



Greater Gwent (Torfaen) Pension Fund Business Plan 2026 - 2029

lgps



Contents

Introduction	3
Key Statistics	4
A Year In Review	5
Our Commitment To The Future	6
Planning For The Long-Term	7
Aligning Our Vision, Values And Strategic Objectives	8
Pension Fund Governance Structure	10
Operational Structure	12
Strategic Planning	13
Change Activities 2026/27	15
Business As Usual	16
Pension Fund Budget	17
Training Program 2026/27	19
How We Establish, Review And Monitor Progress Against Our Business Plan	20
Further Information	21
Glossary Of Terms	22

Introduction

The Greater Gwent (Torfaen) Pension Fund is one of 86 Local Government Pension Schemes (LGPS) in England and Wales, and the second largest in Wales by asset value. With a team of 28 full-time equivalents, the Fund serves over 68,000 members from 58 active employers.


This Business Plan outlines our long-term commitment to members, acting as a roadmap for delivery which will be monitored and reviewed continuously. We strive to ensure the scheme's sustainability while enhancing our business as usual approach. Our three-year roadmap emphasises high standards of governance, robust investment performance, and our ambition of delivering an excellent service to our stakeholders.



Councillor Nathan Yeowell
(Chair of the Pension Committee)



Andrew Lovegrove
*Strategic Director of Resources
(Section 151 Officer)*



“We strive to ensure the scheme’s sustainability while enhancing our business as usual approach”

Key Statistics



<p>Scheme Membership</p>	<p>68,115 Total Members (31st January 2026)</p> <ul style="list-style-type: none"> • 25,308 Active Members • 20,322 Deferred Members • 22,785 Pensioner/Dependent Members
<p>Scheme Budget</p>	<p>Pension Fund Budget 2026/27</p> <ul style="list-style-type: none"> • Total Income £220.2m • Total Expenditure £256.5m • Net Income £-36.3m <p>Operational Budget 2026/27 - £23.27m</p> <ul style="list-style-type: none"> • Administration £2.12m • Investment Management £18.19m • Oversight & Governance £2.96m
<p>Scheme Employers/ Funding</p>	<p>58 Active Employers (as of 31st January 2026)</p> <ul style="list-style-type: none"> • 37 Scheduled Employers • 1 Deemed Employer • 20 Admitted Bodies <p>Funding Level: 134% (31st March 2025 - Latest Valuation Cycle)</p>
<p>Scheme Investments</p>	<p>Scheme Assets: 5.1bn (as of 31st January 2026)</p> <ul style="list-style-type: none"> • Participating member of the Wales Pension Partnership • 75.3%¹ of assets within WPP as of 31st January 2026 <p><small>¹ figure includes assets 'under pooled management and pooled oversight'.</small></p>
<p>Scheme Governance</p>	<p>Governance Arrangements</p> <ul style="list-style-type: none"> • Torfaen County Borough Council-Administering Authority • Pension Committee • Local Pension Board • Wales Pension Partnership (Joint Governance Committee & Officer Working Group)

A Year in Review 2025/26 - Key Milestones



Administration

We introduced a new Data Cleansing module that works alongside our Administration system Altair to enhance data quality and reconnect with members who have lost contact with the Fund. We also streamlined and automated several processes, which led to greater efficiency, improved accuracy, and saved time. In addition, we achieved a 40% uptake of our newly rolled out My Pensions Online system which was in line with year 1 target.

Risk Management

We comprehensively reviewed and enhanced our existing risk management framework. This included: the adoption of a Risk Appetite Statement (RAS) and greater recognition of Key Risk Indicators (KRIs). This review will culminate in the adoption of a revised Risk Management Policy, reflecting all enhancements made to the existing approach, that is expected to be published in the first half of 2026.

Funding & Valuation

We concluded the 2025 triennial valuation process which resulted in a significant funding increase of 37% relative to 2022, taking the Fund to 134% funded. This was largely the result of strong investment returns during the period, coupled with a decrease in value of the Fund's expected long-term liabilities. The upshot of this exercise is that contribution rates for Fund employers have been reduced, an achievement that aligns strongly with one of our core objectives of ensuring scheme sustainability.

Regulatory & Systems

During the year, we made considerable progress towards addressing the outcomes of the Government's 'Fit for the Future' agenda in respect of asset pooling. We also introduced a new My Pensions Online system for our members. In addition to the previous features, the updated platform offers an improved interface, enhanced security measures, faster registration, a retirement planning tool, and Video ABSs. Furthermore, the fund successfully connected to the dashboard by its staging date of 31 October 2025.

Our Commitment to the Future

The LGPS continues to face challenges through evolving regulatory requirements, governance, and efficiency improvements.

The Fund enters the 2026/27 financial year in a strong financial position, supported by robust investment performance, a prudent funding strategy and strong governance arrangements. The primary focus for 2026/27 will be to consolidate this strong position while managing evolving regulatory, investment and operational risks.

Following a comprehensive review of the funding strategy as part of the 2025 valuation exercise, our focus will now shift towards reviewing our investment strategy and, importantly, ensuring that the newly established Wales Pension Partnership (WPP) Investment Management Company (IM Co) is able to deliver the Fund's long-term objectives through effective asset management.

The Governments 'Fit for the Future' reforms represent the most substantial overhaul of LGPS governance arrangements in over a decade, introducing enhanced statutory requirements covering accountability, knowledge, skills and independent assurance. The Fund is committed to maintaining the highest standards of governance, regulatory compliance and transparency, acting as a sector leader in best practice.

We are committed to ensuring our stakeholders remain suitably informed and up to date with Fund progress in 2026/27. To that end, we will seek to establish and develop a social media presence with the objective of reaching our membership and providing them with timely and relevant information, in line with the Fund's strategic priorities.

Our Administration Strategy will articulate our service goals and strengthen our performance culture.

Our Business Plan addresses these challenges and opportunities, emphasizing the need for long-term planning. It focuses on internal strengths and opportunities for service improvement, with three strategic objectives forming the basis of our 2026-2029 plan.

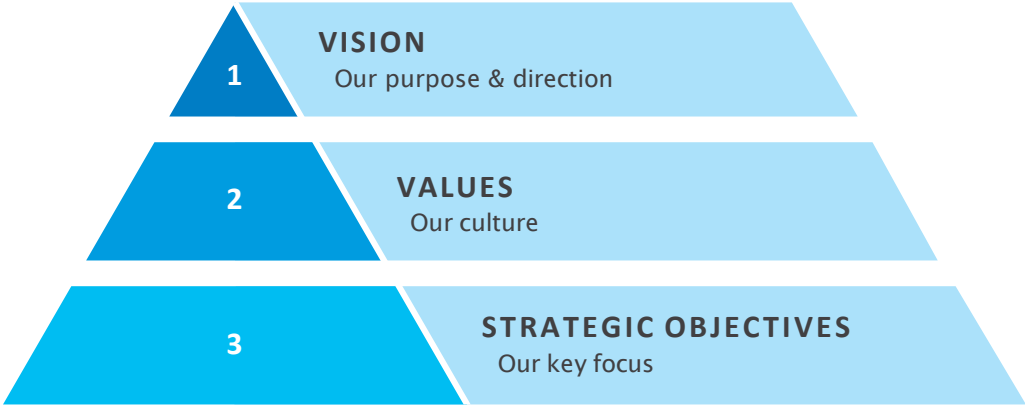


“ Our staff are essential to our success. In a complex regulatory environment, we must develop and maintain our workforce and build resilience for long-term service delivery.”

Planning for the Long-term

The purpose of our Business Plan is to set out the Fund’s vision, aims, actions and measures of success for the coming three years.

There is a clear thread from our vision through our values to how we operate as a team in delivering on our strategic objectives. Our strong sense of purpose and focus ensures that all our activities are working to deliver against our vision, and ultimately to deliver better outcomes for our stakeholders.



Aligning our Vision, Values and Strategic Objectives

We strive to safeguard the financial well-being of our scheme members and pensioners over the long-term, through collaborative working, prudent investment management, transparent governance, and a steadfast dedication to sustainability.

1

Scheme Sustainability

We strive to ensure that the LGPS remains sustainable and affordable in the long term and safeguard its existence for our scheme employers and members.

2

Accessible and Informed

We want to ensure our scheme members have access to crucial information to assist them in their retirement planning and make sound long term decisions.

3

Compliant, Efficient and Effective

We must ensure we remain compliant with rules and regulations and continually strive to improve our governance arrangements.





Strategic Plan 2026-2029

Strategic Objective: **Scheme Sustainability**

- Conduct Investment Strategy review and revisit core Investment beliefs and objectives
- Establish a Cash Management Strategy

1

Strategic Objective: **Accessible and Informed**

- Maintain high-quality, resilient pension administration services in line with our Administration Strategy
- Promote LGPS awareness and engagement
- Develop Social Media presence

2

Strategic Objective: **Compliant, Efficient and Effective**

- Secure compliance with TPR General Code of Practice
- Promote a performance culture and strive to improve
- Consider governance -related reform measures set out in the Government's 'Fit for Future' consultation and develop delivery plan

3

Pension Fund Governance Structure

The Fund's decision-making responsibilities are delegated by Torfaen County Borough Council to the Pension Committee.

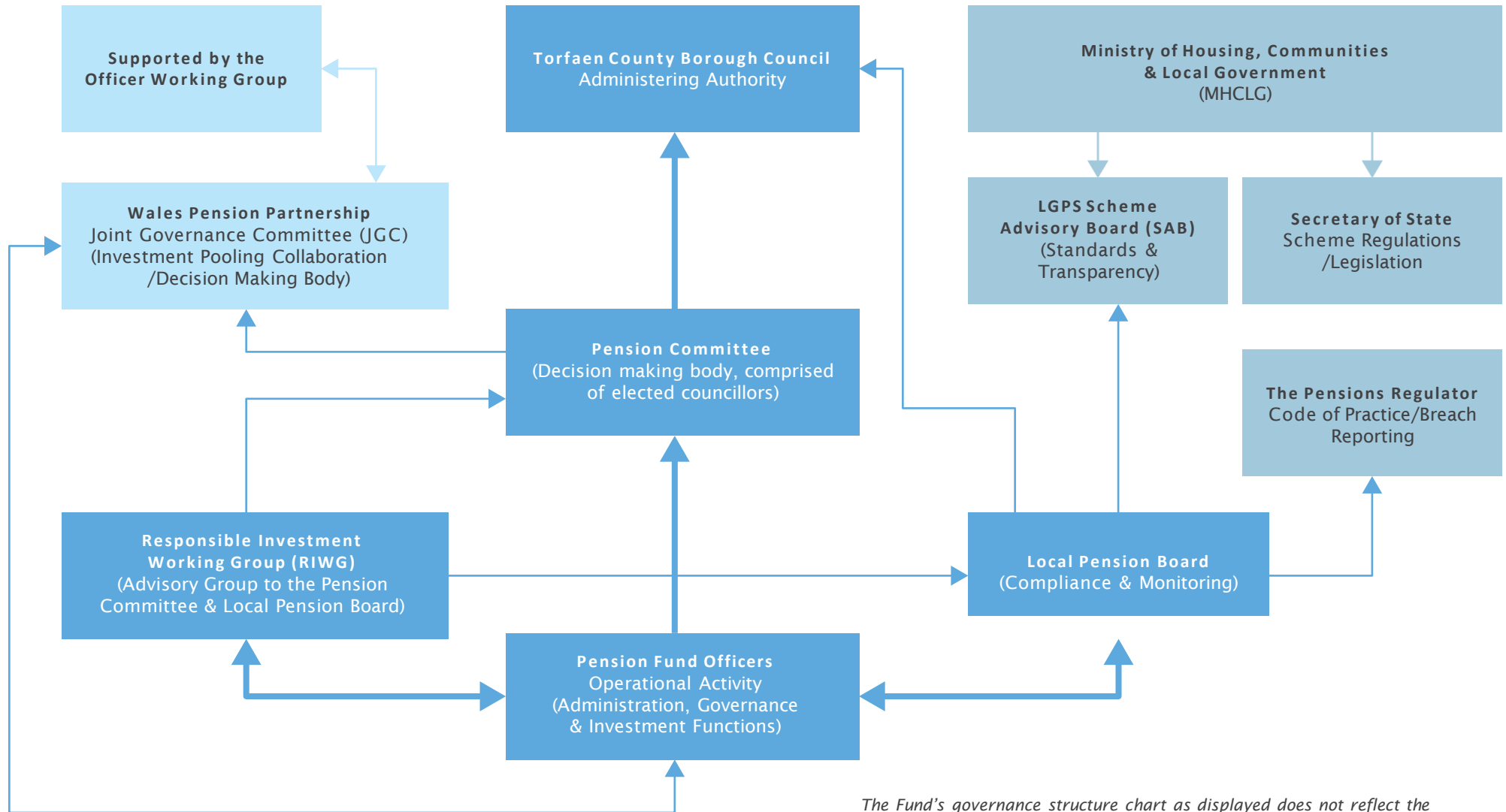
The Pension Committee are made up of elected members of the Council and delegates day to day management of the scheme to the Strategic Director of Resources and Head of Pensions, who are in turn supported by teams operating across administrative, finance and investment functions.

The Local Pension Board, made up of an equal number of scheme member and employer representatives, have an oversight role of Fund activity as it relates to the governance and administration of the scheme.

The Chair of the Pension Committee and senior officers represent the Fund's interests across the Wales Pension Partnership, as prescribed by the Inter Authority Agreement, having contributed extensively to its development, governance arrangements and ongoing success since formation in 2017. From April 2026, the Wales Pension Partnership Investment Management Company will go live and be responsible for providing key services to the Pension Committee.



Pension Fund Governance Structure

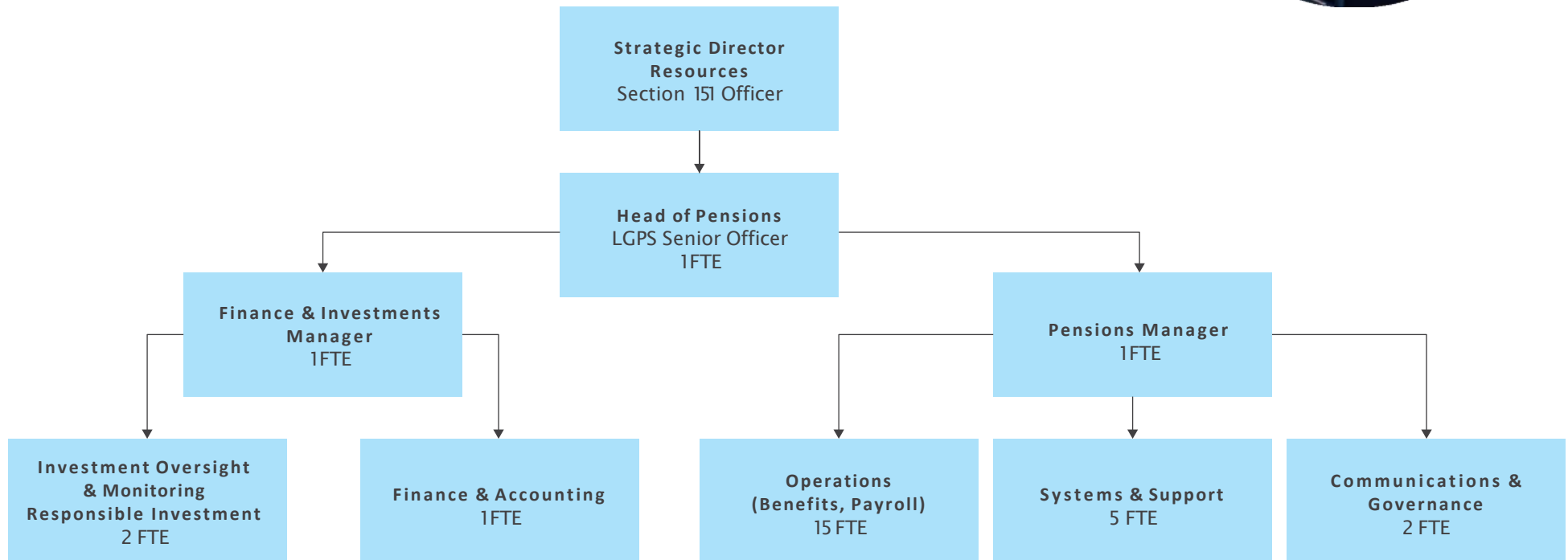


The Fund's governance structure chart as displayed does not reflect the forthcoming WPP IM Co arrangements. This chart will be revised significantly during 2026/27 to reflect changes to the Fund's external governance arrangements, including how the Fund will interact with WPP IM Co.

Operational Structure

The management and administration of the scheme are supported by key external support including the scheme actuary, pension administration advisors, external legal advisors, independent investment advisors, investment managers as well as key advisors to the Wales Pension Partnership. Under the Government's 'Fit for the Future Requirements', the WPP IM Co is expected to take a leading role as investment manager and implementation partner to the Pension Fund.

In addition, we receive support and guidance via industry regulators and governing bodies including the Scheme Advisory Board (SAB), Local Government Association (LGA), Chartered Institute of Public Finance and Accountancy (CIPFA), the Pension Administration Standards Association (PASA), the Pensions Regulator (TPR), the Ministry of Housing, Communities and Local Government (MHCLG) and His Majesty's Treasury (HMT).



Strategic Planning

Our strategic planning process takes a medium-term view of our priorities and what we want to achieve.

Once established, we prepare an annual service plan focusing on activities that contribute towards our strategic objectives each year. To assess performance against these priorities we ensure a robust performance appraisal and oversight process is in place.



**Strategic Plan
2026-2029**



**Annual Plan
2026-2027**



**Performance
& Oversight**



Change Activities 2026/27

KEY ACTIVITY	DESCRIPTION	OWNER	ALIGNMENT WITH STRATEGIC PRIORITY
Good Governance & Best Practice	<ul style="list-style-type: none"> · Appoint LGPS senior officer · Appoint Independent person(s) to Pension Committee · Ensure alignment with new 2026 regulations in respect of governance reforms 	Head of Pensions	Compliant, efficient, effective
Digital Advancements & Cyber Security	<p>Artificial Intelligence</p> <ul style="list-style-type: none"> · Evaluate Heywood Pension Technologies AI Comms Classifier <p>i. Connect</p> <ul style="list-style-type: none"> · Onboard all scheme employers to i-Connect <p>Online Member Service</p> <ul style="list-style-type: none"> · Target increased take up of overall scheme membership using online services <p>Pension Dashboard</p> <ul style="list-style-type: none"> · Establish governance arrangements · Go live with Pension Dashboard for the public 	Pensions Manager	<p>Compliant, efficient, effective</p> <p>Accessible & Informed</p>
Communications & Engagement	<ul style="list-style-type: none"> · Enhance and streamline communications and processes · Outsourcing mail · Promote engagement · Devise online member forums 	Pensions Manager Communications Team Leader	Accessible & Informed
Investment Strategy	<ul style="list-style-type: none"> · Review strategic asset allocation and publish revised Investment Strategy Statement · Review responsible investment and local investment beliefs and objective 	Head of Pensions Investment Officer	Scheme Sustainability

Change Activities 2026/27 Continued

KEY ACTIVITY	DESCRIPTION	OWNER	ALIGNMENT WITH STRATEGIC PRIORITY
WPP IM Co. Oversight	<ul style="list-style-type: none"> Establish internal governance panel to effectively oversee IM Co Frequently monitor company performance and report updates to the Pension Committee and Local Pension Board 	Head of Pensions Investment Officer	Scheme Sustainability
			Compliant, efficient, effective
Responsible/Local Investment	<ul style="list-style-type: none"> Reaffirm responsible investment and local investment beliefs and objectives Review existing responsible and impact investment policies 	Head of Pensions Investment Officer	Scheme Sustainability
Broader Policy Development	Review and publish revised policies concerning: <ul style="list-style-type: none"> Risk Management Policy Training Policy Governance Policy & Compliance Statement 	Pensions Manager	Compliant, efficient, effective
Administration Regulations	Address new regulations pertaining to: <ul style="list-style-type: none"> Access and fairness Access and protection 	Head of Pensions	Compliant, efficient, effective
			Accessible & Informed

Business As Usual

The below summarises the core functions that form our business-as-usual activity:

Administration

- Benefits calculations
- Monthly scheme member payroll
- Systems and support
- Member communication
- Stakeholder engagement
- McCloud Record Rectification

Finance & Investment

- Accounting
- Investment oversight and reporting
- Local Investment
- Responsible investment
- Liability funding

Governance

- Risk management
- Training
- Knowledge and skills



Pension Fund Budget

The annual budget setting process requires Pension Committee approval every March. These figures exclude profit and losses on disposal of investments and changes in the market value of investments.

	2025/26 Revised (£ millions)	2026/27 Budget (£ millions)
Income from Scheme Employers and Members	199.8	186.8
Income from Investments ¹	71.9	33.4
Total Income	271.7	220.2
Expenditure related to payment of pensions ²	203.6	233.2
Operational Expenses ³	21.9	23.3
Total Expenditure	225.5	256.5
Net Income	46.2	-36.3 ⁴

¹ Income from investments must be reported in accordance with CIPFA guidance but most of the income is automatically reinvested into the capital value of investments and does not affect cash flow.

² LGPS pensions uplifted annually by CPI.

³ Investment management expenses linked to the AuM of investments which is forecast to grow by +6% per annum. Investment management expenses are paid for via a combination of invoice and deductions through the value of AuM.

⁴ Following the conclusion of the 2025 triennial valuation exercise and the significant improvement in funding position, the Fund has agreed employer contribution reductions with the majority of its scheme employers from 1st April 2026. The reduction in these contribution rates has seen the Fund projected to shift into a cash flow negative position for the first time, which is not uncommon in an open-ended defined benefit pension scheme. The Fund will utilise its investment strategy to generate income from its assets to meet all obligations as they fall due'.



Pension Fund Budget Operational Expenses 2026/27

In accordance with CIPFA guidelines, the Pension Fund discloses its costs against three primary categories, **Administration, Investment Management and Oversight & Governance**. Operational costs for 2025/26 (revised) and 2026/27 (budget), as agreed by Pension Committee, are as follows:

	2025/26 Revised (£ millions)	2026/27 Budget (£ millions)
Administration	1.88	2.11
Investment Management ¹	17.25	18.19
Oversight & Governance ²	2.74	2.97
Total	21.87	23.27

Figures for 2025/26 (revised) based on forecast outturn from February 2026.

¹ *Investment management includes management and custody fees for all legacy and WPP related investments, linked to the AuM of investments which is forecast to grow by +6% in 2026/27. Fees are paid via a combination of invoice and deductions through the value of AuM. The 2025/26 figure includes an equalisation payment relating to the Fund's investment commitment to a new private market fund.*

² *Oversight & Governance costs include the Fund's share of overseeing the governance arrangements in place for the WPP, including external consultants, host authority and operator costs. For 2026/27 it also includes running costs for WPP IM Co.*



Training Programme 2026/27

Developing the Fund’s Business Plan is a collaborative effort involving various stakeholders (internal and external) across several stages. Each year, Fund management will develop the forthcoming annual plan by utilising the following four steps:

TRAINING EVENT	TIMING OF TRAINING
<p>Fund Specific/TPR/Hymans Robertson Training:</p> <ul style="list-style-type: none"> · Pre/post meeting training related to administration, governance and oversight, investment management · Local Investment Training · IM Co. Oversight Training · TPR’s Online Trustee Toolkit · Hymans Robertson Training Modules · Hymans Robertson National Knowledge Assessment 	<p>Ongoing Ad Hoc/Quarterly Q2 2026 Q2 2026 Annually Annually Q3 2026</p>
<p>Regional Conferences/Events:</p> <ul style="list-style-type: none"> · PLSA - Local Authority Conference, ESG, Annual Conference · LGA - Pensions Fundamentals Training, Governance Conference · LGC - Investment Seminar · LAPFF - Annual Conference 	<p>Quarterly Q2, Q3, Q4 2026 Q3 2026, Q1 2027 Q1 2027 Q4 2026</p>
<p>CIPFA:</p> <ul style="list-style-type: none"> · Local Pension Board/Pension Committee Seminars (Autumn and Spring) · Annual Pension Conference 	<p>Q1-Q2 2026 Q2 2026</p>

How We Establish, Review, and Monitor Progress Against our Business Plan

Developing the Fund’s Business Plan is a collaborative effort involving various stakeholders (internal and external) across several stages. Each year, Fund management will develop the forthcoming annual plan by utilising the following four steps:

<p>Planning Phase (December - January)</p>	<p>Internal discussion and reflection with all members of the Fund’s Operational Teams.</p>
<p>Draft Business Plan Phase (January)</p>	<p>Following service level feedback and prior to the engagement phase, draft a proposal annual Business Plan for Local Pension Board consideration.</p>
<p>Stakeholder Engagement Phase (January - March)</p>	<p>To discuss annual objectives in the context of the Fund’s strategic objectives and agree in principle for the year ahead.</p>
<p>Finalise Proposal for Pension Committee Consideration and Approval (March)</p>	<p>Formal approval of the Business Plan for publication in April.</p>

Having developed and established the Business Plan it is essential that we continue to review and monitor our progress on an ongoing basis.

This process involves:

- Monitoring day-to-day workload and monthly review of progress against annual objectives
- Six monthly review of progress during service wide team meetings, Local Pension Board and Pension Committee updates
- Annual review of progress against strategic objectives and changes activities

The Business Plan will be adjusted as needed to address emerging priorities

Further Information

For further information on the Greater Gwent (Torfaen) Pension Fund, please visit the website: gwentpensionfund.co.uk

Key Policy Documents:

- Administration Strategy
- Annual Report & Accounts
- Communications Policy
- Governance Policy & Compliance Statement
- Funding Strategy Statement
- Investment Strategy Statement
- Responsible Investment Policy
- Climate Change Policy
- Impact Investment Policy
- Risk Management Policy
- Conflict of Interest Policy
- Training Policy
- Recording & Reporting Breaches of the Law
- Torfaen County Borough Council Constitution (Part 12 Pensions)

If you require further information related to this Business Plan, please contact: Andrew Lovegrove, Strategic Director of Resources (Section 151 Officer), Greater Gwent (Torfaen) Pension Fund.



Glossary of Terms

- **Assets Under Management (AUM)**
This refers to the total value of the Fund's Investments
- **Chartered Institute of Public Finance and Accountancy (CIPFA)**
UK based professional body for public sector accountants, providing standards, guidance and training in public financial management.
- **Funding Level**
The Fund's assets (contributions and investments) divided by its long-term liabilities (total pensions payable).
- **His Majesty's Treasury (HMT)**
UK Government department responsible for overseeing public finances, economic policy, government expenditure and taxation.
- **Local Government Association (LGA)**
A national organisation that represents local authorities, supporting them with policy development, advocacy and services to improve local governance and services.
- **Local Government Pension Scheme (LGPS)**
A defined benefit pension plan for employees working in local government and certain other public sector organisations.
- **Local Pension Board**
A statutory body Responsible for overseeing and scrutinising the Fund's administration and governance functions.
- **Ministry of Housing, Communities and Local Government (MHCLG)**
A UK government department that focuses on fixing the foundations of affordable homes, handing power back to communities, and overseeing local government endeavours.
- **Pension Administration Standards Association (PASA)**
Organisation that sets standards and best practices for pension scheme administration in the UK.
- **Pension Committee**
The Fund's statutory decision-making body comprised of elected councillors.
- **Project Snowdon**
A collective WPP objective to meet the requirements set out within the 'Fit for the future' UK government consultation; including the establishment of an FCA regulated Investment Management Company.
- **Scheme Advisory Board (SAB)**
A body that provides advice and guidance on the LGPS. It helps ensure the scheme is well managed and operates effectively.
- **The Pensions Regulator (TPR)**
UK government agency responsible for overseeing pension schemes, ensuring they are run properly by promoting good governance procedures.
- **Triennial Valuation**
Three-yearly process whereby the Fund's funding level is ascertained, which is used as the basis for setting employer contribution rates.
- **Wales Pension Partnership (WPP)**
One of eight LGPS pools in England and Wales, comprised of all eight LGPS funds in Wales, including the Fund.
- **WPP IM Co.**
An FCA-regulated investment management entity set up to manage the combined assets of all eight Welsh LGPS funds in accordance with the UK Governments 'Fit for the future' reforms.