



Pensions Committee
Date 19 September
2025

Item

Public

Pension Fund Annual Accounts 2024/25

Responsible Officer:	James Walton		
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Cabinet Member (Portfolio Holder):			

1. Synopsis

- 1.1 The report provides Members with the Shropshire County Pension Fund Annual Report 2024/25 and an update on the annual audit. Grant Thornton has substantially completed its annual audit and it is expected an unqualified opinion will be given.

2. Executive Summary

- 2.1. In the year to the end of March 2025 the Fund increased in value by £123 million to £2.626 billion.
- 2.2. Draft accounts were produced before the end of May to fit in with the Council's closedown timetable.
- 2.3. Grant Thornton have substantially completed the audit and have provided a draft unqualified opinion that will be added to the accounts once confirmed.

3. Recommendations

- 3.1 The Committee are asked to approve the Pension Fund Annual Report 2024/25 and delegate authority to officers to make any minor changes required.
- 3.2. The Committee is asked to approve that the Chair and Executive Director sign the letter of representation (**Appendix C**) for Grant Thornton once the audit has been finalised.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. Risk Management

Risk Management is part of the Pension Fund's structured decision-making process by ensuring that investment decisions are taken by those best qualified to take them.

4.2. Human Rights Act Appraisal

The recommendations contained in this report are compatible with the Human Rights Act 1998.

4.3. There are no direct Equalities or Community consequences.

4.4. Environmental Appraisal

The Fund's Corporate Governance Policy enables it to influence the environmental policies of the companies in which it invests.

4.5 The annual report 2024/25 will be published on the Fund's website.

5. Financial Implications

5.1. There are no direct financial implications arising from this report.

6. Climate Change Appraisal

6.1 The Fund takes responsible investment very seriously and has a Climate Change Strategy (updated in September 2024) in place committing to net zero by 2050 in line with the Paris accord on climate change adopted in 2015 and setting out interim targets to that goal.

6.2 Responsible investment is a key process the investment managers go through before investing and something the fund considers as part of investment opportunities. Thorough due diligence is undertaken considering all risks including climate change. The investment managers vote where applicable on the Fund's behalf, Columbia Threadneedle Investments engage with companies on the Fund's behalf and the Fund is a member of the Local Authority Pension Fund Forum (LAPFF) which undertakes engagements on behalf of all LGPS members.

6.3 Shropshire County Pension Fund is a signatory to the UK stewardship code.

6.4 Shropshire County Pension Fund has also received and published Climate Risk Reports and TCFD reports since December 2020. The latest report from December 2024 is publicly available on our website.

7. Background

- 7.1 Following the end of the financial year officers compiled the Pension Fund accounts for 2024/25. The annual report has been produced which outlines the accounts and details the activities of the Fund during the last year (**Appendix A**).
- 7.2 Grant Thornton have substantially completed the audit of the accounts for the Shropshire County Pension Fund and a draft unqualified opinion and consistency statement have been issued (**Appendix B1 & B2**). The final opinions will be included within the annual report when finalised.

8. Annual Accounts

- 8.1. In the year to the end of March 2025 the Fund increased in value by £123 million to £2.626 billion.
- 8.2. Due to the tight deadlines involved in producing the draft accounts before the end of May in line with the Council's closedown timetable, the property debt & private debt portfolio valuations (managed by DRC & LGPS Central respectively), private equity portfolio valuations (managed by HarbourVest & LGPS Central) & infrastructure portfolio valuations (managed by Global Infrastructure Partners & LGPS Central) used in the final accounts are based on either September or December quarterly capital statements, adjusted for cashflows to 31st March 25, as these are the latest statements available at that time. During the audit, all of the 31st March 2025 capital statements became available (in late July/early August), and it was noted that the combined value of the private equity, infrastructure, property debt & private debt funds had increased slightly compared to the value stated in the draft accounts sent to Grant Thornton. The overall change was within Grant Thornton's materiality limit and the Pension Fund accounts have not been amended for these valuation increases as it amounts to less than 0.2% of the total fund value at approximately £4.5 million. This is consistent with previous years when the amount is below materiality.
- 8.3 During the year the Fund received £21.5 million in contributions from employees and £73.0 million in contributions from scheme employers. Contributions from scheme employers are £10 million higher than in 2023/24 as this year's figures are based on the full revised employer contribution rates following the 2022 actuarial valuation which had been smoothed in 2023/24 to gradually phase in the increases. In addition to rate changes the Fund also received an additional £6 million in pension strain payments compared to 2023/24.
- 8.4 The last financial year continued to see an increase in the total number of scheme members. Total scheme membership increased by 2.2% to 54,330 during the year.
- 8.5 Local Government employees who leave employment have the option to transfer out their accumulated pension benefits. During the last financial year, the Fund paid out £5.6 million in transfer payments for staff leaving employment. This figure is £1.3 million lower than in 2023/24. New employees can request a transfer in of accumulated benefits from previous employment. The Fund received £11.1 million in transfer payments from new employees during the financial year.

- 8.6 In 2024/25 the Fund paid pensions totalling £88.1 million, an increase of £8.5 million on the previous year. This increase was mainly due to the Pensions increase award of 6.7% effective from April 2024.
- 8.7 Management expenses in 2024/25 totalled £23.9 million, an increase of £2.8 million from the previous year. This is mainly due to the significant increase in the Fund value during the year as investment management fees are based on assets under management.
- 8.8 A full analytical review of the Pension Fund Accounts was carried out by officers and passed to Grant Thornton in advance of their audit. The audit was substantially completed in early September 2025.
- 8.9 The Annual Report will be available to all scheme employers, investment managers, advisors and scheme members as it will be published on the pension fund website.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

N/A

Local Member: N/A

Appendices [Please list the titles of Appendices]

Appendix A – Shropshire County Pension Fund Annual Report 2024/25.

Appendix B 1 – Grant Thornton Draft Opinion 2024/25

Appendix B 2 – Grant Thornton Draft Consistency Opinion 2024/25

Appendix C – Letter of representation