

HIGHLAND COUNCIL

Committee: Pensions Committee

Date: 12 February 2025

Report Title: Service Plan 2025/26

Report By: Chief Officer Corporate Finance

1. Purpose/Executive Summary

- 1.1 The Highland Council Pension Fund (“the Fund”) Service Plan 2025/26 details the Fund’s priorities over the next year alongside the budget and key objectives for the year ahead. At the end of December 2024, the Fund had investment assets of £2.759bn and 36,559 members – 13,483 pensioners, 13,055 active (current employee) 10,021 deferred members (previous employees who have not yet retired)
- 1.2 Over the next year the Fund will face many challenges and opportunities from both internal and external sources.
- 1.3 Internally alongside business as usual the team are implementing an integrated payroll system to streamline processes; an action plan will be developed to improve performance, capacity and address workloads; and the current KPIs data and performance reports available will be reviewed and refined so that the right data goes to the right people at the right time. Support and training for the staff recruited in 2024 will continue to be a priority in order to develop and retain a skilled and knowledgeable workforce. It is also important for Pension Committee and Board members to receive training and be kept updated on developments in the LGPS landscape.
- 1.4 With regard to external sources, one of the key areas to focus on in the year ahead will be preparing for connection to the Pensions Dashboard. The Pensions Dashboard is a government initiative to provide all individuals with online secure access to information on their pension savings across multiple employers, including their State Pension. As part of preparing to connect to the Dashboard, data cleansing work is included in work plans and officers are scheduled to work on

testing and implementing connection. Another area of work will be building on the initial assessment of compliance against The Pensions Regulator Code of Practice (Agenda Item 4). The Fund will need to implement actions to improve the level of compliance and have systems and processes to monitor compliance on an ongoing basis.

The level of budget required so that the appropriate resources are in place to support the above objectives, is included in this report for Committee approval.

2. Recommendations

2.1 It is recommended that Committee approve the following:

- the Pension Fund Service Plan 2025/26
- the Service work plans (Section 7 and Appendix 1)
- the Pension Fund budget for 2025/26 (Section 9 and Appendix 4)

3. Implications

3.1 Resource – staffing resources and the budget required to deliver the service plan are considered in the report at sections 7 and 9.

3.2 In terms of legal implications, 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 1 to comply with these legal and regulatory requirements.

3.3 The risk management framework is an integral part of governance and risk management is one of the key tasks included in the workplans for the officers and Committee (Appendices 1 and 3).

3.4 There are no Health and Safety (risks arising from changes to plant, equipment, or people) or Gaelic implications arising as a direct result of this report.

4. Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is a standard annual report and therefore an impact assessment is not required.

5. 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.

6. Fund Objectives

6.1 The Fund’s key objectives are that:

- 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.

6.2 This document sets out the work plan and budget for 2025/26 necessary to achieve the above objectives.

7. Work Plans 2025/26

7.1 The Highland Council Pension Fund Work Plans to support all tasks to achieve key objectives is at Appendix 1. Work Plans may need to be amended depending on changes in the regulatory environment and/or to cover ad hoc requirements.

7.2 The Officers’ Work Plan includes the following key tasks for 2025/26.

Embedding the Altair payroll system and implementing the immediate payments functionality system (tasks 1.1 and 1.2)

The following changes affect back office administrative functions, and these will not impact pensioner payments. Altair payroll solution is a fully integrated, 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 across all employers and will interface with

the current Pensions Administration system which will improve the efficiency of existing processes.

The Altair payroll system implementation “go live” date was rescheduled from November 2024 to February 2025. This was due to an issue with the legacy Zellis/ResourceLink system being used to run the pensioners payroll; system outages, caused delays and the data extract from the legacy system could not be generated in time to migrate to the Altair payroll system.

The revised plan is that the Altair payroll system is to be implemented in February 2025. The plan is to switch on the Altair straight through processing and immediate payments functionality later in 2025 (currently being tested in January 2025) once the team is familiar with the Altair payroll processes. The implementation of immediate payments will further streamline processes as no further processing on the CIA financial system will be required. There are robust segregation of duties and authorisation controls within Altair as part of the user access set-up, with the BACS file upload completed by a separate team to the Pensions Admin team. The immediate payments functionality is also used by other LGPS Funds.

7.3 Developing the action plan to improve performance, capacity and manage workloads (task 1.3)

The workloads for the Pensions team have increased over a number of years caused by increasing complexity in the calculation of benefits (different schemes, McCloud and Goodwin remedies), previous staff shortages and the volume of re-employments (re-employments are where staff change post).

There is a weekly review completed by management of all tasks outstanding, and these are prioritised with staff resource directed to high priority areas (e.g. upcoming retirement grants). This weekly review has identified some “quick fixes” with the objective to make processes quicker which have been implemented and the team continue to work on prioritising tasks and improving processes.

As part managing the increased workloads, officers will assess the time it takes to process cases following the implementation of the integrated Altair system alongside the staff resource available in order to set out timescales to manage workloads. The team will continue to review and streamline processes to improve efficiency and there is also a project underway to look at the way that information from the Highland Council is uploaded using i-connect to see if processes can be improved to manage the volume of re-employments.

In preparation for the Pensions Dashboard, it is important that all outstanding work is actioned where possible so that users of the Pensions Dashboard can access accurate records of their pension benefits.

7.4 **Pensions Dashboard (tasks 1.5 and 1.6)**

One of the key tasks during 2025/26 will be the connection to the Pensions Dashboard which is mandatory from October 2025.

Pensions dashboards will enable individuals to access their pensions information online, securely and all in one place. Dashboards will provide clear and simple information about an individual's multiple pension savings, including their State Pension.

The Government set out its intentions to deliver pensions dashboards through the Pension Schemes Act 2021 and The Pensions Dashboards Regulations 2022. This legislation sets out the timeline and the requirement for pension providers and schemes to connect to the pension dashboards ecosystem. It also empowers the Money and Pensions Service, through the Pensions Dashboard Programme, to create standards for dashboards with the approval of the Secretary of State for Work and Pensions.

The Financial Conduct Authority (FCA) and The Pensions Regulator (TPR) will support pension providers and schemes to comply with regulations. The provision of pensions dashboards will be an FCA regulated activity. Organisations wishing to become pensions dashboard providers will have to apply for FCA authorisation and adhere to FCA conduct rules.

Information on the Pensions Dashboard is available on the following Government website. <https://www.pensionsdashboardsprogramme.org.uk/about>

The Fund will connect to the Pensions Dashboard with support of our current pensions administration system provider Heywood and the costs of this project have been included in the budget for 2025/26 under the Computer and ICT (external providers) cost heading. The work for building and testing connectivity will be completed in April/May 2025 with the connection going live in October 2025.

In advance of connection and on an ongoing basis, data cleansing is a key activity and Heywood, will provide a service to check key personal data including address information and mortality status for accuracy.

7.5 **General code of compliance (task 2.3)**

The Pensions Regulator's (TPR) new General Code of Practice (GCoP) was laid in parliament on 10 January 2024 and became effective from 28 March 2024. The new code collates and updates 10 existing codes of practice into one set of clear, consistent expectations on scheme governance and administration. GCoP applies to all pension schemes, public and private.

Officers have completed an assessment of the Fund's compliance with GCoP which has been circulated to Members. There are a number of areas where work

improvements can be made, details are provided in the Pensions Administration update report and actions have been included in the work plan.

7.7 The monitoring report for the previous financial year's Work Plan 2024/25 is at Appendix 2.

8. Service Performance Indicators

8.1 The proposed service performance indicator targets for 2025/26 are set out in Appendix 3. These focus on key deliverables in terms of statutory required outputs (annual benefits statement, pensions savings statements, annual pensions increase, audit opinion), data quality which is integral to comply with all regulatory requirements and customer service (payment of benefits, monitoring complaints). Alongside these targets, as part of the focus on supporting and training for the staff, there are indicators to measure training delivered and staff absence.

8.2 The Administration Strategy (2022) will be updated to reflect these requirements and taken to a future meeting of the Pensions Committee.

8.3 As well as monitoring compliance with service performance indicators, systems will be developed to capture additional performance data need required in order to comply with year-end reporting requirements set out in the Scheme Advisory Board/CIPFA *Guidance for LGPS – preparing the Pension Fund Annual Report*.

<https://lgpsboard.org/images/Guidance/Annual%20Report%20Guidance%202024.pdf>

9. Budget 2025/26

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 2025/26. In order to deliver the outcomes in the 2025/26 Work Plan there are additional IT, advisory and staff costs associated with this which require that the net budget is increased by 3.5% compared to 2024/25 with more information on these costs provided below. This investment in technology in 2025/26 will improve efficiency and officers will continue to pursue opportunities to streamline processes with the aim of reducing costs and improving customer service.

9.2 The Budget for financial year 2025/26 includes the following costs:

- increased Pensions Administration staff costs as additional Pensions Technicians are being recruited on a fixed term basis to assist with clearing workloads, increased staff costs due to NI changes and assumptions made for pay award.
- costs for implementing the connection to the Pensions Dashboard and data cleansing, under the heading Computer and ICT (external providers).
- increased subscription costs which cover fees to the Local Government Authority for technical guidance service (all Scottish LGPS funds pay this levy).

For information purposes, there are future budgets for 2026/27 and 2027/28.

- 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: Chief Officer, Corporate Finance

Date: 27 January 2025

Author: Pension Fund Manager

Appendix 1 Highland council Pension Fund Work Plan 2025/26 (Officers)

Appendix 2 Monitoring - Highland Council Pension Fund Work Plan 2024/25

Appendix 3 Performance Indicators

Appendix 4 Budget 2025/26

PENSIONS ADMINISTRATION - APPENDIX 1

Ref	Task	Deadline	Basis of requirement
1.1	Payroll system – roll out of Altair payroll system (Feb 2025) and embedding of new payroll processes.	31 Mar 2025	Efficiency
1.2	Payroll system (immediate payments) – roll out of straight through processing and immediate payments functionality.	30 June 2025	Efficiency
1.3	Action plan to improve performance, capacity and manage workloads – develop plan to manage workloads using data on case processing and available staff resource.	30 April 2025	Efficiency
1.4	Performance reporting – refine Altair Insight reporting to deliver regular key performance indicator (KPI) reporting on the service delivery performance of the Pensions Administration team.	30 June 2025	Efficiency
1.5	Pensions Dashboard Data cleansing – work with Heywood on data cleansing in preparation for the implementation of the Pensions Dashboard (October 2025).	May 2025	Statutory
1.6	Pensions Dashboard – building and testing connection for “go live” in October 2025.	May 2025	Statutory
1.7	Member Self Service (Transformational Member Experience, TME) – continue to support Member Self Service roll-out which will reduce volume of enquiries, allowing staff to focus on technical and other areas and increase take up.	Ongoing	Efficiency

Appendix 1 – Highland Council Pension Fund Work Plan 2025/26 (Officers)

1.8	Employer training - work with Employers to identify training needs/areas for improvement and provide them with regular feedback on their performance.	Ongoing	Statutory
1.9	Staff training – organise structured training programme to develop specialist skills and technical knowledge to support staff recruited in July 2024 and to be recruited in January 2025.	Ongoing	Statutory
1.10	Website and communications – develop website and resources available for members and employers.	Ongoing	Statutory
1.11	Technology – build automated and bulk processes into monthly workloads to increase the efficiency of processes.	Ongoing	Efficiency
1.12	Year-end info from employers - receive and review all pension data from fund employers.	13 May 2025	Admin strategy statement
1.13	Update Pension system with employer information - verify and load data onto system.	30 June 2025	Agreed with Actuaries
1.14	Pension increase (Payroll system) - update pension records on Payroll with Annual Pension increase.	30 April 2025	Statutory

PENSIONS ADMINISTRATION

Ref	Task	Deadline	Basis of requirement
1.15	Pension increase (Altair) - update pension records with Pension increase.	30 April 2025	Statutory
1.16	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 2025	Admin strategy statement
1.17	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 2025	Statutory
1.18	Actuarial Accounting reports - deliver information to Actuaries for the preparation of annual returns for employers.	Depends on Employers' year-end	Admin strategy statement
1.19	Pension Savings Statements issued to members who have breached HMRC Annual Allowance limits and responding to queries.	6 Oct 2025	Statutory
1.20	Quarterly returns to HMRC - Government Gateway return on specific payments.	Quarterly	Statutory

Appendix 1 – Highland Council Pension Fund Work Plan 2025/26 (Officers)

1.21	Annual return to HMRC - Government Gateway return on specific payments.	31 Jan 2026	Statutory
1.22	Annual return to the Pension Regulator - compliance statement.	30 Sept 2025	Statutory
1.23	The Pensions Regulator Single Code of practice – ongoing review compliance and implementation of action plan.	Dec 2025	Statutory
1.24	Pensions Scams - ongoing work to raise awareness of the risks of pension scams to Members and follow Pension Regulator requirements.	Ongoing	Statutory

GOVERNANCE, INVESTMENTS AND ACCOUNTING

Ref	Task	Deadline	Basis of requirement
2.1	Investment Advisor procurement Once the current asset strategy is implemented, a procurement exercise will be completed for the Investment Advisor.	April 2025	Procurement
2.2	Development and implementation of Investment Manager scrutiny framework	30 June 2025	Governance
2.3	TPR – General Code of Practice Complete actions to comply with TPR General Code of Practice	31 March 2026	Governance
2.4	Annual Report and Accounts Preparation of draft Annual Report and Accounts. Develop the reporting to follow best practise.	30 June 2025	Statutory
2.5	External Audit Liaison with external audit on assurance work required for final Annual Report and Accounts.	30 Sept 2025	Statutory
2.6	Annual Report and Accounts Preparation of Final Annual Report and accounts following the External Audit review.	30 Sept 2025	Statutory
2.7	Internal Audit Liaison with Internal Audit on reviews.	Ongoing	Statutory

Appendix 1 – Highland Council Pension Fund Work Plan 2025/26 (Officers)

2.8	Investment Strategy review (Statement of Investment Principles) – completion of final stages of revised asset strategy (approved by Pensions Committee June 2024).	30 June 2025	Statutory
2.9	Local Finance Return for the pensions fund.	31 Oct 2025	Government
2.10	Monthly reconciliations of investment data Review of Fund manager transactions compared to Custodian and update financial ledger.	Monthly	Financial controls
2.11	Office of National Statistics returns Quarterly returns on Pension Fund investments and market values.	Quarterly	Government
2.12	Preparation of Investment Sub Committee reports Regular update reports and ad hoc reports as required.	Quarterly	Financial controls
2.13	Governance policy Annual update prepared and approved by Pensions Committee	9 Oct 2024	Governance
2.14	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
2.15	Risk management Risk register maintained and reported to Pensions Committee	Ongoing	Governance
2.16	Compliance Monitor changes in regulations and legislation and ensure that the Fund is compliant.	Ongoing	Governance
2.17	Cashflow – Monitoring of cash flow position daily.	Daily	Financial

GOVERNANCE, INVESTMENTS AND ACCOUNTING

Ref	Task	Deadline	Basis of requirement
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 2025 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.	Mar 2026	Efficiency
2.20	Financial ledger Development of reporting in CIA financials to streamline financial monitoring processes.	Dec 2025	Financial

PENSIONS BOARD

Appendix 1 – Highland Council Pension Fund Work Plan 2025/26 (Officers)

- | | | | |
|-----|---|------------------------------------|------------|
| 3.1 | <ul style="list-style-type: none">• Consider papers of Pensions Committee• Monitor process for Pensions Committee review of compliance with TPR general code | 12 Feb & 4 Sept | Governance |
| 3.2 | Pension board observers attend ISC | 14 Mar, 13 Jun,
26 Sept, 17 Dec | Governance |

PENSIONS COMMITTEE

- | | | | |
|-----|---|--------|-------------------------|
| 3.4 | Review and approve following <ul style="list-style-type: none">• Service plan and budget 2025/26• Internal Audit plan and internal audit reports• External audit plan• TPR General Code compliance – monitor and review actions• Pensions Admin and Contributions report• Revised Risk Management policy and risk register | 12 Feb | Governance
Financial |
| 3.5 | Review and approve following <ul style="list-style-type: none">• External audit of annual accounts• Audited Annual report and accounts 2024/25• Pensions Admin and Contributions report• Governance Policy Statement 2025/26• Monitoring of retirements report• Risk register | 4 Sept | Governance
Financial |

INVESTMENT SUB COMMITTEE (ISC)

- | | | | |
|-----|---|------------------------------------|-------------------------|
| 3.6 | Review and approve following <ul style="list-style-type: none">• Investment activity update• Review quarterly fund performance | 14 Mar, 13 Jun,
26 Sept, 17 Dec | Governance
Financial |
|-----|---|------------------------------------|-------------------------|

Appendix 2 – Monitoring - Highland Council Pension Fund Work Plan 2024/25

PENSIONS ADMINISTRATION

Ref	Task	Deadline	Progress update
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	Complete (on target)
1.2	Payroll system – roll out of Altair payroll system and training staff to complete payroll processes. <i>Go live date amended from Nov 2024 to Feb 2025</i>	Nov 2024	<i>Revised Feb 2025</i>
1.3	Payroll system –recruiting and training staff to complete payroll processes within the Pensions Administration team.	June 2024	Complete (on target)
1.4	Data cleansing – work with Heywood on data cleansing in preparation for the implementation of the Pensions Dashboard (October 2025).	June 2024	Ongoing
1.5	Employer training - work with Employers to identify training needs/areas for improvement and provide them with regular feedback on their performance.	Ongoing	Complete Training provided April 2024
1.6	Manage workloads – dedicated team will be focused on aggregation calculations. <i>Action plan to manage workloads included in 2025/26 plan.</i>	Ongoing	<i>Revised Plan to be put in place April 2025</i>
1.7	Staff training – organise structured training programme to develop specialist skills and technical knowledge. <i>Knowledge of staff recruited in July is being assessed January 2025 to develop plan for training.</i>	Ongoing	Ongoing
1.8	Website and communications – develop website and resources available for members and employers.	Ongoing	Ongoing
1.9	Technology – build automated and bulk processes into monthly workloads to increase the efficiency of processes.	Ongoing	Ongoing
1.10	Year-end info from employers - receive and review all pension data from fund employers.	13 May 2024	Complete
1.11	Update Pension system with employer information - verify and load data onto system.	30 June 2024	Complete (on target)
1.12	Pension increase (Payroll system) - update pension records on Payroll with Annual Pension increase.	30 April 2024	Complete (on target)
1.13	Pension increase (Pension system) - update pension records with Pension increase.	30 April 2024	Complete (on target)
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	Complete (on target)

Appendix 2 – Monitoring - Highland Council Pension Fund Work Plan 2024/25

Ref	Task	Deadline	Progress update
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	Complete (on target)
1.16	Actuarial Accounting reports - deliver information to Actuaries for the preparation of annual returns for employers.	Depends on Employers' year-end	Complete (on target)
1.17	Pension Savings Statements issued to members who have breached HMRC Annual Allowance limits and responding to queries.	6 Oct 2024	Complete (on target)
1.18	Quarterly returns to HMRC - Government Gateway return on specific payments.	Quarterly	Complete (on target)
1.19	Annual return to HMRC - Government Gateway return on specific payments.	31 Jan 2025	Complete (on target)
1.20	Annual return to the Pension Regulator - compliance statement.	30 Sept 2024	Complete (on target)
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	Ongoing
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	Ongoing
1.23	Pensions Scams - ongoing work to raise awareness of the risks of pension scams to Members and follow Pension Regulator requirements.	Ongoing	Ongoing

Appendix 2 – Monitoring - Highland Council Pension Fund Work Plan 2024/25

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 2024	Complete (on target)
2.2	External Audit Liaison with external audit on assurance work required for final Annual Report and Accounts.	30 Sept 2024	Complete (19/11/2024)
2.3	Annual Report and Accounts Preparation of Final Annual Report and accounts following the External Audit review.	30 Sept 2024	Complete (19/11/2024)
2.4	Internal Audit Liaison with Internal Audit on reviews.	Ongoing	Ongoing
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	Complete (24/06/2024)
2.6	Local Finance Return for the pensions fund.	31 Oct 2024	Complete (11/11/2024)
2.7	Monthly reconciliations of investment data Review of Fund manager transactions compared to Custodian and update financial ledger.	Monthly	Complete
2.8	Office of National Statistics returns Quarterly returns on Pension Fund investments and market values.	Quarterly	Complete
2.9	Preparation of Investment Sub Committee reports Regular update reports and ad hoc reports as required.	Quarterly	Complete
2.10	Governance policy Annual update prepared and approved by Pensions Committee	9 Oct 2024	Complete (on target)
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	Complete (on target)
2.12	Risk management Risk register maintained and reported to Pensions Committee	Ongoing	Ongoing
2.13	Compliance Monitor changes in regulations and legislation and ensure that the Fund is compliant.	Ongoing	Ongoing
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	<i>On hold due to other work priorities</i>
2.15	Cashflow – Monitoring of cash flow position daily.	Daily	Ongoing

Appendix 2 – Monitoring - Highland Council Pension Fund Work Plan 2024/25

Ref	Task	Deadline	Progress update
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	On hold as focus was to implement SIP approved June 2024
2.17	Investment Advisor procurement Once the current asset strategy is implemented, a procurement exercise will be completed for the Investment Advisor.	June 2024	<i>Revised to April 2025 due to support being provided by Advisor on strategy review</i>
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.	Ongoing	Ongoing
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	<i>Revised to Mar 2026 due to other work priorities</i>
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	Complete (June 2024)

Appendix 3 – Service Performance Indicators

There will be regular performance reporting against these targets to senior management and Committee.

	Target	Target days	Target 2025/26 % on target
1	Monthly pensions payroll paid on time (last working day of month)	-	100%
2	Level of sickness absence	-	<4%
3	A minimum of two days training for all staff for the year.	-	100%
4	Unqualified Audit opinion	-	100%
5	Respond in writing within 20 working days to formal complaints that have escalated from frontline resolution, or recorded directly as an investigation	20	90%
6	Annual Benefit Statements - issued by 31 August	-	100%
7	Pension Savings Statements - issued by 6 October	-	100%
8	Annual Pensions increase – processed and paid by 30 April	-	100%
9	TPR data quality score – common data quality	-	90%
10	TPR data quality score - scheme specific	-	90%
11	New starts – processing of new scheme members	15	95%
12	Refunds – processing and payment of refund in receipt of members election to a refund of contributions	7	90%
13	Deferred members – calculation of future retirement benefits for early leavers from scheme within immediate access to benefits	20	80%
14	Retirals - quotation of expected retiral benefits on member's retirement	20	80%
15	New retirals –retirement will be processed 10 days from the point of receiving all relevant information. Where the required 2-month notice period has been observed and all the relevant information received, first pension payment will be on the last banking day of the month of retiral. Otherwise, first pension payment will be on the last banking day of the next available month following the receipt of all relevant information	10	95%
16	Retirement lump sums - retirement will be processed within 10 days from the point of receiving all relevant information with Retirement lump sums paid within 7 working days from the date of the notification issued to the members.	-	95%
17	Contributions income received by 19 th of the month following deduction	-	95%

Appendix 4 – Budget

	Annual Budget 2024/25	Forecast Year End 2024/25	Proposed Annual Budget 2025/26	Annual Budget 2026/27	Annual Budget 2027/28
<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	30	30	30	30
Bank charges	2	2	2	2	2
Other charges (pension levy, tax certification)	3	3	3	3	3
Pensions administration staff	1,036	1,036	1,320	1,371	1,420
Central support charge (internal ICT support, property costs, payroll, business support)	156	156	162	168	175
Computer and ICT (external providers)	600	600	460	400	400
Fares, travel, accommodation	1	1	2	2	2
Printing and stationery	1	2	1	1	1
Postages	4	4	4	2	2
Other Pension Admin costs	8	8	8	8	8
Total	1,822	1,848	1,998	1,993	2,049
<u>Oversight and governance</u>					
Actuarial Fees	100	100	100	150	100
Audit Fees	36	44	45	46	47
Pension Investments and Accounting staff	262	142	271	286	302
Central support charge (internal ICT support, internal audit, payroll, business support)	21	21	22	23	24
Training	5	5	10	10	10
Subsistence and travel	1	1	1	1	1
Investment Consultant Fees	100	150	100	100	150
Performance Management Fees (custodian)	50	50	50	50	50
Legal and Tax Expenses	10	10	10	10	10
Total	585	523	609	676	694
<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
Fund Manager fees	10,288	10,288	10,556	10,826	11,096
Total	11,088	11,138	11,356	11,626	11,896
Overall total	13,495	13,509	13,963	14,295	14,639