

Bury & Walkers Pension Scheme Value for members assessment

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Value for members assessment
adopted by Scheme Trustees 15/9/2026

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Introduction and background

Good governance of defined contribution (DC) arrangements is recognised by the Pensions Regulator (TPR or the Regulator) as an instrumental part of running a quality pension scheme and delivering good retirement outcomes to members.

This report has been prepared for the Trustees of the Bury & Walkers Pension Scheme (the Scheme) for them to demonstrate compliance with the value for members regulatory requirements.

It covers the Scheme year ending 31 March 2025 and has been prepared by First Actuarial LLP (First Actuarial).

Legal requirements

Under the Occupational Pension Plans (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 (the Regulations), trustees of schemes providing DC benefits are required to carry out an assessment of their Scheme's value for members.

The Regulations apply to DC schemes over three years old with less than £100 million in assets.

Trustees must demonstrate that their scheme offers good value for members and provide detailed evidence that it is sufficiently competitive to justify continuing to run. The scheme must be benchmarked against three other larger DC scheme, i.e. ones with over £100 million in assets, one of which would be prepared, in principle, to take on the scheme's DC assets, should a decision be made to wind it up.

If the trustees identify areas where their scheme does not provide good value, particularly when compared to the other larger schemes, TPR expects them to document the issues and take steps to improve value for members in those areas if they can realistically deliver these in a short period of time.

Where this is not the case, TPR expects trustees to commence the process of winding up the scheme, with the assets being transferred to another DC arrangement.

The value for members assessment is required to be undertaken annually, and the results of it are to be included within the trustees' annual governance statement covering DC benefits (commonly called the 'Chair's statement'), which forms part of the annual scheme report and accounts.

Where trustees decide to wind up the scheme – where they have formally triggered the wind up process and notified TPR (via the Exchange system) the wind up has commenced – the requirement to produce a detailed value for members assessment under the Regulations falls away.

In those circumstances, trustees will still have to assess the extent to which member borne costs and charges represent good value for members, but they are not obliged to follow the detailed process set out in this report and reflected in the Regulations. These are the same value for member requirements currently in place for DC arrangements holding more than £100 million in assets.

Assessing value for members

The Department for Work & Pensions (DWP) has published guidance on completing the annual value for members assessment and this report assesses the Scheme in line with this guidance

The value for members assessment focuses on the following three key areas, all of which must be passed:

- Costs/charges
- Net investment returns
- Governance and administration

Within the assessment of governance and administration, there are seven areas of assessment:

- Promptness and accuracy of core financial transactions
- Quality of record-keeping
- Appropriateness of default investment strategy
- Quality of investment governance
- Level of trustee knowledge, understanding and skills to operate the scheme effectively
- Quality of communication with plan members
- Effectiveness of management of conflicts of interest

The assessment of costs and charges and net investment returns should involve benchmarking the scheme against three alternative DC arrangements with assets of more than £100m. Trustees can choose the comparator schemes but must explain their choice and be confident that at least one of them could accept the assets in the event of wind-up.

We have benchmarked the DC Section of the Scheme against the following arrangements:

- National Employment Savings Trust (NEST)
- Smart Pension Master Trust (Smart Pension)
- The People's Pension

In line with the Pensions Regulator's guidance, we have had discussions with Smart Pension and the People's Pension, who have confirmed that they would, in principle, be able to take on the assets in the Scheme.

First Actuarial has carried out an assessment on behalf of the Trustees of the Scheme. If you are comfortable with this assessment, the Trustees should adopt it as their assessment.

Executive summary

	Rating	Comments
Costs/charges		Charges on the Scheme are high for all members and other large providers would offer more competitive terms.
Net investment returns		All members are invested in the default investment strategy which has underperformed against the comparator providers.
Governance and administration		The Scheme does not meet the tests in relation to governance and administration in most areas. This includes monitoring core financial transactions, ensuring data quality and investment governance.
Overall assessment		The Scheme has failed in all three assessment areas and does not meet the requirements laid down by the Regulator. It is our understanding that the Trustees intend to wind up the Scheme and transfer the assets outside the Trust. If not, the Trustees should take steps to promptly improve value within the existing Scheme.

Guide to value for member assessment ratings:

Rating	Comment
	Pass – The Scheme meets the requirements for the section under review.
	Improvements required – whilst the Scheme meets some of the requirements, there are issues where it falls short. Where this is the case, remedial action needs to take place promptly within the next Scheme year.
	Fail – The Scheme does not meet the required standards laid down by the Regulator and consequently the Trustees will need to consider improving member outcomes through wind up.

Scheme details

The Scheme was established on 1 April 1989, closed to new members on 1 April 1997 and subsequently closed to accrual.

The Scheme is operated as a bundled trust-based DC scheme. Investment management and most administration services are undertaken by Utmost Life and Pensions (Utmost). Bury & Walkers LLP provides additional administration support to relay communications to/from members.

As of 31 March 2025, there were 15 deferred members remaining in the Scheme.

The members meet the investment management charges by deduction of annual management charges. The sponsoring employer normally pays the costs, charges and expenses of the Scheme's governance and management, including Trustees' oversight and risk management, secretarial services and professional advice to the Trustees.

As at 31 March 2025, the assets in the Scheme were invested as follows:

Funds	Value
Utmost Multi-Asset Moderate	£78,952
Utmost Multi-Asset Cautious	£18,587
Total	£97,539

All members are invested in the default investment arrangement as defined in the Occupational Pension Schemes (Investment) Regulations 2005.

The default investment arrangement is the Utmost Investing by Age Strategy. At the point of transition from Equitable Life, all members were moved to this strategy, unless they actively chose an alternative fund.

For members with a normal retirement age of 65, the lifestyle strategy invests 100% in the Multi-Asset Moderate Fund until age 55. From age 55 to 65, investments are gradually switched into the Multi-Asset Cautious Fund, reaching 100% at age 65.

From age 75, investments are then gradually switched into the Money Market Fund, with the transition completed by age 85. The strategy automatically adjusts to reflect any changes to a member's selected retirement age.

Members can choose from a range of 14 investment funds, covering a variety of asset classes including multi-asset, equity, bond and cash funds.

Costs and charges

The following table outlines the member-borne costs and charges for the Scheme, comparing its default investment arrangement with those levied by the other three short-listed schemes.

The comparator schemes used were selected for the purposes of the assessment due to their initial willingness to take on a Scheme of this size should it be wound up. They were also chosen based on the strength of their DC solution, financial strength, and investment range, overlaid by our experience of working with them.

It should be noted that the ‘charge cap’ set by the DWP for default investment arrangements used for the purpose of employers meeting their automatic enrolment duties is set at 0.75% p.a.

Default investment arrangement

Scheme	Charges (Total Expense Ratio) (%)	Transaction costs (%)	Total charges (%)
The Scheme (default)	0.75	0.31	1.06
Nest (default)	0.30	0.06	0.36
Smart Pension (default)	0.37	0.08	0.45
The People’s Pension (default)	0.61*	0.09	0.70

*Charges calculated based on a median pot size of £5,000

Conclusion: Fail - It is clear from the above comparison that the costs and charges for members in the Scheme’s default investment arrangement are higher than the comparator pension providers.

Net investment returns

A key element to determine value for members is the performance and management of the investment funds. The Regulator requires that the Scheme compares its net investment returns, after charges have been deducted, with three other large DC pension providers. The objective is to establish whether they are broadly in line with or in some cases better than the comparator funds used.

For the purposes of comparison, the Scheme default investment arrangement was benchmarked against the default funds offered by Nest, Smart Pension and the People's Pension.

The default options offered by the Scheme and comparator providers are lifestyle options and so de-risk as members approach retirement. As the investment mix of the fund will change approaching retirement, so too will the returns from the fund.

The guidance states that, where returns differ for members at different ages, these age-related returns should be provided at ages 25, 45 and 55, assuming a retirement age of 65. From reviewing the different provider defaults, only the People's Pension use a de-risking period of longer than 10 years, and so they are the only provider for whom an age-related return is required. We have therefore shown this in the table below.

The de-risking periods for each provider's default are shown below:

- The Scheme – 10 years
- Nest – 10 years
- Smart Pension – 8 years
- The People's Pension – 15 years

The following tables reflect the performance of each fund over varying periods based on investment after charges have been deducted and take account of the statutory guidance. They have been calculated on a geometric basis, assume a £10,000 investment made up to 31 March 2025 and show age-related returns with the same charge levied on all savers.

Default Investment Funds - Annualised Returns (%)

Fund	1 year	3 years	5 years	10 years
The Scheme (default)	4.9	3.0	6.8	n/a
Nest (default)	5.9	4.6	9.9	7.2
Smart Pension (default)	3.1	5.4	10.3	n/a
The People's Pension (default)	6.2	4.5	9.8	n/a

Default Investment Funds - 10 years to retirement

Fund	1 year	3 years	5 years	10 years
The People's Pension (default)	5.7	3.6	8.5	n/a

Conclusion: Fail – The Scheme's default investment arrangement has underperformed all three comparators over 3 and 5 years, whilst also underperforming two of the three comparators over 1 year.

Governance and administration

The Regulator outlines seven elements to the assessment of the governance and administration of the Scheme. These are as follows:

- Promptness and accuracy of core financial transactions
- Quality of record-keeping
- Appropriateness of default investment strategy
- Quality of investment governance
- Level of trustee knowledge, understanding and skills to operate the Scheme effectively
- Quality of communication with scheme members
- Effectiveness of management of conflicts of interest

Unlike the assessment of costs/charges and net investment returns, for governance and administration, evidence has not been drawn from comparator schemes. Instead, consideration is given to whether the Scheme's governance and administration meets the relevant benchmark set by the Regulator.

Where appropriate, evidence has been obtained to back up the assessment as to whether the standards expected by the Regulator have been met.

Promptness and accuracy of core financial transactions

Requirements

The Regulator views this aspect as key, with delays and errors impacting directly on the values members receive as well as their satisfaction. In addition, identifying and rectifying errors is a costly exercise.

The Regulator expects the trustee to consider the promptness and accuracy of the following core transactions:

- Payment in and investment of member and employer contributions
- Transfers between schemes
- Transfers and switches between investments within a scheme
- Payments out of the scheme to beneficiaries, i.e. retirements and deaths

Points to consider:

- Proportion of transactions completed accurately and within required timeframes set in legislation and any service level agreements (SLA)
- Does the DC Section have SLAs in place?
- What are these?
- Are they monitored by the Trustee?
- Where is the evidence of the monitoring and the SLAs being met?

Evidence

Utmot has provided generic information about their performance against their own set SLA's as scheme level information is not available.

The performance against its SLAs during 2025 was:

- 95% of payments out made within 5 days
- 95% of illustrations completed within 10 days
- 95% of general servicing completed within 10 days

The evidence provided by Utmot shows they are operating in line with their targets. We would expect general servicing to be measured across a shorter period of around 5 days.

Utmot states that “Any contributions are allocated from the date of receipt. Any switch or payment requests received are processed as quickly as possible. We aim to complete payments within 5 days, where possible”.

There has been no evidence of the Trustees monitoring Utmot's performance against their SLA's.

Conclusion – Fail. Whilst the historic performance of Utmot appears to be satisfactory, there is no evidence of the Trustees monitoring the SLA performance on a regular basis. It is also noted that scheme level performance is not available.

Quality of record keeping

Requirements

- Security of data – robustness of controls the Trustee have in place and effectiveness of controls put in place by outsourced provider.
- Accuracy and scope of records/data kept – quality and accuracy of common data and scheme-specific data.
- Review of data – The Trustee should complete a review in advance of each annual value for members assessment.
- Collectively consider the security, accuracy, and completeness of their data to determine whether they are providing value for members.

Points to consider:

- When did the last audit/review of Scheme data take place?
- Where can the review and its results be obtained?
- What was the outcome of the review and what actions have been taken as a result?

Evidence

Utmot has systems and processes in place to help ensure the security of customer data. The Trustees have relied on Utmot's systems and processes.

The Trustees have not been able to review the processes which Utmot has in place, but have noted Utmot's 'Code of practice Information sheet' published on its website, setting out the systems and policies in place.

Utmost states that “We carry out regular data integrity exercises covering both core and conditional data. Any errors identified are investigated and corrected. As we are not the scheme administrator, we do not hold full details of the common or conditional data. We do not, therefore, measure the data or calculate data scores.”

The Trustees have not undertaken any data reviews for the Scheme in the assessment period.

Conclusion – Fail. The requirements relating to record keeping have not been met.

Quality of investment governance

Requirements

The following are measures of good investment governance:

- Documented and robust investment governance procedures are in place and adhered to. A clear investment governance structure is in place with clarity around roles and level of authority in decision-making
- Where tasks and decisions are delegated, those individuals have the required knowledge and expertise and are being held to account
- Trustee can demonstrate that where fiduciary/investment managers are used, trustee remain actively engaged with managers and decisions made

- Trustee has the knowledge and competence to oversee investments effectively. Investment objectives and strategies are understood and followed; investment advice is challenged where necessary
- Reviews of performance against objectives and reviews of portfolios are carried out regularly
- Trustee recognises the role in asset allocation, setting investment strategy and the selection, monitoring, and retention of managers
- Trustee has risk management and continuity plans in place to deal with economic crises and market volatility, and clear governance structures in place in relation to long-term financial sustainability of investments including environmental, social and governance (ESG) factors
- Trustee has good oversight of the communication strategies around investment options.

The Trustee needs to consider all the points above when assessing whether they can demonstrate value for members in this area.

Evidence

The Trustees are responsible for the investment management of the Scheme with the day-to-day management of the investment being delegated to Utmost.

All members are invested in the Utmost Investing by Age Strategy, which is the default investment arrangement as defined in the Occupational Pension Schemes (Investment) Regulations 2005.

Technically, there should be a statement of investment principles (SIP) in place covering the default investment arrangement.

There is no evidence of any investment governance or investment reviews taking place.

Conclusion – Fail. No investment governance or reviews appear to have taken place.

Appropriateness of the default investment strategy

Requirements

The extent to which the following apply to the default arrangement, and explain how the positions have been achieved:

- Investment strategy is clear, appropriate for each stage of the member journey, and is consistently followed in accordance with strategy objectives
- The value added from portfolio construction, asset allocation and manager selection are assessed when the investment strategy is reviewed
- The risk and return in the investment strategy are properly considered and are suitable for the objectives of the Scheme
- The policies on ESG and climate considerations are not generic but are tailored to the investment strategy of the Scheme or fund

Evidence

The default investment arrangement has underperformed the chosen comparators.

There does not appear to be regular monitoring of the performance by the Trustees and no formal reviews of the default appear to have taken place since the transition to Utmost.

Conclusion – Fail. As noted in the previous section, we do not believe the requirements for investment have been met.

Trustee knowledge, understanding and skills

Requirements

The Trustee should assess and explain how well they have performed against Sections 247 to 249 of the Pensions Act 2004.

In addition, the Trustee should look at the following elements:

- Whether sufficient time is spent running the Scheme
- Diversity of Trustee board in terms of background, experience and skills
- Quality of leadership and effectiveness of Trustee board decision-making
- Trustee' continuous learning and development
- Quality of working relationships with Employer/third parties

Evidence

The Trustees have not historically spent sufficient time monitoring the Scheme or evidencing their ongoing knowledge of the evolving regulations and market trends in relation to DC pension arrangements.

The Trustees professional background means they have a thorough understanding of the structure of trusts and trust law.

We understand that the Trustees are in the process of completing the Trustee Toolkit modules relevant to DC schemes in these circumstances.

Conclusion – Fail. Sufficient Trustees knowledge and understanding and experience is not evident.

Quality of communication with Scheme members

Requirements

In addition to their statutory obligations:

- Information should be given to Scheme members in an accurate, clear, and concise way which is easy for them to understand. How well this is done could be assessed by feedback from Scheme members, including the number of complaints about quality and quantity of information received
- Scheme members' individual preferences for mode of communication should be acknowledged and technology and digital platforms used as appropriate.

The quality and timeliness of information in the following areas:

- Information and guidance in relation to the rights to transfer to another scheme
- The quality of guidance on spotting potential scams
- Information to help with decision-making on investment options
- Information in the retirement wake-up pack
- General signposting of members to various guidance bodies
- Information to help with decision making on pension saving, including, for example, an indication of the value at retirement and the impact of contribution levels on that value.

The Trustee must meet all statutory obligations, as well as explaining how they have met the expectations above, to demonstrate value for members.

Evidence

Utmost provides standard member communications (e.g. retirement options, transfer packs and annual benefit statements). Bury & Walkers LLP provide additional administration support to relay communications to/from members.

The Trustees should consider widening the scope of communications to help engage members further with their pensions.

Conclusion: Room for Improvement - Whilst the minimum statutory requirements appear to have been met, there is further scope to communicate and help engage with members. The communications fall short of what would be available within a modern pension arrangement.

Effectiveness of management of conflicts of interest

Requirements

The Scheme should have:

- A robust policy and written procedures in place that identify, manage, and monitor conflicts of interest effectively, which is regularly reviewed
- Controls in place to ensure that the Trustee is aware of the requirement to declare and discuss any potential conflicts

- Conflicts of interest register in place to record and declare interests that is discussed at every Board meeting
- Controls in place to ensure that all conflicts of interest are declared upon appointment of any Trustee and other service providers

The Trustee needs all four of points in place to demonstrate value for members.

Evidence

Utmost has a Conflicts of Interest policy in place to ensure adequate controls and procedures are in place. There is no evidence of the Trustees having any controls in place to manage conflicts of interest.

Conclusion – Fail. There is no evidence of the Trustees having appropriate procedures in place.

Overall assessment for governance and administration conclusion: Fail. We believe that the requirements have not been met in most areas.

Conclusion and next steps

Under the Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021, trustees of schemes providing DC benefits are required to carry out an assessment of their scheme's value for members.

First Actuarial has carried out an assessment on behalf of the Trustees of the Scheme. If you are comfortable with this assessment, the Trustees should adopt it as their assessment.

We have assessed the value for members of the Scheme by considering the following aspects of the Section:

- Costs and charges
- Net investment performance
- Governance and administration

Looking at the charges levied for members, the Scheme's default investment arrangement charges are in line with the DWP charge cap and lower charges are available from the comparator providers.

All members are invested in the default investment arrangement which has underperformed against the comparator providers.

Finally, considering the governance and administration of the Scheme, the Trustees do not meet the requirements in any of the areas.

Given the information provided for the governance and administration assessment areas, we believe that the Scheme does not meet the Regulators minimum standards.

Overall, our assessment concludes that the Scheme does not meet the requirements laid down by the Regulator.

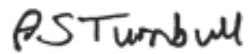
From conversations held with the Trustees, it is clear that the intention is to wind up the Scheme and transfer assets outside of the Trust.

If the Trustees do not trigger wind up, then the Regulator expects the Trustees to make steps to improve value for members. If this is the case, we recommend the Trustees:

- Undertake an investment review of the existing default, consider alternative options available (which may include moving away from Utmost/identifying a new bundled provider) and produce a SIP covering the default investment arrangement.
- Regularly monitor Utmost's SLA performance for administration tasks.
- Review Utmost's processes and undertake data reviews to ensure the Scheme holds quality data.
- Complete the Trustee Toolkit and undertake regular training in relation to DC matters.
- Conduct regular formal meetings with the Trustees to document decisions and monitor the governance of the Scheme.
- Increase the scope of communications to help engage members with their pension savings.
- Implement a formal conflict of interest policy.

These changes in isolation may not be enough for future assessments to conclude overall that the Scheme meets the value for member requirements. The charges in isolation are high and addressing the level of member charges may require a fundamental restructuring of the Scheme.

We look forward to discussing this report with you. If you are comfortable with this assessment, the Trustees should adopt it as their assessment.



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