the 9 complaints received in the quarter, all were resolved at first level:

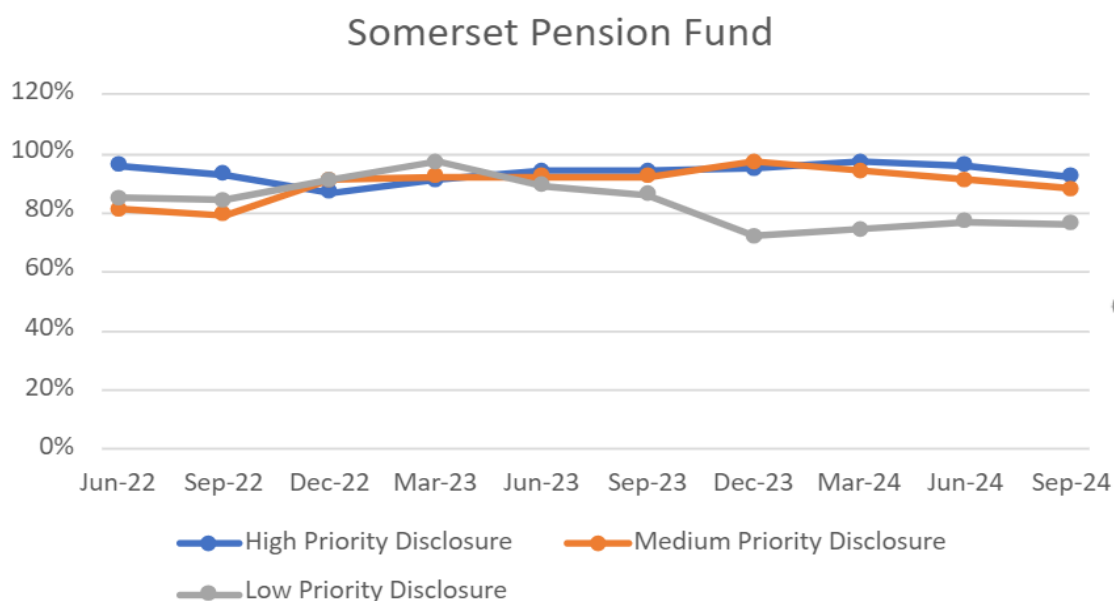
- 5 relating to statutory timescales / regulations around different types of calculations – clarification provided to members (and relevant links to website outlining further explanation given).
- 3 referred to third party delays with information from either other administrators or employers pending – third parties contacted further accordingly.
- 1 related to correspondence issued and provided feedback on making information clearer to scheme members – amendment made accordingly.

IDRP stage 1 (administrative or employer decisions)

- The one IDRP was an ill health decision review request by member for Individual Employer.

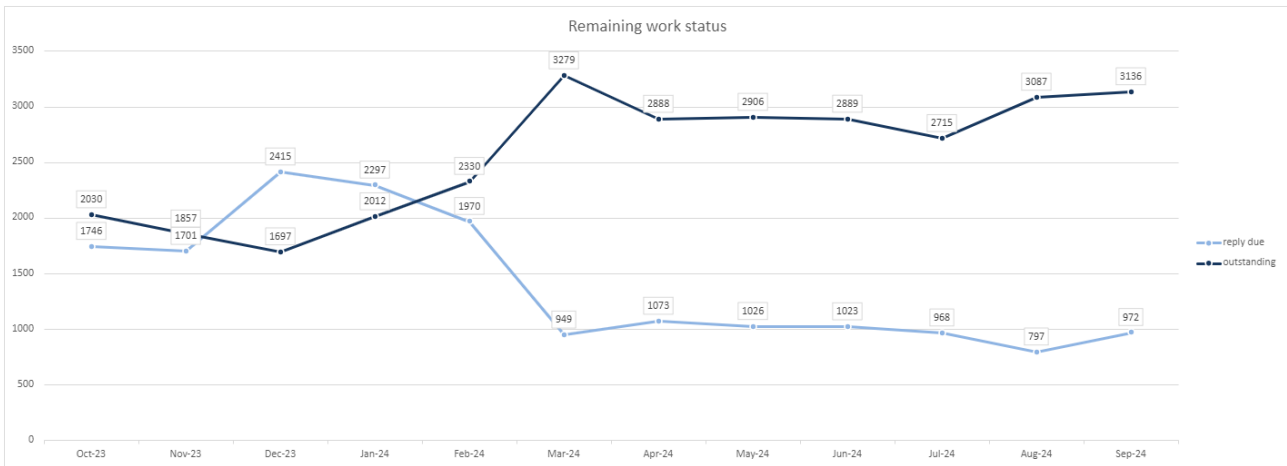
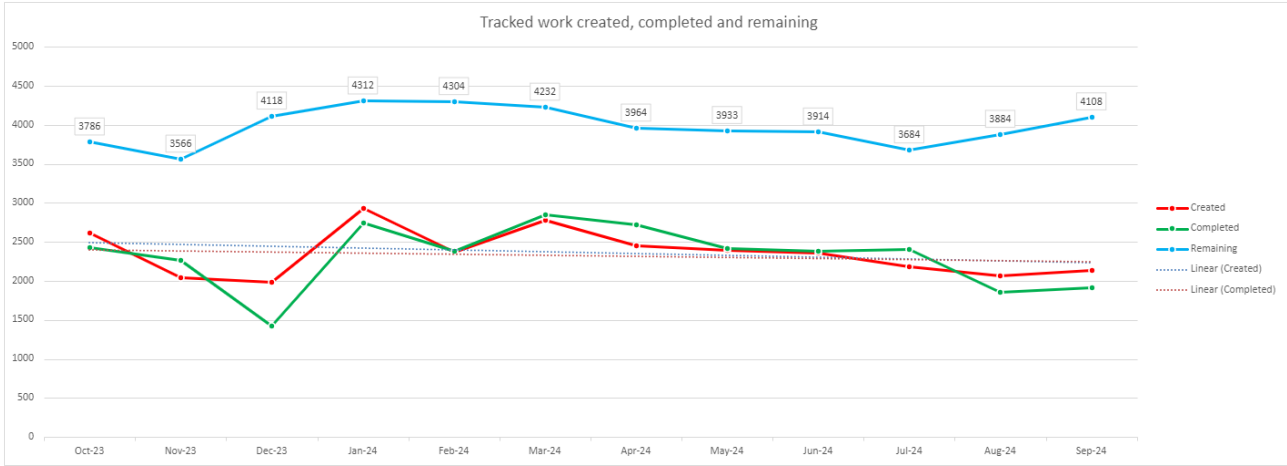
IDRP Stage 2 Panel

- None



Administration Performance: 1 October 2023 – 30 September 2024

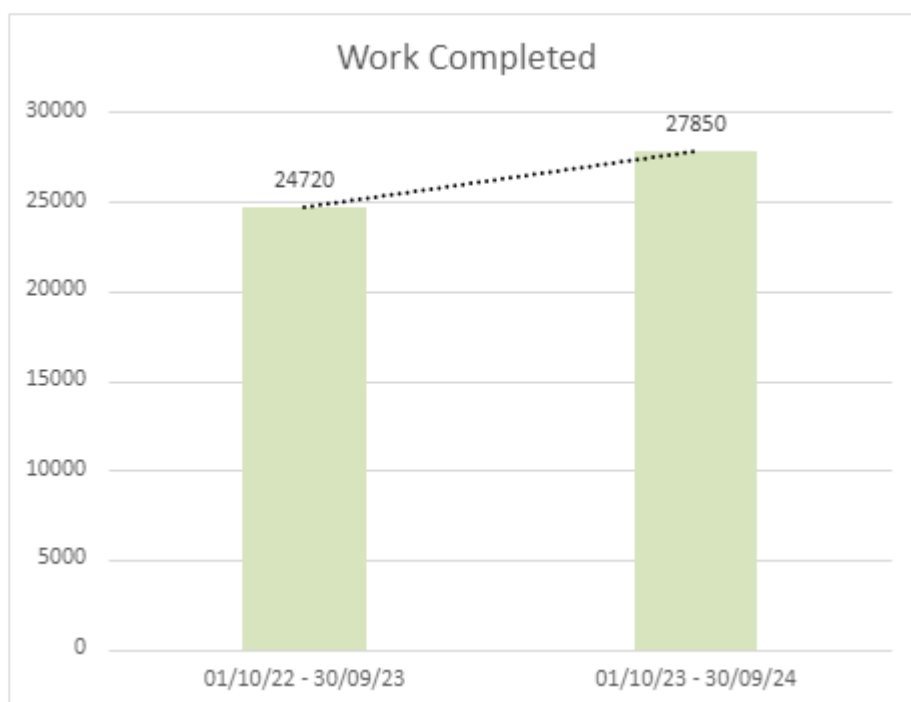
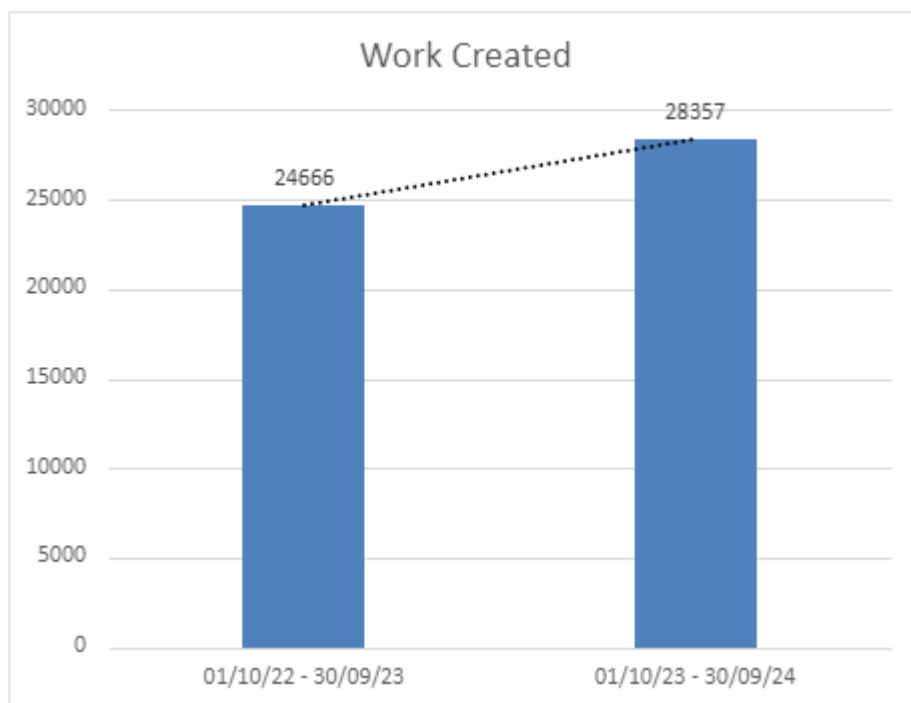
Month	Created	Completed	completion rate	Remaining	reply due	outstanding
Sep-24	2143	1919	89.55%	4108	972	3136



Work received 12 month rolling period 1 October 2023 – 30 September 2024

(against same period for previous financial year)

from	to	Work Created	Work Completed
01/10/2022	30/09/2023	24666	24720
01/10/2023	30/09/2024	28357	27850



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Business Plan Update

Lead Officer: Maria G. Christofi: Interim Chief Finance Officer (Section 151 Officer)
Author: Anton Sweet: Funds and Investments Manager
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anton.sweet@somerset.gov.uk

1. Summary

- 1.1 To update the Committee with progress on and amendments to the Committee's business plan as agreed at the previous meeting. Also to update Committee on relevant developments to the LGPS in general.

2. Recommendation

- 2.1 To note progress and approve the business plan update.

3. Background

- 3.1 The Somerset Council Pension Fund (the Fund) is a statutory scheme with Somerset Council acting as the 'administering authority' in accordance with the relevant legislation. This means that the Council is responsible for taking all the executive decisions in respect of the Fund.
- 3.2 To meet its responsibilities in this respect the Council has delegated executive decision making powers for the Fund to the Pension Fund Committee. A business plan has been produced to help ensure that the Pension Fund Committee meet their responsibilities and consider all necessary issues. Under the Scheme of Delegation put in place by the Committee, day to day running of the fund has been largely delegated to officers.
- 3.3 The business plan can be seen in Appendix A. Progress is shown in the final column followed by a colour coded key.
- 3.4 The Committee workplan can be seen in Appendix B. This workplan indicates which items will come before each Committee meeting over the next 12 months. It should be noted all dates are provisional.

4. Progress since last report

- 4.1 Officers continue to monitor legal and regulatory developments in relation to McCloud, Goodwin, the £95k cap and other matters.
- 4.2 The external audit of the Pension Fund's 2023/24 accounts is complete with the external auditors , Grant Thornton, presenting their audit findings report to Somerset Council's Audit Committee meeting on 12 November 2024.
- 4.3 On 14 November 2024 the Government issued a new consultation covering investments and governance of the LGPS. There is a separate agenda item covering this on the agenda for this meeting.
- 4.4 The Government consultation indicates new guidance and possibly regulations will be issued around the requirements of LGPS Funds' Investment Strategy Statements (ISS). As a result, it is recommended that our planned work on a refresh of the Fund's ISS be paused until the new regulations and guidance have been issued. Officers are content that the current ISS is still fit for purpose in the interim.

5. Consultations undertaken

- 5.1 None

6. Financial implications

- 6.1 There are no specific financial implications associated with this report.

7. Legal implications

- 7.1 There are no specific legal implications associated with this report.

8. Background papers

- 8.1 None

Note: For sight of individual background papers please contact the report author.

Pensions Committee Business Plan for 2024 - 2025

Key:

Change since last time

Completed

Not yet due

In progress and on time

In progress but late

Overdue

Topic Area		Training needs	Timing	Implementation Timing	Progress
Regulations	Consultation and implementation on new regulations as they arise	Medium	Unknown - Determined by Central Government	In Progress	Awaiting update
Fund Governance	Review of ESG investment	High	Spring 2021	Completed	New ISS adopted at March 2022 Pension Fund Committee meeting
Fund Governance	Review of Committee and Board structures in advance of move to Unitary authority	Medium	Spring 2022	Completed	New Terms of reference adopted at June 2023 Pension Fund Committee meeting
Fund Governance	Re-approrve all Strategies and policies post election	Medium	Ongoing	Completed	Policies re-approved at July 2022 Pension Fund Committee meeting
Fund Governance	Review Funding Strategy Statement	Medium	Summer 2023	Completed	Revised version approved at September 2023 Pension Fund
Fund Governance	Review of risk register	Medium	Autumn 2023	Completed	Updated risk register included in the December 2023 Pension Fund Committee papers
Fund Governance	Review of Administration Strategy	Medium	Spring 2024	Completed	New Administration Strategy approved by Pension Fund Committee at the June 2024 meeting. Likely to need reviewing post new regulations and
Fund Governance	Review Communication Strategy	Medium	Sumer 2024	Completed	New Administration Strategy approved by Pension Fund Committee at the September 2024 meeting.
Fund Governance	Review Investment Strategy Statement	Medium	Summer 2024	In Progress	Work postponed due to expectation of revised regulations and guidance.

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SOMERSET COUNCIL PENSION FUND

PENSIONS COMMITTEE

MEETING WORKPLAN 2025

Date	Proposed Items of Business	Lead Officer
14th March 2025	<p data-bbox="229 344 469 376"><u>FORMAL MEETING</u></p> <p data-bbox="229 443 632 474">1. Independent Advisor's Report To receive a verbal update on market issues and events from the independent advisor.</p> <p data-bbox="229 539 692 571">2. Review of Investment Performance Report to provide an update of the Fund's performance for the quarter period to 31 December 2024.</p> <p data-bbox="229 667 740 698">3. Review of Administration Performance To review the performance of Peninsula Pensions in delivering the administration service to employers and members.</p> <p data-bbox="229 795 533 826">4. Business Plan Update To consider progress against the Committees approved business plan.</p> <p data-bbox="229 891 791 922">5. Finance and Membership Statistics Update Report to provide an update of the Fund's position for the quarter period to 31 December 2024.</p> <p data-bbox="229 987 735 1019">6. Review of Pension Fund Risk Register To review the risks within the fund and form an appropriate risk register for the fund.</p> <p data-bbox="229 1084 842 1115">7. Review of Administration Authority Discretions To review a revised investment strategy</p> <p data-bbox="229 1180 1198 1211">8. Resources review, Financial target setting and committee objectives setting To conduct a review of the resources available to the fund and to adopt a financial forecast, committee performance objectives for the 2025-2026 financial year and review the overall performance target for 2022 to 2025.</p> <p data-bbox="229 1339 794 1370">9. Review of cash management arrangements To review the management arrangements for the cash resources held by the fund.</p>	<p data-bbox="1449 571 1490 602">AS</p> <p data-bbox="1449 698 1490 730">RL</p> <p data-bbox="1449 826 1490 857">AS</p> <p data-bbox="1449 922 1490 954">AS</p> <p data-bbox="1449 1019 1490 1050">AS</p> <p data-bbox="1422 1115 1517 1146">RL / AS</p> <p data-bbox="1449 1211 1490 1243">AS</p> <p data-bbox="1449 1370 1490 1402">AS</p>

SOMERSET COUNCIL PENSION FUND

PENSIONS COMMITTEE

MEETING WORKPLAN 2025

Date	Proposed Items of Business	Lead Officer
June 2025 TBC	<p><u>FORMAL MEETING</u></p> <p>1. Independent Advisor's Report To receive a verbal update on market issues and events from the independent advisor.</p> <p>2. Review of Investment Performance Report to provide an update of the Fund's performance for the quarter period to 31 March 2025.</p> <p>3. Review of Administration Performance To review the performance of Peninsula Pensions in delivering the administration service to employers and members.</p> <p>4. Business Plan Update To consider progress against the Committees approved business plan.</p> <p>5. Finance and Membership Statistics Update Report to provide an update of the Fund's position for the quarter period to 31 March 2025.</p> <p>6. Review of Pension Fund Risk Register To review the risks within the fund and form an appropriate risk register for the fund.</p> <p>7. Fund Policies To review and where necessary update the fund's policies and documents.</p>	<p></p> <p>AS</p> <p>RL</p> <p>AS</p> <p>AS</p> <p>AS</p> <p>AS</p>
Sept 2025 TBC	<p><u>FORMAL MEETING</u></p> <p>1. Independent Advisor's Report To receive a verbal update on market issues and events from the independent advisor.</p> <p>2. Review of Investment Performance Report to provide an update of the Fund's performance for the quarter period to 30 June 2025.</p> <p>3. Review of Administration Performance To review the performance of Peninsula Pensions in delivering the administration service to employers and members.</p> <p>4. Business Plan Update To consider progress against the Committees approved business plan.</p> <p>5. Finance and Membership Statistics Update Report to provide an update of the Fund's position for the quarter period to 30 June 2025.</p> <p>6. Review of Pension Fund Risk Register To review the risks within the fund and form an appropriate risk register for the fund.</p> <p>7. Pension Fund Annual Report 2024/2025 To consider the annual report for the year to 31 March 2025.</p>	<p></p> <p>AS</p> <p>RL</p> <p>AS</p> <p>AS</p> <p>AS</p> <p>AS</p>

SOMERSET COUNCIL PENSION FUND

PENSIONS COMMITTEE

MEETING WORKPLAN 2025

Date	Proposed Items of Business	Lead Officer
December 2025 TBC	<p data-bbox="229 344 469 376"><u>FORMAL MEETING</u></p> <p data-bbox="229 443 632 474">1. Independent Advisor's Report To receive a verbal update on market issues and events from the independent advisor.</p> <p data-bbox="229 542 692 573">2. Review of Investment Performance Report to provide an update of the Fund's performance for the quarter period to 30 September 2025.</p> <p data-bbox="229 667 740 698">3. Review of Administration Performance To review the performance of Peninsula Pensions in delivering the administration service to employers and members.</p> <p data-bbox="229 792 533 824">4. Business Plan Update To consider progress against the Committees approved business plan.</p> <p data-bbox="229 891 791 922">5. Finance and Membership Statistics Update Report to provide an update of the Fund's position for the quarter period to 30 September 2025.</p> <p data-bbox="229 990 737 1021">6. Review of Pension Fund Risk Register To review the risks within the fund and form an appropriate risk register for the fund.</p>	<p data-bbox="1449 568 1490 600">AS</p> <p data-bbox="1449 703 1490 734">RL</p> <p data-bbox="1449 824 1490 855">AS</p> <p data-bbox="1449 922 1490 954">AS</p> <p data-bbox="1449 1021 1490 1052">AS</p>

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Finance and Membership Statistics Update

Lead Officer: Maria G. Christofi: Interim Chief Finance Officer (Section 151 Officer)
Author: Anton Sweet: Funds and Investments Manager
Contact Details: (01823) 359584
anton.sweet@somerset.gov.uk

1. Summary

- 1.1 This report updates the committee on the position of the Pension Fund's provisional end of Quarter 2 financial position as at 30 September 2024 and related matters. This is a standard item of committee business.

2. Recommendation

- 2.1 That the Committee note the contents of the report.

3. Financial position

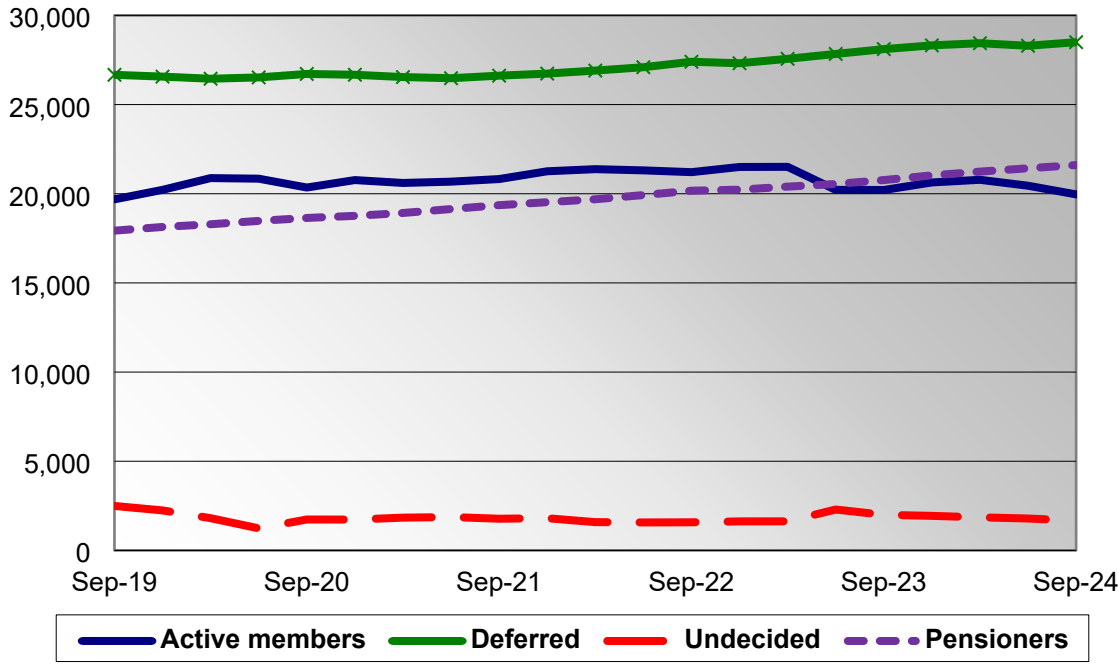
- 3.1 The outturn position for quarter 2 of financial 2024/25 year to 30 September 2024 is attached as Appendix A.

4. Membership statistics

4.1 The change in membership statistics for the quarter is as follows:

	30 June 2024	30 Sept 2024	Change
Active members	20,449	19,963	-486
Deferred	28,296	28,498	+202
Undecided	1,789	1,671	-118
Pensioners	21,428	21,608	+180
Total	71,962	71,740	-222

4.2 The change in membership statistics for the last 5 years is shown in the graph below:



5. Financial implications

5.1 The performance of the Pension Fund against its financial projection for the year has obvious financial implications for the Fund, particularly if income is expected to be lower than forecast or payments are expected to be higher.

6. Legal implications

6.1 There are no specific legal implications associated with this report.

7. Background papers

7.1 None

Note: For sight of individual background papers please contact the report author.

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Pension Fund Financial Projection

Item 9 Appendix A

2024/25

	2023/24 Full Year	2024/25 March to September			2024/25 Full Year		
	Actual (a)	Budget (b)	Actual (c)	Variance (d)	Original Projection (e)	Projected Outturn (f)	Variance (g)
	£m	£m	£m	£m	£m	£m	£m
Contributions and other income							
Contributions from employees	27.796	9.750	9.076	(0.674)	25.000	25.000	-
Contributions from employers	104.847	34.750	34.238	(0.512)	88.000	88.000	-
Recoveries from employers	2.695	1.000	0.120	(0.880)	2.100	2.100	-
Transfer values received	13.573	3.000	1.579	(1.421)	6.000	6.000	-
	148.911	48.500	45.013	(3.487)	121.100	121.100	-
Less benefits and other payments							
Recurring pensions	(101.345)	(54.000)	(54.821)	(0.821)	(109.000)	(109.000)	-
Lump sum on retirement	(17.136)	(7.500)	(9.057)	(1.557)	(15.000)	(20.000)	(5.000)
Lump sum on death	(2.534)	(0.900)	(1.342)	(0.442)	(2.000)	(2.000)	-
Transfer values paid	(19.577)	(6.000)	(6.676)	(0.676)	(12.000)	(15.000)	(3.000)
Contribution refunds	(0.693)	(0.300)	(0.454)	(0.154)	(0.600)	(0.600)	-
Employer exit credit	-	(0.600)	-	0.600	(1.200)	(1.200)	-
	(141.285)	(69.300)	(72.350)	(3.050)	(139.800)	(147.800)	(8.000)
Contributions after payments	7.626	(20.800)	(27.337)	(6.537)	(18.700)	(26.700)	(8.000)
Management Expenses							
Administrative expenses	(1.695)	(0.500)	(0.823)	(0.323)	(1.800)	(1.800)	-
Investment management expenses	(11.826)	(1.000)	(0.942)	0.058	(10.500)	(13.000)	(2.500)
Oversight and governance expenses	(0.599)	(1.650)	(0.102)	1.548	(0.750)	(0.750)	-
	(14.120)	(3.150)	(1.867)	1.283	(13.050)	(15.550)	(2.500)
Investment Income							
Investment income	9.137	2.400	4.983	2.583	4.500	9.000	4.500
Net Increase / Decrease (-) in fund	2.643	(21.550)	(24.221)	(2.671)	(27.250)	(33.250)	(6.000)

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Review of Pension Fund Risk Register

Lead Officer: Maria G. Christofi: Interim Chief Finance Officer (Section 151 Officer)
Author: Anton Sweet: Funds and Investments Manager
Contact Details: (01823) 359584
anton.sweet@somerset.gov.uk

1. Summary

- 1.1 In response to CIPFA guidance recommending the adoption and monitoring of a risk register for LGPS funds the Pensions Fund Committee have requested that a review of the risk register is a standing item on the agenda for each meeting.

2. Recommendation

- 2.1 To note and approve the risks contained on the risk register.

3. Changes since last meeting

- 3.1 There was a disconnect on risks PF admin 6 and 7 in that the target score was lower than the current score but no additional mitigating actions were indicated to improve the current score. Following on from the informal meeting on cyber security held in September the general conclusion is that all reasonable mitigation is taking place, but the inherent risk means that the target risk score should increase to match the current risk score.
- 3.2 Following on from Stephen Morton leaving the Council at the end of October the risks that were assigned to him have been re-assigned to Anton Sweet. This effect risks PF Admin 1, 2,3 and 4. The assigning of all risks will be reviewed again following the likely legislating by Government for each LGPS administration authority to appoint a "Senior LGPS Officer" and the exact implementation of that by Somerset Council.

4. Background

- 4.1 Risk Management is central to the management of the Pension Fund as reflected by the coverage of risk in key documents such as the Funding Strategy Statement and the Statement of Investment Principals. The Pension Fund Risk Register allows for consideration of all of the fund's risks in a single document.
- 4.2 Guidance issued by CIPFA on the application of the Myner's Principles in the LGPS in 2010 indicated that the creation and adoption by Pensions Committees of a risk register was best practice.

4.3 Following on from CIPFA's guidance the Committee has indicated that it wishes to adopt a risk register. The Committee have agreed that rather than have a static register that is reviewed periodically that the register should be discussed at every meeting and changes agreed and implemented as necessary.

4.4 The current Pension Fund Risk Register is attached as Appendix A.

4.5 With many of the risks a failure could also lead to considerable damage to the reputation of the fund and the trust placed in it by members and employers.

5. Consultations undertaken

5.1 None.

6. Financial implications

6.1 A number of the risks covered on the Risk Register have direct financial implications for the Fund, but this report has no financial implications.

7. Legal implications

7.1 A number of the risks covered by the Risk Register have legal implications for the Fund, but this report has no legal implications.

8. Background papers

8.1 None

Note: For sight of individual background papers please contact the report author.

1. Risk Ref No: 2. Senior Risk Owner:	Description of Risk	Control measures already in place	Current Risk Score (with known controls in place)		Combined score	Additional mitigating actions/control measures planned to achieve target score	Target Risk score		combined score	Additional Control measure owner	Review Frequency	Additional Information and explanation
			L	I			L	I				
1. PF - Gov 1 2. Pension Fund Committee	Failure of Pension Fund Committee to manage the fund effectively, particularly as a result of insufficient knowledge and skills	Policies and procedures adopted by Pension Fund Committee, specifically the committee training policy	3	4	12 Amber	Undertake a review of Committee Knowledge and Skills. Follow up on Findings with revised training plan	2	4	8 Green		on-going with quarterly review	Current score is influenced by the collective experience and consistency of the Pension Fund Committee, which has had a number of changes over the last 4 years.
1. PF - Gov 2 2. Pension Fund Committee Page 51	Risk of Regulatory change: - Implementation of change risks - Consequences of change risks	Continuous engagement with DLUHC and other interested stakeholders	4	3	12 Amber		4	3	12 Amber		on-going with quarterly review	The dictated change to pooling of investment arrangements and implementation of this presents a significant risk to the scheme. The frequency of new regulation and the relatively new role of the Pensions Regulator are also factors.
1. PF - Gov 3 2. Anton Sweet	Failure to produce accurate and timely accounts leading to qualification of the accounts by external audit.	Regular reconciliations between the accounting records and other sources of information such as custody records. Training and professional standards of staff involved in production of the accounts. Engagement with CIPFA standards and requirements of the code.	2	4	8 Green		2	4	8 Green		Annual on receipt of the external auditors findings.	
1. PF - Inv1 2. Anton Sweet	The pension fund has insufficient available cash to meet its immediate (next 6 months) liabilities.	Cash flow forecasting of TM function Monthly review of asset allocation and cash levels	2	4	8 Green		2	4	8 Green		on-going with quarterly review	

1. Risk Ref No: 2. Senior Risk Owner:	Description of Risk	Control measures already in place	Current Risk Score (with known controls in place)		Combined score	Additional mitigating actions/control measures planned to achieve target score	Target Risk score		combined score	Additional Control measure owner	Review Frequency	Additional Information and explanation
			L	I			L	I				
1. PF - Inv2 2. Pension Fund Committee	The pension fund has insufficient available assets to meet its long term liabilities.	Funding Strategy Statement Investment Strategy Statement Regular reporting of current position to Committee	2	5	10	The triennial 2022 valuation includes provision for restoring the fund to full funding over 16 years. The current risk score partly reflects that the fund was 95% funded at the last valuation. An improvement in the funding level will reduce the likelihood of the risk occurring at some point in the future.	2	5	10		Review again at next Valuation - 2025	This risk encapsulates the purpose of the fund in trying to always have sufficient assets to meet uncertain future liabilities with a pool of assets with uncertain future investment performance There is also the need to balance the funding needs of the fund with the desire to keep contributions as low and constant as possible
					Amber				Amber			
1. PF - Inv3 2. Pension Fund Committee	Under performance of pension investments due to ESG factors, including climate change.	ESG Policy within Investment Strategy Statement requiring ESG factors to be considered in all investment decisions.	2	4	8		2	4	8		on-going with quarterly review	Moving all assets to the management of Brunel, which has a greater focus on ESG and climate change than the majority of our legacy investment managers, has considerably improved our management of these risks.
					Green				Green			
1. PF - Inv4 2. Pension Fund Committee	Failure of Brunel to deliver either Fee savings or investment performance	Representation on the Brunel Client Group and Oversight Board	2	4	8		2	4	8		on-going with quarterly review	
					Green				Green			

1. Risk Ref No: 2. Senior Risk Owner:	Description of Risk	Control measures already in place	Current Risk Score (with known controls in place)		Combined score	Additional mitigating actions/control measures planned to achieve target score	Target Risk score		combined score	Additional Control measure owner	Review Frequency	Additional Information and explanation
			L	I			L	I				
1. PF - Inv5 2. Anton Sweet	Insolvency of the fund's Global Custodian	Fund's assets held in client accounts not as assets of the custodian Additional oversight of custodian provided by Brunel for the assets they manage Review of credit worthiness and inherent business risk of custodian at tender phase	2	4	8		2	4	8		on-going with quarterly review	The designation of the fund's assets as client assets ensures that they cannot be appropriated by creditors of the Custodian bank in the case of that entity going into administration. As a result we should be able to recover substantially all of the assets of the fund held in custody but there would be considerable administrative and liquidity disruption.
					Green				Green			
1. PF - Admin1 2. Anton Sweet	Failure of Benefits Administration to perform their tasks, specifically leading to incorrect or untimely benefits payment.	Regular reporting to Committee Internal processes and procedures Regular review by Internal and External audit	2	3	6		2	3	6		on-going with quarterly review	The greater resilience gained from the Peninsula Pensions shared service has been balanced by greater complexity coming into the scheme benefits.
					Green				Green			
1. PF - Admin2 2. Anton Sweet	Legal challenge to fund, particularly in respect of the payment of pension benefits	Internal processes and procedures Regular review by Internal and External audit	3	3	9	Receipt of revised regulations in respect of the exit cap, McCloud and Goodwin	2	3	6		on-going with quarterly review	
					Amber				Green			
1. PF - Admin3 2. Anton Sweet	Fraud, corruption, or error either within investment assets or benefits administration	Internal controls and processes Regular review of controls, processes and outputs by internal and external audit	2	4	8		2	4	8		on-going with quarterly review	Brunel provides an extra layer of scrutiny and control with respect to the activities of external fund managers and related third parties
					Green				Green			

1. Risk Ref No: 2. Senior Risk Owner:	Description of Risk	Control measures already in place	Current Risk Score (with known controls in place)		Combined score	Additional mitigating actions/control measures planned to achieve target score	Target Risk score		combined score	Additional Control measure owner	Review Frequency	Additional Information and explanation
			L	I			L	I				
1. PF - Admin4 2. Anton Sweet	The insolvency of an employer or other significant change in circumstances places additional liabilities on the fund and ultimately the remaining employers.	Admission agreements Guarantee bonds or other similar security	2	3	6 Green		2	3	6 Green		on-going with quarterly review	To ensure the on-going suitability of the guarantees in place a review should be undertaken after each formal valuation.
1. PF - Admin5 2. SC Section 151 Officer Page 54	Vulnerability to long-term staff sickness and/or retention and recruitment issues, especially for higher graded posts, within Somerset Council and Peninsula Pensions.	None, other than experience of other staff within the sections	4	3	12 Amber	The staffing levels provided by SC is being reviewed as part of the overall SC structure review with the outcomes likely to be known in early 2025.	2	3	6 Green		on-going with quarterly review	Size and depth of staff resources at Peninsula Pensions helps to mitigate the risk Brunel provides some extra mitigation with respect to investment asset management Additional use of consultants and advisors could be used to manage loss of internal staff
1. PF - Admin6 2. SC Section 151 Officer	Resilience of IT including a breach of cyber security	SC and DCC internal IT security measures Additional cyber security and resilience provided by hosting of benefits administration database and investment accounting database by outside parties	3	4	12 Amber		3	4	12 Green		on-going with quarterly review	

1. Risk Ref No: 2. Senior Risk Owner:	Description of Risk	Control measures already in place	Current Risk Score (with known controls in place)		Combined score	Additional mitigating actions/control measures planned to achieve target score	Target Risk score		combined score	Additional Control measure owner	Review Frequency	Additional Information and explanation
			L	I			L	I				
1. PF - Admin7 2. SC Section 151 Officer	Breach of Data security or related data protection / GDPR issue	DCC internal IT security measures Additional cyber security and resilience provided by hosting of benefits administration database and investment accounting database by outside parties	3	4	12		3	4	12		on-going with quarterly review	
					Amber				Green			
1. PF - Admin8 2. SC Section 151 Officer	Civil Contingency Event	SC and Peninsula would follow their established business continuity plans	3	2	6		3	2	6		on-going with quarterly review	Amended from COVID risk December 2022 at Board's request.
					Green				Green			

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