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Shropshire Council

Shropshire Council
Legal and Democratic Services
Guildhall,
Frankwell Quay,
Shrewsbury
SY3 8HQ

Date: Thursday, 3 September 2026

Committee:
Pensions Board

Date: Friday, 11 September 2026
Time: 10.00 am
Venue: Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ

You are requested to attend the above meeting. The Agenda is attached

There will be some access to the meeting room for members of the press and public, but this will be limited. If you wish to attend the meeting please email democracy@shropshire.gov.uk to check that a seat will be available for you.

Please click here to view the livestream of the meeting on the date and time stated on the agenda*

The recording of the event will also be made available shortly after the meeting on the Shropshire Council Youtube Channel Here

Richard Phillips
Service Director – Legal and Governance (Monitoring Officer)

Members of Pensions Board

Member Representatives
John Hall
Nick James
Andy Watkin

Employer Representatives
Liz Furey
Paul Partridge
Sarah Leese

Your Committee Officer is:
Michelle Dulson Committee Officer
Tel: 01743 257719 Email: michelle.dulson@shropshire.gov.uk

When attending this meeting, Members are reminded of the three principles of the Jo Cox Foundation and Compassion in Politics Civility Pledge:

1. *Use a civil and constructive tone in debate*
2. *Act with integrity, honesty and compassion*
3. *Behave respectfully towards others, including those I disagree with*

*(Please note that while we strive to live stream meetings, technical issues may occasionally occur. In the event of a technical disruption, the meeting will be paused to try to resolve the issue. Should it not be possible to resume the live stream, the meeting will proceed as scheduled, and a backup recording will be made available after the meeting. Any disruption to the live stream does not affect the legality of the meeting).

AGENDA

1 Apologies

To receive apologies for absence.

2 Declarations of Conflicts of Interest

Members are reminded that they should declare any interests which may lead to conflicts of interest in the subject area or any specific agenda item of this meeting. A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Pension Board. It does not include a financial or other interest arising merely by virtue of that person being a member of the LGPS.

3 Minutes of the previous meeting (Pages 1 - 6)

The Minutes of the meeting held on 1 May 2026 are attached for confirmation.
Contact: Michelle Dulson (01743) 257719

4 Public Question Time

To receive any questions from the public, notice of which has been given in accordance with Procedure Rule 14. The deadline for this meeting is 12noon on Monday 7 September 2026.

5 Administration and Regulatory Updates (Pages 7 - 26)

Report attached.
Contact: Vicky Jenks 01743 252192

6 Governance Update (Pages 27 - 48)

Report attached.
Contact: Vicky Jenks 01743 252192

7 Pensions Committee Reports and Feedback

For Board Members to raise any questions following the recent Pensions Committee meeting.

Please click on the link below to access the reports considered by the Pensions

Committee at its meeting on 19 June 2026.

[Agenda for Pensions Committee on Friday, 19th June, 2026, 10.00 am — Shropshire Council]

8 **Date of Next Meeting**

The next meeting of the Pensions Board will be held at 10.00am on Friday 6 November 2026.

9 **Exclusion of Press and Public**

To RESOLVE that in accordance with the provision of Schedule 12A of the Local Government Act 1972, Section 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations and Paragraphs 3 of the Council's Access to Information Rules, the public and press be excluded during consideration of the following items.

10 **Exempt Minutes (Exempted by Category 3)** (Pages 49 - 50)

The Exempt Minutes of the meeting held on the 1 May 2026 are attached for confirmation.
Contact Michelle Dulson (01743) 257719

11 **Economic Update (Exempted by Category 3)** (Pages 51 - 60)

Report attached.
Contact: Peter Chadderton 07990 086399

12 **Pensions Committee Exempt Reports and Feedback (Exempted by Category 3)**

For Board Members to raise any questions following the recent Pensions Committee meeting.

Please click on the link below to access the reports considered by the Pensions Committee at its meeting on 19 June 2026.

[Agenda for Pensions Committee on Friday, 19th June, 2026, 10.00 am — Shropshire Council]

Committee and Date

Pensions Board

11 September 2026

PENSIONS BOARD

Minutes of the meeting held on 1 May 2026
In the The Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ
10.00 - 11.17 am

Responsible Officer: Michelle Dulson
Email: michelle.dulson@shropshire.gov.uk Tel: 01743 257719

Present
Member representatives: John Hall (Vice-Chair), Nick James, Andy Watkin
Employer representatives: Liz Furey (remote)

37 **Apologies**

Apologies were received from Paul Partridge (Employer representative) and Sarah Leese (Employer representative).

38 **Declarations of Conflicts of Interest**

No conflicts of interest were declared.

39 **Minutes of the previous meeting**

RESOLVED:

That the Minutes of the meeting held on 23 January 2026 be approved and signed by the Chairman as a correct record.

40 **Public Question Time**

Two public questions had been received, one from Dr Jamie Russell, read by Mr Sharuff Morsa and one from Ms Joanna Blackman. Responses were read by the Head of Pensions – LGPS Central Senior Officer.

In response to a supplementary question from Joanna Blackman, the Board confirmed that the AMOC risk had not yet been discussed in detail, as the findings were very recent.

A full copy of the questions and responses provided are attached to the webpage for the meeting.

41 **Administration and Regulatory Updates**

The Board received the report of the Pensions Administration Manager which provided Members with the latest administration and regulatory updates affecting the Local Government Pension Scheme.

The Pensions Administration Manager introduced and amplified her report which updated Members on the work undertaken by the pensions administration team

She reported that the KPI chart in Appendix A reflected performance from April 2025 to March 2026, with good averages across most KPIs. However, some areas, particularly transfers, required improvement. The team had shifted from a multifunctional approach to a skillset-targeted model, which was still embedding. The current focus was on clearing older cases, and improvements in KPI outcomes were expected once this backlog had been addressed.

It was noted that increased staff turnover had necessitated frequent recruitment and training, which had temporarily impacted process efficiency.

Significant regulatory changes effective from April required the team to review retrospective cases and ensure new rules were applied to benefit calculations. A team day was scheduled to gather feedback on training needs and process preferences for handling retrospective work.

The help desk continued to receive a high volume of calls and emails. Registrations for My Pension Online had reached nearly 60%, facilitating easier digital communication. However, 40% of members not online would require paper communications for regulatory disclosures.

Employer data submissions were generally timely and accurate, with occasional delays linked to payroll provider changes. These issues were actively managed to prevent recurring problems.

The team has completed the fund valuation, was preparing for the pensions dashboard rollout (expected next year), had applied pension increases effective from April, and were working on projects related to new regulatory requirements.

During the discussion, questions were raised regarding the decision to develop "Penny the Pension Bot" independently rather than in partnership with other organisations. It was explained that the bot was developed in collaboration with Shropshire Council’s ICT team, but its current version was limited in sophistication, relying on a static information bank. The Council was developing a more advanced bot, which the pension team would consider adopting when available. The team also evaluated customer service tools from their pension software provider, balancing cost and functionality.

A follow-up question asked whether Shropshire members’ questions differ from those in other local pension schemes. It was confirmed that while questions were generally similar, phrasing varies, and the bot’s effectiveness depended on how questions were asked. The team supplemented the bot with website signposting and a help desk for more complex queries.

Further clarification was sought on the bot’s operation. It was confirmed that it functioned similarly to a bank’s chat assistant, matching keywords to a static information bank, and that more sophisticated bots could search more widely for answers.

It was also asked whether the bot reduced help desk workload. It was confirmed that it helped with generic questions but that complex cases were still referred to the help desk for personalised support.

A question was raised about collaboration with South Yorkshire on dashboard policy. It was confirmed that ongoing collaboration was taking place, with teams across the country sharing workload and best practices, especially regarding the pensions dashboard.

RESOLVED:

That the contents of the report be noted.

42 Governance Update

The Board received the report of the Pensions Administration Manager which provided an update on the Breaches of LGPS regulations recorded between 1 April 2025 and 28 February 2026 affecting the Shropshire County Pension Fund. Updates on all other governance issues were also included within the report along with an update on the number of stage 1 and 2 appeals which had been received under the Internal Disputes Resolution Procedure (IDRP).

The Pensions Administration Manager introduced and amplified the report and explained that the report was now being made public for transparency, but that any items requiring confidentiality would be brought as separate reports. The purpose of the governance report is to provide updates on policy reviews, the establishment of new policies, and to ensure the board had the opportunity to review and comment on these before they proceeded to the Pensions Committee for approval. The timing of Board and Committee meetings has been adjusted to facilitate this process.

The report included information on the breaches log, which records instances where employers, the fund, Committee, or Board have not met expected timeframes. It was noted that breaches were infrequent and generally minor, most commonly involving late receipt of information from employers, often due to changes in payroll providers. Efforts were ongoing to resolve such issues promptly.

A comprehensive review of several policies had been undertaken, including the Conflicts of Interest Policy, Data Retention Policy, Data Improvement Strategy and Work Plan, and the Communications Policy. The fund was moving towards developing its own policies, particularly in areas where reliance on Council Policies was no longer appropriate due to recent regulatory changes and the drive for good governance. For example, a dedicated data retention policy for the fund had been created.

The Medium-Term Business Plan was also included in the report, outlining plans for resource allocation and the management of upcoming work. The importance of training was emphasised, with a focus on developing a training plan to ensure Board Members were equipped to understand the range of topics discussed, including administration, governance, and investment matters. Training sessions were planned for later in the year.

The new requirement for an Independent Governance Review every three years was discussed, specifically regarding the options available and the challenges in identifying a provider who was truly independent. It was explained that the pool of suitable providers was small, and that all funds would be seeking such reviews within the same timeframe, which may create practical difficulties in terms of timing and procurement. Further guidance was awaited, and once received, the fund would determine the best timing and provider for the review. It was also clarified that the review must be conducted by a professional organisation and could not be replaced by a peer review, although the scheme advisory board was developing a peer review system for additional support.

A question was raised regarding the Conflicts of Interest Policy, specifically about the use of the term "board" and whether it referred to the Pension Board or another body. It was clarified that "board" referred to the local Pension Board, and that the updated policy now also incorporated the Committee, moving away from reliance on the Council's conflicts of interest policy for Committee Members.

Another question concerned the scope of the Conflicts of Interest Policy, particularly whether it addressed more than financial conflicts and how to determine when a strongly held opinion constituted a conflict that must be disclosed. It was explained that the policy covered all types of conflicts, not just financial ones, and that a strongly held opinion became a conflict when it could influence a Member to act in their own interest rather than in the interest of all Members.

The Board was invited to provide any feedback on the Policies before they proceed to Committee for approval at the next meeting.

RESOLVED:

To note the contents of the report, along with the contents of Appendices A – F.

43 **Pensions Committee Reports and Feedback**

The reports considered by the Pensions Committee at its meeting on 20 March 2026 had been received by the Board.

44 **Date of Next Meeting**

The next meeting would be held on Friday 11 September 2026 at 10.00am.

45 **Exclusion of Press and Public**

RESOLVED:

That in accordance with the provision of Schedule 12A of the Local Government Act 1972, Section 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations and Paragraphs 3 of the Council's Access to Information Rules, the public and press be excluded during consideration of the following items.

46 **Exempt Minutes (Exempted by Category 3)**

RESOLVED:

That the Exempt Minutes of the meeting held on 23 January 2026 be approved and signed by the Chairman as a correct record.

47 **Economic Update (Exempted by Category 3)**

The Board received the exempt report of the Pensions Investment and Responsible Investment Manager which provided an update on the general economic conditions since the last update, along with the impact on the pension fund investments for 2025/26.

RESOLVED:

That the contents of the report and Appendix A be noted.

48 **Pensions Committee Exempt Reports and Feedback (Exempted by Category 3)**

The exempt reports considered by the Pensions Committee at its meeting on 20 March 2026 had been received by the Board.

Signed .... (Chairman)

Date: ....

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Board	Pension Board
Date and Time	11 September 2026 10am Public

Administration and Regulatory update

LGPS

Lead Director:	Justin Bridges – LGPS Senior Officer – Head of Pensions
Service Area:	Pension Fund – Finance
Report Author	Vicky Jenks Pensions Administration Manager
Officer contact details	01743 252192 vicky.jenks@shropshire.gov.uk

1. Purpose of Report

1.1 This report provides the Pension Board with an update on administration performance, team capacity, key project delivery, and recent regulatory changes. Most KPI measures met the 95% target during quarter 1, with targeted action underway where performance is below target. The report also summarises progress on Pension Dashboards, Annual Benefit Statements, McCloud remedy work, Access and Fairness changes, employer performance, and communications activity.

2. Recommendations

The Board is asked to:

2.1 Note and comment on the KPI chart and the information provided on KPIs that are not currently meeting the 95% target for completion within statutory timescales, including the actions being taken to address this. (Appendix A)

2.2 Note the progress and completion of key activities from the Fund business plan for Q1 2026-27. (Appendix B)

2.3 Note the progress of the Pension Dashboard implementation which is provided in the separate update report. (Appendix C)

3. Summary of Main Proposals

3.1 The main proposals in the report relate to actions required to ensure the pensions administration team can continue to deliver the statutory requirements of the Fund effectively. These include reviewing the resources and technology available to ensure the service can meet the needs of all stakeholders.

4. Key Risks and Opportunities

4.1 Performance is considered and monitored to ensure regulatory timescales and key performance indicators are met. Strategic administration risks are identified, managed, and reported to committee on an annual basis. Key risks relating to project work are also reported through project plan updates.

5. Financial Implications

5.1 The administration budget is set each year and monitored to ensure that the work of the team is achieved within this. Any additional costs are subject to approval by the Head of Pensions.
5.2 Costs are met by the pension fund and have no direct impact on the revenue budget for the Council.

6. Legal and HR Implications

6.1 The Pension Fund is legally obliged to follow the LGPS Pension Regulations and any other regulations relating to the administration of a pension scheme. Failure to do so could lead to regulatory fines and loss of confidence in the service.
6.2 The Fund will need to report McCloud-related cases to The Pensions Regulator where they have not been completed by the expected deadline.

6.3 The report identifies HR implications relating to resource management, workload planning, staff consultation, and changes to work allocation. The introduction of revised work allocation arrangements, based on skills and capacity, will need to be monitored to ensure work is distributed fairly and consistently, while supporting staff development, knowledge retention, and service resilience. Additional regulatory and project requirements may also create further staffing pressures, and the management team will continue to review whether additional posts, training, or changes to working practices are required. Staff will continue to be consulted on proposed changes and encouraged to contribute to process reviews.

7. Equality and Diversity Implications

7.1 Access and Fairness changes for pension scheme members are expected to have positive equality implications. The changes include fairer survivor benefit rules for eligible spouses and civil partners, protections relating to unpaid child-related leave, and improved opportunities to buy back pension lost during unpaid absence. The fund will need to ensure communications are clear, accessible, and targeted so affected members understand the changes and any action they may need to take.

8. Climate Change, Biodiversity and Environmental Implications

8.1 Climate Change, Biodiversity and Environmental implications are not detailed in this report.

9. Performance and Team Update

9.1 The team's output and performance for the period 1 April 2026 to 30 June 2026 is available at Appendix A. The chart shows that 11 of the 14 KPIs achieved the target of at least 95% of cases completed within the legal timeframes.

9.2 From February 2026, we introduced a new process for allocating work within the Membership and Benefits team. Cases are now distributed according to individual skill sets and capacity, rather than alphabetical split, where all Officers manage multiple types of casework such as retirements, deaths, and transfers. This new approach also considers staff absences and project commitments.

9.3 We are monitoring the success of this change and have seen an improvement in the number of transfer tasks processed within the KPI timeframe. Officers have also confirmed that they prefer the new way of working. However, we need to establish a rotation routine, so Officers retain knowledge and skills in areas of work they have moved away from. Discussions with those affected are ongoing to determine how this can best be managed.

9.4 For early leaver cases, we are also seeing an improvement in the number of cases being processed within the KPI timeframe. This is due to the recruitment of two new Pensions Assistants who are becoming fully trained in this area of work.

9.5 A project plan has been set up to manage the retrospective cases relating to the equalisation of partner benefits and removal of the age 75 death grant cap. Guidance has been issued to instruct funds on the actions that need to be completed and the timescales for completion.

9.6 We are considering the resources needed for additional work created due to the changes required for Access and Fairness, Access and Protections, and Fit for the Future new governance requirements.

9.7 A number of the team are studying for Level 2 and Level 3 qualifications, which supports their continued professional development.

10. Communications

10.1 The following chart shows statistics on work undertaken by the helpdesk team that is not covered by the workflow system or reported within the wider team statistics in Appendix A.

	April 26	May 26	June 26
Telephone calls received to helpdesk	613	682	647
% of calls answered	96%	95%	98%
Contact us forms and Emails received to pensions inbox	848	1108	972
% responded to within 10 working days	100%	100%	100%
My Pension Online activation keys issued	97	128	70
Incoming post received (items per day)	112	68	101
1-2-1 video meetings	7	10	12
Users visiting the website*	741	1036	659

*** Where cookie has been accepted to track access**

10.2 Penny the Pensions Bot, available through our website, continues to support members by answering their questions. The chart below shows the accuracy of responses provided. Use of the Bot and its accuracy levels have not improved. Each month, the team reviews the questions asked and the responses given. In most cases where accuracy is below 100%, the question asked is not specific enough. For example, the Bot can answer the question “Can I stop paying into the pension scheme?” with 100% accuracy, but may be unable to respond correctly if the member simply asks, “Can I stop paying in?”

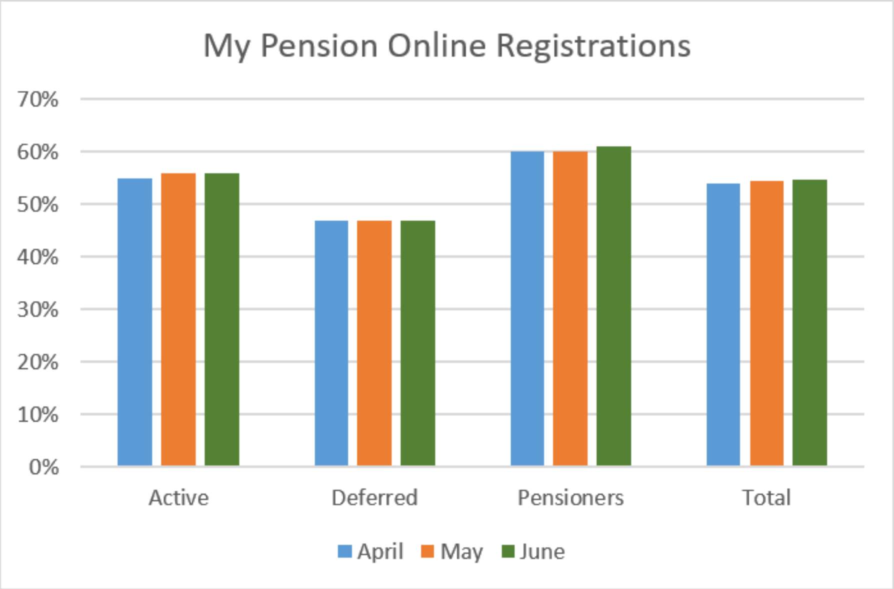
10.3 A more sophisticated bot would be able to interpret the member’s intent rather than relying mainly on exact wording. This would allow it to respond more effectively to vague or incomplete questions, ask follow-up questions where clarification is needed, and guide members to the most appropriate information or next step. By contrast, a more basic bot is more dependent on users asking questions in a specific format, which can limit accuracy where the wording is unclear. The team will be implementing a new bot as part of the work we are completing to update the fund’s website; this is scheduled to go live at the beginning of 2027.

026/2027	Apr	May	Jun
Questions submitted	118	201	78
Asked an expert	7	22	8
Accuracy %	77	76	66

10.4 The table below shows the percentage of members who have registered for 'My Pension Online' by the different member types in the Fund.

10.5 In preparation for Pension Dashboard, and to encourage more deferred members to actively engage with their pension held by Shropshire, we are planning a communication exercise targeting individuals who are not registered.

10.6 Members for whom we hold an email address have recently been contacted to let them know that their Annual Benefit Statement is available online. Each year, this communication usually leads to an increase in members registering for and using the platform to view their statements.



11. Employer Performance

11.1 In line with the Shropshire County Pension Fund administration strategy, employers must pay their contributions and lump sum deficit payment by the 19th of the month. Accompanying data must also be submitted via i-Connect by this date. The table below shows the percentage of employers who have made payments by the deadline for the year 1 April 2026 to 30 June 2026.

11.2 This table also includes information about employers who make monthly deficit lump sum payments, which form part of employer contributions. Information about employers who did not meet these deadlines is covered in the governance report via the reported breaches chart.

	i-Connect Submissions on time	Contributions paid on time	Lump sum deficit payments paid on time
Average for the Quarter	**87%**	**98%**	**89%**

April 2026	87%	97%	89%
May 2026	86%	100%	100%
June 2026	88%	97%	77%

11.3 During the last quarter, an average of 98% of monthly payroll contributions were received by the due date. Delays were minimal and occurred where payment was received one or two days late, often because the due date fell at a weekend and payment was not made on the preceding Friday.

11.4 Lump sum deficit payments were lower on average, at 89%. This was mainly due to separate payments being required for schools within a Multi Academy Trust, where all related payments were made late. The June figure was lower for this reason, as the due date fell at a weekend and payment was not made by the deadline.

11.5 Although monthly payments were generally received on time, i-Connect data submissions were lower, averaging 87% for the quarter. This was due to three Multi Academy Trusts changing payroll providers. Two moved to the same provider, leading to ongoing data submission and reconciliation issues. Further details are set out below:

- One Trust has 12 schools; each treated separately for pension purposes with individual employer contribution rates. The Trust changed payroll provider in September 2025. Since then, there have been monthly issues with late data submissions and reconciling data to payments. Although payments have been made on time, the team has been unable to allocate them to accounts until the data discrepancies are resolved, creating additional work. Despite ongoing engagement with the Trust and payroll provider, the issues remain unresolved and the Trust has been reported to The Pensions Regulator.
- One Trust has 4 schools, each treated separately for pension purposes, and changed payroll provider in April 2026. Submissions were late during the first quarter but have since been received on time.
- One Trust has 2 schools and changed payroll provider in April 2026. Similar issues have arisen to those experienced by the Trust with 12 schools, as both use the same payroll provider. These issues are being monitored.

12. Projects

12.1 The Fund's business plan for 2026/27, with comments on activities undertaken during Q1, is available at Appendix B. The plan is being reviewed to incorporate the additional work the team will need to complete in relation to regulatory changes.

Pension Dashboards – See Appendix C for the latest project report. The team is now reviewing how queries from the dashboard should be answered and the timescales within which responses must be provided. New functionality will be purchased within the pension software system to assist with member queries where personal data does not match, such as surname or address. We are also reviewing additional staffing requirements for the ongoing work that will be created across the Systems and Communications teams.

Year End – The team has completed the year-end reconciliation of data and contributions received for all employers in the Fund.

Annual Benefit Statements – Annual Benefit Statements were sent out ahead of the 31 August deadline.

- **Deferred Members (no longer contributing):**
  A total of 18,275 statements were produced:
  356 were sent out as paper statements
  17,919 were issued to members' individual accounts on My Pension Online.
- **Active members (contributing):**
  A total of 16,070 statements were produced
  238 were sent out as paper statements
  15,832 were issued to members' individual accounts on My Pension Online.

New functionality available on 'My Pension Online' provides a personalised video that explains the figures on a member's statement. A newsletter providing a recap of the regulation changes that came into force from 1 April 2026 has also been issued.
We have also introduced Electronic Identification Verification for members when they create their 'my pension online' accounts. This is an additional security feature which provides the highest level of protection to our members.
We also have Multi Factor Authentication (MFA) for members when they log in so that a message is sent to either their email or mobile number to confirm it is them logging into their accounts.

McCloud - The team have worked well to complete as much of the additional work created by the Age Discrimination remedy by the 31 August deadline. However, we do have some outstanding cases that we are still working through. These are:

- Trivial commutations where a member retired and took a one-off lump sum and may now be due an extra payment as they have a McCloud guaranteed addition
- *Revisiting pension sharing on divorce cases with a transfer date before 1 October 2023.
- *Transfers in over age 65 where the member is transferring in remediable service.
- *Calculating non-club transfers to a club scheme.

*For the remaining cases listed above guidance is still outstanding and so we are unable to provide a timescale for completion

The legislation states that these cases must be done without 'undue delay.' The expectation, set out in the statutory guidance, is that this work will be completed by the end of the implementation period – 31 August 2025. But flexibility to extend the implementation period to 31 August 2026 for certain members or groups of members is set out in the statutory guidance. The committee approved the extension to this time limit for fund officers to complete the work.

However, due to workloads and capacity on the team, there are some cases we will not be able to complete by the deadline, we are working through a list of 171 trivial commutations, (where a member has retired and received a one-off lump sum rather than an ongoing pension) to identify if any of these cases will need to be recalculated, we hope to get this work completed by 31 October 2026.

We will need to report the cases that have not been completed to the Pensions Regulator, as they have directed Admin Authorities to do so in this statement [Reminder: McCloud remediable service information](). We understand that the majority of funds will be reporting to TPR for not meeting the deadline, due to outstanding guidance, software not being updated and capacity issues.

13. Staffing

13.1 Recent staffing changes are becoming embedded; however, new, and anticipated requirements over the next year mean the management team is considering whether additional posts are needed to ensure the service can deliver all required work. Additional posts have already been created within the Membership and Benefits team, and we will now review the need for further posts within the Communications and Governance, and Systems and Employer Relations teams.

14. Regulatory Updates

14.1 The Access and Fairness scheme changes for the LGPS Pension Scheme that were detailed in the May report have now come into force:

Key Changes

- **Fairer Survivor Benefits:** Survivor pension rules are being updated so eligible spouses and civil partners are treated equally. The team have identified and will need to review cases retrospectively and pay any arrears due and ensure all future cases are calculated correctly. The administration software will need to be updated to reflect the changes to the requirements.
- **Death Grants:** The age limit for death grant eligibility has been removed for deaths after 1 April 2014, including for those who died over age 75. The team have identified cases that will need to be reviewed and recalculated. Work to trace personal representatives will need to be completed
- **Faster Payments:** The previous two-year limit before a tax charge on Death Grants is removed.

Gender Pension Gap Remedies:

- Unpaid breaks under 15 days count towards your pension.
- You can buy back pension lost during unpaid breaks over 14 days, with employers able to contribute for absences over three years.
- The deadline to decide on buying back lost pension is extended from 30 days to one year if you are still employed.
- Child-related leave now includes unpaid maternity, adoption, and shared parental leave.

14.2 The Fund has communicated the changes with employers in the Fund to ensure they have updated their processes to take account of this.

14.3 All affected pension scheme members have also received a communication from the Fund to notify them of the changes.

14.4 Details regarding the additional governance requirements from the Fit for the Future legislation are detailed in the Governance report.

15. LGPS England & Wales Scheme Advisory Board (SAB) Review

15.1 Fit for the Future – Guidance – the Board published a statement following the release of statutory guidance supporting the 'Fit for the Future' reforms. The statement is from the Board Chair, Cllr Roger Phillips OBE, and the LGA Head of Pensions and Board Secretary, Clair Alcock.

Board statement following release of statutory guidance supporting 'Fit for the Future' | LGPS Board

15.2 The guidance explains how the new Independent Person and Senior LGPS Officer roles should operate, both independently and together. The Board recognises these roles as a significant governance development and acknowledges funds' work to implement them.

15.3 Funds must also review and update policies and processes to meet the new requirements. The governance guidance sets out the Independent Governance Review requirements.

15.4 2025 Actuarial Valuations - The Board has published a report summarising the recently completed 2025 local fund valuation exercise, comparing the results with 2022 and covering the assumptions used, investment strategies and the gender pensions gap.

15.5 The Board also published a news article highlighting the strong interest in the 2025 results, partly due to improved funding positions and wider discussions about public sector finances. Average funding levels increased from 107% in 2022 to 122% in 2025, based on local funding bases, while average employer contribution rates fell from 21.1% of payroll to 16.5%.

15.6 The Board welcomed funds sharing the benefits of stronger funding positions with participating employers, while stressing the need to balance current affordability with the Scheme's long-term sustainability.

Background Papers

1. Administration and Regulatory update May 2026

Appendices

Appendix A - KPI chart April to June 2026
Appendix B - Fund business plan 2026-27
Appendix C – Dashboard Project plan update

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KPI Performance Dashboard

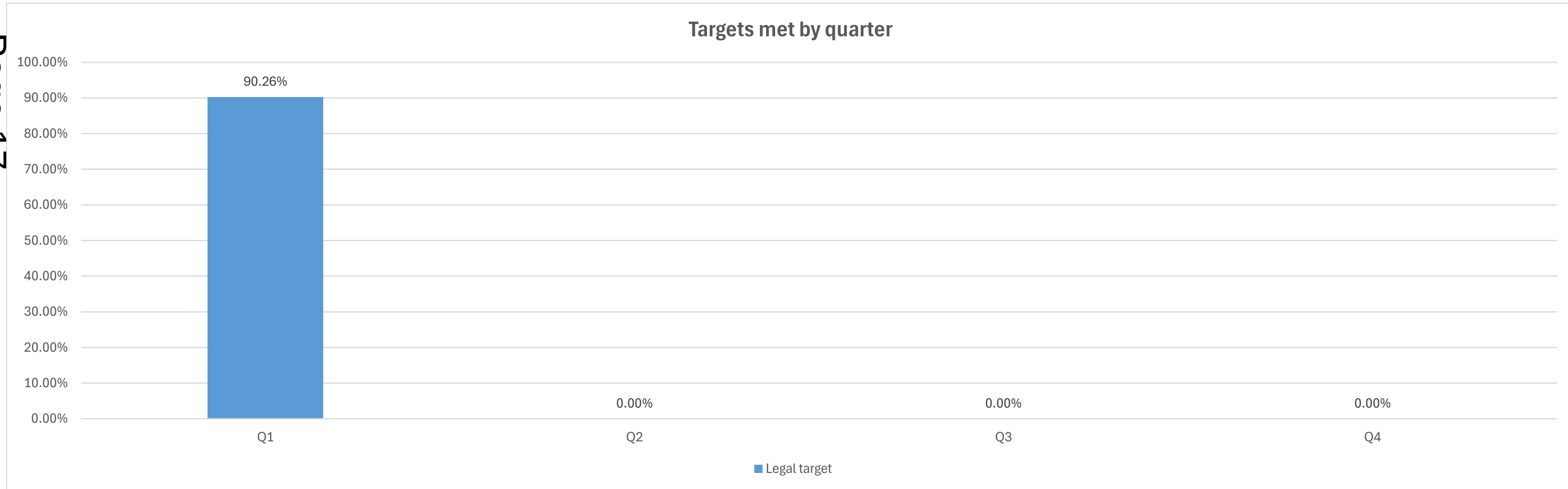
Pension Administration KPI's | April 2026 to March 2027

Shropshire County Pension Fund

TOTAL CASES	LEGAL TARGET Q1	LEGAL TARGET Q2	LEGAL TARGET Q3	LEGAL TARGET Q4	OVERALL AVERAGE
1,767	**90.26%**	**0.00%**	**0.00%**	**0.00%**	**90.26%**

QUARTERLY WORKLOAD

	Q1	Q2	Q3	Q4	TOTAL
Cases	1,767	0	0	0	1,767
Legal target	90.26%	0.00%	0.00%	0.00%	90.26%



SERVICE PERFORMANCE DETAIL

Service	Annual cases	Legal target
Death acknowledgement	117	100.0%
Dependants pension	96	96.9%
Deferred quotation	34	97.1%
Active quotation	53	98.1%
Deferred retirement actual	152	94.1%
Active retirement actual	105	99.0%
Lump-sum payment	322	98.1%
Deferred benefit options	261	55.9%
Transfer in	108	51.9%
Transfer out	69	87.0%
Refund payment	78	98.7%
Divorce quotation	36	100.0%
Member estimates	99	94.9%
Aggregation cases	237	92.0%

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Pensions Administration & Investment Quarterly Updates

Project Name	Context	Actions	July 2026 Update Q1	
Administration			**Progress**	**Status**
Implementation of regulations changes from 1 April 2026	Access and Fairness, Access and Protection changes	Review changes, communicate these to members by 30 June (Disclosure) team training, update processes and information	Work ongoing to establish changes required to process and new things that need to be introduced	Ongoing
Year-end 2025/2026	All records to be checked from postings. All employer forms to be reconciled to total of monthly postings	Data cleansing to be undertaken following last i-Connect submission for March 2025. Reconciliation forms and communication to employers to be issued February 2026. Forms reconciled to accounts. Information from employers received by 30th June 2026.	Data cleansing is complete except one employer and some queries sent back to employers for reconciliation.	G - On Track
Annual Benefit Statements (Active and Deferred)	All Annual Benefit Statements issued by 31 August	Project plan to be put in place by 31st March 2025. Statement preparation to commence following completion of year end processes.	Deferred statements produced, uploaded to Engage and paper statements posted out via Bluprint. Work has started on the Active statements.	G - On Track
Preparation of Pension Fund Annual Report	To produce annual report by statutory deadline of 1st December 2025	Project plan to be put in place by March 2025. Review new guidance when available. This will be compulsory from 2025. Draft version available to be signed off by September 2025 pension committee.	All information collated and sent to Pop Creative 23/06/26 to produce the first draft. First draft received, proofed and sent back to Pop Creative to make amends 27/07/26. Second draft received 30/07/26 to be reviewed by senior officers.	G - On Track
SAB Good Governance Fit for the Future Requirements	To demonstrate compliance with any recommendations/regulation changes put in place	Review guidance when available. Some of the recommendations were part of the Fit for the Future consultation and will be taken forward following the Government's response to this.	Guidance has been reviewed and looking at what needs to be done to update the constitution. Training provided to Board and Committee on the requirements. Procurement of the independent person to be carried out.	Ongoing
Review of Bonds (Employer guarantor)	For certain types of admitted bodies a Bond is required to provide an assurance that contributions can be collected in the event of an employer having financial difficulties	As part of the valuation process Bond values are reviewed. The administration team need to liaise with employers to ensure bonds are put in place and reviewed before they expire	Review has been undertaken and employers have been contacted for revised bonds.	Complete
External Audit of Pension Fund	Annual requirement	Providing information required within the agreed timescales.	Preparation work for external audit was completed March and audit are now working through samples and contacting the team with any queries.	G - On Track
Production of Pension Savings Statements	Comply with HMRC regulations	Identify the members who have breached the annual allowance. Provide a pension saving statement by the 5th October 2026 deadline.	M&B team working through Annual Allowance queries to fix any records that require it to allow statements to be sent by 05/10/26.	G - On Track
Pensions Increase 2026	To ensure pensioners and deferred are uprated with annual increase amount	Bulk process to update the system with the confirmed CPI increase on 8th April 2026.	Completed and on time.	Complete
Pensions Dashboard Implementation	Implement in line with national guidelines by October 2026.	Implementation of the ISP in order to connect to Dashboards. Implementation of address tracing, mortality and bank account verification included as part of this project.	Processes being reviewed to look at reporting and queries that come via the Dashboard.	G - On Track
Bulk Revaluation	Annual CARE uprating to be applied to active records	Bulk process to be run after year end postings are complete in May/June 2026.	Completed and mop-up completed too.	Complete
P60 to Pensioners	To produce a P60 for pensioner members by 31st May	Following year end 2025/26 payroll processes run P60 production in end March/April 2026.	Completed April 2026.	Complete

Pensions Administration & Investment Quarterly Updates

Project Name	Context	Actions	July 2026 Update Q1	
Investment				
UK Stewardship Code	Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society. The UK Stewardship Code 2020 comprises a set of 12 'apply and explain' Principles for asset owners. As part of the Fund's desire to demonstrate its good governance and stewardship of its assets, the Fund submitted its first report in October 2022. The Fund was successful in its submission and is now a signatory to the UK Stewardship Code. The Fund has received feedback from the FRC on its submission and the Fund will develop its submission following this feedback. The Fund will submit a report annually to the Financial Reporting Council ("FRC") to maintain its status as signatory to the Code. As part of the work on the Stewardship Code the Fund will review its approach to stewardship and engagement to ensure that it continues to meet the requirements of the Committee.	ESG monitoring is in place as part of business as usual. Resources have been allocated to review positions with Investment Managers annually to address any points. Lead Officer: Pensions Investment and Responsible Investment Manager	Revised application to be presented to Committee in September 2026.	G - On Track
Covenant Review	Work with Actuary to review Employer covenants on an annual basis to monitor risk to fund.	Meetings have been held with Actuary to discuss employers subject to review and the terms and reference of the reviews. Lead Officer: Pensions Investment and Responsible Investment Manager	Change of process to allow constant monitoring.	Ongoing
Climate Change Risk	The Fund issues an annual climate risk report and TCFD report as part of its commitment to net zero. In addition, the Fund supports these reports by undertaking Climate scenario analysis on a bi-annual basis to ensure that developments in this field are fed into ongoing analysis.	Climate Risk reports and TCFD reports have been commissioned with LGPS Central. Alternative Investment managers ESG policies and progress on Climate Risk monitoring are reviewed periodically with a view to establishing full portfolio monitoring. Lead Officer: Pensions Investment and Responsible Investment Manager	Next reports will be presented December 2026.	G - On Track
Biodiversity Risk	The Government is currently consulting on TNFD (Taskforce for Nature related Financial Disclosures). The Fund is monitoring the position and discussing potential data sources with investment managers and other Funds with a view to be able to report in a similar context to TCFD on climate.	Discuss the format of TNFD reports with LGPS Central to establish what can be accurately reported. Consider integration of Biodiversity risk into climate change strategy as whilst different risks there is an underlying fundamental link. Liaise with Investment Managers with a view to establishing full portfolio monitoring. Lead Officer: Pensions Investment and Responsible Investment Manager	TNFD still under consideration and no legal requirement at present for the Fund to produce a TNFD report.	Ongoing

Pensions Administration & Investment Quarterly Updates

Project Name	Context	Actions	July 2026 Update Q1	
Investment Strategy Statement	The Fund sets a triannual investment strategy which was last reviewed in June 2023 and the Fund is currently working on transition plans to meet the new strategic asset allocation. The investment strategy review took place concurrently with the review of the Funding Strategy Statement in 2022/23. The outstanding actions now are implementing the agreed changes to the investment strategy. The implementation of the revised investment strategy will occur over a period to manage transition risks.	Reports on the Investment transition to meet the new ISS were presented to Pensions Committee in September 2023. The transition will take approx. 18 to 24 months to fully implement given some of the illiquid asset classes involved. A full timetable is in place and Pensions Committee will be updated on a quarterly basis of major changes. Lead Officer: Head of Pensions – LGPS Senior Officer	Draft ISS went to Committee in March and final version in September following consultation.	G - On Track
Pooling	The Fund works directly with LGPS Central to ensure that appropriate products are available to meet future investment requirements and allow transition from legacy managers as investments mature. Following the General Election, the new Pensions Minister has instigated a pensions review with phase 1 including the Local Government Pension Scheme, in particular the pooling of investments. The recommendations to this will be know towards the end of 2024	The Fund Continues to work with LGPS Central to ensure that appropriate investment vehicles are available to allow the transfer of the Funds uncommitted assets. The transition of illiquid assets will continue to be reviewed based on maturity profiles and investment opportunities available. The Fund has responded to the consolation on moving pooling forward. Lead Officer: Head of Pensions – LGPS Senior Officer	All assets were transferred to LGPS Central control 01/04/26. Fund continue to work with LGPS Central over transition of legacy assets.	Ongoing

Project Highlight Report
Pensions Board

Shropshire County Pension Fund

Project Name:	Pensions Dashboard	**Report Number:**	007
Period	April 2026 to July 2026	**Date Completed:**	24/08/2026
Completed By:	Jake Glover Senior Pensions Project Officer		

TREND SINCE LAST REPORT	**Green**
CURRENT STATUS	**Green**
EXPECTED STATUS AT NEXT REVIEW	**Green**

Previous progress	**Progress made this period**
• Connection to dashboard established • Data successfully being sent to Dashboard • AVC single source data has been setup in TEST environment • Member testing has commenced • Team are testing reports functionality which produces information to be reported to MaPS • Data Quality work: • First mortality tracing completed. • Bank Account Verification is in Live • Address tracing completed – notification to go out to members.	• The new Communications and Governance Team Leader has started (august 2026) and will be working on the Dashboard policy. This is being worked on in conjunction with South Yorkshire Pension Fund. • Project plan has been reviewed and updated to include the TPR post-connection checklist. • Address tracing has been run and letters have been created for High and Medium matches. These will be sent out to members and this feeds into the overall Dashboard project to ensure data is accurate when Dashboards goes live during the next financial year.

Slippage and Remedial Action
• ~~Mortality screening delayed due to staff shortages at Heywood; this has delayed implementation of address tracing as we have now hit the valuation project which the team need to focus on.~~ • ~~After escalating this with CRM eventually went live 4 June 2025.~~ • ~~Implementing the Address Tracing module and the AVC interface have been delayed due to Heywood staffing pressures and not as a result of any delays/issues within the Fund.~~ • There is an issue with error messages coming from the dashboard from the AVC update. Heywood have now raised this as a problem. • ~~Address tracing isn't live and working as there is an issue with the results and this is back with Heywood to resolve.~~

Shropshire County Pension Fund

Key Risks and Issues			
R/I	**Detail**	**Rating**	**Open / Closed**
R	Suitable ISP is not obtained and so can not connect to dashboard	Very Low	Closed
R	Data quality is low, leading to poor matching criteria and members having to contact the fund to find their pension (rather than finding it directly through the dashboards)	Low	Open
R	Procurement of new tracing and mortality screening provider (gap in service as current provider current ends in September)	Very Low	Closed
I	Decide on implementation dates	N/A	Closed
I	How do we resource queries from Dashboard to reduce the team being overwhelmed and to meet required timescales	Medium	Open
I	What to use for Find Data and how AVC information will be accessed	Medium	Closed
R	ISP connection deadline not met	Low	Closed
R	Having adequate resource to deal with any additional work created	Medium	Open
I	Delays with the AVC interface	Medium	Closed
I	Delays with Address Tracing implementation (10/04/26 Reopened this issue as per point above)	Medium	Closed
I	Error messages being received from the Dashboard for AVC updates	Medium	Closed

Project Highlight Report
Pensions Board

Shropshire County Pension Fund

High Level Milestones

Action	Date Completed / Target Date	Status	Comments
Procure ISP	August 2024	Complete	ISP procured and approved.
Data Tools Procurement	February 2025	Complete	Procurement complete and contract awarded
ISP UAT	March 2025	Complete	UAT acceptance issued and signed off
Mortality Screening	June 2025	Complete	Module went live following a delay on the Heywood side
Data Tools Implementation	April/May 2025	Complete	Address Tracing to commence November – delayed due to staff pressures at Heywood working on the ISP
ISP Phase 2	July/August 2025	Complete	
Single Source File connection with Prudential	September/October 2025	Complete	Connection made to the Prudential SFTP and test file gained
Single Source Solution Testing with Heywood	September/October 2025	Complete	Implementation dates slipped due to issues with the Heywood Altair interface. AVC solution now in place in Altair Test however, issues being investigated by Heywood so not yet deployed to Live.
Bank Account Verification	September 2025	Complete	
Address Tracing	October 2026	On Track	Letters now prepared to send to members that are High and Medium matches.
Dashboard Policy	December 2026	On Track	This is progressing in conjunction with South Yorkshire Pension Fund.

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1.

Local Pension Board	Pensions
Date and Time	11 September 2026
	Public

Governance update
LGPS

Lead Officer:	Justin Bridges – Head of Pensions
Service Area:	Pension Fund - Finance
Report Author	Vicky Jenks Pensions Administration Manager
Officer contact details	01743 252192 vicky.jenks@shropshire.gov.uk

1. Purpose of Report

1.1. This report provides information regarding regulatory breaches arising from 1 April 2026 to 30 June 2026 (Q1) that have been recorded in the breaches log.

1.2. This report will also inform the Board of any stage 1 or stage 2 appeals which have been received under the internal dispute resolution procedure (IDRP).

1.3. Fund officers have a review cycle for fund policies, policies that have been reviewed in the last quarter are listed for the Board's consideration before being approved by Pensions Committee.

2. Recommendations

The Board is asked to:

2.1 note the content of Appendix A; breaches recorded from 1 April 2025 to 30 February 2026. (Appendix A)

2.2 The Board is asked to note and comment on the following fund policies:

- Workforce Strategy (NEW)

2.3 Note the extensive work for additional governance requirements that have been created from the fit for the Future legislative changes.

3. Key risks and Opportunities

3.1. Poor monitoring of breaches may result in inaccurate data from scheme employers, affecting the correct payment of member benefits.
3.2. Delays in receiving contributions owed to the fund may affect investment activity and benefit payments, potentially reducing confidence in the service.
3.3. Regular monitoring of the breaches log helps identify emerging trends and employer training needs.

4. Financial Implications

4.1. Robust internal controls are in place to monitor compliance with regulatory requirements by both the fund and employers, minimising the risk of breaches and any associated fines from The Pensions Regulator.

5. Legal and HR implications

5.1 The Pension Fund must comply with LGPS Regulations and all other requirements governing pension scheme administration. Non-compliance could result in regulatory fines and damage confidence in the service.

5.2 People and Workforce Resilience -The strategy recognises that people are the fund's most critical asset. Sustained investment in workforce planning, development and succession planning is essential to maintaining service quality and managing risk.

6. Equality and Diversity Implications

6.1. The Workforce Strategy includes several areas that support equality, diversity and inclusion.

6.2. The strategy promotes fair access to learning and development, including professional qualifications, structured learning pathways, technical training and peer support.

6.3. The focus on defined career pathways and progression routes supports transparency and consistency in workforce development, helping to promote equal access to opportunities.

6.4. The inclusion of mentoring, acting-up opportunities, development plans and succession planning supports the development of internal talent and helps ensure progression opportunities are available across the workforce.

6.5. The strategy recognises the value of flexible working, career progression and development opportunities as part of the wider employment offer, which can support inclusion and workforce accessibility.

6.6. The document includes an accessibility statement, confirming that information can be provided in a more suitable format where required.

7. Climate Change, Biodiversity and Environmental Implications

7.1. Climate Change, Biodiveristy and Environmental implications are not included in this report.

8. Recording Breaches

8.1. Section 70 of the Pensions Act 2004 imposes a requirement on the following persons to report a breach of law:

- a trustee or manager of an occupational or personal pension scheme
- a member of the pension Board of a public service pension scheme
- a person who is otherwise involved in the administration of such an occupational or personal pension scheme
- the employer in relation to an occupational pension scheme
- a professional adviser in relation to such a scheme; and
- a person who is otherwise involved in advising the trustees or managers of an occupational or personal pension scheme in relation to the scheme.

8.2. A breach must be reported to The Pensions Regulator as soon as is reasonably practicable where that person has reasonable cause to believe that a legal duty relating to the administration of the scheme has not been/or is not being complied with, and where the failure to comply is likely to be of material significance to the Pensions Regulator.

8.3. Any breaches of the Local Government Pension Scheme (LGPS) or other relevant legislation by either the fund or a scheme employer is recorded in a breaches log.

8.4. Breaches recorded for scheme employers from 1 April 2026 to 30 June 2026 (Q1) are detailed in Appendix A. Most of these breaches concern late data submissions, or payment on contributions. Each breach is monitored per employer on a monthly basis and persistent breaches are escalated accordingly.

8.5. We have seen significant impacts on the data quality and time taken to receive data when an employer changes payroll provider. 18 employers changed their payroll provider with effect from 1 April 2026 and this has led to the team having to spend time training and correcting issues with submissions. Reminders are sent to employers on the importance of advance notice for payroll provider changes and to ensure it is clear in their contract with the provider the requirements for the fund.

8.6. No breaches have been recorded for the fund for 1 April 2026 to 30 June 2026.

8.7. No breaches have been recorded on behalf of the Pension Committee and Pension Board in the period 1 April 2026 to June 2026.

9. Internal Dispute Resolution Procedure

9.1. Regulations 72 to 79 of the Local Government Pension Scheme Regulations 2013 set out the formal dispute procedure. The complaints procedures official name is the Internal Dispute Resolution Procedure (IDRP).

9.2. The fund has not received notification of any stage one appeals under IDRP for the period 1 April 2026 to 30 June 2026

10. Workforce Strategy 2026-29

10.1. Fund officers have created a Workforce Strategy. This explains how Shropshire County Pension Fund will ensure it has the capacity, capability and resilience needed to deliver its statutory and strategic objectives during the period 2026–2029.

10.2. The strategy supports delivery of the fund's Medium Term Business Plan and responds to the growing complexity of the LGPS environment, including:

- increasing demands on pension administration;
- strengthened governance and regulatory requirements;
- ongoing regulatory change; and
- technological transformation across pension services.

10.3. The strategy recognises that people are the fund's most critical asset. Sustained investment in workforce planning, development and succession planning will be essential to maintaining service quality, strengthening resilience and managing risk.

10.4. The Board are asked to note and comment on the strategy

11. Fit for the Future – Good Governance Requirements

11.1. Based on the Government's Good Governance reforms, LGPS administering authorities must implement a range of new governance requirements from 2026. The reforms stem from the Scheme Advisory Board's Good Governance Review and have now been incorporated into the Local Government Pension Scheme governance framework.

11.2. The Chart below breaks down the requirements for the fund to implement and suggested actions that need to be taken.

LGPS Good Governance Requirements

Key Actions Required by Administering Authorities

Requirement	What Funds Need to Do	Suggested Actions
Appoint an LGPS Senior Officer	Designate a senior officer with overall responsibility for the administration, governance and investment functions of the fund.	• Update governance documents, delegations and reporting arrangements. • Ensure the role is reflected in the fund's constitution and governance framework.
Update Constitution and Governance Arrangements	Governance structures must clearly define the responsibilities of the Pension Committee, Local Pension Board, Section 151 Officer and LGPS Senior Officer.	• Amend the constitution and terms of reference. • Review Schemes of Delegation. • Update governance policies and committee reporting lines.
Appoint an Independent Person	Funds that delegate pension functions to a committee or officer must appoint an Independent Person to provide professional challenge and oversight.	• Develop role specification. • Undertake recruitment process. • Amend Committee Terms of Reference to include the appointment. • Establish remuneration and tenure arrangements.
Undertake Independent Governance Reviews (IGR)	Each fund must participate in an independent governance review at least once during each valuation cycle (effectively every three years).	• Procure an independent reviewer. • Complete first governance review. • Publish findings and improvement plan where required. • Establish periodic review timetable.
Governance Strategy	Replace the existing Governance Compliance Statement with a Governance Strategy.	• Review existing governance documents. • Develop and publish Governance Strategy. • Include governance structure, responsibilities

Requirement	What Funds Need to Do	Suggested Actions
		and decision-making arrangements.
Training Strategy and Knowledge Requirements	Pension Committee members, Local Pension Board members, LGPS Senior Officer and relevant officers must demonstrate appropriate knowledge and understanding.	• Create or update Training Strategy. • Establish training plans and training logs. • Assess competency gaps.
Conflicts of Interest Policy	Funds must maintain a formal conflicts policy covering all governance participants.	• Review current arrangements. • Develop conflict declaration procedures. • Include monitoring and escalation processes.
Administration Strategy	Every administering authority must maintain a Pension Administration Strategy.	• Review existing strategy. • Ensure compliance with new guidance. • Update employer responsibilities and performance standards.

The Three Most Significant Governance Changes

1. LGPS Senior Officer

11.3. The LGPS Senior Officer becomes the accountable senior officer responsible for ensuring the fund is properly managed, governed and resourced. The role must be clearly recognised within the administering authority's governance arrangements and constitutional framework. For many funds, this will require amendments to committee terms of reference, schemes of delegation and governance policies

2. Independent Person

11.4. The Independent Person is intended to provide professional and objective challenge to Pension Committees, similar to a Non-Executive Director or Professional Trustee. The individual supports the Chair, Pension Committee and LGPS Senior Officer but does not replace existing decision-makers. Their role extends across investment, governance and administration matters.

Typical implementation work will include:

- Developing a role description
- Creating appointment criteria
- Running a recruitment exercise
- Establishing remuneration arrangements
- Incorporating the role into governance documents
- Updating committee procedures and reporting arrangements

3. Independent Governance Review

11.5. Funds are required to commission an Independent Governance Review (IGR) at least once every valuation period, typically every three years. The review must assess governance effectiveness and compliance with legislative requirements and identify improvement actions where necessary.

A review should consider:

- Governance structures
- Committee effectiveness
- Decision-making processes
- Knowledge and skills compliance
- Risk management arrangements
- Conflicts management
- Effectiveness of fund policies

Implementation Plan for LGPS Funds

11.6. Below is a brief summary of when actions will be taken to deliver the new requirements.

Phase 1: Governance Review (Immediate)

- Gap analysis against statutory guidance.
- Confirm LGPS Senior Officer arrangements.
- Identify constitutional changes required.
- Review governance policies.

Phase 2: Constitutional Changes (by end of December)

- Update constitution.
- Recruit or appoint Independent Person.
- Formalise LGPS Senior Officer responsibilities.
- Establish reporting arrangements

Phase 3: Policy Updates (by March 2027)

- Adopt Governance Strategy.
- Adopt Training Strategy.
- Adopt Conflict of Interest Policy.
- Update Committee and Board terms of reference.

Phase 4: Governance Assurance (before 31 March 2028)

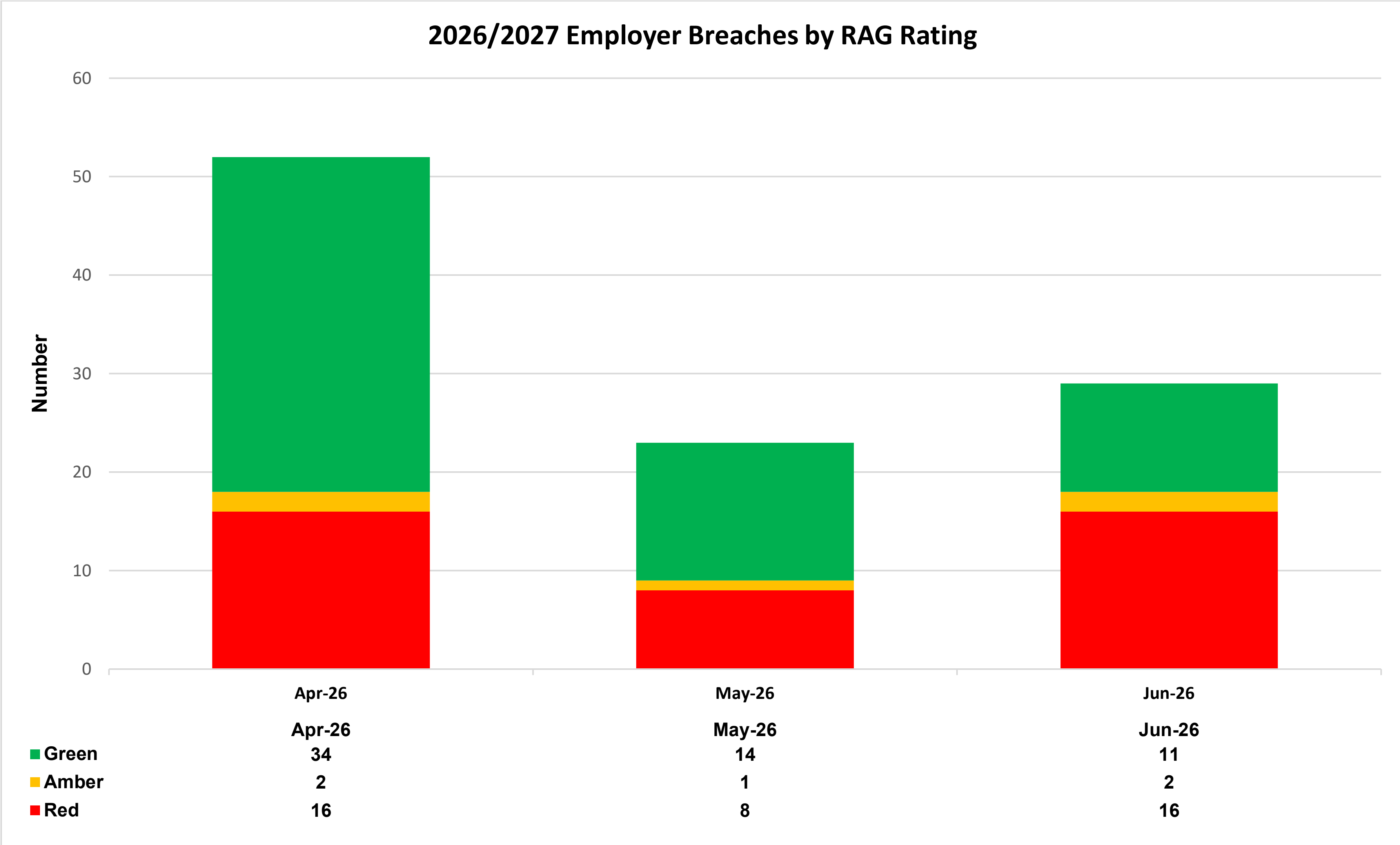
- Commission Independent Governance Review.
- Produce improvement plan.
- Monitor progress through Committee and Local Pension Board.

12. Background Papers

1. Governance Report May 2026

13. Appendices

Appendix A – Breaches Q1 April to Jun 2026
Appendix B – Workforce Strategy 2026-29



RAG ratings for deciding whether or not to report to TPR	
	Where the cause, effect, reaction and wider implications of a breach, when considered together, are likely to be of material significance, the breach is 'red'. These must be reported to the Pensions Regulator
	Where the cause, effect, reaction and wider implications of a breach, when considered together, may be of material significance, the breach is 'amber'.
	Where the cause, effect, reaction and wider implications of a breach, when considered together, are not likely to be of material significance, the breach is 'green'. These should be recorded but do not need to be reported.

Workforce Strategy 2026–2029

Approved by the Pensions Committee XXXXX

Contents

1. Purpose and Strategic Context

This Workforce Strategy sets out how the Shropshire County Pension Fund (SCPF) will ensure it has the **capacity**, **capability** and **resilience** to deliver its statutory and strategic objectives over the period **2026–2029**.

It supports the delivery of the fund's Medium Term Business Plan and responds directly to the increasing complexity of pension administration, governance requirements, regulatory change and technological transformation affecting the LGPS environment.

The strategy recognises that people are the fund's most critical asset and that sustained investment in workforce planning, development and succession is essential to maintaining service quality and managing risk.

2. Current Workforce Structure

The Shropshire County Pension Fund is administered by Shropshire Council and delivers pension administration and governance through a dedicated in-house team.

As set out in the Business Plan, the fund employs **39 staff (37 FTE)** covering pension administration, technical services, governance, finance and management functions.

The current structure (Appendix A) has evolved to meet operational demand but faces pressure from:

- Increasing scheme complexity and regulatory change.
- Reliance on experienced technical staff.
- Recruitment challenges within a competitive LGPS labour market.
- Growing expectations around digital delivery and automation.

This strategy therefore focuses on strengthening resilience within the existing structure while enabling flexibility and future growth.

3. Workforce Challenges and Risks

Internal planning documents identify a number of key workforce risks that this strategy seeks to mitigate:

- Difficulty recruiting and retaining skilled LGPS practitioners.
- Loss of corporate knowledge through staff turnover or retirement.
- Skills gaps created by legislative change and system developments.
- Pressure on service delivery during periods of change or absence.

Failure to address these risks could impact performance, regulatory compliance and stakeholder confidence.

4. Salary Benchmarking and Market Competitiveness

SCPF operates within local authority pay frameworks, which can limit flexibility when competing for experienced LGPS professionals. The fund will therefore:

- Continue to benchmark roles against comparable LGPS funds and local government pension teams.
- Use market intelligence to inform role design, grading and business cases.
- Consider non-pay benefits such as flexible working, career progression and development opportunities as part of the overall employment offer.
- Introduction of a career grade for Pensions Assistants.

When challenges related to recruitment or retention arise, the fund will collaborate with Shropshire Council's HR department to identify suitable solutions in line with council policies.

However, policy or practices that impede the ability to secure qualified candidates should not restrict the fund's efforts to address these risks.

5. Value for money context (CIPFA benchmarking – administration costs)

The fund takes part in CIPFA benchmarking to compare the cost of running LGPS administration.

The January 2026 administration monitoring report records:

- **Admin cost per member:** Shropshire **£30** vs average **£36**.
- **Net admin cost per FTE:** Shropshire **£53,500** vs average **£225,091.**
- **Members per FTE:** Shropshire **1,583** vs average **3,877**.

These measures provide useful context for audit assurance and prove the need to balance competitiveness with supporting value for money.

6. Learning, Development and Access to Qualifications

The fund recognises the importance of professional development in attracting and retaining staff and keeping high technical standards.

Over 2026–2029, the fund will:

- Maintain and enhance access to professional LGPS-related qualifications, including Level 2 and Level 3 pension qualifications.
- Support structured learning pathways aligned to defined career stages.
- Embed ongoing technical training to respond to legislative and regulatory change.
- Encourage knowledge sharing and peer support within teams.

This approach directly supports the Business Plan commitment to defined career pathways and structured training programmes.

7. Succession Planning and Knowledge Retention

Succession planning is a critical priority given the specialist nature of pension administration and the risk associated with loss of experienced staff.

The fund will:

- Identify key roles where specialist knowledge or leadership continuity is critical.
- Develop internal talent pipelines through mentoring, acting-up opportunities and development plans.
- Document key processes and technical knowledge to reduce reliance on individuals.
- Use team structures and cross-skilling to build operational resilience.

Succession planning will be reviewed annually as part of business planning and risk management processes.

8. Workforce Flexibility and Use of Technology

In line with the Medium-Term Business Plan, the fund will continue to explore the use of automation and system enhancements to:

- Reduce reliance on manual, high-volume processing.
- Enable staff to focus on higher-value and more complex work.
- Improve service resilience during periods of peak demand or change.

Workforce planning will therefore be closely linked to system development and digital transformation initiatives.

9. Implementation and Governance

Delivery of this Workforce Strategy will be overseen by the fund's senior management team and aligned with:

- Annual business planning and budgeting.
- Risk management and internal controls.

Performance monitoring and reporting arrangements set out in the Business Plan

Progress will be reviewed annually, with updates made where required to respond to emerging risks or changes in the pensions arena.

10. Conclusion

This Workforce Strategy provides a structured and proportionate approach to ensuring the Shropshire County Pension Fund has a skilled, resilient and sustainable workforce over 2026–2029.

By focusing on workforce planning, market competitiveness, professional development and succession, the fund will be well positioned to meet its statutory obligations and deliver high-quality services to members, employers and stakeholders.

Workforce priorities and actions (2026–2029)

The Business Plan includes a specific project to **Implement a Workforce Strategy**, with the context being a review of roles and salary benchmarking following work by external advisors, designed to ensure resilience, recruitment/retention and succession planning, the key actions needed for this work are:

Priority A — Implement a Workforce Plan (roles, structure, resilience)

- Confirm "critical roles" and single points of failure and put mitigations in place (see Succession Planning section).
- Ensure workforce planning is aligned to regulatory change workload (e.g., consultation outcomes and implementation requirements) and technology change.

Priority B — Pay, grading, and recruitment offer (benchmark-led)

- Use LGPS benchmarking to inform evidence-based discussions on grading, role design and targeted market interventions where justified.
- Request a pay review for Pensions Assistants that allows the opportunity to apply increments when role development criteria are met.
- Consider market supplement processes where recruitment evidence supports the need.
- Ensure recruitment and retention decisions are consistent with the fund's self-financing position for staffing costs.
- Implement focused strategies for roles that are difficult to fill (e.g. Senior Officers).

Priority C — Qualifications, capability building and career pathways

The workforce plan will emphasise defined career pathways and opportunities for professional qualifications. Access to the following qualifications will be available:

- **Level 2 Award in Pensions Essentials** (PMI accredited).
- **Level 3 Certificate in Local Government Pension Scheme Administration** (PMI accredited).
- **Level 4 Certificate - Investment Operations Specialist.**
- **AAT Level 2/3/4 Certificates.**
- **CIPFA** or other recognised accountancy qualification.

Consider an automatic salary reward/uplift for external course completion.

Monitoring and reporting (how we will track delivery)

workforce actions will be tracked through:

- Annual skills matrix review and succession coverage reporting.
- Training uptake and qualification progression.
- Annual review of workforce risks and control effectiveness, aligned to the risk register.

Appendix A — Pensions Team Structure (April 2026)

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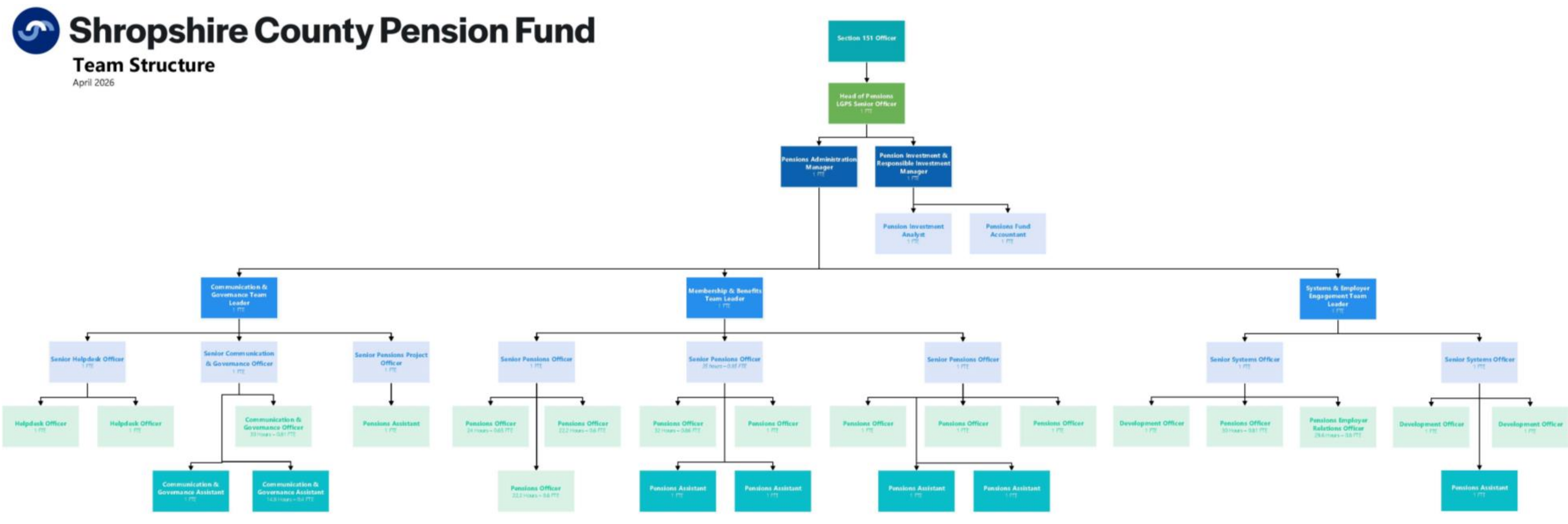

Use of AI tools

We have tried to make the information within this document as simple and accessible as possible. You may be tempted to use AI tools to help explain it, but we strongly discourage this.

AI tools may provide misleading, incorrect or confusing information, and their responses will not be tailored to your circumstances, the fund's rules and regulations, or the fund's administrative practices.

Publicly available AI tools can also create a risk that private or confidential information is shared unlawfully by mistake. If you choose to use these tools, we recommend checking the sources used to produce any response and not entering any personal data into OpenAI tools.

If you rely on misleading information from an AI tool and suffer a loss as a result, it is unlikely you would be able to recover compensation from the AI provider.

We cannot accept liability for any loss caused by a member's misuse of AI. For this reason, we also recommend that you do not rely solely on AI when making decisions about your pension with the fund.

Contact details

Shropshire County Pension Fund is a data controller under the General Data Protection Regulations (GDPR). This means we store, hold and manage your personal information in line with statutory requirements to enable us to provide you with pension administration services.

To enable us to perform our statutory duty, we must share your information with certain bodies but will only do so in limited circumstances.

For more information about how we hold your information, who we share it with and what rights you have to request this information from the fund, please visit www.shropshirecountypensionfund.co.uk.

If you can read this but know someone who can't, please contact us on 01743 252130 so we can provide this information in a more suitable format.

Office hours

Monday to Thursday	8:45am to 5pm
Friday	8:45am to 4pm

Helpdesk phonelines: (excluding Bank Holidays)

Monday, Tuesday and Thursday	10am to 4pm
Wednesday and Friday	10am to 1pm

Contact details

Email: www.shropshirecountypensionfund.co.uk/contact-us/
Website: www.shropshirecountypensionfund.co.uk
Tel: 01743 252130
Write: Pensions, PO Box 4826, Shrewsbury, SY1 9LJ

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