

**Cambridgeshire County
Council Pension Fund
Annual Report and
Statement of Accounts
Year Ended
31 March 2024**



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Chair's Foreword

I am delighted to present the Annual Report and Statement of Accounts for the Cambridgeshire Pension Fund's financial year 2023-24.

We have introduced a number of changes to this year's annual report, both in response to the increasing reporting expectations of the national Scheme Advisory Board, but also to improve accessibility and readability. The most significant change is the new summary report (Pages 4 to 7) that provides an overview of the key messages from each area of the annual report and signposts relevant information within the subsequent pages.

It is pleasing to report that the Fund remains in a strong financial position. The Fund increased in value by £526.2m to £4.76bn, helped by a 11.7% return on investments during the year. The Fund remains in a stable cash positive position with total income exceeding expenditure by £9.9m before any investment returns are considered.

Funding level is the comparison of Fund assets to liabilities. At the last formal valuation, 31 March 2022, the funding level was 125%, meaning for every £1 of liabilities owed to members, the Fund has £1.25 of assets to cover the liability. This funding level has continued to improve by the end of the 2023-24 scheme year.

The main responsibility of the Fund is to pay benefits to scheme members and other beneficiaries in a timely manner as they fall due. Membership has grown substantially and now totals over 99,000 active, pensioner, and deferred scheme members.

The Scheme Administration section sets our key performance indicators for our main interactions with members. The amount of information provided has expanded as a result of the reporting requirements mentioned earlier. We have now included information on communications and engagement with scheme members, member satisfaction levels, and the amount of members using member self-service.

If you are a scheme member and not currently using member self-service then can I encourage you to do so by accessing the Fund's website ([Landing page - Cambridgeshire and Northamptonshire LGPS \(westnorthants.gov.uk\)](https://www.westnorthants.gov.uk))

Aside from direct interactions with scheme members, the pensions team have been working on numerous planned activities through out the year, including

procurements, ACCESS asset pool developments, a new Fund website, and the Fund's Climate Action Plan.

The Fund is a member of the ACCESS asset pool and uses ACCESS to reduce investment costs and comply with the Government's asset pooling agenda. We now have 74.4% of assets pooled as of 31 March 2024, a significant increase of 13.4% from the prior year, with a further 9% earmarked for pooling during the next financial year. The Fund has used ACCESS to support changes to our strategic asset allocation within the year, reducing allocations to equity and increasing allocations to fixed income and alternatives.

Our Climate Action Plan shows our commitment to sustainability, wherein we have set a decarbonisation pathway for our investment portfolio. Our goal is to achieve net zero carbon emissions by 2050 at the latest whilst ensuring the Fund can still carry out its fiduciary responsibilities. We have made significant progress in reaching these targets since they were set in 2021, and more information is provided in the Climate Change Report within this annual report (Pages 57 to 61) and on the Fund's website.

I extend my sincere appreciation to Members of the Pension Fund Committee, the Investment Sub-Committee, and the Local Pension Board. I would like to welcome Councillor Mike Black, Councillor Peter McDonald, Councillor Nick Gay, Councillor Tom Sanderson and Howard Nelson as newest members on the Pension Fund Committee this year and Liz Brennan, who joined the Local Pension Board this year.

Thank you also to the devoted officer team who endeavour to maintain the highest standards of performance for our scheme members, employers, and other stakeholders.

Should you have the time to delve deeper into this annual report, you should gain further understanding into the Fund's operations, achievements, and future outlook. The Fund remains steadfast in its mission to provide financial security for its members, uphold transparent governance practices, and act as responsible stewards of the Fund's assets.

Yours faithfully,

Councillor Alison Whelan

Chair of the Cambridgeshire Pension Fund Committee

Summary Report

Cambridgeshire County Council is the administering authority for the Cambridgeshire Pension Fund (the Fund) which is part of the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit pension scheme and Cambridgeshire Pension Fund has over 99,000 members and 197 active employers. The main purpose of the Pension Fund is to pay benefits to members and beneficiaries as they fall due.

Funding Level

At the last formal valuation, the Funding level was 125%. This means for every £1 of liabilities owed to members, the Fund has £1.25 of assets to cover the liability. The actuarial statement on [page 67](#) provides more information on the latest actuarial valuation as of 31 March 2022.

Financial Performance

The budget is approved by Pension Fund Committee at the start of the year (see Governance section [page 43](#)) and forecasts are reported against the budget on a regular basis throughout the year. As at the end of the year, the Fund is still cash-flow positive, the fund received enough income to pay its expenses.

Key highlights:

- The Fund returned 11.7% on investments during the year resulting in a £454.1m return on investments.
- In total, the Fund value increased by £526.2m from £4.23bn to £4.76bn.
- The Fund has received £166.5m of contributions during the year, of the total amount of contributions received, only 1% (£224k) was paid late by employers.
- Transfers in and out represent amounts received and paid for members who have joined or left the Fund, the Fund received £23.4m of transfers in and paid £15.9m in transfers out during the year.
- Benefits payable are Pensions and lump-sum benefits paid to members. The Fund paid £138.7m in Pension benefits during the year.
- Management expenses during the year were £25.5m, of that £20.0m were paid to investment managers.

- Investment income received from investment managers during the year was £62.2m.

	2023-24 Budget £000	2023-24 Actual £000
Financial Performance		
Contributions	148,000	166,530
Transfers in from other funds	11,000	23,390
Total Income	159,000	189,920
Benefits payable	-137,000	-138,653
Payments to and for leavers	-9,000	-15,918
Total Benefits	-146,000	-154,571
Surplus of contributions over benefits	13,000	35,349
Management Expenses	0	0
Administrative Costs	-3,221	-3,010
Investment Management Expenses (Invoiced)	-845	-1,352
Investment Management Expenses (Non-Invoiced)	-22,900	-19,993
Oversight and Governance Costs	-881	-1,118
Total Management Expenses	-27,847	-25,473
Total Income less Expenses	-14,847	9,876
Investment Income	34,000	62,246
Taxes on Income	0	-36
Profit/(loss) on disposal and changes in market value of investments	204,000	454,093
Net return on investments	238,000	516,303
Net increase/(decrease) in assets during the year	223,153	526,179

Summary Report

Administration

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme. Organisations participating in the Cambridgeshire Pension Fund include: Scheduled bodies, Admitted bodies and Resolution/Designated bodies. For more information on these types of employers see [page 75](#).

The Fund has been working on its business plan activities during the year, across areas including administration, governance, investments and communications, all while keeping up to date with its business-as-usual activities. To name a few, we have successfully carried out six tenders and reviews for expiring contracts; continued with the development of the ACCESS Pool and climate action plan and carried out a review of the Funds website, implementing best practice and adhering to new legislation and regulations. For more information of these projects, see [page 15](#).

The Fund has developed a number of Key Performance Indicators (KPIs) to monitor service delivery. This report includes casework carried out during the year and the time taken for the case work to be completed against the Funds target. The Funds targets for casework are currently tighter than the CIPFA Guidance recommends. The Fund has introduced new KPIs this year for communication and engagement targets with members and employers; staff resources and data quality scores. For more information on the Fund's KPIs, see [page 18](#).

Governance

Cambridgeshire County Council has established a Pension Fund Committee (PFC) and Investment Sub-Committee (ISC).

All members of the ISC sit on the PFC. Councillor Alison Whelan is the Chair for the Pension Fund Committee and Councillor Michael Black is the Vice-Chair.

Membership of the PC consist of:

Member Type	Number of representatives
Cambridgeshire County Council elected members	6
All other local authorities, police and fire elected members	2
All other employer's representative	1
Active scheme member representative	1
Deferred and Pensioner member representative	1

The Local Pension Board (LPB) was established on 1 April 2015, providing an additional layer of governance for the Fund. The Local Pension Board is made up of 3 scheme employer representatives and 3 scheme member representatives. Councillor Denis Payne is the Chair for the LPB.

The full membership list of the above governance bodies is available on [page 45](#).

Investments

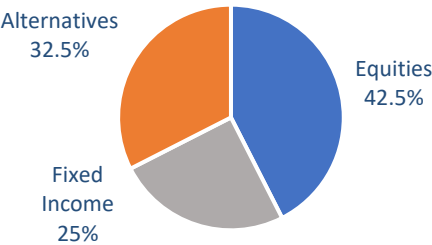
The primary objective of the Fund is to pay benefits as they fall due to members and beneficiaries. In normal market conditions, all accrued benefits should be fully covered by the value of the Fund's assets and an appropriate level of contributions is agreed by the employer to meet the cost of future benefits accruing. The Fund's approach to its investment arrangements is set out in its Investment Strategy Statement (ISS).

The Fund adopts a long-term perspective, focussing its investment strategy to generate sustainable returns on a risk adjusted basis to grow the Fund's assets to reflect its equally long-term future liabilities. The Fund has produced a Responsible investment policy which sets out our approach to sustainable responsible investment and will help us manage the carbon and climate risks impacting our investments better. The Fund has also created a climate action plan, decarbonisation pathway and a climate dashboard which measures the funds progress at decarbonisation over time. All four documents can be found on the Funds website [key documents page](#).

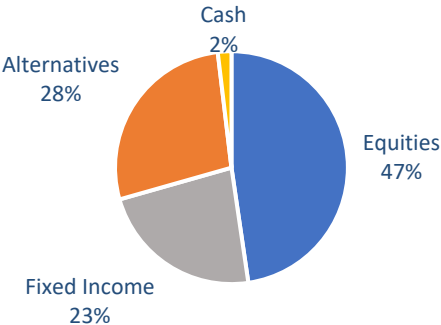
Summary Report

The below pie charts show the Funds actual allocation compared to its strategic allocation:

Strategic Asset Allocation at 31 March 2024



Actual Asset Allocation 31 March 2024



The detailed market summary from our independent advisor’s annual review is available from the [page 62](#) ‘Independent Adviser’s annual review – Twelve months to 31st March 2024’.

The Fund is working with ten like-minded LGPS funds to implement the ACCESS asset pool in response to the Government’s LGPS reform agenda. The main aim is to encourage LGPS Funds to work together to form asset pools to “pool investments to significantly reduce costs, while maintaining investment performance.” Individually, the participating funds have a strong performance historically and potential for substantial benefits for a group of successful, like-minded authorities collaborating and sharing their collective expertise. Collectively as at 31st March 2024, the ACCESS Pool has significant scale with assets of £64.6bn (of which 69% has been pooled) serving 3,510 employers with 1.2 million members including 341K pensioners.

UK Levelling Up Investments

“Levelling up” refers to assets which make a measurable contributions to one of the missions set up in the Government Statement of Levelling Up Missions and support any local areas within the United Kingdom.

The Government’s ambition is for the funds to invest up to 5% of their assets in projects which support levelling up. As at 31 March 2024, the Fund has 5% invested in levelling up assets.

The below table shows the Funds levelling up assets:

Asset	£m
Cambridge and Counties Bank	84.8
M&G UK Residential Property	56.4
Cambridge Building Society	15.0
Foresight East of England Fund	61.6
M&G Shared Ownership Fund	24.5
Total	242.3

Task Force on Climate Related Financial Disclosures (TCFD)

The Fund recognises the systemic risk associated with climate change as well as the County Council’s targets in this regard and has been working towards producing a climate change report. To manage this systemic risk and to align with its support of the Paris Agreement and a “just transition”, the Fund currently expects that its investment portfolio will be net carbon neutral by 2050, in line with UK Government’s targets.

Since the targets were set in June 2021, the Fund has:

- Reviewed the Fund’s passive equity allocation and implementing changes to the underlying benchmarks to increase exposure to stocks with positive climate-related characteristics.
- Switching one of the Fund’s multi-asset credit mandates to a portfolio with the same expected risk and return and stronger integration of positive Environmental, Social and Governance factors.
- Agreeing a strategic allocation of 1% of total Fund assets to timberland.

Summary Report

Current reported metrics only include emissions data for the Fund's listed equity portfolio. From 2024 this will be expanded to include corporate bonds.

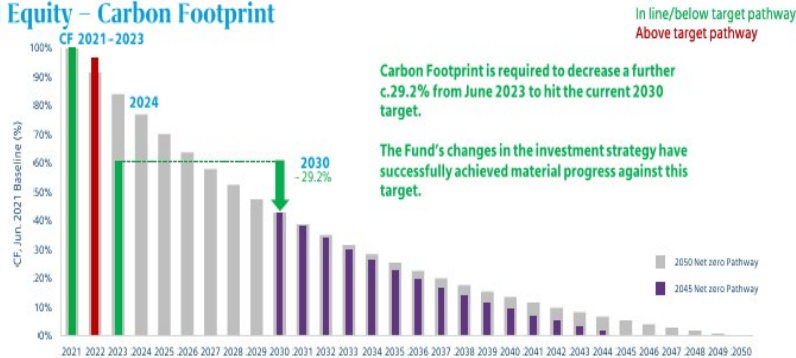
The Fund will continue to track both absolute emissions and weighted average carbon intensity (WACI) (and from the 2024 analysis date, Science Based Targets initiative (SBTi) alignment) as each metric provides a different insight as to the nature of the companies held within portfolios.

Progress against targets

The chart below demonstrates the Fund's progress (Green and Red bars) against the pre-defined pathway (Grey bars) required in order to achieve the Net Zero objective by 2050. The purple bars demonstrate the pathway to achieve Net Zero by 2045 for information.

The full report is available on [page 57](#)

Listed Equity – Carbon Footprint



Statement of Responsibilities

Introduction

This Annual Report and Statement of Accounts sets out the arrangements by which the Local Government Pension Scheme operates, reports changes which have taken place and reviews the investment activity and performance of the Cambridgeshire County Council Pension Fund ("Fund") during the year.

The Statement of Accounts has been prepared in accordance with the CIPFA/LASAAC Code of Practice for Local Authority Accounting in the United Kingdom 2023-24.

The accounts summarise the transactions and deal with the net assets of the Pension Fund. The accounts do not take account of the obligation to pay future benefits which fall due after year end. The actuarial position of the Fund which takes into account these obligations is available on the Fund's website,

[2022 Valuation Report](#)

The Council's Responsibilities in respect of the Pension Fund

Cambridgeshire County Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council that officer is the Chief Finance Officer; and
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts which form part of the Council's Statement of Accounts.

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Council's statement of accounts in accordance with proper practices as set out in the *CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code)*.

In preparing this statement of accounts, the Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently; and

- Made judgments and estimates that were reasonable and prudent; and
- Complied with the Code.

The Chief Finance Officer has also:

- Kept proper accounting records which are up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of Accounts

I certify that this Statement of Accounts presents a true and fair view of the financial position of the Pension Fund at 31 March 2024 and of its income and expenditure for the year 2023-24. I authorise the accounts for issue.

XXXXXX

Chief Finance Officer

(Section 151 Officer)

Dated: XXXXXXXXXXXX

Scheme Management & Key Officers

The Key Officers of the Fund during the year were:

Michael Hudson – Executive Director of Finance and Resources

Mark Whitby – Head of Pensions

Ben Barlow – Investments and Fund Accounting Manager

Joanne Kent – Systems and Projects Manager

Akhtar Pepper – Operations Manager

Cory Blose – Employer Services and Communications Manager

Michelle Oakensen – Governance and Regulations Manager

The Team

The Pensions Service is based in Northampton and consists of the following teams:

- **Operations** – contact point for members of the scheme to deal with members' enquiries and requests. Maintain member records, calculate benefits and pensions payable.
Email: Pensions@westnorthants.gov.uk
- **Employers** – contact point for employers of the scheme and those wanting to join. Deliver training sessions to employers and payroll providers to assist them to participate efficiently in the Fund.
Email: PenEmployers@westnorthants.gov.uk
- **Funding** – record and reconcile contributions paid into the Fund and accounts for fund expenses. Provide financial monitoring and reporting of functions such as debt management and cash requirements.
Email: PenContributions@westnorthants.gov.uk
- **Governance** – support all Committees in governing the Fund effectively, develop and monitor policies and practices to improve data quality and ensure regulatory compliance.
Email: Pensions@westnorthants.gov.uk
- **Investments** – oversee the governance of Fund assets and support the Investment Sub-Committee, financial monitoring and reporting of investments.
Email: PenInvestments@westnorthants.gov.uk
- **Projects** – is responsible for delivering a wide range of projects that are required to be delivered across the service.
Email: PenProjects@westnorthants.gov.uk
- **Systems** – ensure internal systems are operating efficiently and provide support to maintaining accurate member records.
Email: PenSystems@westnorthants.gov.uk

Michael Hudson

Executive Director of Finance and Resources

Cambridgeshire County Council

Email: Michael.Hudson@cambridgeshire.gov.uk



Enquiries relating to management and administration should be directed to:

Mark Whitby

Head of Pensions

Pension Services

Email: Mark.Whitby@westnorthants.gov.uk



Further information regarding the accounts and investments can be obtained from:

Ben Barlow

Investments and Fund Accounting Manager

Pension Services













Email: Ben.Barlow@westnorthants.gov.uk



Registered Pension Scheme Number: 10038487

Scheme Management, Advisors and Partners

To visit each providers website, you can access their link by clicking on the logos.

<u>Partners</u>		<u>Asset Managers (Continued)</u>	
ACCESS (Pension Pool)		Dodge & Cox Funds*	
AON (Consultants)		Equitix Ltd	
KPMG (Auditors)		Foresight Group	
Hymans Robertson (Actuary)		HarbourVest Partners (UK)	
Mercer (Investment Consultants)		IFM Investors	
NatWest (Bank)		JO Hambro *	
Northern Trust (Custodian)		JP Morgan	
Pathfinder (Legal Advisor)		Longview Partners*	
Sam Gervaise-Jones(Ind. Advisor)		M&G Investments*	
Squire Patton Boggs (Legal Advisors)		Osmosis	
		Partners Group	
<u>Asset Managers</u>		Schroders	
Adams Street Partners		Waystone Management Limited	
Allianz Global Investors		USB Asset Management	
Ares Asset Management		<u>AVC Providers</u>	
AVIVA Investors		Prudential	
Blue Bay Asset Management*		Utmost Life & Pensions	

*Sub-funds managed by Waystone Management in the ACCESS pool ([page 50](#))¹⁰

Financial Performance

Financial Performance

The financial performance of the Fund is monitored against budgeted performance on a regular basis throughout the year by the Pension Fund Committee.

Variance Analysis

- Contributions from members are set in accordance with LGPS regulations and contributions from employers are set at the percentage rate recommended by the actuary in the payroll period to which they relate. If there were to be a large increase in active membership numbers or salary increases are higher than expected, contribution income would increase and vice versa for decreases. The variance from actual to budget is due to two employers paying their three-year deficit contributions in the first year of valuation.
- Benefits payable are Pensions, retirement and death lump-sum benefits paid to beneficiaries during the year. The figures are driven by pensioner membership numbers and Pension Increase. Benefits are in line with current membership numbers.
- Transfers in and payment out values represent the amounts received and paid for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations and guidance. These figures are demand led.
- Management expenses include all direct fees charged to the Pension Fund during the year. For more information the accounting policies on management fees can be found on [page 78](#).
- Administration fees are lower than expected due to large bank interest payments received during the year.
- Investment management expenses (invoiced) are higher than expected due to new investments.
- Investment management expenses (non - invoiced) are lower than expected due to underperformance from some managers and strategic asset changes during the year.

- Oversight and governance costs are higher than expected due to under estimated consultancy costs for the implementation of the investment strategy.

The 2023-24 budget for profit/loss on disposal and changes in market value of investments assumed the actuarial target would be achieved. The actual market experience is explained in the independent investments advisor's review ([page 62](#)).

Details of non-investment assets and liabilities of the Fund are not included in the below table, they can be found in the Statement of Accounts in Notes 21 to 22. There have been no significant changes to non-investment assets and liabilities during the year.

Financial Performance	2023-24 Budget £000	2023-24 Actual £000
Contributions	148,000	166,530
Transfers in from other funds	11,000	23,390
Total Income	159,000	189,920
Benefits payable	-137,000	-138,653
Payments to and for leavers	-9,000	-15,918
Total Benefits	-146,000	-154,571
Surplus of contributions over benefits	13,000	35,349
Management Expenses		
Administrative Costs	-3,221	-3,010
Investment Management Expenses (Invoiced)	-845	-1,352
Investment Management Expenses (Non-Invoiced)	-22,900	-19,993
Oversight and Governance Costs	-881	-1,118
Total Management Expenses	-27,847	-25,473
Total Income less Expenses	-14,847	9,876
Investment Income	34,000	62,246
Taxes on Income	0	-36
Profit/(loss) on disposal and changes in market value of investments	204,000	454,093
Net return on investments	238,000	516,303
Net increase/(decrease) in assets during the year	223,153	526,179

Financial Performance (continued)

Financial Performance (continued)

A breakdown of Administration Cost is shown below:

Administration Costs	2023-24 Budget £000	2023-24 Actual £000
Staff related	-2,080	-2,185
Pensions administration and payroll system	-485	-448
Data Assurance	-25	-19
Communications	-51	-32
Other non pay and income	-27	227
County Council overhead recovery	-553	-553
Total Administration Costs	-3,221	-3,010

Contributions

Contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ended 31 March 2024. Employers' contributions are set as part of the triennial actuarial funding valuation. The last such valuation was at 31 March 2022. Employers' contributions comprise a percentage rate on active payroll between 0% and 43.3% and deficit payments of fixed cash amounts set for each employer as part of the triennial funding valuation.

The Fund works closely with employers to collect contributions on time. The following table shows the amount of regular employee and employer contributions paid during the year and the value and percentage of which were paid both on time and after the deadline of the 19th day of the month following deduction.

Contributions	Total Paid in 2023-24 £000	Total Paid On Time £000	% Paid On Time	Total Paid Late £000	% Paid Late
Employer	130,282	130,108	99	174	1
Employee	36,248	36,197	99	51	1
Total	166,530	166,305	99	225	1

The Fund did not apply any additional charges or levies in respect of contributions received late, and no reports were made to The Pensions Regulator in respect of late contributions during the year.

Recovery of Overpayments of Pension

The Fund participates in the National Fraud Initiative which is a biennial process. The necessary recoveries arising from identified overpayments are being pursued.

Annual Pensioner Payroll (£) ¹	115,575,385
Total write off amount (£)	75,551
Write off amount as % of payroll	0.065%

¹Excludes additional pension awarded by the employer.

The following tables show the analysis of pension overpayments that occurred during the last five years:

Year	Overpayment £	Recovered/in progress £	Written Off £
2019-20 ²	97,143	36,137	61,006
2020-21	19,846	4,895	14,951
2021-22	40,591	28,750	11,841
2022-23 ³	102,395	33,636	68,759
2023-24 ³	87,512	11,961	75,551

²Overpayments in 2019-20 appear particularly high, as in addition to usual activity, the Fund undertook a significant reconciliation project during the year in which a number of overpayments were identified.

³Overpayments in 2022-23 and 2023-24 are high, as in addition to usual activity, the Fund undertook a Guaranteed Minimum Pension (GMP) rectification project. Overpayments identified as a result of incorrect or non-application of the GMP are written off after authorisation is obtained from Committee, unless the member could have known that their pension was being paid incorrectly as a result of the non or misapplication of GMP.

Overpayments identified with a value of under £250 are automatically written off, in line with the Fund's Overpayments Policy.

Scheme Administration

Introduction

Cambridgeshire County Council is responsible for administering the Cambridgeshire Pension Fund, which is available to employees of the County Council, organisations with a statutory right to be in the scheme (scheduled bodies) and organisations, such as outsourced contractors and charities, which the County Council has admitted under its discretionary powers (admitted bodies). As well as organisations that can admit their employees to the LGPS by passing their resolution (nominate employees for access to the LGPS).

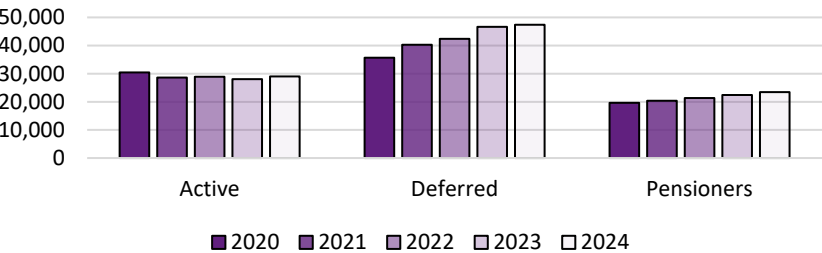
The Fund is a qualifying scheme under the automatic enrolment regulations and can be used by employers to automatically enrol eligible employees, and every three years re-enrol anyone who opts out of the scheme.

A shared service partnership between Cambridgeshire County Council and West Northamptonshire Council provides pension administration services to the Cambridgeshire Pension Fund.

Membership

Membership of the Fund increased by 2.8% from the previous year.

On 31 March 2024 there were the total membership of 99,839 in the Fund with 29,036 active, 47,379 deferred and 23,424 pensioner members. The deferred figure is inclusive of 10,299 open cases that may change status (undecided leavers).



Pension Fund Administration

There are 91 staff members (approximately 88 full time equivalent) within the Pensions Team, providing all aspects of service to both the Cambridgeshire and Northamptonshire Funds, with an average staff to member ratio of 1:2,066 (total members for Northamptonshire and Cambridgeshire Pension Funds divided by full time equivalent staff members). Of the 88 full time equivalent staff, approximately 47 are attributed to the Cambridgeshire Pension Fund.

Internal audit perform risk based audit procedures to assess the effectiveness and efficiency of administration services.

The requirements of the General Data Protection Regulations (GDPR) are recognised and feature in the design of the Fund's administration processes. The Fund has in place a GDPR compliant privacy notice, conducts privacy impact assessments for all new activities involving personal data and has in place a Register of Processing Activities and Information Asset Register.

Scheme Administration Tools

The [Pensions website](#) contains detailed information for all the Fund's stakeholders and has dedicated pages for both members and employers. There is a comprehensive suite of forms and factsheets for members, prospective members and employers.

[Member Self Service](#) is an online platform which allows members to securely access their records, amend their personal information, perform benefit projections and view their annual benefits statement.

i-Connect is a system used which allows employers to securely upload monthly payroll data into the pension database, improving efficiency and accuracy of data and ensuring timely record maintenance.

Support for members and employers can be accessed via the website, [Member Self Service](#) or by contacting the Helpline on 01604 526 528.

Scheme Administration (continued)

Scheme Framework

The Local Government Pension Scheme is a statutory funded pension scheme. The operation of the Cambridgeshire County Council Pension Fund is principally governed by the Local Government Pension Scheme Regulations 2013 (as amended) and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended) which have been made within the context of the primary legislation of the Public Service Pensions Act 2013.

The Scheme covers eligible employees of the County Council, the Police Authority, Police and Crime Commissioner, Combined Authority, District and Borough Councils and Academies within the county area other than teaching staff, police officers and fire-fighters for whom separate statutory arrangements exist. A number of other bodies are also members of the scheme.

Employer's contribution rates are set by the Fund's Actuary every three years following the valuation of the Fund, in order to maintain the solvency of the Fund. The last valuation took place as at 31 March 2022. The results of the valuation were a funding level of 125% and an average primary employer contribution rate of 18.4% (31 March 2019: 18.4%). The primary rate includes an allowance of 0.8% (31 March 2019: 0.6%) of the pensionable pay for the Fund's expenses. The average employee contribution rate is 6.4% (31 March 2019: 6.3%) of pensionable pay.

On 1 April 2014, the new Local Government Pension Scheme 2014 came into effect, allowing more flexibility around paying into the scheme and drawing benefits in comparison to the 2008 scheme. Normal pension age is linked to the state pension age but benefits can be drawn earlier or later, between age 55 and 75. The normal retirement age is the age a member can access their pension in full; if it is accessed before that date benefits will usually be reduced and if accessed after normal retirement age benefits may increase. All service built up to 31 March 2014 in the LGPS is fully protected and will continue to be based on a member's final year annual pay when the individual leaves the LGPS (2008 scheme). The new scheme from 1 April 2014 is a Career Average Revalued Earning (CARE) scheme under which the pensionable pay for each year of membership is used to calculate a pension amount for that particular year, which is then revalued each year in line with inflation. The comparison between the 2008 scheme and 2014 scheme (CARE scheme) is illustrated on [page 109](#)

Benefits built up before April 2014 also retain their protected Normal Pension Age, which for most members is 65, although certain members have a retirement

age of 60 for all or part of their membership. There is an additional protection known as the 'underpin' for members who were active on 31 March 2012 and were within ten years of their Protected Normal Pension Age on 1 April 2012. These members will get a pension at least equal to the pension they would have received in the LGPS had it not changed on 1 April 2014, subject to meeting certain criteria.

In December 2018 the Court of Appeal ruled against the Government in two linked cases relating to the Judicial Pension Scheme and the Firefighters' Pension Schemes. This ruling is generally referred to as the McCloud judgment.

In essence, the Court held that the transitional protections afforded to older members of public sector schemes when the reformed schemes were introduced in 2015 constituted unlawful age discrimination.

A written ministerial statement followed on 15 July 2019 to confirm that, as transitional protection was provided in all public service schemes upon their reform, the McCloud judgment had implications for all those schemes, including the LGPS in England and Wales.

Primary legislation required in relation to the McCloud remedy has now been put in place as The Public Service Pensions and Judicial Offices Bill received Royal Assent in March 2022, becoming the Public Service Pensions and Judicial Offices Act 2022.

There was a consultation from DLUHC in 2020 on the proposed amendments to the LGPS Regulations necessary to remedy the specific unlawful age discrimination. Subsequently, there was another consultation in 2022 on the proposals to extend the current underpin to younger members and remove the requirement to have an immediate entitlement to benefits on leaving to qualify for underpin protection. After the above two consultations, the regulations came into force on 1 October 2023, which removed the age requirement from the qualifying criteria.

Anyone who qualifies is entitled to have their pension built up between 1 April 2014 and 31 March 2022 calculated using final salary rules if it is higher than the CARE pensions

The benefits of members in scope of the McCloud remedy that retire on or after 1 October 2023 are having their benefits fully assessed and paid accordingly. All other members will have their benefits reassessed following the issuance of DLUHC statutory guidance.

Scheme Administration (continued)

Summary of activities undertaken during the year

The following activities/projects were undertaken by the Fund during the year. The majority of these were listed in the Fund's Annual Business Plan and Medium-term Strategy and their performance and progress were monitored by Fund management team and reported periodically to governing bodies within the Fund's governance structure. The current Business Plan and Medium-term strategy can be obtained on the Fund's website [key documents page](#).

Activity	Description	Year end status
Complete the Guaranteed Minimum Pension Rectification.	To complete the rectification stage for scheme members, making adjustments to pensions in payment where necessary.	This project completed on 30 June 24.
Application of the McCloud age discrimination remedy.	The pension records of scheme members within scope of the McCloud ruling will be rectified following the implementation of the age discrimination remedy, expected via amendment to legislation on 1st October 2023.	Delays in government guidance has impacted this activity. Activity to progress in 2024-25
Processing of undecided leaver records.	To reduce the backlog by 2,500 cases per year for the next 2.5 years from a baseline of approximately 8,500 at March 2023.	The project will continue into 2024-25.
Implement recommendations from the review of the website and digital communications.	Following the review, a decision was made to host both member and employer pages internally on a single website. During 2023/24, resources were sourced to build the website and the website design, navigation, and menu structures were created.	The project will continue into 2024-25 where the content will be written and published on the new website.
Review and implement changes required from the Pension Regulator's new Code of Practice.	In March 2021 the Pensions Regulator launched a consultation on its revised code of practice for the pensions industry. The responses to the consultation have taken the Pensions Regulator longer than expected to digest and as such the new code of practice was expected to come into force early 2023. Once the code of practice is in force, the Fund will have six months to achieve full compliance with its contents.	The Code was released on 28 March 2024 and work has started to assess the regulatory compliance of the Fund with the results scheduled to be presented to the Committee in October 2024. The Pensions Regulator expectations and best practice requirements are due to be reviewed and presented to the Committee by the end of the 2024/25 financial year.

Scheme Administration (continued)

Summary of activities undertaken during the year continued

Activity	Description	Year end status
Implement the best practice recommendations of the good governance review.	Following consultation with LGPS stakeholders, in February 2021, a number of recommendations for improvement were identified. Some would require the input of DLUHC to amend scheme regulations and publish statutory guidance, others by SAB and others for Funds to implement as best practice. The standards are due to be issued in 2023.	Transferred to 2024-25 due to the delay in the release of the standards.
Implement equality, diversity and inclusion (EDI) best practices.	The Pensions Regulator has published guidance to help improve pension schemes' equality, diversity and inclusion. Pension schemes have legal duties to scheme members, and good decision making is key to ensuring those duties are met. EDI supports robust discussion and effective decision making and is an important consideration for schemes. The Cambridgeshire Pension Fund will be aiming to improve its equality, diversity and inclusion via these best practices.	Completed.
Address and mortality screening Services.	The current contract for address tracing and mortality screening ceases in June 2023 with no ability to extend.	A new short-term contract has been put in place with Accurate until 31 March 2025 with a full procurement to follow.
Re-tender for benefits and governance consultancy services.	To re-tender for the supplier of benefits and governance consultancy services currently with Aon due to expire 31 March 2024.	Hymans Robertson was appointed as a supplier from 1 April 2024.
Re-tender for actuarial consultancy services.	To re-tender for the supplier of actuarial services currently with Hymans Robertson due to expire 31 March 2024.	Hymans Robertson was appointed as a supplier from 1 April 2024.
Re-tender for legal services provider.	To re-tender for the supplier of legal services currently with Squire Patten Boggs due to expire 31 March 2024.	Squire Patton Boggs was appointed as a supplier from 1 April 2024.
Re-tender for pensions administration and pensioner payroll platform.	To re-tender for pensions administration and pensioner payroll platform currently with Heywood that is due to cease in September 2024.	Heywood Ltd was appointed as a supplier from October 2024
Continue to review cyber resilience.	Cyber-crime will continue to evolve and become increasingly sophisticated and as such this area will be regularly reviewed and monitored.	Ongoing, the cyber action plan will be updated as and when necessary.

Scheme Administration (continued)

Summary of activities undertaken during the year continued

Activity	Description	Year end status
Review the administrative performance of the Fund's additional voluntary contribution providers.	Review the administrative performance of the Fund's additional voluntary contribution providers.	This exercise was completed with no major concerns over the long-term suitability of the AVC arrangements. The Committee resolved to retain the current AVC providers.
Prepare for the implementation of Pension Dashboards.	In the 2016 Budget, the Government made a commitment that Pension Dashboards would be created by the pensions industry, enabling pension savers to view details of all their pensions together.	Ongoing, activities to procure an integrated service provider to connect to the Pensions Dashboard eco-system and data cleansing will be undertaken in 2024-25.
Continue development of the ACCESS asset pool.	The ACCESS asset pool Authorised Contractual Scheme (ACS) sub-fund structure is now at a mature stage with ongoing developments prioritising completing the sub-fund pipeline and putting in place supplementary sub-funds as and when required. Other developments within the ACCESS pool include the non-listed work programme, Operator re-procurement, and the Phase II ESG/RI procurement.	Ongoing, for more information on the ACCESS Pool see page 50
Continue activities within the Fund's Climate Action Plan.	During 2023-24 the Fund will continue to focus on the milestone dates within the plan which are key to ensure the Fund is on the correct path to achieve "net-zero" carbon emissions by 2050 at the latest.	Ongoing, for more information see the Funds Climate report on page 57
Implement the revised Investment Strategy.	A review of the Fund's investment strategy was undertaken in March 2023 resulting in changes to its strategic asset (SAA). Work will be undertaken throughout 2023-24 to action implement these changes.	Ongoing, for more information see investment allocation and performance on page 54
Review of investment consultancy contract.	The current investment consultancy contract expires September 2024, with the ability to extend up to a maximum of three years.	The Pensions Committee will review the contract in July 2024.
Implemented enhancements to the pensioner payroll platform to increase the efficiency of processing payments	Pension benefits from multiple employments now paid under a single payroll record allowing improved processing of pensions increase. Automated arrears processing has replaced the need for manual calculations. Payroll records now automatically created from the processing of the final retirement calculation as opposed to manual creation.	Completed.

Scheme Administration (continued)

Freedom of Information Requests

The Freedom of Information Act allows everyone the right to request access to information the Administering Authority holds. For further information or if you wish to make a request, you can find the information on Cambridgeshire County Council's website at [Requesting information under the Freedom of Information Act](#)

The table to the right lays out how many Freedom of Information requests the Fund received during the year:

Nature of query	Number of Queries
Financial and performance information on the Fund's alternative holdings	10
The Fund's investment holdings	1
The Fund's legal advisors	1
Information regarding an investment managers legal advisors	1
Benefits and Contributions of the Administering Authority from 2000 to date	2
Total number of Freedom of Information request received	15

Key Performance Indicators

The Fund has developed a number of Key Performance Indicators (KPIs) to monitor service delivery, these KPIs are reviewed internally on a monthly basis to monitor and inform where delivery is met or remedial action is required. The Pension Fund Committee receives quarterly performance updates within a Business Plan update. This report includes casework carried out during the year and the time taken for the case work to be completed against the Funds target; Communication and engagement targets with members and employers; staff resources and data quality scores.

Total number of casework

KPI	Total number of cases open as at 31 March	Total number of cases created during the year	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
Deaths recorded of active, deferred, pensioner and dependent members	23	712	733	100%	745	97%
New dependent member benefits	24	386	382	93%	362	94%
Deferred member retirements	18	1,086	1,059	96%		
Active member retirements	34	548	548	94%		
Deferred benefits	4,188	4,532	5,019	58%	5,484	57%
Transfers in (including interfunds in, club transfers)	214	877	902	83%	716	77%
Transfers out (including interfunds out, club transfers)	1	399	400	100%	309	99%
Refunds	41	691	688	94%	592	93%
Divorce quotations issued	0	180	138	77%	152	99%
Actual divorce cases*	5	5	2	20%	1	100%
Member estimates requested either by scheme member and employer	205	850	845	80%		
New joiner notifications	0	7,129	7,129	99%	5,107	96%
Aggregation cases	3,019	2,139	1,885	37%	2,253	43%
Optants out received after 3 months membership	0 ¹⁸	69	69	100%	95	100%

*There has been a delay completing divorce cases while the Fund waits for further guidance on McCloud.

Scheme Administration (continued)

Key Performance Indicators continued

Time taken to process casework

KPI	Fund's target	% completed within fund target in year	% completed within fund target in previous year
Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	99%	100%
Communication issued confirming the amount of dependents pension	5 days	96%	99%
Communication issued to deferred member with confirmation of pension and lump sum options (actual)	10 days	85%	93%
Communication issued to active member with confirmation of pension and lump sum options (actual)	5 days to 31 December 2023 and 10 days from 1 January 2024	85%	93%
Communication issued with deferred benefit options	15 days	96%	95%
Communication issued to scheme member with completion of transfer in	10 days	97%	98%
Communication issued to scheme member with completion of transfer out	10 days	98%	93%
Divorce quotation	10 days	58%	95%
Communication issued to new starters	2 months	99%	96%
Member estimates requested by scheme member and employer	10 days	77%	95%

Scheme Administration (continued)

Key Performance Indicators continued

Communications and Engagement

	Percentage as at 31 March
Engagement with online portals	
% of active members registered	56%
% of deferred member registered	46%
% of pensioner and survivor members	62%
% total of all scheme members registered for self-service	52%
% of all registered users that have logged onto the service in the last 12 months	18%

Communication	As at 31 March
Total number of telephone calls received in year	11,305
Total number of email and online channel queries received	18,838
Number of scheme member events held in year (total of in-person and online)	6
Number of employer engagement events held in year (in-person and online)	12
Number of times a communication (i.e. newsletter) issued to:	
a) Active members	Annually
b) Deferred members	Annually
c) Pensioners	Annually

Age band	% of registered users on MSS	Number of users registered on MSS
0-20	15.9%	83
21-25	30.7%	446
26-30	37.5%	951
31-35	38.0%	1,544
36-40	40.7%	2,262
41-45	44.9%	3,042
46-50	48.7%	3,331
51-55	54.3%	4,592
56-60	62.8%	5,548
61-65	70.7%	5,169
66-70	70.7%	4,150
71-75	57.0%	2,545
76-80	46.1%	1,601
81-85	37.0%	631
86-90	29.0%	251
Over 90	23.4%	105

Scheme Administration (continued)

Key Performance Indicators continued

Resources

Resources	
Total number of all administration staff (FTE)	47.47
Average service length of all administration staff	9 years
Staff vacancy rate as a %	7%
Ratio of all administration staff to total number of scheme members (all staff including management)	1:2,103
Ratio of administration staff (excluding management) to total number of scheme members	1:2,245

Data Quality

Annual Benefit Statements	
Percentage of annual benefit statements issued as at 31 August	100%
Data category	
Common data score	96.50%
Scheme specific data score	80.89%
Percentage of active, deferred and pensioner members recorded as 'gone away' with no home address held, or address is known to be out of date	3.38%
Percentage of active, deferred and pensioner members with an email address held on file	59.23%
Employer performance	
Percentage of employers set up to make monthly data submissions	99.40%
Percentage of employers who submitted monthly data on time during the reporting year	20.15%

Scheme Administration (continued)

Contributors to the Fund

Active Employers as at 31st March 2024

Type Of Body	Number of Active Employers
Administering (AA)	1
Scheduled (S)*	249
Admitted (Ad)	111
Total	361

LEA schools are included within Scheduled Bodies but not in the above figures as they belong to their responsible local authorities, and in the table below they are shown in the Body column as S

Employer	Employee Contribution s £	Employer Contributions £	Grand Total £	Ceased Body
Abbey College Academy	72,061	206,834	278,895	S
Abbotts Ripton School (CCC)	8,254	31,326	39,580	S*
ABM (Eynesbury Primary)	0	-6,000	-6,000	Y Ad
ABM Catering (Brewster Avenue Infant School)	2,126	13,646	15,772	Ad
ABM Catering (Oakdale Primary School)	1,093	4,253	5,346	Ad
ABM Catering (St Augustine's)	1,130	4,640	5,770	Ad
ABM Catering (Vine Inter-Chur)	1,143	4,295	5,438	Ad
ABM Catering Limited (Alderman Jacobs)	1,982	6,344	8,326	Ad
ABM Catering Limited (Heltwater Primary and Marshfields Primary School)	300	1,233	1,533	Ad
ABM Catering Limited (St John's CE Primary School (Huntingdon))	178	755	933	Ad

The table, left, shows employers in the fund as at the 31st March 2024, the breakdown of contributions by employer shown below will have different numbers of employers to the statement of accounts, as employers joined and left the fund throughout the year, an active or ceased column has been added to show this movement. Where contributions exist for ceased employers, this will be where prior year adjustments have been made within 2023-24, or contribution receipts recorded within the period.

Employer	Employee Contribution s £	Employer Contribution s £	Grand Total £	Ceased Body
ABM Catering Limited (The Beeches Primary and Hampton Hargate Primary)	645	2,647	3,292	Ad
Active Learning Trust (HQ)	102,002	205,800	307,802	S
Advanced Cleaning (Bur&Neth)	367	1,416	1,783	Ad
Advanced Cleaning Services (Weatheralls)	302	1,269	1,571	Ad
Alconbury C of E Primary (CCC)	21,589	81,390	102,979	S*
Alderman Jacobs Academy	54,034	170,243	224,277	S
Alderman Payne Primary (CCC)	12,310	46,906	59,216	S*
All Saints Inter Church Academy	15,811	70,053	85,864	S
All Saints' Primary School (PCC)	34,285	134,964	169,249	S*
Aramark (Cambridge Regional College)	1,992	13,402	15,394	Ad

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Arbury Primary School (CCC)	21,036	80,452	101,488		S*
Arthur Mellows VC Academy	123,159	361,320	484,479		S
Ashbeach Primary School (CCC)	14,083	52,637	66,720		S*
Aspens (All Saints Inter Church Academy)	3,893	24,687	28,580		Ad
Aspens (Castle Camps)	232	739	971		Ad
Aspens (Diamond Learning Partnership Trust)	679	2,483	3,162		Ad
Aspens (Hemingford Grey)	7,274	32,238	39,512	Y	Ad
Aspens (Little Paxton)	3,012	12,294	15,306		Ad
Aspens (Over Primary School)	-139	-447	-586		Ad
Aspens (Park Street)	34	137	171		Ad
Aspens (Sacred Heart)	1,011	3,736	4,747		Ad
Aspens (The Harbour School)	229	882	1,111		Ad
Aspens Services (Bourn Primary Sch)	1,224	4,895	6,119		Ad
Aspens Services (Fulbourn Primary)	972	6,219	7,191	Y	Ad
Aspens Services Ltd (St Botolphs Primary)	1,460	4,525	5,985		Ad
Aspens Services Ltd (Cottenham VC)	140	543	683		Ad
Avocet (St Bede's School)	265	1,208	1,473		Ad
Babraham CE Primary Academy	4,039	18,060	22,099		S

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Balfour Beatty	2,841	3,759	6,600		Ad
Balsham Parish Council	985	3,680	4,665		S
Bar Hill Community Primary School	20,779	74,574	95,353		S
Bar Hill Parish Council	1,808	6,482	8,290		S
Barnabas Oley CE Primary School	11,137	42,614	53,751		S*
Barnack CE Primary School (PCC)	11,433	46,138	57,571		S*
Barrington CE Primary (CCC)	13,647	52,375	66,022		S*
Barton CE (VA) Primary School	10,628	39,788	50,416		S*
Bassingbourn Primary (CCC)	24,649	91,446	116,095		S*
Bassingbourn V C Academy	25,633	80,538	106,171		S
Beaupre CP School (CCC)	15,661	58,256	73,917		S*
Bellbird School (CCC)	29,927	113,530	143,457		S*
Benwick Primary School (CCC)	11,864	44,796	56,660		S*
Bewick Bridge C P School (CCC)	20,104	74,775	94,879		S*
Bishop Creighton Academy	18,553	52,284	70,837		S
Bottisham Community Primary Academy	22,019	96,303	118,322		S
Bottisham VC Academy	165,510	456,361	621,871		S
Bourn Primary Sch-Academy	11,222	35,227	46,449		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Brampton Village School (CCC)	42,370	159,964	202,334		S*
Braybrook Primary School Academy	17,522	65,801	83,323		S
Bretton Parish Council	3,798	11,978	15,776		S
Brewster Avenue School (PCC)	18,386	74,111	92,497		S*
Brington CE Primary School (CCC)	9,841	37,075	46,916		S*
Brunswick Nursery School (CCC)	13,549	49,892	63,441		S*
Buckden CE Primary Sch-Academy	35,053	114,758	149,811		S
Burnt Fen I D B	3,421	10,789	14,210		S
Burrough Green Primary (CCC)	9,314	35,634	44,948		S*
Burrowmoor Primary Academy	32,223	106,164	138,387		S
Burwell Parish Council	2,120	6,685	8,805		S
Burwell VC Primary (CCC)	23,576	86,960	110,536		S*
Bury CE Primary School	8,048	32,264	40,312		S
Bushmead Primary School (CCC)	33,386	123,967	157,353		S*
Caldecote Primary School (CCC)	15,284	56,992	72,276		S*
Cambourne Parish Council	27,426	85,331	112,757		S
Cambourne Village College Academy	101,996	316,624	418,620		S
Cambridge & Peterborough NHS Foundation Trust	8,662	47,707	56,369		Ad

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Cambridge BID Ltd	2,978	7,709	10,687		Ad
Cambridge City Council	1,960,473	13,601,594	15,562,067		S
Cambridge Maths School	4,270	12,295	16,565		S
Cambridge Meridian Academy Trust (HQ staff)	226,513	539,735	766,248		S
Cambridge Regional College	515,808	1,956,262	2,472,070		S
Cambridgeshire & Pboro CCG (NHS)	13,866	349,354	363,220		Ad
Cambridgeshire and Peterborough Combined Authority	478,320	1,167,045	1,645,365		S
Cambridgeshire County Council	8,360,945	26,840,727	35,201,672		AA
Cambs & P'boro Fire Authority	455,756	1,576,675	2,032,431		S
Cambs Chief Constable	2,071,329	7,104,293	9,175,622		S
Cambs Police & Crime Commissioner	63,900	187,714	251,614		S
Care Quality Commisson	7,628	0	7,628		Ad
Castle Camps Primary (CCC)	9,072	34,842	43,914		S*
Castle School (CCC)	109,981	409,750	519,731		S*
Castor CE Primary School (PCC)	13,516	54,313	67,829		S*
Cater Link Ltd (Sir Harry Smith College)	2,935	12,074	15,009		Ad
Caterlink (Active L T)	14,375	53,968	68,343		Ad
CaterLink (Diamond Learning Partnership Trust)	0	0	0	Y	Ad

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Caterlink (Priory Park Infant School)	255	982	1,237		Ad
Caterlink (The Cam Academy Trust)	5,998	19,343	25,341		Ad
Caterlink (The Diamond L P)	0	-35,000	-35,000	Y	Ad
Cavalry Primary School	47,070	172,312	219,382		S
Caverstede Nursey School	25,276	99,660	124,936		S*
Chatteris Town Council	3,687	12,732	16,419		S
Cherry Hinton Primary (CCC)	19,905	76,385	96,290		S*
Chesterton Community College	62,623	169,854	232,477		S
Chesterton Primary Academy	8,092	26,322	34,414		S
Cheveley Primary School (CCC)	6,679	25,766	32,445		S*
Chorus Homes Group Limited	0	81,321	81,321		Ad
Churchill Contract Services (Meridian)	9,359	56,157	65,516		Ad
City College Peterborough	220,048	760,764	980,812		S
City of Ely Council	33,388	114,370	147,758		S
City of Peterborough Academy	62,139	164,558	226,697		S
Clarion Housing Association Limited	13,062	0	13,062		Ad
Clarkson Infants School (CCC)	17,578	64,540	82,118		S*
CleanTec (Godmanchester)	675	2,333	3,008		Ad

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Coates Primary School (CCC)	20,940	79,016	99,956		S*
Collections Trust	2,586	25,026	27,612		Ad
Colleges Nursery School (CCC)	17,343	65,052	82,395		S*
Colville Primary School (CCC)	22,876	84,954	107,830		S*
Comberton Academy Trust (HQ)	50,398	123,454	173,852		S
Comberton VC Academy	186,895	565,515	752,410		S
Compass (Hinchbrook)	1,786	5,495	7,281		Ad
Compass Contract Services (Staploe ET)	2,841	10,480	13,321		Ad
Conservators of the River Cam	0	51,038	51,038	Y	Ad
Coombs Catering-Leighton Prim	709	2,902	3,611		Ad
Coton C of E Primary School (CCC)	10,265	39,389	49,654		S*
Cottenham Primary School (CCC)	41,144	154,216	195,360		S*
Cottenham VC Academy	53,625	169,514	223,139		S
CRCC - Cambridge Rape Crisis Centre	2,469	8,053	10,522		Ad
Cromwell Academy	16,654	57,874	74,528		S
Cromwell Comm College (Academy)	111,910	469,672	581,582		S
Cross Keys Homes Ltd	1,098	20,694	21,792		Ad
Crosshall Infants Academy	39,592	124,918	164,510		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Crosshall Juniors Academy	39,934	131,376	171,310		S
Cucina Ltd	744	175	919		Ad
Diocese of Ely Multi Academy Trust (DEMAT) HQ Staff	46,105	215,280	261,385		S
Discovery Primary Academy	43,620	138,205	181,825		S
Ditton Lodge Primary School	16,367	58,815	75,182		S
Dogsthorpe Academy	26,107	125,798	151,905		S
Dogsthorpe Infant School	23,149	89,366	112,515		S
Dolce Limited (Elliot Foundation MAT)	9,486	33,558	43,044		Ad
Downham Feoffees Primary Academy	6,110	22,653	28,763		S
Dry Drayton Primary (CCC)	6,331	24,117	30,448		S*
Duke of Bedford School (PCC)	23,903	97,075	120,978		S*
Duxford Primary School (CCC)	16,244	61,536	77,780		S*
Earith Primary Academy	9,706	39,386	49,092		S
East Cambs District Council	455,278	1,623,445	2,078,723		S
East of England Local Government Association (EEDA/EERA)	82,937	295,842	378,779		Ad
Eastfield Inf and Nursery (CCC)	19,930	75,420	95,350		S*
Easy Clean (TDET)	1,048	8,477	9,525		Ad
Easy Clean (Upwood Primary School)	313	1,672	1,985		Ad

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Easy Clean Contractors Limited (Nova Primary & Thorpe Primary)	4,428	25,274	29,702		Ad
Ecovert FM Ltd	1,771	0	1,771		Ad
Edwards & Blake Ltd (Coates Primary School)	429	1,654	2,083		Ad
Edwards and Blake (Godmanchester Community Education Trust)	538	1,859	2,397		Ad
Edwards and Blake (Stukeley Meadows)	680	2,621	3,301		Ad
Edwards and Blake Ltd (Bassingbourn Primary)	1,119	4,089	5,208		Ad
Elm Cof E Primary Academy	17,114	57,241	74,355		S
Elm Road Primary School	15,219	62,896	78,115		S
Elsworth CE (A) Primary School (CCC)	8,148	31,116	39,264		S*
Elton Church School (CCC)	11,439	42,457	53,896		S*
Ely (City of) College - Academy	74,118	230,012	304,130		S
Ely St John Primary (CCC)	27,857	104,147	132,004		S*
Ermine Street Church Academy	12,823	43,120	55,943		S
Ernulf Academy	38,168	112,391	150,559		S
Everyone Health Limited	1,444	5,720	7,164		Ad
Excellerate Services UK Ltd (Huntingdon Youth Centre)	38	122	160		Ad
Eye C of E Primary School (PCC)	52,228	200,068	252,296		S*
Eye Parish Council	575	2,031	2,606		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Eynesbury CE School (CCC)	16,921	63,784	80,705		S*
Eyrescroft Primary School	34,987	140,757	175,744		S
Family Psychology Mutual	12,670	45,486	58,156		Ad
Farcet CE Primary Academy	8,850	38,758	47,608		S
Farcet Parish Council	677	2,646	3,323		S
Fawcett Primary School	35,885	131,462	167,347		S*
Feldale IDB	0	8,301	8,301	Y	S
Fen Ditton Primary Academy	8,914	32,085	40,999		S
Fen Drayton Primary (CCC)	11,971	45,798	57,769		S*
Fenland District Council	664,696	4,399,922	5,064,618		S
Fenstanton Primary School (CCC)	17,658	65,326	82,984		S*
Fields Early Years Centre (CCC)	18,558	67,602	86,160		S*
Folksworth CE Primary (CCC)	7,471	28,502	35,973		S*
Fordham Primary School (CCC)	27,702	106,797	134,499		S*
Fourfields Primary School (CCC)	45,965	168,689	214,654		S*
Fowlmere Primary School (CCC)	4,674	17,781	22,455		S*
Foxton Primary School (CCC)	8,159	30,972	39,131		S*
Freedom Leisure (Fenland DC)	29,222	93,011	122,233		Ad

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Friday Bridge Primary (CCC)	9,170	35,326	44,496		S*
Fulbourn Primary School (CCC)	25,612	94,008	119,620		S*
Fulbridge Academy	106,816	323,778	430,594		S
Fusion	1,779	5,721	7,500		Ad
Gamlingay First School Academy	40,401	165,282	205,683		S
Gamlingay Parish Council	5,047	17,620	22,667		S
Girton Glebe Primary School	20,525	90,685	111,210		S
Gladstone Primary Academy	45,772	163,156	208,928		S
Glebelands Primary Academy	36,317	139,142	175,459		S
GLL - Greenwich Leisure Ltd	4,678	0	4,678		Ad
Godmanchester Community & Bridge Academies	43,406	146,458	189,864		S
Gorefield Primary Academy	16,927	60,592	77,519		S
Goshen Multi Ser (CambsCity)	1,389	9,009	10,398		Ad
Goshen Multiservices Ltd	933	5,829	6,762		Ad
GPC Skills Ltd	2,222	5,653	7,875		Ad
Granta School (CCC)	100,989	360,603	461,592		S*
Great Abington Primary (CCC)	9,456	35,422	44,878		S*
Great and LT Shelford (CCC)	21,337	81,819	103,156		S*

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Great Gidding CE Primary (CCC)	1,345	5,098	6,443		S*
Great Paxton C of E Primary (CCC)	9,749	35,837	45,586		S*
Great Staughton Academy	9,573	42,418	51,991		S
Great Wilbraham CofE Primary Academy	4,106	14,247	18,353		S
Great Wilbraham Primary (CCC)	3,900	14,364	18,264		S*
Greater Peterborough UTC	27,637	85,148	112,785		S
Guilden Morden Academy	8,194	26,616	34,810		S
Guyhirn C of E Primary Academy	7,728	30,811	38,539		S
Haddenham Level Drainage Commissioners	2,197	6,928	9,125		S
Haddenham Parish Council	2,517	8,327	10,844		S
Hampton College Academy	138,070	400,075	538,145		S
Hampton Gardens Academy	60,367	179,957	240,324		S
Hampton Hargate Primary (PCC)	57,381	221,215	278,596		S*
Hampton Lakes Academy	22,090	75,481	97,571		S
Hampton Vale Primary Academy	53,848	182,715	236,563		S
Hardwick Primary (CCC)	44,003	164,790	208,793		S*
Harston and Newton P Sch (CCC)	13,825	52,500	66,325		S*
Hartford Infant School	19,073	63,320	82,393		S

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Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Hartford Junior School	22,859	77,053	99,912		S
Haslingfield Primary (CCC)	9,670	36,610	46,280		S*
Hatton Park School	20,429	67,004	87,433		S
Hauxton Primary School (CCC)	9,675	38,622	48,297		S*
HCL (The Ashbeach Primary Sch)	1,201	4,042	5,243		Ad
Heltwate School (PCC)	90,279	354,177	444,456		S*
Hemingford Grey Primary School	21,319	80,468	101,787		S*
Heritage Park School (PCC)	16,399	65,310	81,709		S*
Hertfordshire Catering Limited (Barrington CofE VC Primary School)	1,309	4,667	5,976		Ad
Hertfordshire Catering Limited (Harston & Newton Community Primary School)	854	2,996	3,850		Ad
Hertfordshire Catering Limited (Hauxton Primary School)	833	3,053	3,886		Ad
Hertfordshire Catering Limited (Melbourn Primary School)	1,810	6,528	8,338		Ad
Hertfordshire Catering Limited (Petersfield CofE Aided Primary School)	401	1,498	1,899		Ad
Highfield Ely Academy	92,079	313,343	405,422		S
Highfield Littleport Academy	63,738	195,268	259,006		S
Highlees Primary School	31,793	142,012	173,805		S
Hills Road Sixth Form College	203,411	779,859	983,270		S
Hinchingbrooke School	155,733	444,877	600,610		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Histon and Imp Brook Prim School	29,885	96,314	126,199		S
Histon and Imp Park Prim School	18,694	60,699	79,393		S
Histon and Impington Parish Council	6,137	19,978	26,115		S
Histon Early Years Centre (previously known as Histon Nursery School)	33,066	123,177	156,243		S*
Holme Church of England Primary Academy	7,450	32,239	39,689		S
Holywell CE(C)School (CCC)	14,595	55,946	70,541		S*
Homerton College	242,134	670,880	913,014		Ad
Homerton Early Years Centre (Nurse School) (CCC)	22,199	82,624	104,823		S*
Houghton Primary School (CCC)	17,948	67,315	85,263		S*
Huntingdon Nurse School (CCC)	26,694	114,170	140,864		S*
Huntingdon Primary School (CCC)	43,351	164,162	207,513		S*
Huntingdon Town Council	78,844	245,290	324,134		S
Huntingdonshire District Council	1,267,716	4,822,844	6,090,560		S
Impington Village College	210,696	537,082	747,778		S
Industrial Site Maintenance Ltd	1,266	6,855	8,121		Ad
Innovate (Anglian Learning)	18,573	58,794	77,367		Ad
Inspire Education Group	641,134	2,284,817	2,925,951		S
Isle of Ely Academy	29,661	90,944	120,605		S

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Isleham Primary School (CCC)	15,195	56,850	72,045		S*
Jeavons Wood Primary Academy	37,746	120,541	158,287		S
Kelsey Kerridge S H	12,941	0	12,941		Ad
Ken Stimpson Community School (PCC)	32,843	122,989	155,832		S*
Ken Stimpson School	51,635	184,513	236,148		S
Kennett Community School (Academy)	8,387	30,158	38,545		S
Kettlefields Primary (CCC)	8,128	30,422	38,550		S*
Kimbolton Primary Academy	10,586	33,899	44,485		S
Kimbolton School (Independent School)	12,233	-407,000	-394,767		Ad
Kinderley Primary School (CCC)	8,815	33,293	42,108		S*
Kings Hedges Primary (CCC)	46,394	170,337	216,731		S*
Kingsfield Primary School Academy	28,160	90,105	118,265		S
Lantern CP School Academy	33,078	127,266	160,344		S
Leighton Primary School	47,796	181,539	229,335		S
Leverington Primary Academy	23,011	69,517	92,528		S
Lime Academy Abbotsmede	39,188	154,517	193,705		S
Lime Academy Orton	86,310	358,296	444,606		S
Lime Academy Parnwell	27,452	102,157	129,609		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Lime Academy Watergall	33,918	117,009	150,927		S
Linton Heights Junior Academy	15,962	49,135	65,097		S
Linton Infants School (CCC)	18,646	70,697	89,343		S*
Linton Parish Council	5,500	21,725	27,225		S
Linton VC Academy	48,208	147,160	195,368		S
Lionel Walden School (CCC)	24,458	91,504	115,962		S*
Little Downham Parish Council	2,148	6,811	8,959		S
Little Paxton Parish Council	4,354	14,531	18,885		S
Little Paxton School (CCC)	28,042	105,846	133,888		S*
Little Thetford CofE Primary School	3,850	14,380	18,230		S
Little Thetford Primary (CCC)	3,715	12,152	15,867		S*
Littleport & East Cambridgeshire Academy	32,401	100,258	132,659		S
Littleport and Downham I D B	9,409	33,289	42,698		S
Littleport CP School (CCC)	39,304	147,293	186,597		S*
Long Road Sixth Form College	132,474	458,620	591,094		S
Longsands Academy	69,216	204,292	273,508		S
Lunchtime Company (CPET)	1,424	4,743	6,167		Ad
Lunchtime Company (Ely St Johns)	633	4,432	5,065		Ad

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Lunchtime Company (Fordham)	515	3,604	4,119		Ad
Lunchtime Company (Great Wilbraham)	722	5,051	5,773		Ad
Lunchtime Company Ltd (Grove Primary)	520	2,003	2,523		Ad
Lunchtime Company Ltd (Hardwick & Cambourne Community Primary School)	404	1,478	1,882		Ad
Manea Primary School (CCC)	26,968	101,055	128,023		S*
Manor Drive Prim Academy	10,766	29,951	40,717		S
Manor Drive Sec Academy	23,435	66,756	90,191		S
Marleigh Primary Academy	11,988	39,459	51,447		S
Martin Bacon Academy	36,066	100,535	136,601		S
Mayfield Primary School (CCC)	35,351	131,314	166,665		S*
Meadow Primary School	11,210	35,604	46,814		S
Meadowgate Academy	94,505	316,256	410,761		S
Mears Ltd	44,921	0	44,921		Ad
Mears Ltd (SCDC)	9,474	0	9,474		Ad
Medeshamsted Academy	26,273	81,407	107,680		S
Melbourn Primary School (CCC)	34,321	129,291	163,612		S*
Melbourn VC Academy	57,616	179,103	236,719		S
Meldreth Primary School (CCC)	22,562	85,854	108,416		S*

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Mepal & Wicham CofE Primary Academy	8,430	28,015	36,445		S
Meridian School (CCC)	14,801	59,672	74,473		S*
Middle Fen and Mere I D B	27,121	74,218	101,339		S
Middle Level Commissioners	56,080	166,599	222,679		S
Middlefield CP School Academy	15,153	49,491	64,644		S
Milestone Infrastructure Ltd (M Group Services)	9,890	25,987	35,877		Ad
Millfield Primary School	33,720	130,024	163,744		S
Milton Primary Academy	12,971	50,593	63,564		S
Milton Road Primary Sch (CCC)	29,518	108,293	137,811		S*
Mitie PFI Limited	1,613	0	1,613		Ad
Monkfield Park School (CCC)	30,200	103,091	133,291		S*
Morley Memorial School (CCC)	34,537	123,744	158,281		S*
Mountain Healthcare Ltd	190	775	965		Ad
Murrow Primary School Academy	15,136	45,214	60,350		S
Neale Wade Academy	99,171	425,668	524,839		S
Nene Gate School	22,904	71,436	94,340		S
Nene Park Academy	64,598	188,144	252,742		S
New Road Primary & Nursery School	25,088	89,271	114,359		S

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Newark Hill Primary Academy	28,135	125,162	153,297		S
Newborough & Borough Fen Parish Council	1,036	3,860	4,896		S
Newborough Primary (PCC)	18,348	73,576	91,924		S*
Newnham Croft Primary (CCC)	16,658	63,170	79,828		S*
Nightingale Cleaning Limited - CMAT Schools	2,197	30,081	32,278		Ad
Nightingale Cleaning Limited - CPET Schools	256	885	1,141		Ad
North Cambridge Academy	38,419	113,422	151,841		S
North Level IDB	48,479	139,600	188,079		S
Northstowe Secondary College	36,120	128,274	164,394		S
Norwood Primary School (PCC)	19,688	75,099	94,787		S*
Oakington CofE Primary School Academy	5,184	21,937	27,121		S
OCS Food Co Limited (Ditchburn Place)	1,867	5,936	7,803	Y	Ad
OCS UK&I Limited (Huntingdon Youth Centre)	937	3,014	3,951		Ad
Offord Primary School	7,238	29,417	36,655		S
Old Fletton Primary School (PCC)	40,619	159,978	200,597		S*
Olive AP Academy - Cambridge	15,336	46,995	62,331		S
Olive AP Academy - Nene Valley	16,253	49,953	66,206		S
Orchard Park Comm School (CCC)	13,743	50,874	64,617		S*

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Orchards CoE Primary Academy	38,253	133,880	172,133		S
Ormiston Bushfield Academy	91,632	248,459	340,091		S
Ormiston Meadows Academy	25,747	118,001	143,748		S
Orton Longueville Parish Council	461	1,475	1,936		S
Orton Waterville Parish Council	1,151	5,334	6,485		S
Over Primary School (CCC)	15,156	57,420	72,576		S*
OWN Trust	121,166	424,452	545,618		S
Oxford Archaeology	68,005	194,579	262,584		Ad
Pabulum (Morley Memorial Primary School)	1,304	4,767	6,071		Ad
Pabulum (St Bede's Inter-Church School)	706	3,211	3,917		Ad
Pabulum Ltd (Discovery A P'b)	4,594	15,119	19,713		Ad
Pabulum Ltd (Hardwick & Cambourne Community Primary School)	698	2,600	3,298		Ad
Park Lane Primary & Nursey School	37,946	144,471	182,417		S
Park Street CE (A) Primary (CCC)	25,561	39,819	65,380		S*
Paston Ridings Primary (PCC)	42,294	169,319	211,613		S*
Pathfinder CofE Primary School	29,701	114,630	144,331		S
Pathfinder Legal Services Ltd (CCC)	186,327	590,274	776,601		S
Peakirk Cum Glinton Primary School (PCC)	20,907	83,803	104,710		S*

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Peckover Primary School	43,262	168,999	212,261		S
Pendragon CP School (CCC)	27,237	103,866	131,103		S*
Peterborough City Council	3,188,699	10,360,175	13,548,874		S
Peterborough Keys Academies Trust (comprising of Ravensthorpe Primary, Thorpe Primary, Jack Hunt, Longthorpe Primary, Middleton Primary)	362,282	1,040,003	1,402,285		S
Peterborough Ltd t/a Aragon Direct Services	149,909	420,612	570,521		Ad
Peterborough Regional College	0	981	981	Y	S
Petersfield Primary School (CCC)	8,211	31,414	39,625		S*
Priory Junior School (CCC)	19,407	73,013	92,420		S*
Priory Park Infants School (CCC)	29,262	111,220	140,482		S*
Queen Edith School (CCC)	37,188	138,536	175,724		S*
Queen Emma Primary School (CCC)	40,150	152,117	192,267		S*
Queen Katharine Academy (Previously known as The Voyager Academy)	98,455	343,316	441,771		S
Queens Drive Infant School	27,779	108,588	136,367		S*
Rackham CE School (CCC)	32,579	123,462	156,041		S*
Radis (Ditchburn Place)	16,569	45,494	62,063		Ad
Radis Community Care	9,403	0	9,403		Ad
Ramnoth Junior School	32,065	110,432	142,497		S
Ramsey Junior School	17,097	67,673	84,770		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Ramsey Spinning Infant School	14,488	60,616	75,104		S
Ramsey Town Council	1,771	5,489	7,260		S
Rapid Commercial Cleaning Services Limited	2,443	9,558	12,001		Ad
RCCN (Astrea MAT)	5,164	19,048	24,212		Ad
Richard Barnes Academy	36,504	146,922	183,426		S
Ridgefield Junior (CCC)	24,608	93,984	118,592		S*
Riverside Meadows Academy	33,679	117,996	151,675		S
Robert Arkenstall Primary (CCC)	22,897	86,375	109,272		S*
Round House C. P. School	32,549	96,224	128,773		S
Sacred Heart Catholic Primary School	16,729	73,360	90,089		S
Samuel Pepys School (CCC)	58,958	217,208	276,166		S*
Sanctuary Group	6,060	0	6,060		Ad
Sawston Parish Council	8,262	28,684	36,946		S
Sawston VC Academy	88,504	253,364	341,868		S
Sawtry Infants School (CCC)	19,889	76,532	96,421		S*
Sawtry Junior Academy	13,515	55,268	68,783		S
Sawtry Parish Council	4,581	16,424	21,005		S
Sawtry Village Academy	48,574	146,922	195,496		S

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Serco Limited (PCC)	213,371	0	213,371		Ad
ServiceMaster Ltd (Kingsfield Primary School)	790	2,642	3,432		Ad
Shade Primary School Academy	25,863	77,707	103,570		S
Shirley Community Primary School and Pre-School (CCC)	45,276	167,349	212,625		S*
Sir Harry Smith Community College	81,176	310,671	391,847		S
Soham Town Council	6,491	22,943	29,434		S
Soham VC Academy	103,318	315,034	418,352		S
Soke Education Trust	115,975	473,696	589,671		S
Somersham Parish Council	3,618	13,653	17,271		S
Somersham Primary School	22,951	105,032	127,983		S
South Cambridgeshire District Council	1,579,451	5,830,842	7,410,293		S
Southfields Primary School (PCC) (Was Southfields Junior School)	57,055	222,560	279,615		S*
Spaldwick Primary School	10,517	43,225	53,742		S
Spinney Primary School (CCC)	14,546	54,690	69,236		S*
Spring Common Academy	102,664	411,511	514,175		S
Spring Meadow Infants (CCC)	28,138	105,151	133,289		S*
St Albans RC Primary (CCC)	14,176	52,768	66,944		S*
St Andrews CofE Academy (Soham, Ely)	33,152	140,427	173,579		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
St Anne's CE Primary (CCC)	17,394	65,378	82,772		S*
St Augustines CE Junior School (PCC)	21,101	83,176	104,277		S*
St Bedes Inter Church School Academy	53,551	230,180	283,731		S
St Botolphs CE Primary Academy	25,543	88,249	113,792		S
St Helen's Primary School (CCC)	12,582	49,229	61,811		S*
St Ives Town Council	21,952	78,131	100,083		S
St Ivo School Academy	72,971	223,145	296,116		S
St John Fisher	72,605	267,578	340,183		S*
St John Henry Newman Catholic Primary School	12,577	49,394	61,971		S
St John's Academy (Stanground)	13,268	55,895	69,163		S
St John's CoE Primary Academy (Huntingdon)	30,086	124,426	154,512		S
St Laurence Catholic Primary School	17,313	62,371	79,684		S
St Luke's C of E Primary School Academy	6,537	29,398	35,935		S
St Mary's CofE Junior Ely	23,577	92,058	115,635		S
St Marys St Neots Academy	6,284	19,729	26,013		S
St Matthew's Primary Sch (CCC)	46,884	174,179	221,063		S*
St Michaels CE Prim Sch (PCC)	51,689	204,960	256,649		S*
St Neots Town Council	46,870	148,849	195,719		S

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
St Pauls CE Primary (CCC)	7,072	25,779	32,851		S*
St Peters CofE Academy (Wisbech)	23,056	109,699	132,755		S
St Peter's School HD Academy	122,814	370,477	493,291		S
St Philips C OF E Primary (CCC)	21,746	80,484	102,230		S*
St Thomas More Catholic Primary School	34,015	153,721	187,736		S
Stanground Academy	80,301	340,442	420,743		S
Stapleford Primary Academy	16,151	60,256	76,407		S
Steeple Morden C OF E (CCC)	14,090	54,312	68,402		S*
Stephen Perse Foundation	4,699	13,292	17,991		Ad
Stilton Church of England Primary School	9,461	38,771	48,232		S
Stretham Primary School (CCC)	15,717	60,395	76,112		S*
Stukeley Meadows School (CCC)	33,034	124,928	157,962		S*
Sutton CE Primary School (CCC)	28,027	105,522	133,549		S*
Sutton Parish Council	2,513	8,430	10,943		S
Swaffham Bulbeck CE Prim Academy	7,831	29,507	37,338		S
Swaffham Internal Drainage Board	2,386	7,526	9,912		S
Swaffham Prior CE Prim Academy	8,189	24,723	32,912		S
Swavesey Parish Council	1,816	5,729	7,545		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Swavesey Primary School (CCC)	31,068	114,461	145,529		S*
Swavesey VC Academy	79,638	236,758	316,396		S
Taylor Shaw (CMAT)	9,778	17,991	27,769		Ad
Taylor Shaw (Elliott Foundation AT)	0	-107,000	-107,000	Y	Ad
Taylor Shaw Ltd (Abbey College Academy)	4,924	15,767	20,691		Ad
Taylor Shaw Ltd (Ernulf Academy)	1,291	4,092	5,383	Y	Ad
Teversham C of E Primary (CCC)	20,327	76,285	96,612		S*
The Beeches Primary School (PCC)	37,867	147,168	185,035		S*
The Cavendish School	37,561	130,097	167,658		S
The Centre School Academy	5,736	15,008	20,744		S
The Galfrid School	24,919	107,589	132,508		S
The Grove Primary School (CCC)	34,772	130,483	165,255		S*
The Harbour School	37,308	144,623	181,931		S
The Harbour School (CCC)	0	197	197	Y	S*
The Icknield Primary School	12,513	49,010	61,523		S
The King's (Cathedral) School	80,465	249,140	329,605		S
The Nene Infant & Nursery School	34,425	107,765	142,190		S
The Netherhall School	0	10,104	10,104		S*

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
The Netherhall School	76,017	279,741	355,758		S
The Newton Community Primary School (CCC)	7,039	27,159	34,198		S*
The Weatheralls Primary School	33,282	134,513	167,795		S
Thomas Clarkson Academy	87,090	324,484	411,574		S
Thomas Deacon Academy	262,446	716,411	978,857		S
Thomas Eaton Primary Academy	19,890	81,344	101,234		S
Thongsley Fields Primary and Nursery School	26,274	93,530	119,804		S
Thorndown Community Primary (CCC)	51,033	193,926	244,959		S*
Thorney Parish Council	1,640	6,080	7,720		S
Thriplow CE Primary Academy	5,109	22,158	27,267		S
TNS Catering (Linton Cluster)	507	1,956	2,463		Ad
Townley Primary School (CCC)	14,987	57,474	72,461		S*
Trumpington Meadows Primary School	21,926	81,670	103,596		S*
Trumpington Park Primary Academy	24,235	75,882	100,117		S
TSG Building Services Ltd	5,354	0	5,354		Ad
United Learning (previously CAP)	166,217	450,298	616,515		S
University of Cambridge Primary School	41,201	123,484	164,685		S
Upwood Primary Academy	16,266	68,589	84,855		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
VHS Cleaning (Linton VC)	749	2,538	3,287		Ad
VHS Cleaning (Netherhall)	294	1,181	1,475		Ad
VHS Cleaning (Stapleford Community Primary School)	256	959	1,215		Ad
VHS Cleaning Services (Bassingbourn VC and Sawston VC)	404	1,272	1,676		Ad
Vine Inter Church School (CCC)	35,812	130,994	166,806		S*
Warboys Primary Academy	28,683	128,871	157,554		S
Waterbeach CP School (CCC)	34,688	129,574	164,262		S*
Waterbeach Level Internal Drainage Board	2,420	7,632	10,052		S
Waterbeach Parish Council	2,031	6,406	8,437		S
Welbourne Primary Academy	30,518	135,729	166,247		S
Welland Primary School	37,819	128,467	166,286		S
West Town Primary Academy	23,705	95,106	118,811		S
Westfield Junior School (CCC)	25,594	97,806	123,400		S*
Westwood Primary School	74,100	243,673	317,773		S
Wheatfields Primary School (CCC)	33,826	126,300	160,126		S*
Whittlesey Internal Drainage Board	2,665	8,404	11,069		S
Whittlesey Town Council	2,589	8,189	10,778		S
Wilburton CE Primary (CCC)	12,471	47,516	59,987		S*

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
William De Yaxley CofE Academy	12,327	47,527	59,854		S
William Law CE Primary School	47,489	185,787	233,276		S
William Westley CE (CCC)	14,845	55,950	70,795		S*
Willingham Primary School (CCC)	32,569	120,308	152,877		S*
Wimblington Parish Council	720	2,684	3,404		S
Winhills Primary School Academy	71,461	157,619	229,080		S
Wintringham Primary Academy	17,526	61,947	79,473		S
Wisbech and Fenland Museum	2,465	12,118	14,583		Ad
Wisbech Grammar School	0	55,225	55,225	Y	Ad
Wisbech St Marys CE Primary Academy	19,377	79,250	98,627		S
Wisbech Town Council	6,295	20,559	26,854		S
Witcham Parish Council	546	2,037	2,583		S
Witchford Village College	59,572	171,670	231,242		S
Wyton Primary School (CCC)	21,040	77,970	99,010		S*
Yaxley Infants School (CCC)	17,449	66,861	84,310		S*
Yaxley Parish Council	11,801	38,687	50,488		S
YTKO Limited	1,550	4,125	5,675		Ad
Grand Total	36,247,994	130,282,167	166,530,161		

Scheme Administration (continued)

Communications Policy

Our strategy outlines how we plan to use technology to enhance our service and reduce costs where appropriate. It shows how we try to meet the needs of all our stakeholders. We also encourage feedback so we can continue to make improvements. You can find our communications strategy and plan on the [key documents page](#) of our website.

Our communications plan outlines our activities monthly for each stakeholder group. As well as:

- sending out statutory communications
- planned newsletters
- surveys
- employer training
- web updates

it also highlights other key communications initiatives.

Digital communications

Electronic communication is our preferred method of sharing information for most stakeholders. This could be through:

- our website
- emails
- texts
- self-service
- webinars
- videos.

For example, when a member first joins, we'll send them an email text, or letter depending on their preference. We ask them to visit our website to see guides and videos for more information about the scheme. We also suggest they sign up to our self-service portal. We use webinars, videos, and face to face events to educate our employers and members about the scheme.

Accessibility

We're committed to making sure our communications are accessible to everyone. We give all members the option to opt out of electronic communications, or to receive them in the best format for them. For example, braille, audio CD, alternative languages, or other reasonable adjustments. If members choose to opt out, we'll send them a paper copy of their pension statement or annual newsletter.

We make sure our communications are easy to understand, through:

- Plain English accreditation
- checking readability scores
- never using colour as the only way to convey information.

Promotion

We promote the scheme to members and employers through our website. We encourage our employers to promote the LGPS by giving them:

- posters,
- news stories, and
- email copy.

We also engage prospective members with promotions linked to:

- Life events
- Pensions Awareness Week, and
- the Pensions Attention campaign.

Scheme Administration (continued)

Internal Dispute Resolution Procedures (IDRP)

The IDRP is a formal dispute procedure through which complaints or disagreements about decisions made by a scheme employer or the Fund are investigated and resolved. The LGPS regulations provide a two-stage process.

Stage 1 disputes are decided by the Head of Pensions if the complaint concerns an administering authority decision, or by an adjudicator appointed by the employer if an employer decision.

At Stage 2, the complaint is considered by Cambridgeshire County Council's Monitoring Officer, and if the complainant is still unhappy with the decision they may formally refer the case to The Pensions Ombudsman.

The details of the Fund's IDRP process can be accessed via [the website](#).

At any stage a scheme member may contact The Pensions Ombudsman for assistance with their complaint, but for a formal complaint to be raised with them both stages of the IDRP would normally need to be completed first. More information can be found on [The Pensions Ombudsman website](#).

The following formal disputes have arisen and/or been resolved during 2022-23 and 2023-24:

2023-24 Nature of dispute	Stage 1 Decision: Member complaint upheld/not upheld/partially upheld	Stage 2 Decision: Stage 1 decision upheld/not upheld/partially upheld
Refusal to pay 50% survivor's pension for a post retirement marriage case. (prior year)	Not Upheld	Upheld
Decision by CPF to reduce exiting employer's credit and also charge for actuarial work at cessation.	Challenge against reduction of exit charge – Not Upheld. Complaint against charge of actuarial work - Upheld	In Progress
Maladministration in allowing an overseas transfer in 2015	Not Upheld	Upheld
Maladministration in allowing an overseas transfer in 2015	Not upheld	Not progressed to Stage 2

2022-23 Nature of dispute	Stage 1 Decision: Member complaint upheld/not upheld/partially upheld	Stage 2 Decision: Stage 1 decision upheld/not upheld/partially upheld
Award of Pension Credit lower than estimated value.	Partially Upheld	Not progressed to Stage 2
Delays in paying AVC funds resulting in lower valuation of funds.	Upheld	Not progressed to Stage 2
Challenge in allowing a historic transfer of pension rights to an overseas scheme in 2015.	Not upheld	Not progressed to Stage 2
Delays in paying AVCs causing anxiety and stress.	Upheld	Not progressed to Stage 2
Challenging Tier 3 ill health entitlement awarded.	(employer)	Not Upheld
Refusal of employer's decision not to award ill-health pension from Active status.	(employer)	Not Upheld

The Pensions Ombudsman

The Fund is not aware when a member has raised a dispute with The Pensions Ombudsman (TPO) unless:

- we have had initial contact from TPO in that year,
- the case has been resolved by acceptance of an opinion from a TPO adjudicator in that year (even if that is deemed as withdrawal of the complaint/dispute), and
- the case has been resolved by a TPO determination in that year.

The Pensions Ombudsman notified the Fund in 2023-2024 that a single complaint had been received relating to an administering authority decision. The complaint related to issues with membership record keeping resulting in overstated benefit details on annual statements and on an estimate prior to retirement. The outcome has yet to be determined.

Scheme Administration (continued)

Complaints

Should you have a complaint about the service, we will do our best to put things right. To access support, please contact

Pensions@westnorthants.gov.uk, telephone 01604 526 471, or write to:

Pensions Service, West Northamptonshire Council, The Guildhall, St Giles Square, Northampton, NN1 1DE

The Fund received 17 complaints during 2023-24, which were managed outside IDRPs (2022-23:11).

Member Satisfaction levels

A member satisfaction survey is sent to a member once their enquiries or requests have been completed by the Fund.

For the financial year 2023-24, the member satisfaction survey has been sent to 1,931 members. The Fund has received 250 responses in total (12.9% reply rate) with average score of 3.92 out of 5.

Employer satisfaction levels

There was no employer satisfaction survey carried out during 2023-24, however, the next scheduled survey is to be completed during 2024-25.

Governance and Training

Risk Management

The Cambridgeshire Pension Fund has both a risk strategy and a risk register in place to identify, evaluate, mitigate and monitor risks associated with the activities that the Fund carries out. Risk is managed through regular reporting to the Pension Fund Committee, Local Pension Board, Cambridgeshire County Council's Monitoring Officer and Section 151 Officer. This ensures that risks are integrated within the governance structure of Cambridgeshire County Council and all follow a consistent approach. Identified risks are recorded in the Risk Register, a copy of which can be found at: [Risk Register](#)

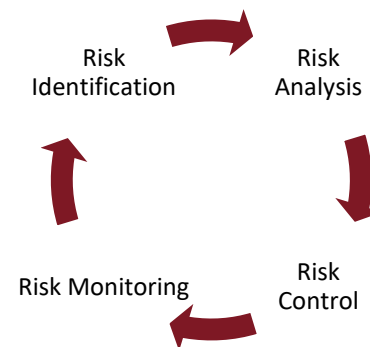
The aim of the Risk Register is to ensure that an informed decision can be made on whether a risk can or should be accepted. Risk appetite is informed by an understanding of any existing controls and will also be influenced by the expected reward or outcome. Once risks have been identified the Fund assesses the impact and likelihood of a risk to enable effective decision making.

Risks recorded in the Risk Register are linked and managed in line with the Pension Fund objectives to ensure relevance and are reviewed by the Pension Fund Committee twice a year and the Local Pension Board quarterly. New risks are therefore identified promptly and current risks are monitored on a regular basis, with risk ratings revised where necessary. The accompanying Risk Strategy is reviewed on an annual basis to ensure it remains relevant to support the Risk Register.

The Risk strategy and register covers key administration, governance and investment (including pooling) risks.

Third party risks are managed through the Risk Register and associated policies, such as the Payment of Pension Contributions Policy. Mitigations are put in place to minimise third party risks and, in particular, the risks associated with Scheme Employers and effective covenant monitoring.

The Administering Authority's risk management process is in line with that recommended by CIPFA and is a continuous approach which systematically looks at risks surrounding the Fund's past, present and future activities. The main processes involved in risk management are identified in the figure to the right.



Cyber Risk

Cyber risks are managed through the risk register. In addition, as cyber-crime continues to evolve and becomes increasingly sophisticated, a Cyber Action Plan has been developed and is regularly reviewed by Officers. All updates of the Cyber Action Plan are reported as an exempt appendix to the Business Plan Update report at each meeting of the Pension Fund Committee and Local Pension Board.

The Fund's Cyber Strategy sets out the Fund's approach to cyber governance and incorporates evaluation of key cyber risks. The current version of the Cyber Strategy was reviewed and agreed by the Pension Fund Committee, following collaboration with the Local Pension Board in September 2021. The strategy is due to be formally reviewed by the Committee again in late 2024 and will be updated accordingly.

Investment Risk

The Fund's Investment Strategy Statement, which is reviewed annually, sets out the Fund's investment strategy which incorporates evaluation of key investment risks.

In addition the Statement of Accounts section of this document, provides further information about Investment risks and how they apply to the Investment Assets held by the Fund.

Governance and Training (continued)

Investment Risk (continued)

There are many risks inherent in investments. The Fund addresses these in the following ways:

Market Risk – investments will reduce in value due to fluctuations in prices, interest rates, exchange rates and credit spreads.

The Fund invests in different markets across the world and in different types of investment to reduce the risk of the portfolio reducing in value due to adverse market conditions and to smooth returns.

Price Risk – investments may be incorrectly valued due to price fluctuations or estimates used in pricing.

Investments are valued at published prices, where available. Investments that are not sold on a market are valued by specialist Investment Managers. Notes 16, 17 and 18 in the Statement of Accounts give information about how investments are valued and give an indication of the value of investments subject to an element of estimation.

Risk Assurance

The objective of an internal audit is to educate management and employees about how they can improve business operations and efficiencies while giving reliability and credibility to the financial reports that go to Pension Fund Committee and the Local Pension Board. Internal audit awarded the Fund good assurance following its testing within the year.

At year end all Investment Managers, including Waystone Management who are the Operator of the ACCESS pool ([page 50](#)), are required to provide ISAE 3402 Services Organisation Control Reports, which are made available to external audit.

There were no issues identified in following a review of the reports received by the Investment Managers.

A risk management dashboard was developed during 2023-24 for introduction in 2024-25. This will provide a high-level overview of the Cambridgeshire's Pension Fund risk profile. The profile includes the total number of risks and collective risk index between reviews as well as how those risks are distributed across high, medium and low residual risk ratings.

Risk assurances against any red and amber risks were also introduced to provide additional reassurance surrounding the management of the higher risks facing the Fund. The table contains tangible indicators to monitor performance of these risks against targets/tolerances.

Governance and Training (continued)

Policies and Strategy Statements

Information about the Fund's policies and procedures can be found on the Fund's website:

[Cambridgeshire Pension Fund Key Documents](#)

The following strategies and policies were in place during the financial year

- Administering Authority Discretions
- Administration Strategy
- Admitted Bodies Scheme Employers and Bulk Transfers Policy
- Annual Business Plan & Medium Term Strategy
- Anti-Fraud and Corruption Policy
- Cash Management Strategy
- Cessations Policy
- Communications Strategy
- Conflicts of Interest Policy
- Data Improvement Policy
- Data Retention Policy
- Employer Data Retention Policy
- Funding Strategy Statement
- Governance Policy and Compliance Statement
- Investment Strategy Statement
- Overpayment of Pension Policy
- Payment of Employee and Employer Pension Contributions Policy
- Reporting Breaches of the Law to the Pensions Regulator Policy
- Review of Contribution Rate Policy
- Risk Register
- Risk Strategy
- Training Strategy
- The Fund also has a Cyber Strategy, however this is not published due to its sensitive nature

The following other documentation is in place during the financial year

- Climate Action Plan
- Communications Plan
- Cyber Action Plan
- Data Improvement Plan
- Decarbonisation Dashboard

Policies and strategies are reviewed by the Pension Committee on a three-year cycle to ensure they remain relevant and fit of purpose. Officers review all policies and strategies on an annual basis to ensure they remain fit for purpose and apply non-material amendments. If there are any material changes required, Committee approval is required before the three-year formal review point

Statement/Policy Changes in 2023-24

The following strategies and policies have been reviewed, updated and approved by the Pensions Committee accordingly in 2023-24:

- Annual Business Plan and Medium-Term Strategy
- Cash Management Strategy
- Climate Action Plan
- Communications Plan Governance Policy and Compliance Statement
- Data Retention Policy
- Governance Policy and Compliance Statement
- Investment Strategy Statement
- Review of Contributions Rate Policy
- Risk Register
- Training Strategy

Governance and Training (continued)

Managing Decision Making

Cambridgeshire County Council has established a Pension Fund Committee (PFC) and Investment Sub-Committee (ISC) having strategic and operational investment decision making powers, respectively.

Membership of both bodies consist of elected members, and non-elected employer and scheme member representatives. All members of the ISC sit on the PFC.

The PFC's business covers all Fund matters with the exception of non-strategic investment issues, which are delegated to the ISC. Officers across the operations, investment, transactions, corporate and governance functions support the PFC and ISC as required. All meetings of the PFC and ISC are in person and duly minuted.

PFC members and ISC members are required to attain a desired level of skills and knowledge, to ensure decisions being made on behalf of the Fund are made with full understanding of the impact and therefore mitigating the risk of unfounded decisions.

The Committee members must at all times be conscious of their accountability to stakeholders. The PFC is responsible for determining the nature and extent of any significant risks taken on by the Administering Authority in the pursuit of its strategic objectives. Risk management should be dynamic and comprehensive, considering operational, reputational and environmental, social and governance (ESG) risks in addition to financial risks.

Cambridgeshire County Council has acknowledged the establishment of the ACCESS Joint Committee (AJC) delegating powers to this body in response to the Government's pooling agenda. The Chair of the PFC represents the Fund on the AJC, supported by Fund officers working in the ACCESS Officers Working Group (OWG).

The Local Pension Board (LPB) was established on 1 April 2015, providing an additional layer of governance for the Fund. The LPB is non-decision making but has the responsibility of assisting the Administering Authority to:

- Secure compliance with the Local Government Pension Scheme (LGPS) regulations and other legislation relating to the governance and administration of the LGPS and also the requirements imposed by the Pensions Regulator in relation to the LGPS; and

- Ensure the effective and efficient governance and administration of the LGPS.

The LPB has provided a separate annual report of its activities to Council for this financial year.

LPB members are also required to attain a desired level of skills and knowledge, in order to exercise their authority to assist Administering authority to secure compliance with the various legislation and to ensure the effective and efficient governance and administration of the scheme.

All PFC, ISC and LPB members have the right to vote at each meeting.

Governance and Training (continued)

Pension Fund Committee and Local Pension Board Training

In July 2021, CIPFA published its revised Knowledge and Skills Framework aimed at Pension Committee and Board members as well as senior officers. The principles of the guide include the need for formal objectives, policies, practices and strategies concerning knowledge and skills of those responsible for the fund. Administering authorities must maintain effective, ongoing maintenance and development of knowledge, addressing gaps where required and increasing skills as appropriate.

Cambridgeshire Pension Fund has adopted the LGPS Online Learning Academy (LOLA) to deliver training that mirrors the Knowledge and Skills Framework.

The areas covered are as follows:

- Committee Role and Pensions Legislation.
- Pensions Governance.
- Pensions Administration.
- Pensions Accounting and Audit Standards.
- Procurement and Relationship Management.
- Investment Performance and Risk Management.
- Financial Markets and Product Knowledge.
- Actuarial methods, Standards and Practice.

The platform also covers current LGPS issues, some examples include understanding McCloud, Pensions Dashboards, Cyber Risk and the Investment Consultation.

The Pension Regulator has an online toolkit designed to help those running public service schemes to understand the governance and administration requirements in the public service schemes Code of Practice. The toolkit is an user friendly resource and covers 7 compulsory short modules.

These are:

- Conflicts of Interests.
- Managing Risk and Internal Controls.
- Maintaining Accurate Member Data.

- Maintaining Member Contributions.
- Providing Information to Members and Others.
- Resolving Internal Disputes.
- Reporting Breaches of the Law.

Completion of the toolkit in conjunction with the CIPFA core competencies will provide Pension Committee and Local Pension Board members with a good grounding for their respective roles. Officers will issue details of the toolkit upon appointment and will request this to be completed within 6 months. The completion of the LOLA modules and the Pensions Regulator e-learning programme are a compulsory requirements of the Training Strategy for members of the Committee, Board and senior officers.

The online platform will be regularly updated, and members will be notified of the updates via email.

In addition to the compulsory training, the following training is also encouraged

-
- In-house training events where it improves economy, efficiency and effectiveness.
- Self-improvement and familiarisation with regulations and documents.
- Attending relevant courses, seminars and external events.
- Internally developed training days and pre/post meeting sessions.
- Shared training with other Funds or Asset Pools.
- Regular updates from officers and/or advisers.
- Circulated reading material.
- Topical training events in advance of decisions at meetings.

Progress reports will be monitored by Officers and information provided to both the Chair of the Committee and Board on an annual basis.

For more information the Fund's Training Strategy can be found on our [key documents page](#)

Governance and Training (continued)

Pension Fund Committee and Local Pension Board membership

The following table shows the attendance of Committee and Board members at applicable Pension Fund Committee, Investment Sub-Committee and Local Pension Board meetings during 2023-24, training undertaken in year, including; Training days, Conferences and Strategic Workshops.

Councillor/Member Name	Representation as at March 24	Committee/Board	Meetings Attended	Training Undertaken (In person and virtual)
Cllr Alison Whelan	Cambridgeshire County Council – Chair	Cambridgeshire Pension Committee Investment Sub Committee	5 meetings out of 5 4 meeting out of 4	22 sessions attended
Cllr Catherine Rae (Resigned July 2023)		Cambridgeshire Pension Committee Investment Sub Committee	1 meeting out of 1 1 meeting out of 1	0 sessions attended
Cllr Mike Black (Appointed July 2023)	Cambridgeshire County Council - Vice Chair	Cambridgeshire Pension Committee Investment Sub Committee	5 meetings out of 5 3 meeting out of 3	9 sessions attended
Cllr Alan Sharp (Resigned February 2024)		Cambridgeshire Pension Committee Investment Sub Committee	2 meetings out of 4 2 meeting out of 3	0 sessions attended
Cllr Peter McDonald (Appointed May 2023)	Cambridgeshire County Council	Cambridgeshire Pension Committee Investment Sub Committee (from Feb24)	4 meetings out of 5 1 meeting out of 1	0 sessions attended
Cllr Adela Costello	Cambridgeshire County Council	Cambridgeshire Pension Committee Investment Sub Committee	5 meetings out of 5 3 meeting out of 3	16 sessions attended
Cllr Keith Prentice (Resigned February 2024)		Cambridgeshire Pension Committee	0 meetings out of 4	0 sessions attended
Cllr Nick Gay (Appointed February 2024)	Cambridgeshire County Council	Cambridgeshire Pension Committee	1 meetings out of 1	1 sessions attended
Cllr Tom Sanderson (Appointed March 2024)	Cambridgeshire County Council	Cambridgeshire Pension Committee	0 meetings out of 1	0 sessions attended
Cllr Chris Boden	All other Local Authorities, Police and Fire	Cambridgeshire Pension Committee Investment Sub Committee	2 meetings out of 5 3 meetings out of 4	1 sessions attended
Cllr Andy Cole (Resigned November 2023)		Cambridgeshire Pension Committee	2 meetings out of 4	14 sessions attended
Lee Phanco (Resigned November 2023)		Cambridgeshire Pension Committee Investment Sub Committee	2 meetings out of 3 1 meeting out of 3	0 sessions attended
Howard Nelson (Appointed December 2023)	All other employers	Cambridgeshire Pension Committee Investment Sub Committee	1 meeting out of 2 1 meeting out of 1	21 sessions attended
Matthew Pink	Active Scheme Members	Cambridgeshire Pension Committee	3 meetings out of 5	18 sessions attended
John Walker (Resigned June 2023)		Cambridgeshire Pension Committee	1meeting out of 1	0 sessions attended

Governance and Training (continued)

Pension Fund Committee and Local Pension Board membership (continued)

Councillor/Member Name	Representation as at March 24	Committee/Board	Meetings Attended	Training Undertaken (In person and virtual)
Liz Brennan (Appointed June 2023)	Deferred and Pensioner Members	Cambridgeshire Pension Committee Investment Sub Committee	2 meeting out of 4 1 meeting out of 3	18 sessions attended
Cllr Denis Payne	Scheme Employers Chair	Cambridgeshire Pension Fund Board	3 meetings out of 4	27 sessions attended
Cllr Geoffrey Seeff	Scheme Employers	Cambridgeshire Pension Fund Board	3 meetings out of 4	12 sessions attended
Cllr Simon King	Scheme Employers	Cambridgeshire Pension Fund Board	3 meetings out of 4	0 sessions attended
Barry O'Sullivan	Scheme Members	Cambridgeshire Pension Fund Board	4 meetings out of 4	7 sessions attended
Val Limb	Scheme Members	Cambridgeshire Pension Fund Board	2 meetings out of 4	21 sessions attended
Cllr Edna Murphy (Resigned April 2023)	Scheme Members	Cambridgeshire Pension Fund Board	0 meetings out of 1	0 sessions attended

Governance and Training (continued)

Summary of Committee Activity

It is the responsibility of the Pension Fund Committee to develop and maintain strategies, policies, and procedures, thus ensuring effective governance, oversight and accountability is upheld on behalf of the Fund's stakeholders.

The below information demonstrates the key decisions and approvals that have been made by the Pension Fund Committee during 2023-24, supported by the Investment Sub-Committee and Pension Fund Board.

Key Governance Activities

- Approval of the Cash Management Strategy
- Approval of the Employer Contributions Rates Policy
- Approval of the Training Strategy
- Approval of the Annual Report and Statement of Accounts
- Approval of the Business Plan
- Approval of the Communications Plan
- Approval of the Data Retention Policy
- Review of the Additional Voluntary Contribution providers

Key Investment Activities

- Approval of the Funds submission to the UK Stewardship Code
- Annual Investment Review
- Annual Investment Consultancy Provider review

Key Service Activities

- Review of the cyber activity Action Plan

Reports noted

- Administration Report
- Business Plan update
- Governance and Compliance Report

- Employers Admissions and Cessations
- Risk Monitoring
- ACCESS update
- Internal Audit Report
- Assurance report on potential breaches of the law
- Cashflow projections report

Summary of Board Activity

The below information shows the reports the Local Pension Board have considered during 2023-24.

- Administration report
- Governance and Compliance Report
- Business Plan update
- Valuation update
- Investment Strategy Update
- ACCESS update
- Review of the Training Strategy
- Risk Monitoring
- Internal Audit Report
- Assurance report on potential breaches of the law
- Review Cash Management Strategy
- Review Cyber resilience and Data Protection Policy
- Review of the Additional Voluntary Contribution providers
- Annual Report and Statement of Accounts
- Cyber Resilience update

A copy of the most recent Local Pension Board Annual Report can be found on the Councils website [here](#).

Governance and Training (continued)

Conflicts of interest

A conflict of interest is defined in section 5(5) of The Public Service Pension Act 2013 as a financial or other interest likely to prejudice the way in which someone carries out their role. It further specifies that a conflict does not include a financial or other interest arising merely by virtue of that person being a member of a relevant pension scheme.

Therefore, a conflict of interest may arise when an individual has a responsibility or duty in relation to the management of, or provision of advice to, the LGPS fund administered by Cambridgeshire County Council, and at the same time, they:

- have a separate personal interest (financial or otherwise), or
- have another responsibility in relation to that matter.

This gives rise to a possible conflict with their first responsibility. An interest could also arise due to a family member or close colleague having a separate responsibility or interest in a matter.

Cambridgeshire County Council, as Administering Authority will:

- encourage a culture of openness and transparency
- encourage individuals to be vigilant, have a clear understanding of their role and the circumstances in which they may have a conflict of interest, and of how potential conflicts should be managed
- evaluate the nature of any dual interests or responsibilities that are highlighted and assess the impact on the Fund's operations and good governance were an actual conflict of interest to materialise.

One of the key areas of potential conflict relate to the dual roles held by an individual who sits in the governing bodies of the Fund and at the same time is employed or representing Cambridgeshire County Council as the Administering Authority to the Fund or/and a participating employer in the Fund.

All declarations should be collated and recorded on the Fund's Register of Conflicts of Interests.

In order for the Administering Authority to fulfil its obligations to manage and monitor potential conflicts of interests the Pension Fund Committee and the Pension Fund Board must include an item on conflicts of interest at each

meeting. The Pension Fund Board must also include an item on conflict of interest in its Annual Report.

The Fund's Register of conflicts of interest may be viewed by any interested party at any point in time. It will be made available on request by the Governance and Regulations Manager. To identify whether the objectives of this Policy are being met the Administering Authority will review the Register of conflicts of interest on an annual basis and consider whether there have been any potential or actual conflicts of interest that were not declared at the earliest opportunity.

It is inevitable that conflicts of interest will arise, and it is important to recognise that there are various ways that conflict can be managed depending on the individual circumstances.

The three main ways to assist in resolving conflict include:

- the conflicted individual concerned abstaining from the discussion, decision-making or providing advice relating to the relevant issue,
- the conflicted individual being excluded from the relevant meeting(s) and any related correspondence or material in connection with the relevant issue (for example, a report for a Pension Fund Committee meeting), or
- a working group or sub-committee being established which excludes the conflicted individual concerned, to consider the matter outside of the formal meeting (where the terms of reference permit this to happen).

Provided that the Administering Authority (having taken any professional advice deemed to be required) is satisfied that the method of management is satisfactory, the Administering Authority shall endeavor to avoid the need to advise an individual to resign due to a conflict of interest or to request the appointing body to reconsider their appointment to the Board or Committee). Where a Pension Fund Board Member has an actual conflict of interest as defined in the Public Service Pensions Act 2013, the individual will be required to resign from the Board.

For more information, the Fund's Conflict of Interest Policy can be found on our [key documents page](#)

Investments

Investment Policy

The Fund's approach to its investment arrangements is set out in its Investment Strategy Statement, (ISS) as required by Regulations that requires the Fund to create and maintain an approach to investments that includes, amongst other things:

- a requirement to invest fund money in a wide variety of investments;
- the Fund's assessment of the suitability of different types of investments;
- the Fund's approach to risk, including the ways in which risks are assessed and managed;
- the Fund's approach to pooling investments;
- the Fund's policy on how social, environmental and corporate governance considerations are taken into account; and
- the Fund's policy on the exercise of the rights (including voting rights) attaching to investments.

The Pension Fund Committee (PFC) approves investment policies and strategy and an Investment Sub-Committee (ISC), which is supported by the Fund's Advisors, implements these investment policies and strategy, which includes the appointment and dismissal of Investment Managers and monitoring of performance.

The Fund adopts a long-term perspective, focussing its investment strategy to generate sustainable returns on a risk adjusted basis to grow the Fund's assets to reflect its equally long-term future liabilities. The PFC, Local Pensions Board, Fund officers and professional advisors have worked hard to develop an enhanced responsible investment (RI) policy, which forms part of our overall investment strategy. The RI policy sets out our approach to sustainable responsible investment and will help us manage the carbon and climate risks impacting our investments better.

The RI policy was agreed following a consultation that was open to scheme members and scheme employers. You can find a copy of the summary consultation responses and an updated investment strategy statement on our [key documents page](#).

The revised RI policy will inevitably mean some changes to our underlying

investments over time. In February 2022, the Investment Sub Committee approved decarbonisation targets to reduce the carbon emissions of listed equities by 23% by 2024 and by 57% by 2030 together with a climate action plan for 2022, 2023 and beyond.

The Fund has been decarbonising the portfolio at the same rate as the European Policy Curve meaning the Funds decarbonisation pathway would align with the Paris Accord and achieve the ambitions target to reach net zero by 2050 or earlier.

Progress against these targets are being reviewed regularly via a climate dashboard setting out key carbon metrics which are being measured and tracked over time. Regular communication will be provided on how the Fund is progressing on its journey to achieve net zero.

You can find copies of the Funds climate action plan, decarbonisation pathway, and climate dashboard on the [key documents page](#).

The Fund is a member of the Local Authority Pension Fund Forum (LAPFF), which is a voluntary association of LGPS funds that seeks to protect and enhance the value of its members' shareholdings by way of shareholder engagement, by action on corporate governance issues and by seeking to promote the highest standards of corporate social responsibility at the companies in which LAPFF members invest. Through LAPFF, the Fund exercises its belief that engagement with company management to promote improvements in SRI practices is more powerful than divesting from the company's shares. The Fund is also a subscriber to CIPFA and Pensions and Lifetime Savings Association (PLSA).

The Fund will also continue to support the principles of the UK Stewardship Code (the "Stewardship Code").

Voting Rights

The Fund has delegated the exercise of voting rights to all investment managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long-term shareholder value. These findings are reported to the ISC for review periodically.

Investments (continued)

Waystone, the operator of the ACCESS Pool, requires investment managers appointed by the Pool to exercise their voting rights in line with the agreed ACCESS voting guidelines. Where investment managers on the platform do not adopt the positions set out in the Waystone policy, they are required to provide a robust explanation of the position adopted on a comply or explain basis in each sub-fund prospectus. This information is also included in the Fund's own stewardship reporting.

Information about Investment Manager voting is available at [Cambridgeshire Pension Fund Key Documents](#)

Role of Investment Managers

Each Investment Manager relationship is governed by an Investment Management Agreement, which sets out how much they can invest, the asset class in which the Fund has employed them to invest, the expected target return and how much the Fund will pay for this service.

Active focus

With the exception of the passive global equity and passive index-linked bond mandates, the Fund favours an active management style to outperform agreed specific benchmarks.

Custodian

The Fund's Custodian is Northern Trust. The Custodian is responsible for ensuring that the Fund has good title to all investments, that all trades instructed by Investment Managers are settled on time and that all income due to the Fund is received and recorded accurately. Northern Trust also maintain the investment accounting records for the Fund.

Investment Management Fees

Fees of external Investment Managers and the Custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change. For investments like actively managed equities, private equity etc the investment management fee is higher as the expected return is also meant to be higher. All returns are reported net of fees to give a true view of performance achieved by the Fund.

Asset Pooling

The Fund is working with ten like-minded LGPS funds to implement the ACCESS asset pool in response to the Government's LGPS reform agenda. The main aim is to encourage LGPS Funds to work together to form asset pools to "pool investments to significantly reduce costs, while maintaining investment performance." Individually, the participating funds have a strong performance history and potential for substantial benefits for a group of successful, like-minded authorities collaborating and sharing their collective expertise. Collectively as at 31st March 2024, the ACCESS Pool has significant scale with assets of £64.6bn (of which 69% has been pooled) serving 3,510 employers with 1.2 million members including 341K pensioners.

The roles and decision-making relationship between the eleven funds is informed by an Inter Authority Agreement. The ACCESS pool is governed by the ACCESS Joint Committee (AJC) comprising the Chair of the eleven constituent funds. The AJC have appointed Waystone Management Ltd (Waystone) as operator of the pool and the ACCESS Authorised Contractual Scheme (ACS).

The Fund's passive equity investments are invested with UBS Asset Management under a collaborative arrangement with fellow ACCESS funds, which has generated significant fee savings for the Fund.

On 31 March 2024, the Cambridgeshire Fund had invested £1,861.8m in the ACCESS pool and £1,660.0m under pooled management resulting in pooled assets of £3,521.7m, representing 74.4% of the Fund's assets.

Investments (continued)

Asset Pooling continued

The ACCESS Support Unit (ASU) has been created to manage the Operator contract against specified KPIs and provide technical and secretariat support services to the AJC and Officer Working Group (OWG).

In addition to the savings in Investment Management fees through joint investments, there are other tangible benefits from pooling including a governance premium (potential for reduced risk due to manager diversification achieved at pool level), improved performance and tax savings.

More information about the ACCESS asset pool can be found on their website: [ACCESS Pool](#). The ACCESS Annual Report can be found at Appendix A to this Annual Report.

The below table reports the progress the Fund has made in pooling their assets across the different asset classes.

Asset class	£m Asset values as at 31 March 2023				£m Asset values as at 31 March 2024			
	Pooled	Under pooled management	Not pooled	Total	Pooled	Under pooled management	Not pooled	Total
Equities	1,485.0	884.7	0	2,369.7	1,159.8	1,086.2	0	2,246.0
Bonds	202.8	0	383.3	586.1	603.6	401.6	0	1,005.2
Private Debt	0	0	66.9	66.9	0	0	74.5	74.5
Property	0	0	267.5	267.5	98.4	0	282.2	380.6
Private Equity	0	0	520.2	520.2	0	0	603.0	603.0
Infrastructure	0	0	359.2	359.2	0	167.4	171.9	339.3
Dervatives	0	0	1.4	1.4	0	0	0	0.0
Cash and net current assets	0	0	40.3	40.3	0	4.8	84.1	88.9
Total	1,687.8	884.7	1,638.8	4,211.3	1,861.8	1,660.0	1,215.7	4,737.5

Pooled means assets invested through the Fund's chosen pool.

Under pool management means that the pool is responsible for the oversight or discretionary management of the investment, whether or not procured through the pool, (including passive market index tracker funds procured before pooling).

Not pooled means that the asset is neither pooled nor under pool management.

The focus for pooling during 2024-25 is to continue the development of the property mandates and infrastructure assets. It plans to transition its UK core real estate allocation to a UK direct real estate portfolio within ACCESS and will redirect new private equity commitments to the pool when this asset class is made available. 9% of the Fund's assets are earmarked for pooling during the next financial year.

Investments (continued)

Asset Pooling continued

A significant proportion (29.4%) of the Fund's assets are currently invested in UK assets. The below table sets out the Fund's investments in the United Kingdom in 2022-23 and 2023-24 by asset class:

Asset class	£m Asset values as at 31 March 2023				£m Asset values as at 31 March 2024			
	Pooled	Under pooled management	Not pooled	Total	Pooled	Under pooled management	Not pooled	Total
UK Listed Equities	0	81.5	0		81.5	68.4	290.6	359.0
UK Government Bonds	0	0	197.0		197.0	0	401.6	401.6
UK Property	0	0	267.4		267.4	98.4	0	371.9
UK Infrastructure	0	0	102.4		102.4	0	0	100.6
UK Private Equity	0	0	127.8		127.8	0	0	161.4
Total	0	81.5	694.6		776.1	166.8	692.2	1,394.5

UK Levelling Up

The Government has confirmed that funds will be required to publish plans for increasing investment in line with an ambition of up to 5% of assets to be invested in projects which support levelling up. "Levelling up" refers to assets which make a measurable contribution to one of the missions set out in the Government's Statement of Levelling Up Missions (which is made under Section 1 of the Levelling Up and Regeneration Act 2023) and support any local area within the United Kingdom.

As at the 31 March 2024 the Fund has 5% invested in levelling up assets:

£m Asset values as at 31 March 2024	Pooled	Under pooled management	Not pooled	Total	% Percentage of Total Fund
UK Levelling up	0	0	242.3	242.3	5%

Investments (continued)

The Costs of Pooling

The costs of setting up the ACCESS pool and the operating costs of the pool are collected by a nominated host authority and re-charged in equal shares to the eleven ACCESS funds. Cambridgeshire's share of costs is reported within Oversight and Governance costs in Note 11 to the Statement of Accounts and comprises the following:

Operational Costs	2023-24 £000	2015-16 to 2023-24 Cumulative £000
Strategic & Technical	49.6	241.6
Legal	33.7	165.6
Project Management	0.0	81.1
ACCESS Support Unit	57	268.2
Other	5.8	41.1
Total Operational Costs	146.1	797.6

Cost Transparency

The analysis below shows the investment expenses incurred during the financial year 2023-24 between expenses incurred in respect of Pooled and under pool management assets and not pooled assets.

Management Costs 2023-24	Direct £000	Asset Pool Indirect £000	Total £000	Direct £000	Non- Asset Pool Indirect £000	Total £000	Fund Total £000
Investment Management Fee	7,949	705	8,654	7,635	1,266	8,901	17,555
Performance Fee	2,052	-953	1,099	-94	-1	-95	1,004
Transaction Taxes	0	22	22	3	0	3	25
Broker commissions	0	430	430	47	-18	29	459
Other explicit costs	0	335	335	107	2	109	444
Implicit/indirect transaction costs	0	1,337	1,337	284	827	1,111	2,448
Administration	263	0	263	481	18	499	762
Governance and Compliance	29	0	29	235	21	256	285
Other	622	-329	293	1,732	1,106	2,838	3,131
Total	10,915	1,547	12,462	10,430	3,221	13,651	26,113

Pooled Savings

Gross savings are calculated using the Chartered Institute of Public Finance and Accountancy price variance methodology based on average assets over the year. Net savings are calculated by subtracting the costs of pooling from the gross savings.

The below table sets out the gross and net fee savings for the 2023-24 financial year.

Savings	2023-24 £000	2015-16 to 2023-24 Cumulative £000
Gross savings	3,444.0	14,987.7
Fees	-146.1	-797.6
Net savings	3,297.9	14,190.1

Investments (continued)

Investment Allocation and Performance

The Pension Fund Committee (PFC) is responsible for approving the Strategic Asset Allocation proposed by the Investment Sub-Committee (ISC). The PFC performed a review of the Strategic Asset Allocation at the March 2023 meeting in conjunction with the Fund's Investment Consultants, Mercer Ltd and the independent Investment Advisor. The review assessed the appropriateness of the current strategy and any changes necessary to increase the likelihood of meeting the Fund's objectives, namely:

- To reach full funding and be in a position to pay benefits as they fall due; and
- To ensure contributions remain affordable to employers

The recommended changes to the strategy aim to manage the risk that asset returns are below those assumed by the actuary, whereby the funding position worsens. The following changes to the strategy were approved by PFC in March 2023:

- Reduce the equity allocation by 12.5%, maintaining the passive equity allocation at 20% and reduce active managers;
- Increase fixed income and alternative allocations by 10% and 2.5% respectively to provide greater exposure to inflation linked, cash flow generative assets while protecting the strong funding position; and
- Consider sustainable and impact opportunities across an expanded private markets portfolio – aligned with “levelling up” guidance.

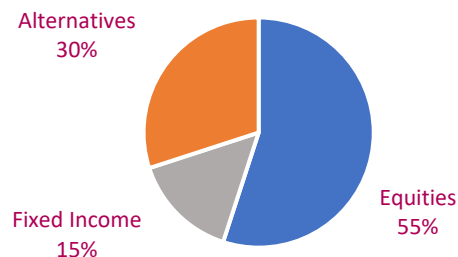
The following changes have been carried out during the year to reach the new strategic asset allocations.

- Discontinue of the Schroders gilts and equity protection mandate (£165.1m) and switch to the UBS gilts pooled Fund
- Implement listed equity sales (£211.5m) to fund increased index linked gilts allocation
- Implement equity sales (£64m) to fund increased Multi-Asset Credit (MAC) allocation
- Implement equity sales (150m) to fund increased private market allocations (property and infrastructure investments)

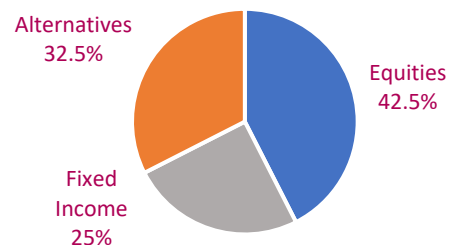
- Invested in ACCESS long lease property manager (£98.6m)

The charts below show the strategic asset allocation before and following PFC approval and the actual allocation of assets at 31 March 2024.

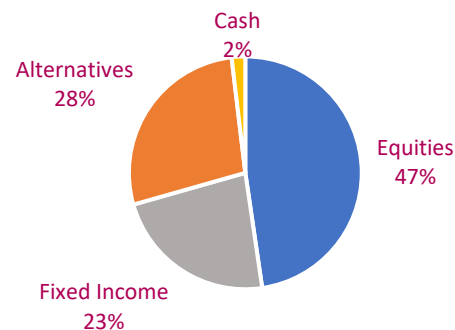
**Strategic Allocation at
31 March 2023**



Strategic Asset Allocation at 31 March 2024



Actual Asset Allocation 31 March 2024



Investments (continued)

Total Fund Performance

The total investment return for the Fund over the financial year was 11.7% net of fees compared with a weighted benchmark return of 14.2%. In the previous year the total investment return was -2.8% compared with a weighted benchmark of -2.5%. The Fund's total investment return was 6.3% p.a. over the three years to 31 March 2024 and 7.5% p.a over the five years to 31 March 2024.

Performance of Managers

The ISC continue to monitor the Investment Managers' performance against their benchmark at their quarterly meetings. All managers are measured against market-based performance benchmarks with bespoke outperformance targets set for active managers which are expected to be met over a three to five year period. Net of fees performance of each manager compared to benchmark over one year is shown in the table below.

Asset Class /Manager	Benchmark	Return %	Benchmark %	Variance %
Dodge & Cox – Equity	MSCI AC World Value Index	16.3	17.7	1.4
J O Hambro – Equity	MSCI AC World (NDR) Index	20.5	19.7	-0.8
Longview – Equity	MSCI AC World (NDR) Index	20.5	18.1	-2.4
Osmosis -Equity	Solactive Osmosis Resource Efficient Core Equity Ex-Fossil Fuels Index NTR	n/a	n/a	n/a
UBS Passive – Equity	FTSE Developed (GBP Hedged) Index	n/a	n/a	n/a
BlueBay Asset Management - Bonds	Composite Benchmark	11.2	9.2	-2.0
M&G Alpha Opportunities – Bonds	Composite Benchmark	11.2	12.2	1.0
Schroders - Bonds	Assumed equal to fund performance	-11.3	-11.3	0.0
UBS Passive – Gilts	FTSE A Over 5 Year Index-Linked Gilts Index	n/a	n/a	n/a
Adams Street – Private Equity	MSCI World Index	10.3	-2.7	-13.0
Foresight – Private Equity	MSCI World Index	10.3	6.2	-4.1
HarbourVest – Private Equity	MSCI World Index	10.3	-2.7	-13
Allianz – Infrastructure	IRR of 4.0% p.a.	4	11.1	7.1
Ares debt – Infrastructure	IRR of 10.0% p.a.	10	-1.6	-11.6
Equitix – Infrastructure	IRR of 10.0% p.a.	10	6.7	-3.3
IFM - Infrastructure	IRR of 10.0% p.a.	10	5.5	-4.5
JP Morgan – Infrastructure	IRR of 10.0% p.a.	10	5.0	-5.0
Partners Group – Infrastructure	IRR of 10.0% p.a.	10	4.1	-5.9
UBS - Infrastructure	IRR of 10.0% p.a.	10	-28.3	-38.3
M&G - Secured Loans	SONIA +4.0% p.a.	9.2	11.8	2.6
Aviva - Property	Composite Benchmark	n/a	n/a	n/a
M&G Residential - Property	Absolute Return of 6.0% p.a.	6	-1.2	-7.2
M&G Shared Ownership - Property	Net Return of 5-7% p.a.	6	-0.4	-6.4
Schroders – Property	MSCI All Balanced Property Funds Index	-0.7	1.4	2.1

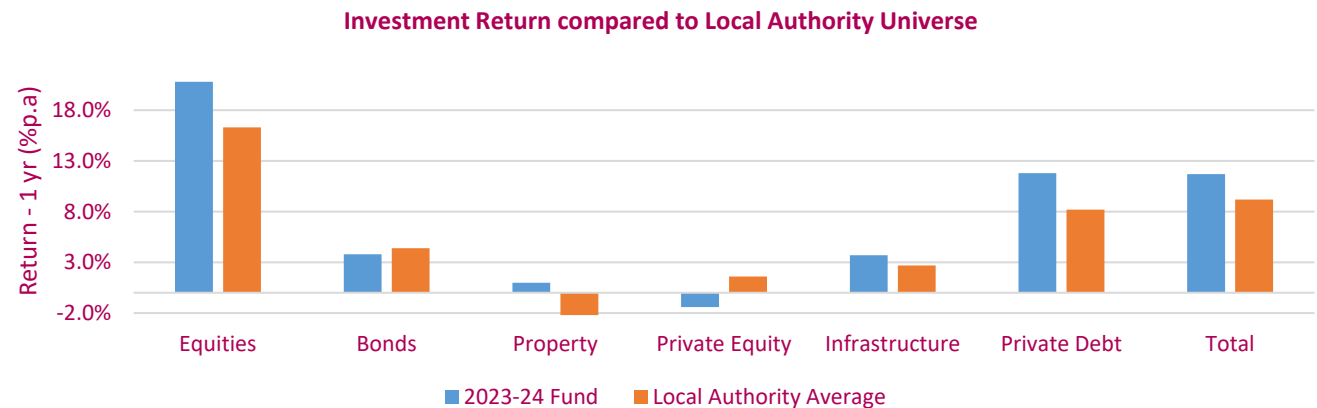
n/a = Not invested for the full period therefore no meaningful performance measure is available

Investments (continued)

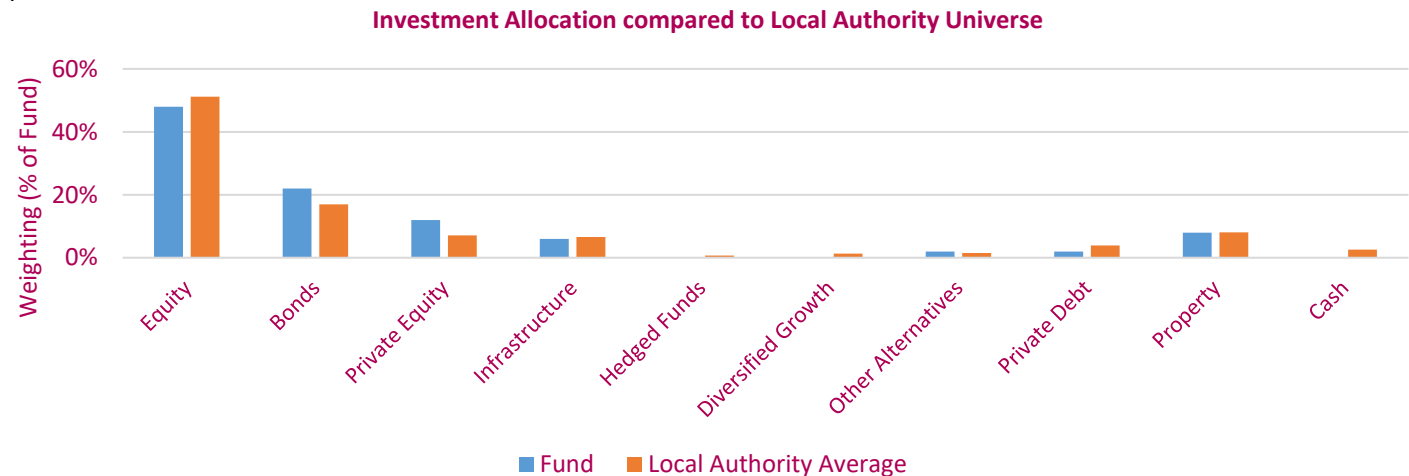
Performance in Comparison with Local Authority Universe

The Local Authority Universe is a national scheme consisting of 63 pension funds collated by PIRC Ltd that provides benchmarking of local authority pension funds investment performance.

In 2023-24 the Fund’s performance of 11.7% net of fees over the financial year was ranked 23rd percentile out of the 63 Funds participating in the Universe.



The Fund’s current strategy has a slightly lower allocation to Equities and private debt and a higher allocation to Bonds and Private Equity when compared to the Local Authority Universe.



Investments (continued)

Climate Change Report

Executive summary

The Fund recognises the systemic risk associated with climate change as well as the County Council's targets in this regard and the views and aspirations of other scheme employers and scheme members.

In order to manage this systemic risk and to align with its support of the Paris Agreement and a "just transition", **the Fund currently expects that its investment portfolio will be net carbon neutral by 2050, in line with UK Government's targets.**

The Fund is working towards producing a climate change reports in future which comply with Task Force on Climate-Related Financial Disclosures (TCFD) reporting recommendations, which are expected to become mandatory for LGPS Funds in the coming years. This report provides a summary of the Fund's position as it relates to climate change, assessed across the four pillars under the TCFD Framework:

- **Governance:** How the Pension Fund Committee (PFC) maintains oversight and incorporates climate change into its decision making;
- **Strategy:** How potential future climate warming scenarios could impact the Fund;
- **Risk Management:** How climate-related risk is incorporated in the Fund's broader risk management processes; and
- **Metrics and Targets:** How the PFC measures, and monitors progress against different climate related indicators known as metrics and targets.

Governance

The Administering Authority has delegated to the PFC the power to determine and maintain the Fund's strategies, policies and procedures. Implementation of the strategy and the monitoring of performance is delegated to the Investment Sub-Committee (ISC), for which the membership is drawn from the PFC.

Research into how climate-related risks and opportunities impact

financial markets is constantly evolving and expanding. The PFC or its ISC receives training on a regular basis to keep up-to-date with developments and will allocate time on meeting agendas to cover items such as developing and meeting the Fund's climate action plan, climate-change scenario analysis, reporting of metrics and monitoring of progress against agreed targets.

The PFC acknowledges that the reporting of climate-related risk is relatively new and the collective experience of the PFC and ISC will grow over time.

Climate change will form an explicit agenda item at least annually for the PFC or ISC when the Fund's climate action plan and / or when the Fund's annual climate change report is updated. It will also be covered as part of other agenda items as part of a wider discussion of funding or investment strategy, or as part of the investment manager appointment and review discussions.

Strategy

The Fund undertook climate scenario analysis on its investment strategy in 2021. Given the uncertainty around the timing and impact of climate-related transition and physical risks, the ISC considered three climate scenarios or 'warming pathways' i.e. the expected degrees of warming of the atmosphere by the end of the century relative to pre-industrial levels, to help test the resiliency of the Fund's investment strategies at the strategic level.

Whilst a lower warming pathway (**2°C scenario**) is one in which governments, businesses and society should aim for as a minimum, there is a possibility that a failure to reduce GHG emissions quickly enough could set off irreversible feedback loops that significantly warms the planet (as modelled by **3°C and 4°C scenarios**).

The Fund will be impacted by climate change, regardless of the scenario that unfolds.

Investments (continued)

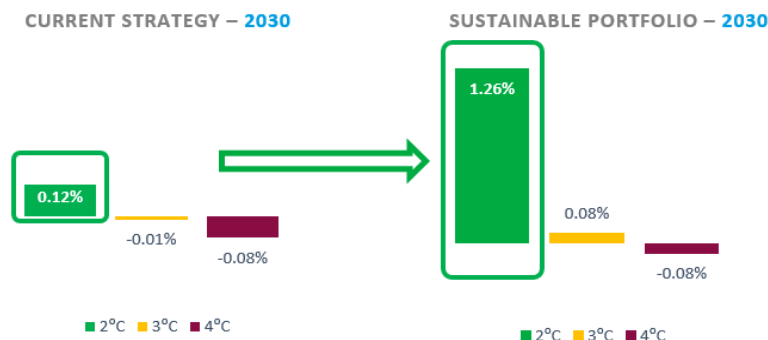
Resilience of the Fund's investment strategy

The table below shows how a 2°C scenario leads to enhanced projected returns for the Fund's investment strategy versus 3°C or 4°C scenarios, with the greatest Impact over the period to 2030.

Warming pathway scenario	Year	Climate change impact on return (% per year)
2°C	2030	0.12%
2°C	2050	-0.06%
2°C	2100	-0.08%
3°C	2030	-0.01%
3°C	2050	-0.06%
3°C	2100	-0.10%
4°C	2030	-0.08%
4°C	2050	-0.14%
4°C	2100	-0.18%

Transition opportunities emerge from a 2°C scenario

The graphic below illustrates the benefits of investing sustainably (i.e. in a portfolio broadly aligned with the Fund's investment strategy but where asset class exposures are mapped to sustainable equivalents).



Climate change impact on return (% p.a.)

As at 30 June 2021. Source: Mercer/Investment Managers

Under the 2°C scenario, to 2030, the Sustainable Portfolio is expected to benefit by up to +16.2% on a cumulative basis, compared with the Fund's current investment strategy.

Key findings of the analysis

Investing for a 2°C scenario is both an imperative and an opportunity the Fund should address.

- An imperative, since, for nearly all asset classes and timeframes, a 2°C scenario leads to enhanced projected returns versus 3°C or 4°C and a better investment outcome.
- An opportunity, since, although incumbents can suffer losses in a 2°C scenario, there are many notable investment opportunities enabled in a low-carbon transition, including sustainability themed investments in listed and private equities to infrastructure and fixed income.

Climate scenario analysis is an ever evolving space and, as such, the scenarios modelled and reported may be subject to review in future periods. It is important to note that the modelling may understate the true level of risk due to the uncertainty around the future economic impacts of climate change.

Action taken since analysis date

Since the date of the climate scenario analysis (30 June 2021), the ISC has undertaken a number of workstreams with a view to improving the sustainability characteristics of the Fund's investment strategy. These include:

- Reviewing the Fund's passive equity allocation (20% of total Fund assets at 30 June 2023) and implementing changes to the underlying benchmarks to increase exposure to stocks with positive climate-related characteristics, in favour of stocks with negative climate-related characteristics while maintaining expected return.
- Switching one of the Fund's multi-asset credit mandates (7.5% of total Fund assets at 30 June 2023) to a portfolio with the same expected risk and return and stronger integration of positive Environmental, Social and Governance factors.
- Agreeing a strategic allocation of 1% of total Fund assets to timberland.

Investments (continued)

Risk Management

This section summarises the primary climate-related risk management processes and activities carried out for the Fund. These assist with understanding the materiality of climate-related risks, both in absolute terms and relative to other risks that the Fund is exposed to.

Governance	<p>The Fund recognises the systemic risk associated with climate change and the views and aspirations of other scheme employers and scheme members.</p> <p>The Fund has acknowledged the risk to the Fund of climate change in its Risk Register: “As long-term investors, the Fund believes climate risk has the potential to significantly alter the value of the Fund’s investments.”</p> <p>The Officers maintain a Climate Action Plan which is reviewed and updated on a regular basis. This document forms part of the ISC’s wider business plan and summarises the progress, actions and outcomes of scheduled climate-related investment projects and tasks.</p>
Strategy	<p>The Fund’s advisers will take climate-related risks and opportunities into account as part of the wider strategic investment advice provided to the Committee and ISC. This includes highlighting the expected change in climate-risk exposure through proposed asset allocation changes, both from the top-down level (via climate scenario analysis) and bottom-up (via climate-related metrics). Climate scenario analysis for the investments of the Fund will be reviewed periodically.</p>

Reporting	<p>The ISC will receive an annual climate dashboard providing an update on climate-related metrics and progress against targets in respect of the assets held in the Fund. The ISC may use the information to engage with the Fund’s investment managers.</p> <p>The ISC receives a biannual stewardship monitoring report which summarises how the investment managers choose to vote and engage on climate-related issues (among other key engagement priorities).</p>
Manager selection and retention	<p>The ISC, with advice from its advisers, will consider an investment manager’s firm-wide and strategy-specific approach to managing climate-related risks and opportunities when either appointing a new manager, in the ongoing review of a manager’s appointment, or as a factor when considering the termination of a manager’s appointment.</p>

What are the climate-related risks and opportunities?

The Fund has considered two types of climate-related risks and opportunities in its climate scenario analysis:

1. Transition risks and opportunities

This covers the potential financial and economic risks and opportunities from the transition to a low-carbon economy (i.e. one that has a low or no reliance on fossil fuels), in areas such as:

- Policy and legislation
- Market
- Technology
- Reputation

Investments (continued)

Risks include the possibility of future restrictions, or increased costs, associated with high carbon activities and products.

There are also opportunities, which may come from the development of low-carbon technologies. In order to make a meaningful impact on reducing the extent of global warming, most transition activities need to take place over the next decade and certainly in the first half of this century.

2. Physical risks and opportunities

The higher the future level of global warming, the greater physical risks will be in frequency and magnitude. Physical risks cover:

- Physical damage (storms; wildfires; droughts; floods)
- Resource scarcity (water; food; materials; biodiversity loss)

Physical risks are expected to be felt more as the century progresses though the extent of the risks is highly dependent on whether global net zero greenhouse gas emissions are achieved by 2050.

There are investment opportunities, for example, in newly constructed infrastructure and real estate that are designed to be resilient to the physical impacts of climate change, as well as being constructed and operated in a way that have low or no net carbon emissions. There are also opportunities for investment in those companies or industries that focus on energy conservation and resource efficiency.

Metrics and targets

Metrics

The primary metrics that are used by the Fund to measure climate-related impact are:

- Absolute emissions. This is the total emissions of seven major GHGs associated with the investments held (carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride).
- Carbon footprint. This is the total emissions per million pounds invested.

- Weighted average carbon intensity (WACI). This is the total emissions per million pounds of sales

From the 2024 analysis date, the Fund's reporting will expand to include an additional forward-looking metric, SBTi alignment.

Limitations of emissions data

The Fund is aware of issues around climate-related data quality, in particular carbon data for many private companies, governments and asset classes is not currently sufficiently robust to set targets against. The Fund has therefore focused on the listed equity portfolio initially, given data quality is more robust within this asset class and it comprises a majority of the Fund's strategic investment portfolio.

The Fund will seek to include corporate bonds in its carbon reporting from the 2024 analysis date as the quality and availability of climate-related data has improved over time. The Fund will also request data across a range of metrics annually from its private markets investment managers and engage with them on improving this data over time.

The Fund is also aware that Scope 3 emissions data, i.e. covering indirect emissions from the value chain such as those embedded in material inputs or freight, is an area that needs development and as such it is not currently included in the Fund's target-setting process. However, the Fund will continue to collect this data to inform its engagement with investment managers.

Targets

The Fund's overall climate-related objective is to align its portfolio with a 'pursue efforts towards 1.5°C' objective - i.e. net zero by 2050, with an aspiration of achieving a net zero position by 2045.

Targets were set on an absolute emissions basis in 2021, but also monitored on an intensity basis (using two intensity metrics: carbon footprint and weighted average carbon intensity (WACI)). However, the Fund switched to a carbon footprint metric as the baseline measure for a de-carbonisation pathway from the 2022 analysis date as it:

Investments (continued)

- It is not impacted by changes in strategy, unlike absolute emissions. For example, a reduction in the Fund's strategic target equity allocation would, all else equal, lead to a reduction in the level of absolute emissions.
- Widening the scope of the Fund's climate reporting to include additional asset classes would naturally increase absolute emissions.

Carbon footprint is not impacted in the same way. Instead, it normalises absolute emissions by the amount of assets invested.

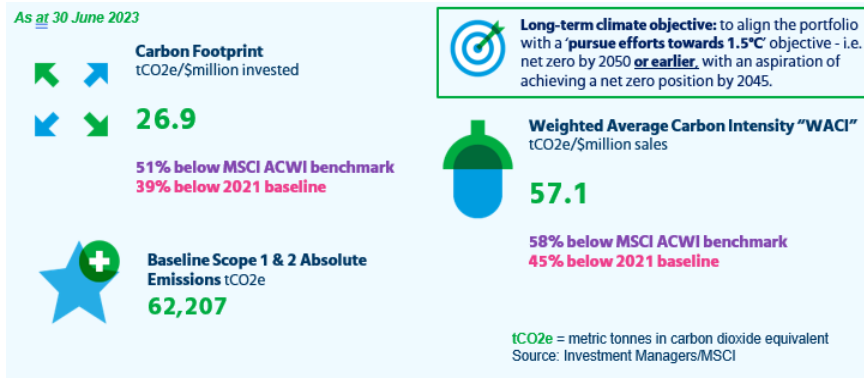
The Fund will continue to track both absolute emissions and WACI (and from the 2024 analysis date, SBTi alignment) as each metric provides a different insight as to the nature of the companies held within portfolios.

Carbon reporting dashboard

The Fund's metrics were initially measured as at 30 June 2021, providing a baseline for future targets, and were recalculated as at 30 June 2022 and 30 June 2023 in order to monitor progress against these targets. The metrics are set out in a publicly available carbon reporting dashboard:

The reported metrics are based on Scope 1 and 2 emissions data for the listed equity portfolio. From 2024 this will be expanded to include corporate bonds.

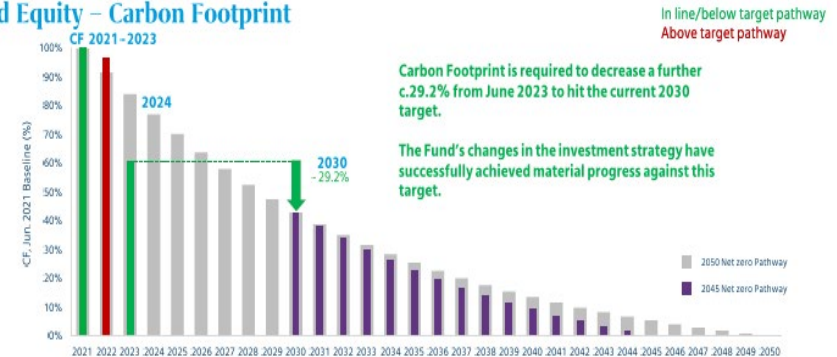
The dashboard will be updated on an annual basis.



Progress against targets

The chart below demonstrates the Fund's progress (Green and Red bars) against the pre-defined pathway (Grey bars) required in order to achieve the Net Zero objective by 2050. The purple bars demonstrate the pathway to achieve Net Zero by 2045 for information.

Listed Equity – Carbon Footprint



Changes to the Fund's passive equity portfolio were implemented in early 2023 with the objective of improving the portfolio's climate characteristics. This is the key driver of the material reduction in the listed equity portfolio's carbon footprint over the year to 30 June 2023.

The Fund will review and assess its interim targets following analysis of its carbon metrics as at 30 June 2024.

Investments (continued)

Independent Adviser's annual review – Twelve months to 31st March 2024

It seems there doesn't seem to be such a thing as a "quiet year" any more. Events in the Middle East, with open conflict once again rearing its head, have added to a sense of uncertainty that the ongoing war in Ukraine only reinforces. Continued cost of living pressures at home and abroad make every day life for pension scheme members challenging. At least we have moved past the era of a new UK Prime Minister every few weeks / months!

I wrote last year about the need to maintain resilience in the portfolio, to diversify, weather inflation, and do so while meeting commitments made to address environmental and social concerns. I say the same this year.

Implementation of the Fund's Responsible Investment and net-zero policy continues apace, with good progress being made. This year has also seen positive momentum on development of private markets propositions from the ACCESS Pool with initial Real Estate and Infrastructure investment options coming on-line and a timeline in place for Timberland and Affordable Housing options to be in place. Furthermore, the overall funding position of the fund has continued to improve, leaving us in a strong position from which to address the various challenges we can anticipate in the coming year.

Here I take the opportunity to provide an investment review covering the financial year 2023/24, in addition to providing some thoughts for the future.

Market Activity

Equities

Global equities offered solid returns in Q2 2023, with the MSCI World index delivering 6.8% in USD terms. This was predominantly driven by developed markets, specifically the US. In contrast, emerging markets, as reflected by the MSCI EM Index's return of 0.9%, continued to lag behind. US equities experienced growth amid signs of a resilient economy, despite higher interest rates. Regardless of a slight rise in unemployment to 3.7% in May, the labour market remained historically tight. The technology sector led the stock market gains due to seemingly broad enthusiasm around the growing use of artificial intelligence. Eurozone shares also saw gains in Q2, with the IT and financial sectors leading the way, and the energy and communication services sectors underperforming. The European Central Bank raised interest rates twice during this period as headline inflation declined. Japanese shares, represented by the

MSCI Japan index, returned 15.6% during the quarter in local currency terms and reached a 30-year high. This rally is partially credited to foreign investment inflows, expected corporate governance overhauls, and structural shifts in the economy. In the April and June policy meetings, the Bank of Japan, under the guidance of newly-appointed Governor Kazuo Ueda, persisted in their accommodative stance. Emerging market equities saw minor gains over the quarter, lagging behind developed markets. Contributing to this underperformance were tensions between the US and China, and concerns over China's weak economic recovery. Elsewhere, Brazil showcased notable strength backed by promising economic indicators. The tech sectors in Korea and Taiwan outpaced others due to optimism surrounding AI expansion, while Indian shares surged, buoyed by foreign investments and stable earnings.

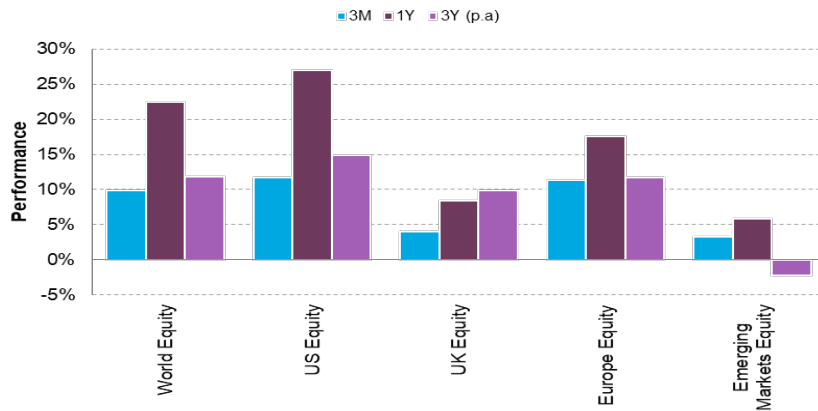
As we reached the end of September, global equities showed strength for the 6-month period but relinquished some of their gains from the previous quarter. Rising oil prices, geopolitical tensions and hawkish signalling from key central banks led the MSCI ACWI 3.4% lower. Though the economic landscape remained robust, the anticipation of 'higher for longer' interest rates to combat inflation coupled with higher oil prices translated to negative sentiment towards US equities. This impacted large tech firms like Apple and Microsoft, which can be considered "long-duration" businesses. Consequently, the S&P 500 fell 3.4% over the quarter. In local currency terms, European equities (as measured by MSCI Europe) dropped by 2.1%, driven by concerns around excessive monetary tightening. During this period, the European Central Bank initiated two interest rate hikes, leading to significant declines in the Consumer Discretionary and IT sectors.

Emerging markets also experienced declines, with the MSCI EM down by 2.9%. The ongoing weaknesses in the Chinese economy had a negative effect on risk appetite. Contributing to China's slowdown was the property sector, which faced increased pressure in September due to the risk of default from Country Garden, a major property company.

Additionally, Evergrande's trading was halted just a month after resuming from a 17-month suspension. In contrast, Japanese equities performed well, with the TOPIX rising by 2.5% in local terms. Positive economic growth, coupled with dovish sentiment from the Bank of Japan, contributed to the index's upward trajectory. Financials and domestically oriented small- and medium-sized companies outperformed.

Investments (continued)

Performance of Equity Markets to 31 March 2024



Source: bfinance

Indices Used

World Equity: MSCI World NR (GBP), US Equity: S&P 500 TR (GBP), UK Equity: FTSE 100 TR (GBP), Europe Equity: Euro STOXX 50 NR (GBP), Emerging Markets Equity: MSCI EM NR (GBP)

As 2023 drew to a close, global equity markets had delivered a robust rebound, bouncing back strongly from the declines of 2022. The MSCI ACWI posted a 22% return in USD terms. Moderating inflation invited the prospect of a 'soft economic landing' and the pivot towards an accommodative monetary policy environment. Markets consequently shifted focus from recession risk and ongoing geopolitical tensions. As a result, all major equity geographies except China concluded the year in positive territory. The final quarter of 2023 saw a reversal of Q3 weakness as dovish signalling from key central banks led to both developed (MSCI World, 11.4%) and emerging markets (MSCI EM, 7.9%) outperforming.

Within developed markets, the United States led the way (S&P 500, 11.6%), buoyed by the Federal Reserve's indication of potential interest rate cuts in 2024, following a two-year effort to stabilise rates. While a substantial portion of the year's returns came from a select group of US mega cap names associated with tech and innovation ('Magnificent Seven'), the overall positive market sentiment in Q4 saw returns across the market cap spectrum, with small and mid-caps outperforming.

In Europe (MSCI Europe, 6.4% in Euro), the prospect of no further rate increases in 2024 drove returns, despite downward revisions in economic growth expectations for 2023. Japan's participation in the Q4 rally was less exuberant compared to peers, with the Topix returning 2.0% in Yen terms. However, Japan emerged as one of the best-performing markets over the year due to improved governance reforms for listed companies alongside positive economic growth prospects. Within emerging markets, India, Taiwan, and Latin America strongly outperformed offsetting the underperformance of China. A key index constituent, China lagged behind (MSCI China, -4.2% in USD) due to factors including sluggish economic data and the ongoing real estate crisis.

In the last quarter, global equity markets again exhibited robust performance, bolstered by favourable economic indicators. The MSCI All Country World Index (MSCI ACWI) rose by +8.2%. Developed markets were the primary drivers of this growth, while emerging markets also posted gains, albeit more modest, with a +2.4% increase in USD terms. Japanese equities experienced significant growth, with the TOPIX index surging up +18.1% in Yen terms. This rise was primarily attributed to strong corporate earnings and a supportive monetary policy from the Bank of Japan, which raised interest rates for the first time in 17 years, shifting from negative rates (-0.1%) to a target range of 0.0-0.1%. In the United States, markets outperformed expectations due to stronger-than-anticipated economic data. The S&P 500 marked a substantial rise of +10.4%. Large-cap stocks outperformed their smaller counterparts, driven by the 'magnificent seven,' who benefited from optimism surrounding artificial intelligence (AI) as well as positive earnings reports from the previous quarter. European markets also saw gains, with the MSCI Europe index increasing by +7.6% in Euro terms. The economic outlook improved significantly, with the Eurozone composite index moving from contraction to near-neutral levels (a reading above 50 indicates growth, while below 50 indicates contraction).

Sectors sensitive to economic cycles, such as Financials, Industrials, and Consumer Discretionary, performed particularly well. Emerging markets ended the quarter on a positive note driven by various factors. Regions like Taiwan capitalised on the AI-driven optimism, showing notable outperformance.

Investments (continued)

Meanwhile, countries such as India and Turkey experienced growth driven by economic improvements. However, concerns over China's growth prospects, particularly due to ongoing issues in the property sector, dampened overall performance. An additional drag on returns also came from Latin American markets, specifically Brazil, influenced by pricing pressure in the iron ore sector.

Bonds

The second quarter of 2023 saw renewed pressure on interest rate sensitive markets as inflation numbers across the developed world came in higher than expected. Central banks responded to the risk of more entrenched inflation by increasing interest rates, with the Federal Reserve raising rates by 25bps in Q2, the ECB hiking rates by 50bps over the quarter and the Bank of England increasing its base rate by 75bps during the second quarter. As a result, government bond yields in developed markets increased as investors anticipated stronger monetary policy as a response. This rise in yields saw the DM indices post negative returns for the quarter. Credit spreads tightened across the board as investors took a more "risk on" stance and credit indices showed positive performance across the credit quality spectrum.

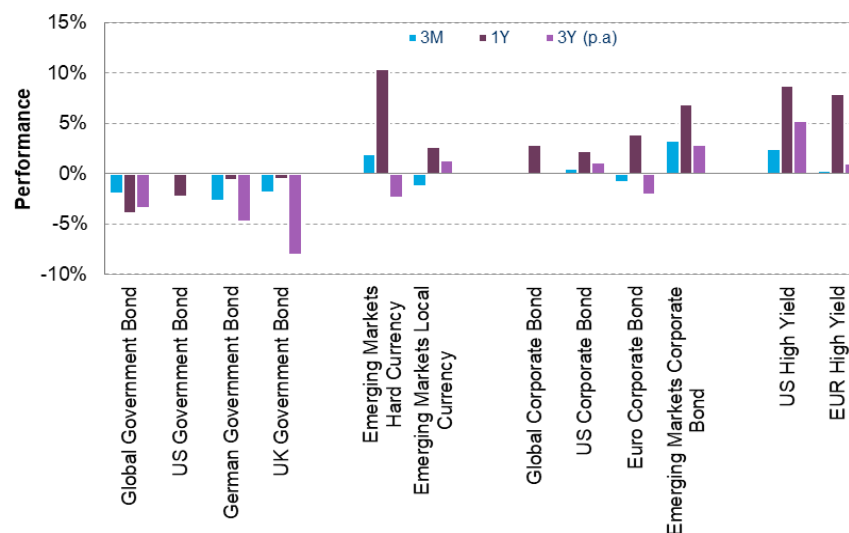
Hard Currency emerging market debt returned +2.2% in USD terms in Q2 2023, mainly driven by credit spread compression. 62 out of 70 countries in the JP Morgan EMBI Global Diversified index posted positive returns over the quarter.

After a good start to the quarter in July, the following two months, and especially September were volatile for fixed income investors as expectations of sustained higher interest rates weighed on bond markets. In this context, credit-oriented strategies outperformed the more interest sensitive asset classes, as government yields rose further, and credit spreads kept remarkably broadly unchanged. In the US, the Fed lifted interest rates by 25bps at its July policy meeting, but took a pause at the September meeting, in line with expectations. Yet the Fed turned rather hawkish and indicated the possibility of further rate hikes, and sentiment shifted towards "higher for longer" narrative due to reducing, yet still somewhat persistent inflation numbers and strong economic data.

Despite rates volatility, spreads behaved and ended the quarter broadly unchanged. Ultimately, all rating buckets retreated, but lower-rated securities and typically less rate sensitive BBBs outperformed delivering -2.3%. Yields for

the asset class have climbed above 6% with an increase of 55bps for the quarter. High yield bonds outperformed significantly when compared to their higher quality counterparts due to the shorter duration of the asset class.

Hard Currency emerging market debt was down over the quarter, offsetting Q2 gains. The rise in US core rates weighed on hard currency asset classes. Only 26 countries out of 70 posted positive returns with top performers being smaller frontier countries such as Venezuela (+29.6%), Lebanon (+24.9%), El Salvador (+23.0%) and Ukraine (+21.1%).



Source: bfinance

Indices Used

World Equity: Barclays GlobalAgg Treasury TR (GBP Unhedged), ICE BofA ML US Treasury (GBP Unhedged), ICE BofA ML German Government (GBP Unhedged), ICE BofA ML UK Gilt (GBP Unhedged), JPM EMBI GLOBAL DIVERSIFIED TR (GBP Unhedged), JPM GBI-EM Global Div TR (GBP Unhedged), Barclays Global Agg Corporate TR (GBP Unhedged), Barclays US Agg Corporate TR (GBP Unhedged), Barclays Euro Agg Corporate TR (GBP Unhedged), JPM CEMBI BROAD DIVERSIFIED TR (GBP Unhedged), ICE BofA ML US High Yield (GBP Unhedged), ICE BofA ML Euro High Yield (GBP Unhedged).

Investments (continued)

The final quarter of 2023 saw strong returns across a broad range of fixed income markets, as inflation data across the developed world showed signs of falling, leading markets to believe central banks could move from hiking rates to reducing them in 2024. Credit spreads ended the quarter at 88bps, tighter by 19bps as economic growth continued to be robust. This narrowing was seen across the quality spectrum with AA spreads and BBB spreads tightening by 9bps and 24bps respectively.

Hard Currency emerging market debt returned 9.2% in USD terms in Q4 2023, mainly driven by the decline in underlying US treasury yields. This strong quarter pushed full year returns to 11.1%. Spreads narrowed by 47bps, ending the quarter at 383bps for a yield-to worst of 7.84%. In the quarter, 64 out of 69 countries in the JP Morgan EMBI Global Diversified index posted positive returns. Frontier markets were the main beneficiaries of a more risk on environment. Spreads on EM corporate debt narrowed slightly compared to the end of Q3 and higher yield issuers slightly underperformed Investment grade names. Finally, local currency emerging market debt delivered a positive return of +8.1% (in USD terms) in Q4 2023, driven by a rally in both EM FX & local rates. Local yields fell across a broad range of EM countries as markets priced in further rate cuts as inflation numbers moderated. The dollar was also weaker relative to most EM currencies, with several Eastern European currencies in particular posting strong returns.

Despite dovish signs from the FOMC and Federal Reserve at the back end of 2023, there still appears to be no sign of a rate cut in sight, particularly as the US recently recorded a slight uptick in inflation. The first quarter of 2024 saw fixed income markets become more concerned about the 'potential for stickier inflation', particularly in the US as CPI made a surprising move to the upside with a figure of +3.5% year-on-year (YoY) in March, whilst European CPI was slightly cooler at +2.9% YoY and UK CPI registered a +3.4% YoY increase. Markets walked back their hopes of central bank rate cuts and most major central banks kept their policy levels unchanged. At the same time, continued robust economic growth numbers left markets happier to reward credit risk. As a result, government bond yields in developed markets increased and credit spreads tightened further as economic growth numbers continued to be robust.

Hard Currency emerging market debt returned +2.0% in Q1 2024, driven by a narrowing in sovereign credit spreads, which helped offset the rise in underlying treasury yields. Local currency emerging market debt delivered a negative return of -2.1% (in USD terms) in Q1 2024, driven by a rally the US dollar as markets priced out interest rate cuts making the dollar appreciate against most currencies.

Fund Activity

Valuation and Strategic Asset Allocation review

Even with the committee having taken some steps to reduce risk in the portfolio and introduce more diversification and focus on income, fund assets finished the year in excess of £4.8 billion, an increase of c.£526m in the past 12 months. With the fund's liabilities remaining relatively stable over the same time period we are in the enviable position of being extremely well funded, securing the position the fund is in to meet its existing and future pension payments. Confidence in the fundamental funding position remains empowering when it comes to taking decisions regarding the fund's social and environmental impact, decisions that I have said before could be more complicated should the requirement for financial growth be substantially more urgent.

Responsible Investment

In line with plans made following the adoption of a new Responsible Investment Policy in 2021, along with a revised Investment Strategy Statement and net zero investment commitments the fund has made substantial changes this year with a shift to low carbon passive equity investments. The fund's consultants are providing regular reporting on the portfolio's carbon footprint and the committee is monitoring progress closely to ensure we continue to move along our net zero pathway.

Similar scrutiny is being applied to the stewardship of our assets with robust reporting on voting activity at companies we invest in and Environmental, Social and Governance investment concerns form a substantial part of investment decision making for the fund.

I'm confident the work of officers and committee members in this regard is delivering an investment programme to be proud of. One that is delivering the returns needed to safeguard members' pensions while also ensuring that we leave the world a better place for future generations.

Investments (continued)

Fund Performance

The fund continues to perform well, seeing a further increase in its funding ratio in the past year as the value of the liabilities remained stable while asset values climbed strongly (up c.£575m or c.14%).

For the past 12 months our equity investments are in aggregate up 20.8% slightly behind the passive benchmark return of 21.7%. Fixed income investments are also up, if more modestly at 3.7% vs benchmark 4%. The alternatives portfolio demonstrated significant diversification but ultimately returned just 1.6% vs the long term benchmark of 8%.

As I have mentioned previously, the Fund has seen significant asset allocation change over the past couple of years with a substantial uplift in the target allocation to alternatives, funded by a reduction in equity investments, and this continues to be the trend.

These alternative investments, particularly those focused on infrastructure, are designed to enhance portfolio diversification – providing a return stream meaningfully different to that provided by the equity investments and also have potentially useful inflation proofing characteristics. These investments take time to build up, committing to managers who then go out and source appropriate assets over an investment period that can run to several years.

The ACCESS Pool has begun delivering on ambitions to provide highly cost effective and efficient alternatives investment solutions, with new Real Estate investment options likely to be implemented shortly and several other asset areas of interest to the fund nearing launch.

Outlook

The past year has again been all about inflation and it will continue to be a substantial theme for the year ahead. While inflation shows some signs of reducing, interest rates remain elevated, and many expect them to stay “higher for longer”.

Political uncertainty, (in particular relating to US elections due this year but also a General Election due in the UK), continued war in Ukraine and more recent conflict in the Middle East make predictions on asset class investment

performance incredibly difficult. We will rely on the diversified nature of the fund’s investment portfolio and react to major events in a considered and thoughtful manner as they occur.

Progress against our responsible investment and environmental impact commitments is much more within the committee’s control. As data quality continues to get better and better we are increasingly well equipped to understand the nuances of the impacts our investments are having and we can look to shape these to meet our objectives.

The ACCESS Pool private markets propositions are starting to become a reality and I can envision some fantastic opportunities to gain exposure to highly beneficial alternative asset classes in a more efficient and effective manner this year.

With the fund in a healthy funding position we are in a good place, with strong governance and a resilient portfolio, to continue to face the future with confidence.

Sam Gervaise-Jones, CFA

May 2024

Actuarial Information

Cambridgeshire Pension Fund ("the Fund") Actuarial Statement for 2023-24

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS), dated March 2023. In summary, the key funding principles are as follows:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants
- use a balanced investment strategy to meet the regulatory requirement for long-term cost efficiency (where efficiency in this context means to minimise cash contributions from employers in the long term)
- where appropriate, ensure stable employer contribution rates
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations
- manage the fund in line with the stated ESG policies.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 20 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least a 70% likelihood that the Fund will achieve the funding target over 20 years.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund's assets, which at 31 March 2022 were valued at £4,305 million, were sufficient to meet 125% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £860 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure as per the FSS. Individual employers' contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2022 valuation report.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Actuarial Information (continued)

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

Financial Assumptions	31 March 2022
Discount Rate	4.9%
Salary increase assumption	3.2%
Benefit increase assumption(CPI)	2.7%

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	22.0 years	24.6 years
Future Pensioners*	22.8 years	26.1 years

*Aged 45 at the 2022 Valuation.

Copies of the 2022 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund to the Fund and on the Fund's website.

Experience over the period since 31 March 2022

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. High levels of inflation in the UK (compared to recent experience), have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, asset performance has improved towards the end of 2023 and into 2024 and inflation has begun to return towards historical levels and the Bank of England's target (2% pa). There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025. The Funding Strategy Statement will also be reviewed at that time.

Adrian Loughlin FFA

10 May 2024

For and on behalf of Hymans Robertson

Actuarial Information (continued)

Extract from the Actuarial Valuation Report

Executive Summary

We have carried out an actuarial valuation of the Cambridgeshire Pension Fund ("the Fund") as at 31 March 2022. The results are presented in this report and are briefly summarized below.

Funding Position

The table below summarises the financial position of the Fund at 31 March 2022 in respect of benefits earned by members up to this date (along with a comparison at the last formal valuation at 31 March 2019).

Valuation Date	31 March 2019 (£m)	31 March 2022 (£m)
Past Service Liabilities	3,204	3,445
Market Value of Assets	3,193	4,305
Surplus/(Deficit)	-11	860
Funding Level	100%	125%

The most significant external event to occur since the last valuation has been the Covid-19 pandemic. The impact on the funding position has been small, likely due to the age profile of the excess deaths and the level of pension.

Other significant factors occurring which affect the funding strategy of the Fund have been the better than expected investment returns. This has had a material positive impact on the funding position and employers' secondary contribution rates.

Contribution Rates

The table below summarizes the whole fund Primary and Secondary Contribution rates at this triennial valuation. The Primary rate is the payroll weighted average of the underlying individual employer primary rates and the Secondary rate is the total of the underlying individual employer secondary rates (before any pre-payment or capitalization of future contributions), calculated in accordance with the Regulations and CIPFA guidance.

Primary Rate (% of pay)		Secondary Rate (£)	
1 April 23 – 31 March 26	2023-24	2024-25	2025-26
18.4%	£16,449,000	£14,485,000	£13,144,000

The Primary rate also includes an allowance of 0.8% of pensionable pay for the Fund's expenses. The average employee contribution rate is 6.4% of pensionable pay.

The minimum contributions to be paid by each employer from 1 April 2023 to 31 March 2026 are shown in the Rates and Adjustment Certificate.

Douglas Green FFA

Robert McInroy FFA

31 March 2023

For and on behalf of Hymans Robertson LLP

The full valuation report is available on the Funds website [2022 Valuation Report](#)

Audit Opinion

Audit Opinion (continued)

Audit Opinion (continued)

Fund Account

31-Mar-23 £000	Notes	31-Mar-24 £000
Dealings with members, employers and others directly involved in the fund:		
148,915 Contributions	Note 7	166,530
18,402 Transfers in from other pension funds	Note 8	23,390
167,317		189,920
-123,517 Benefits	Note 9	-138,653
-11,281 Payments to and on account of leavers	Note 10	-15,918
-134,798		-154,571
32,519 Net additions/(withdrawals) from dealing with members		35,349
-24,894 Management expenses	Note 11	-25,473
7,625 Net additions/(withdrawals) including fund management expenses		9,876
Returns on investments:		
52,598 Investment income	Note 13	62,246
0 Taxes on income		-36
-133,859 Profit and (losses) on disposal of investments and changes in the value of investments	Notes 14a and 17b	454,093
-81,261 Net return on investments		516,303
-73,636 Net increase/(decrease) in the net assets available for benefits during the year		526,179
4,305,432 Opening net assets of the scheme		4,231,796
4,231,796 Closing net assets of the scheme		4,757,975

Notes on pages 75 to 105 form part of the financial statements.

Net Asset Statement

31-Mar-23			31-Mar-24
£000		Notes	£000
4,213,959	Investment assets		4,739,295
-2,699	Investment liabilities		-1,770
4,211,260	Total net investments	Note 14	4,737,525
26,287	Current assets	Note 21	27,851
-5,751	Current liabilities	Note 22	-7,401
20,536	Net Current Assets		20,450
4,231,796	Closing net assets of the scheme	Note 17a	4,757,975

Notes on pages 75 to 105 form part of the financial statements.

Note: The Fund's financial statements do not take account of the liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 20.

Notes to the Pension Fund Accounts

1. DESCRIPTION OF THE FUND

The Cambridgeshire County Council Fund is part of the Local Government Pension Scheme (LGPS) and is administered by Cambridgeshire County Council. The County Council is the reporting entity for this Pension Fund. The following description of the Fund is a summary only. For more detail, reference should be made to the Annual Report 2023-24 and the underlying statutory powers underpinning the scheme.

General

The Fund is governed by the Public Services Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- the LGPS Regulations 2013 (as amended);
- the LGPS (Transitional Provisions, Savings and Amendments) Regulations 2014 (as amended);
- the LGPS (Management and Investment of Funds) Regulations 2016;
- The Local Government Pension Scheme (Amendment) Regulations 2018.

The Fund is a contributory defined benefit pension scheme administered by Cambridgeshire County Council to provide pensions and other benefits for pensionable employees of Cambridgeshire County Council, the district councils in Cambridgeshire, and a range of other scheduled and admitted bodies within the county area. Teachers, Police Officers and Firefighters are not included as they come within other national pension schemes. The Fund is overseen by the Cambridgeshire Pension Fund Committee, which is a committee of Cambridgeshire County Council.

Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme. Organisations participating in the Cambridgeshire Pension Fund include:

- Scheduled Bodies - local authorities and similar bodies whose staff are automatically entitled to be members of the Fund;

- Admitted Bodies - other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector;
- Resolution/Designated bodies – These are organisations that can admit their employees to the LGPS by passing their resolution (nominate employees for access to the LGPS) Parish/Town Council are under this category.

As at 31 March 2024 there was 197 (2023: 198) active employers within the Cambridgeshire Pension Fund, including the County Council itself.

	31-Mar-23	31-Mar-24
Number of employers with active members	198	197

The Fund has over 99,800 individual members, as detailed below:

Number of employees in scheme:	31-Mar-23	31-Mar-24
County council	9,299	9,407
Other employers	18,768	19,629
Total	28,067	29,036

Number of Pensioners:

County council	10,003	10,310
Other employers	12,411	13,114
Total	22,414	23,424

Deferred pensioners:

County council	15,772	16,343
Other employers	19,481	20,737
Total	35,253	37,080

Undecided Leavers:

County council	4,525	3,971
Other employers	6,887	6,328
Total	11,412	10,299

Total members	97,146	99,839
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Notes to the Pension Fund Accounts (continued)

Funding

Benefits are funded by contributions and investment earnings. Currently the level of contribution income is sufficient to fund regular benefit payments. Contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ended 31 March 2024. Employers' contributions are set as part of the triennial actuarial funding valuation. The last such valuation was at 31 March 2022. Employers' contributions comprise a percentage rate on active payroll between 0% and 43.3% and deficit payments of fixed cash amounts set for each employer as part of the triennial funding valuation.

Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service, summarised below:

	Service pre 1 April 2008	Service 1 April 2008 to 31 March 2014
Pension	Each year worked is worth 1/80 x final pensionable salary.	Each year worked is worth 1/60 x final pensionable salary.
Lump Sum	Automatic lump sum of 3 x pension. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

Career Average Revalued Earnings (CARE)

From 1 April 2014, the scheme became a career average scheme, whereby members accrue benefits based upon their pensionable pay in that year at an accrual rate of 1/49th or 1/98th for those members who have taken up the 50/50 option and pay proportionately lower contributions.

Accrued pension is updated annually in line with the Consumer Price Index.

There are a range of other benefits provided under the scheme including early retirement, ill health pensions and death benefits. For more details, please refer to the Full Guide which can be found in the member section on the Pension's Fund website. [Member - Pension Details](#)

2. BASIS OF PREPARATION

The statement of accounts summarises the Fund's transactions for the 2023-24 financial year and its financial position at 31 March 2024. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on a going concern basis.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits that fall due after the end of the financial year nor do they take into account the actuarial present value of promised retirement benefits. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The pension fund has opted to disclose this information in Note 20.

Going Concern

The Funding Level as per the recent triennial valuation exercise (March 2022) was 125%. The Funding Level at year ending March 2024 was 167%.

There are 361 individual active employers as at 31 March 2024. All employers are paying their contributions as per the rates and adjustment certificate. No employer has deferred their payments. Benefits paid for the year were £139m, with contributions of £167m (subject to audit), showing a net cash inflow.

The actual annual investment return for March 2024 was 11.7% and the Fund value had increased to £4.76 billion, meaning the fund has increased by £526 million during the year. At 31 March 2024, the Pension Fund has 47% of its investments allocated to equities and 23% allocated to Bonds, with £75 million in cash, which are all assets that could be liquidated quickly to pay benefits should the need arise.

Notes to the Pension Fund Accounts (continued)

The Pension Fund has reviewed its cash flow forecast for the going concern period to 31 March 2026. The Pension Fund has sufficient cash liquidity to meet its payments without the need to sell any investments.

The Pension Fund is satisfied that it is sufficiently liquid to conclude that it is a going concern, since the value of pension fund assets that can be liquidated at short notice if needed is £3.4 billion which significantly exceeds the annual expenditure of the fund.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Account – Revenue Recognition

Contribution Income

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis. Contributions from members are set in accordance with LGPS regulations and contributions from employers are set at the percentage rate recommended by the actuary in the payroll period to which they relate.

Employer deficit funding contributions are accounted for on the due date on which they are payable under the schedule of contributions set by the scheme actuary or on receipt if earlier than the due date.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in the year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

Transfers to and from Other Schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations (see Notes 8 and 10).

Individual transfers in/out are accounted for on a cash basis.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions to purchase scheme benefits are accounted for on a receipt basis and are included in Transfers In (see Note 8). Bulk (group)

transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement. There have been no group transfers in during 2022-23 and 2023-24.

Investment Income

i) Interest income

Interest income is recognised in the Fund Account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs (where material) or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

ii) Dividend income

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iii) Distributions from pooled funds

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iv) Movement in the net market value of investments

Changes in the net market value of investments are recognised as income or expense and comprise all realised and unrealised profits/losses during the year.

Fund Account – Expense Items

Benefits Payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the Net Assets Statement as current liabilities and paid in the following month.

Notes to the Pension Fund Accounts (continued)

Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

Management Expenses

The Code does not require any breakdown of pension fund administrative expenses. However, in the interests of greater transparency, the Fund discloses its pension fund management expenses in accordance with CIPFA's Accounting for Local Government Pension Scheme Management Expenses (2016).

Administrative Expenses

All administrative expenses are accounted for on an accruals basis. All staff costs of the pension's administration team are charged to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund in accordance with Council policy.

Oversight and Governance Costs

All oversight and governance expenses are accounted for on an accruals basis. The costs of obtaining legal and consultancy advice are charged direct to the Fund. The cost of the Pool are charged direct to the Fund.

Investment Management Expenses

Investment Management expenses are accounted for on an accruals basis.

Fees of external Investment Managers and the Custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

Investment fees are charged directly to the fund as part of management

expenses and are not included in, or netted off from, the reported returns on investments. Where fees are netted off returns by investment managers, these expenses are grossed up to increase the change in value of investments.

Where an Investment Manager's fee note has not been received by the year end date, an estimate based upon the market value of their mandate as at the end of the year is used for inclusion in the Fund Account. In 2023-24, £390k of fees are based upon such estimates (2022-23: £240K). In addition, manager fees deducted from pooled funds of £20.7m (2022-23: £20.1m) are based upon information received from fund managers.

Net Assets Statement

Financial Assets

Financial assets are included in the Net Assets Statement on a fair value basis, except for loans and receivables.

Loans and receivables are assets for which the amounts receivable are fixed and determinable and where the Fund has not designated the asset at fair value through profit and loss. This includes contributions owing from employers and cash deposits. Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost. A financial asset is recognised in the Net Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset.

Investment assets, other than cash held by Investment Managers on the Fund's behalf, are initially recognised at fair value and are subsequently measured at fair value with gains and losses recognised in the Fund Account. The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see Note 16). For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

Notes to the Pension Fund Accounts (continued)

Foreign Currency Transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

Derivatives

The Fund uses derivative financial instruments to manage its exposure to specific risks arising from its investment activities. The Fund does not hold derivatives for speculative purposes (see Note 15).

Cash and Cash Equivalents

Cash comprises cash in hand and demand deposits and includes amounts held by the Fund's external managers.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

Financial Liabilities

The Fund initially recognises financial liabilities at fair value and subsequently measure them at amortised cost. A financial liability is recognised in the net assets statement on the date the Fund becomes party to the liability.

Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits is assessed on an annual basis by the scheme actuary in accordance with the requirements of IAS19 and relevant actuarial standards. As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statement (see Note 20).

Additional Voluntary Contributions

The Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund. The Fund's AVC providers are Prudential and Utmost Life. AVCs are

deducted from the individual member's pay and paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the accounts, in accordance with section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, but are disclosed as a note only (see Note 23).

Contingent Assets and Liabilities

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by the occurrence of future events.

A contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events. Contingent liabilities can also arise in circumstances where a provision would be made, except that it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

Contingent assets and liabilities are not recognised in the net assets statement but are disclosed by way of a narrative in the notes.

4. CRITICAL JUDGEMENT IN APPLYING ACCOUNTING POLICIES

Pension Fund Liability

The net Pension Fund liability is recalculated every three years by the appointed actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines.

The estimated liability is subject to significant variances based on changes to the underlying assumptions which are agreed with the actuary and have been summarised in Note 19.

Actuarial revaluations are used to set future contribution rates and underpin the Fund's most significant Investment Management policies, for example in terms of the balance struck between longer term investment growth and short-term investment yield/return.

Notes to the Pension Fund Accounts (continued)

5. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the Balance Sheet date and the amounts reported for the revenues and expenses during the year.

Estimates and assumptions are made taking into account historical experience, current trends and other relevant factors. However, the nature of estimation means that the actual outcomes could differ from the assumptions and estimates.

The items in the Net Assets Statement as 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Actuarial Present Value of Promised Retirement Benefits

- **Uncertainties:** Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rates at which salaries and pensions are projected to increase, changes in retirement ages, mortality rates and expected returns on Pension Fund assets. An independent firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied.
- **Effect if Actual Results Differ from Assumptions:** The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate assumption would result in an increase in the pension liability by approximately £75m. A 0.1% increase in assumed earnings inflation would increase the value of liabilities by approximately £3m, and a 1-year increase in assumed life expectancy would increase the liability by approximately £161m. Although the example above is based on an increase, a decrease to discount rate and assumed life expectancy could also occur.

Cambridge and Counties Bank

- **Uncertainties:** Cambridge and Counties Bank is not publicly listed and as such there is a degree of estimation involved in the valuation. The Pension Fund has appointed an independent, professional valuer to advise a suitable valuation. The Fund's investment is valued on a market based approach with reference to price/earnings and price to book of comparable public companies.
- **Effect if actual results differ from assumptions:** The investment in the financial statements is £84.8m. There is a risk that this investment may be under or overstated in the accounts. As set out in the independent, professional valuation report, the valuation of the Cambridge and Counties Bank is in the range of £81.1m to £88.5m. The mid-point of this valuation range has been applied within the Fund's accounts.

Other Private Equity and Infrastructure Uncertainties:

- **Uncertainties:** All other private equity and infrastructure investments are valued at fair value. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation. See Note 16a.
- **Effect if actual results differ from assumptions:** Total private equity and infrastructure investments (excluding Cambridge and Counties Bank – see above) at fair value in the financial statements are £857.6m. There is a risk that this investment may be under or overstated in the accounts. Note 18 gives a price sensitivity of Alternative investments of 23.9%, which indicates that Other private equity and infrastructure values may range from £652.6m to £1,062.6m.

6. EVENTS AFTER THE BALANCE SHEET DATE

There have been no events since 31 March 2024, and up to the date when these accounts were authorised that require any adjustments to these accounts.

Notes to the Pension Fund Accounts (continued)

7. CONTRIBUTIONS RECEIVABLE

By Category:

31-Mar-23	31-Mar-24
£000	£000
33,124 Employees' contributions	36,248
Employers' contributions:	
100,571 Normal contributions	109,679
15,220 Deficit recovery contributions	21,158
0 Employers in surplus (exit credits paid)	-555
115,791 Total employers' contributions	130,282
148,915	166,530

By Authority:

31-Mar-23	31-Mar-24
£000	£000
31,699 Administering authority	35,202
108,666 Scheduled bodies	128,104
8,550 Admitted bodies	3,224
148,915	166,530

8. TRANSFERS IN FROM OTHER PENSION FUNDS

31-Mar-23	31-Mar-24
£000	£000
18,402 Individual transfers	23,390
18,402	23,390

9. BENEFITS PAYABLE

By category:

31-Mar-23	31-Mar-24
£000	£000
102,737 Pensions	115,544
17,863 Commutation and lump sum retirement benefits	20,353
2,917 Lump sum death benefits	2,756
123,517	138,653

By authority:

31-Mar-23	31-Mar-24
£000	£000
39,425 Administering authority	43,452
73,760 Scheduled bodies	84,069
10,332 Admitted bodies	11,132
123,517	138,653

10. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

31-Mar-23	31-Mar-24
£000	£000
1,053 Refunds to members leaving service	806
10,228 Individual transfers	15,112
11,281	15,918

11. MANAGEMENT EXPENSES

31-Mar-23	31-Mar-24
£000	£000
2,868 Administrative costs	3,010
20,968 Investment management expenses	21,345
1,058 Oversight and governance costs*	1,118
24,894	25,473

*Base fees payable to External Auditors, included within Oversight and Governance costs were £87k during the year (2022-23 £26k). The scale fee variation will be communicated in due course.

Notes to the Pension Fund Accounts (continued)

12. INVESTMENT MANAGEMENT EXPENSES

	Management fees	Performance related fees	Transaction costs	Other costs	Total
	£000	£000	£000	£000	£000
2023/24					
Equities	10	0	0	346	356
Bonds	38	0	0	0	38
Pooled investments	8,287	0	11	515	8,813
Pooled property investments	1,456	0	334	192	1,982
Private Equity/Infrastructure	5,793	1,958	96	2,274	10,121
Custody Fees	0	0	0	35	35
Total	15,584	1,958	441	3,362	21,345

	Management fees	Performance related fees	Transaction costs	Other costs	Total
	£000	£000	£000	£000	£000
2022/23					
Bonds	235	0	0	0	235
Pooled Investments	9,036	0	13	453	9,502
Pooled property investments	534	0	368	179	1,081
Private Equity/Infrastructure	5,156	3,527	154	1,274	10,111
Custody fees	0	0	0	39	39
Total	14,961	3,527	535	1,945	20,968

13. INVESTMENT INCOME

31-Mar-23	31-Mar-24
£000	£000
994 Income from bonds	762
0 Income from equities	4,409
27,542 Pooled investments – unit trusts and other managed funds	28,132
11,017 Pooled Property Investments	10,453
12,020 Private equity/infrastructure income	13,764
1,025 Interest on cash deposits	4,726
52,598	62,246

Notes to the Pension Fund Accounts (continued)

14. INVESTMENTS

31-Mar-23		31-Mar-24
£000		£000
Investment assets		
0	Equities	320,177
197,030	Bonds	0
2,854,045	Pooled investments	3,030,883
267,510	Pooled property investments	380,587
879,370	Private equity/infrastructure	942,397
11,448	Cash deposits	60,400
Derivatives contracts:		
4,141	· Options	0
0	· Futures	27
415	Investment income due	1,303
0	Amounts receivable for sales	3,521
4,213,959	Total investment assets	4,739,295
Investment liabilities		
Derivatives contracts:		
-2,699	· Options	0
0	· Futures	0
0	Amounts payable for purchases	-1,770
-2,699	Total investment liabilities	-1,770
4,211,260	Net investment assets	4,737,525

Notes to the Pension Fund Accounts (continued)

14(a). RECONCILIATION OF MOVEMENTS IN INVESTMENTS AND DERIVATIVES

	Market value 01-Apr-23	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Change in market value during the year	Market value 31-Mar-24
	£000	£000	£000	£000	£000
Equities	0	215,860	-194,372	298,689	320,177
Bonds*	197,030	0	-9,708	-187,322	0
Pooled investments	2,854,045	891,228	-975,264	260,874	3,030,883
Pooled property investments	267,510	130,198	-10,237	-6,884	380,587
Private equity/infrastructure	879,370	82,884	-46,397	26,540	942,397
	4,197,955	1,320,170	-1,235,978	391,897	4,674,044
Derivative contracts:					
• Purchased/written options	1,442	1,760	0	-3,202	0
• Futures	0	6	-152	173	27
• Forward Currency Contracts	0	71	0	-71	0
	4,199,397	1,322,007	-1,236,130	388,797	4,674,071
Other investment balances:					
• Cash deposits	11,448				60,400
• Investment income due	415				1,303
• Amount receivable for sales	0				3,521
• Amounts payable for purchases of investments	0				-1,770
Net investment assets	4,211,260				4,737,525

*Investments in "Bonds" have transitioned to a pooled bond fund during 2023-24. This holding is now classified as "Pooled Investments".

Notes to the Pension Fund Accounts (continued)

14(a). RECONCILIATION OF MOVEMENTS IN INVESTMENTS AND DERIVATIVES (continued)

	Market value 01-Apr-22	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Change in market value during the year	Market value 31-Mar-23
	£000	£000	£000	£000	£000
Bonds	210,791	56,005	-7,795	-61,971	197,030
Pooled investments	2,945,943	74,471	-97,973	-68,396	2,854,045
Pooled property investments	301,637	19,021	-12,550	-40,598	267,510
Private equity/infrastructure	799,689	112,735	-70,504	37,450	879,370
	4,258,060	262,232	-188,822	-133,515	4,197,955
Derivative contracts:					
• Purchased/written options	8,690	32,114	-39,013	-349	1,442
	4,266,750	294,346	-227,835	-133,864	4,199,397
Other investment balances:					
• Cash deposits	19,850				11,448
• Investment income due	286				415
• Amount receivable for sales	849				0
• Amounts payable for purchases of investments	-35				0
Net investment assets	4,287,700				4,211,260

Notes to the Pension Fund Accounts (continued)

14(h) INVESTMENTS ANALYSED BY FUND MANAGER

Market value 31-Mar-23			Market value 31-Mar-24	
£000	% of net investment assets		£000	% of net investment assets
Investments managed under Pool Governance:				
1,687,761	40.0	Waystone Management Limited	1,763,383	37.2
0	0.0	Aviva Investors	98,376	2.1
0	0.0	IFM Infrastructure	91,805	1.9
0	0.0	JP Morgan	75,569	1.6
0	0.0	Osmosis Investment Management	321,415	6.7
884,740	21.0	UBS Global Asset Management	1,171,181	24.9
2,572,501	61.0	Total Investments managed under Pool Governance	3,521,729	74.4
Investments managed outside Pool Governance:				
200,494	4.8	Adams Street Partners	216,819	4.6
14,084	0.3	Allianz Global Investors	14,045	0.3
43,061	1.0	Ares Management	30,135	0.6
186,233	4.4	BlueBay Asset Management	0	0.0
69,700	1.7	Cambridge and Counties Bank	84,800	1.8
15,000	0.4	Cambridge Building Society	15,000	0.3
31,132	0.7	Equitix Investment Management	30,097	0.6
43,089	1.0	Foresight Group	61,607	1.3
191,922	4.6	HarbourVest Partners (UK)	224,970	4.7
88,116	2.1	IFM Infrastructure	0	0.0
75,350	1.8	JP Morgan	0	0.0
66,872	1.6	M&G Investments	74,499	1.6
73,198	1.7	M&G Real Estate	107,828	2.3
41,131	1.0	Partners Group (UK)	34,961	0.7
469,831	11.2	Schroders Investment Management	273,509	5.8
9,122	0.2	UBS Infrastructure	6,242	0.1
20,424	0.5	Cash with custodian	41,284	0.9
1,638,759	39.0	Total Investments managed outside Pool Governance	1,215,796	25.6
4,211,260	100.0	Net investment assets	4,737,525	100.0

All the above companies are registered in the United Kingdom.

Notes to the Pension Fund Accounts (continued)

The following investments represent more than 5% of the net assets of the scheme as at 31st March 2024.

Security	31-Mar-23	% of total fund	31-Mar-24	% of total fund
	£000	%	£000	%
UBS Global Asset Management - Life Climate Aware World Equity (Hedged)	0	0.0	765,982	16.1
UBS Global Asset Management- Over 5 years Index Linked Gilts Tracker	0	0.0	401,647	8.4
Waystone ACCESS Total Return Credit - BlueBay	0	0.0	307,872	6.5
Waystone ACCESS Alpha Opportunities - M&G	0	0.0	295,681	6.2
Waystone ACCESS Global Stock - Dodge and Cox	575,434	13.6	385,944	8.1
Waystone ACCESS Global Equity - J O Hambro	470,975	11.1	422,985	8.9
Waystone ACCESS Global Equity - Longview	438,535	10.4	350,900	7.4
	1,484,944		2,931,011	

15. ANALYSIS OF DERIVATIVES

Objectives and policies for holding derivatives

Most of the holding in derivatives is to hedge liabilities or hedge exposures to reduce risk in the Fund. Derivatives may be used to gain exposure to an asset more efficiently than holding the underlying asset. The use of derivatives is managed in line with the investment management agreement agreed between the Fund and the various investment managers.

•Forward foreign currency

The Fund's Investment Managers may enter into forward foreign currency contracts to secure current exchange rates in order to reduce the volatility associated with fluctuating currency rates.

There were no open forward currency contracts at 31 March 2024 or 31 March 2023. There is no specified requirement to use currency hedging within the Fund's Investment Management Agreements. Instead, the Fund managers use their discretion as to whether or not any currency hedging should be used to mitigate any potential risk.

Notes to the Pension Fund Accounts (continued)

• Options

In order to minimise the risk of loss of value through adverse equity price movements, equity option contracts can protect the Fund from falls in value in its main investment markets, principally the UK, USA and Europe.

Investment underlying option contract	Expires	Put/Call	Notional Holdings	31-Mar-23	Notional Holdings	31-Mar-24
Assets				£000		£000
Overseas equity purchased	One to three months	Put	149,636	4,141	0	0
Total assets				4,141		0
Liabilities						
Overseas equity written	One to three months	Put	-192,388	-556	0	0
Overseas equity written	One to three months	Call	-149,636	-2,143	0	0
Total liabilities				-2,699		0
Net purchased/written options				1,442		0

• Futures

The economic exposure represents the notional value of stock purchased under futures contracts and is therefore subject to market movements.

Type	Expires	Economic exposure	Market Value as at 31/03/2023	Economic exposure	Market Value as at 31/03/2024
Assets					
UK Equity Futures	Less than one year	0	0	160	6
Overseas Equity Futures	Less than one year	0	0	846	21
Total Assets					27
Total Liabilities		0	0	0	0
Net Futures					27

Notes to the Pension Fund Accounts (continued)

16. FAIR VALUE

Valuation of Financial Instruments Carried At Fair Value

Asset and liability valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values.

Transfers between levels are recognised in the year in which they occur. The Fund has adopted the classification guidelines recommended in the Practical Guidelines on Investment Disclosures (PRAG/Investment Association, 2016).

Level 1 Assets and liabilities at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed securities, quoted index-linked securities and unit trusts.

Level 2 Assets and liabilities at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value. The price used is based upon inputs from observable market data.

Level 3 Assets and liabilities at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

The values of the investment in private equity are based on valuations provided by the general partners to the private equity funds in which the Cambridgeshire Fund has invested. These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines 2022, which follow the valuation principles of IFRS and US GAAP. Valuations are usually undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

16a. Fair value hierarchy

The following tables provides an analysis of the financial assets at fair value through profit and loss of the Pension Fund grouped into levels 1 to 3, based on the level at which the fair value is observable:

Value at March 2024	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss	£000	£000	£000	£000
Equites	320,177	0	0	320,177
Bonds	0	0	0	0
Pooled Investments	25,373	3,005,510	0	3,030,883
Pooled Property Investments	0	0	380,587	380,587
Private Equity/Infrastructure	0	0	942,397	942,397
Derivatives	27	0	0	27
Net Investment Assets	345,577	3,005,510	1,322,984	4,674,071

Value at March 2023	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss	£000	£000	£000	£000
Bonds	197,030	0	0	197,030
Pooled Investments	28,440	2,825,605	0	2,854,045
Pooled Property Investments	0	0	267,510	267,510
Private Equity/Infrastructure	0	0	879,370	879,370
Derivatives	0	4,141	0	4,141
Net Investment Assets	225,470	2,829,746	1,146,880	4,202,096

Notes to the Pension Fund Accounts (continued)

All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date. The fair valuation of each class of investment asset is set out below.

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Quoted Equities	Level 1	The published bid market price on the final day of the accounting period	Not required	Not required
Cash and cash equivalents	Level 1	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required
Futures	Level 1	Published exchange price at the year-end	Not required	Not required
Pooled investments – not exchange traded open ended funds	Level 2	Closing bid and offer prices are published. Closing single price where a single price is published	NAV based pricing set on a forward pricing basis.	Not required
Unquoted bonds and unit trusts	Level 2	Average of broker prices	Evaluated price feeds.	Not required
Pooled Property	Level 3	Valued by investment managers on a fair value basis each year using PRAG guidance	NAV-based pricing set on a forward pricing basis	Valuations could be affected by material events occurring between the date of the financial statements provided and the Fund's own reporting date.
Private equity and infrastructure- equity	Level 3	Comparable valuation of similar companies	Price/Earnings or EBITDA multiple	Valuations could be affected by material events occurring between the date of the financial statements provided and the Fund's own reporting date.
Private equity and infrastructure - other	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines (2022)	Share of net assets	Valuations could be affected by material events occurring between the date of the financial statements provided and the Fund's own reporting date, and by any differences between audited and unaudited accounts.

Notes to the Pension Fund Accounts (continued)

Sensitivity of assets valued at Level 3

Having analysed historical data and current market trends, and consulted with independent investment advisers, the Fund has determined that the valuation methods described above are likely to be accurate within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2024.

Asset Type	Market Value as at 31-Mar-24 £000	Assessed valuation range (+/-)	Value on Increase £000	Value on Decrease £000
Pooled property investments	380,587	15.6	439,959	321,215
Private equity and infrastructure - equity	84,800	4.4	88,500	81,100
Private equity and infrastructure - other	857,597	23.9	1,062,563	652,631
Total Assets	1,322,984		1,591,021	1,054,947

16(b) RECONCILIATION OF FAIR VALUE MEASUREMENTS WITHIN LEVEL 3

Period 2023-24	Market value 01- Apr-23 £000	Transfers in/out of Level 3 £000	Purchases during the year and derivative payments £000	Sales during the year and derivative receipts £000	Unrealised gains/(losses) £000	Realised gains/(losses) £000	Market value 31- Mar-24 £000
Pooled property investments	267,510	0	130,198	-10,237	-7,424	540	380,587
Private equity and infrastructure - equity	69,700	0	0	0	15,100	0	84,800
Private equity and infrastructure - other	809,670	0	82,884	-46,397	-4,122	15,562	857,597
Total	1,146,880	0	213,082	-56,634	3,554	16,102	1,322,984

Notes to the Pension Fund Accounts (continued)

17. FINANCIAL INSTRUMENTS

17a. Classification of financial instruments

The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading.
No financial assets were reclassified during the year.

31-Mar-23			31-Mar-24		
Fair value through profit and loss	Loans and receivables	Financial Liabilities	Fair value through profit and loss	Loans and receivables	Financial Liabilities
£000	£000	£000	£000	£000	£000
Financial assets					
0	0	0	Equities	320,177	0
197,030	0	0	Bonds	0	0
2,854,045	0	0	Pooled investments	3,030,883	0
267,510	0	0	Pooled property investments	380,587	0
879,370	0	0	Private equity/Infrastructure	942,397	0
4,141	0	0	Derivative contracts	27	0
0	25,360	0	Cash	0	74,544
0	415	0	Other investment balances	0	4,824
0	12,375	0	Debtors	0	13,707
4,202,096	38,150	0	4,674,071	93,075	0
Financial liabilities					
0	0	-2,699	Derivative contracts	0	0
0	0	0	Other investment balances	0	0
0	0	-5,751	Creditors	0	0
0	0	-8,450	0	0	-9,171
4,202,096	38,150	-8,450	4,674,071	93,075	-9,171
4,231,796 Total			4,757,975		

Notes to the Pension Fund Accounts (continued)

17b. Net Gains and Losses on Financial Instruments

31-Mar-23 £000	31-Mar-24 £000
Financial assets:	
-133,515 Fair value through profit and loss	391,897
5 Loans and receivables	65,658
Financial liabilities measured at amortised cost	
Financial liabilities:	
-349 Fair value through profit and loss	-3,100
0 Loans and receivables	-362
0 Financial liabilities measured at amortised cost	
-133,859 Total gains/(losses)	454,093

18. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Risk and risk management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Fund manages these investment risks as part of its overall Pension Fund Risk Management Programme.

Responsibility for the Fund's Risk Management Strategy rests with the Pension Fund Committee. Risk Management policies are established to identify and analyse the risks faced by the Council's pensions operations. Policies are reviewed regularly to reflect changes in activity and in market conditions. [Risk Strategy Statement](#)

a) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's Risk Management Strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Council and its investment advisers undertake appropriate monitoring of market conditions and benchmark analysis.

The Fund manages these risks in two ways:

- the exposure of the Fund to market risk is monitored through a factor risk analysis, to ensure that risk remains within tolerable levels
- specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments.

Equity futures contracts and exchange traded option contracts on individual securities may also be used to manage market risk on equity investments. The Fund entered into derivative contracts to manage the overweight in equities compared to the strategic allocation.

Notes to the Pension Fund Accounts (continued)

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored by the Council to ensure it is within limits specified in the Fund Investment Strategy.

Other price risk – sensitivity analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the Fund's investment advisers, the Council has determined that the following movements in market price risk would have reasonably been possible for the 2023-24 reporting period.

The sensitivities are consistent with the assumptions contained in the investment adviser's most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Asset Type	Potential Market Movement +/- (%p.a.)
UK equities	16.0
Global equities	16.7
Index linked bonds	7.1
Pooled fixed interest bonds	7.0
Multi asset credit	7.1
Property	15.6
Cambridge and Counties Bank	4.4
Alternatives	23.9
Cash and other investment balances	0.3

Notes to the Pension Fund Accounts (continued)

Had the market price of the fund investments increased/decreased in line with the above, the change in the net assets available to pay benefits would have been as follows:

31-Mar-24	Value as at	% (rounded)	Value on	Value on
Asset Type	31-Mar-24	Change	Increase	Decrease
	£000		£000	£000
UK equities	11,951	16.0	13,863	10,039
Global equities	2,234,037	16.7	2,607,121	1,860,953
Index linked bonds	401,647	7.1	430,164	373,130
Pooled fixed interest bonds	74,499	7.0	79,714	69,284
Multi asset credit	603,554	7.1	646,406	560,702
Property	380,587	15.6	439,959	321,215
Cambridge and Counties Bank	84,800	4.4	88,500	81,100
Alternatives	857,597	23.9	1,062,563	652,631
Cash and other investment balances	88,853	0.3	89,120	88,586
Total Assets	4,737,525		5,457,410	4,017,640

31-Mar-23	Value as at	% (rounded)	Value on	Value on
Asset Type	31-Mar-23	Change	Increase	Decrease
	£000		£000	£000
UK equities	81,468	18.2	96,295	66,641
Overseas equities	2,288,216	19.0	2,722,977	1,853,455
Index linked bonds	197,030	8.9	214,566	179,494
Pooled fixed interest bonds	66,872	7.5	71,887	61,857
Multi asset credit	389,050	7.8	419,396	358,704
Property	267,510	15.5	308,974	226,046
Cambridge and Counties Bank	69,700	4.2	72,600	66,800
Alternatives	809,670	24.0	1,003,991	615,349
Cash and Other investment balances	41,744	0.3	41,869	41,619
Total Assets	4,211,260		4,952,555	3,469,965

Notes to the Pension Fund Accounts (continued)

Interest rate risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's interest rate risk is routinely monitored by the Council and its investment consultant in accordance with the Fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks. The Fund's direct exposure to interest rate movements as at 31 March 2024 and 31 March 2023 is set out to the right. These disclosures present interest rate risk based on the underlying financial assets at fair value.

Interest rate risk sensitivity analysis

The Council recognises that interest rates can vary and can affect both income to the Fund and the value of the net assets available to pay benefits. An 80 basis point (BPS) (i.e. 0.80%) movement in interest rates is consistent with the level of sensitivity applied as part of the Fund's risk management strategy. The Fund's investment consultant has advised that long-term average rates are expected to move less than 80 basis points from one year to the next and experience suggests that such movements are likely. The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 100 BPS (1.0%) change in interest rates:

31-Mar-23 Asset Type	31-Mar-24
£000	£000
11,448 Cash and cash equivalents	60,400
13,912 Cash balances	14,144
197,030 Index-linked securities	401,647
455,922 Fixed interest securities	678,053
678,312 Total	1,154,244

Exposure to interest rate risk	Asset values 31-Mar-24	Impact of 1% decrease	Impact of 1% increase
	£000	£000	£000
Cash and cash equivalents	60,400	60,400	60,400
Cash balances	14,144	14,144	14,144
Index-linked securities	401,647	405,663	397,631
Fixed interest securities	678,053	684,834	671,272
Total change in assets available	1,154,244	1,165,041	1,143,447

Exposure to interest rate risk	Asset values 31-Mar-23	Impact of 1% decrease	Impact of 1% increase
	£000	£000	£000
Cash and cash equivalents	11,448	11,448	11,448
Cash balances	13,912	13,912	13,912
Index-linked securities	197,030	199,000	195,060
Fixed interest securities	455,922	460,481	451,363
Total change in assets available	678,312	684,841	671,783

Notes to the Pension Fund Accounts (continued)

Exposure to interest rate risk	Interest receivable	Value on 1% increase	Value on 1% decrease
	2023-24		
	£000	£000	£000
Cash deposits, cash and cash equivalents	4,726	4,773	4,679
Index-linked securities	762	770	754
Fixed interest securities	10,158	10,260	10,056
Total	15,646	15,803	15,489

Exposure to interest rate risk	Interest receivable	Value on 1% increase	Value on 1% decrease
	2022-23		
	£000	£000	£000
Cash deposits, cash and cash equivalents	1,025	1,035	1,015
Index-linked securities	994	1,004	984
Fixed interest securities	6,689	6,756	6,622
Total	8,708	8,795	8,621

This analysis demonstrates that a 1% increase in interest rates will not affect the interest received on fixed interest assets but will reduce their fair value, and vice versa. Changes in interest rates do not impact on the value of cash and cash equivalent balances but they will affect the interest income received on those balances. Changes to both the fair value of the assets and the income received from investments impact on the net assets available to pay benefits.

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (GBP). The Fund holds both monetary and non-monetary assets denominated in currencies other than GBP.

The Fund's currency rate risk is routinely monitored by the Investment Sub Committee and its investment advisers in accordance with the Fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

The Fund partially hedges its currency exposures on equity investments by transferring into currency hedged share classes of its passive equity funds.

Notes to the Pension Fund Accounts (continued)

Currency risk – sensitivity analysis

Following analysis of historical data with the Fund's advisers, the Council considers the likely volatility associated with foreign exchange rate movements to be 9.3% (the 1 year expected standard deviation). A 9.3%(31 March 2023: 9.9%) fluctuation in the currency is considered reasonable based on the Fund adviser's analysis of long-term historical movements in the month-end exchange rates over a rolling 36 month period. This analysis assumes that all other variables, in particular interest rates, remain constant. A 9.3% strengthening/weakening of the pound against the various currencies in which the fund holds investments would decrease/increase the net assets available to pay benefits as follows.

Assets exposed to currency risk	Value at 31-Mar-24 £000	Potential market movement £000	Value on increase £000	Value on decrease £000
Overseas equities - Hedged	765,983	0	765,983	765,983
Overseas equities - Unhedged	1,468,054	136,529	1,604,583	1,331,525
Overseas fixed income	382,371	35,561	417,932	346,810
Overseas cash fund	8,656	805	9,461	7,851
Total	2,625,064	172,895	2,797,959	2,452,169

Assets exposed to currency risk	Value at 31-Mar-23 £000	Potential market movement £000	Value on increase £000	Value on decrease £000
Overseas equities - Hedged	513,465	0	513,465	513,465
Overseas equities - Unhedged	1,774,751	175,700	1,950,451	1,599,051
Overseas fixed income	455,922	45,136	501,058	410,786
Overseas cash fund	11,941	1,182	13,123	10,759
Total	2,756,079	222,018	2,978,097	2,534,061

b) Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities. In essence the Fund's entire investment portfolio is exposed to some form of credit risk, with the exception of the derivatives positions, where the risk equates to the net market value of a positive derivative position. However the selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

Notes to the Pension Fund Accounts (continued)

Contractual credit risk is represented by the net payment or receipts that remains outstanding, and the cost of replacing the derivative position in the event of a counterparty default. The residual risk is minimal due to the various insurance policies held by the exchanges to cover defaulting counterparties.

Credit risk on over-the-counter derivative contracts is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency. Deposits are not made with banks and financial institutions unless they are rated independently and meet the Council's credit criteria. The Council has also set limits as to the maximum percentage of the deposits placed with any one class of financial institution.

The Council believes it has managed its exposure to credit risk, and has had no experience of default or uncollectible deposits over the past five financial years. The Fund's cash holding under its treasury management arrangements at 31 March 2024 was £74.5m (31 March 2023: £25.4m). This was held with the following institutions:-

	Rating	31-Mar-23 £000	31-Mar-24 £000
Money market funds			
Northern Trust Global Investors Global Cash Fund	AAA	1	0
Bank deposit account			
NatWest Bank	A-1	13,912	14,144
Bank current accounts			
Northern Trust custody accounts	A-1+	11,447	60,400
Total		25,360	74,544

c) Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund therefore takes steps to ensure that it has adequate cash resources to meet its commitments. This will particularly be the case for cash from the cash flow matching mandates from the main investment strategy to meet the pensioner payroll costs; and also cash to meet investment commitments.

The Fund has immediate access to its cash holdings, with the exception of holdings that are for a fixed term when the deposit is placed. The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer than three months to convert in to cash. As at 31 March 2024 the value of illiquid assets was £1,323.0m, which represented 27.8% of the total Fund assets (31 March 2023: £1,147m, which represented 27.2% of the total Fund assets).

Management prepares periodic cash flow forecasts to understand and manage the timing of the Fund's cash flows. The appropriate strategic level of cash balances to be held forms part of the Fund investment strategy. All financial liabilities at 31 March 2024 are due within one year.

d) Refinancing risk

A key risk for a Pension Fund is that it may be bound to replenish a significant proportion of its Pension Fund financial instruments at a time of unfavourable interest rates. The Fund does not have any financial instruments that have a refinancing risk as part of its investment strategy.

Notes to the Pension Fund Accounts (continued)

19. FUNDING ARRANGEMENTS

In line with the Local Government Pension Scheme Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2022. The next valuation will take place as at 31 March 2025 and will be published in 2026.

The key elements of the funding policy are:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient Funds to pay benefits to members and their dependants
- use a balanced investment strategy to minimise long-term cash contributions from employers and meet the regulatory requirement for long-term cost efficiency
- where appropriate, ensure stable employer contribution rates
- reflect different employers' characteristics to set their contribution rates, using a transparent Funding strategy
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.

The aim is to achieve 100% solvency over a maximum period of 20 years and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions are sufficient to meet expected future pension benefits payable. Where an employer's funding level is less than 100%, a deficit recovery plan is put in place requiring additional contributions from the employer to meet the shortfall.

At the 2022 actuarial valuation, the Fund was assessed as 125% funded (100% at the March 2019 valuation). This corresponded to a surplus of £860m (2019 valuation: deficit of £11m) at that time.

The Contribution Objective is achieved by setting employer contributions which are likely to be sufficient to meet both the cost of new benefits accruing and to address any funding deficit relative to the funding target over the agreed time horizon. A secondary objective is to maintain where possible relatively stable employer contribution rates. For each employer in the Fund, to meet the Contribution Objective, a primary contribution rate has been calculated in order to fund the cost of new benefits accruing in the Fund. Additionally, if required, a secondary contribution rate has also been calculated to target a fully funded position within the employer's set time horizon.

The table below summarises the whole fund Primary and Secondary Contribution rates at the 2022 triennial valuation. These rates are the payroll weighted average of the underlying individual employer primary and secondary rates, calculated in accordance with the Regulations and CIPFA guidance.

Primary Rate %	Secondary Rate £		
1 April 2023 to 31 March 2026	2023-2024	2024-2025	2025-2026
18.4%	£16,449,000	£14,485,000	£13,144,000

The Primary rate above includes an allowance of 0.8% of pensionable pay for the Fund's expenses. The average employee contribution rate is 6.4% of pensionable pay. Full details of the contribution rates payable can be found in the 2022 actuarial valuation report and the funding strategy statement on the Fund's website.

Notes to the Pension Fund Accounts (continued)

Basis of valuation

The valuation of the Fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The principal assumptions were:

Financial assumptions

A summary of the main financial assumptions adopted for the valuation of members' benefits are shown below.

Assumption	31-Mar-19	31-Mar-22
Price Inflation (CPI)/ Pension increases	2.3%	2.7%
Pay increases	2.8%	3.2%
Discount rate	4.1%	4.9%

Mortality assumptions

Future life expectancy based on the actuary's fund-specific mortality review was:

Assumed life expectancy at age 65	Active and Deferred Members	Active and Deferred Members	Current Pensioners	Current Pensioners
	Male	Female	Male	Female
2019 valuation	22.7	25.5	22.0	24.0
2022 valuation	22.8	26.1	22.0	24.6

Note that the figures for active and deferred members assume that they are aged 45 at the valuation date.

Various scaling factors have been applied to the mortality tables to reflect the predicted longevity for each class of member and their dependants.

Other demographic valuation assumptions:

- a) **Retirements in ill health** - Allowance has been made for ill-health retirements before Normal Pension Age.
- b) **Withdrawals** - Allowance has been made for withdrawals from service.
- c) **Retirement age** - The earliest age at which a member can retire with their benefits unreduced
- d) **Death in Service** - Allowance has been made for death in service.
- e) **Promotional salary increases** – Allowance has been made for promotional salary increases.
- f) **Family details** - A varying proportion of members are assumed to have a dependant at retirement or on earlier death. For example, at age 60 this is assumed to be 90% for males and 85% for females. The dependant of a male member is assumed to be 3 years younger than him and the dependent of a female member is assumed to be 3 years older than her.
- g) **Commutation** - 51% of future retirements elect to exchange pension for additional tax free cash up to HMRC limits.
- h) **50:50 option** - 1.0% of members (uniformly distributed across the age, service and salary range) will choose the 50:50 option.

Notes to the Pension Fund Accounts (continued)

20. ACTUARIAL PRESENT VALUE OF PROMISED RETIREMENT BENEFITS

In addition to the triennial funding valuation, the Fund's actuary also undertakes a valuation of the Pension Fund liabilities, on an IAS 19 basis, every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year.

In order to assess the value of the benefits on this basis, the Actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 19). The actuary has also used valued ill health and death benefits in line with IAS 19.

31-Mar-23		31-Mar-24
£m		£m
-3,953	Present value of promised retirement benefits	-4,018
4,232	Fair value of scheme assets (bid value)	4,758
279	Net Assets	740

As noted above, the liabilities are calculated on an IAS 19 basis and therefore will differ from the results of the 2022 triennial funding valuation (see Note 19) because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

Assumptions used

31-Mar-23 % p.a.	Assumption	31-Mar-24 % p.a.
2.95	Inflation/pension increase rate assumption	2.75
3.45	Salary increase rate	3.25
4.75	Discount rate	4.85

Notes to the Pension Fund Accounts (continued)

21. CURRENT ASSETS

31-Mar-23 £000	31-Mar-24 £000
Debtors:	
2,007 Contributions Due – Members	2,092
5,076 Contributions Due – Employers	6,167
5,292 Sundry Receivables	5,448
12,375	13,707
13,912 Cash Balances	14,144
13,912	14,144
26,287	27,851

22. CURRENT LIABILITIES

31-Mar-23 £000	31-Mar-24 £000
4,892 Sundry Payables	5,928
859 Benefits Payable	1,473
5,751	7,401

23. ADDITIONAL VOLUNTARY CONTRIBUTIONS

31-Mar-23 £000	31-Mar-24 £000
8,489 Prudential	9,157
275 Utmost	285
8,764	9,442

Total contributions of £1,341K (2022-23: £735K) were paid directly to Prudential during the year. No new contributions were paid to Utmost during the year, as it is a closed arrangement.

24. AGENCY

Agency Services represent activities administered by the Fund on behalf of scheme employers which are not included within the Fund Account but are provided as a service and are fully reclaimed from the employer bodies.

31-Mar-23 £000	31-Mar-24 £000
3,377 Unfunded pensions	3,582
3,377	3,582

Notes to the Pension Fund Accounts (continued)

25. RELATED PARTY TRANSACTIONS

Cambridgeshire County Council

The Cambridgeshire County Council Pension Fund is administered by Cambridgeshire County Council. Consequently there is a strong relationship between the Council and the Fund. The Council incurred costs of £3.4m (2022-23: £2.9m) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses.

The Council is also the single largest employer of members of the Pension Fund and contributed £35.2m, excluding Local Education Authority schools, to the Fund in 2023-24 (2022-23: £31.7m). At 31 March 2024 there was £4.4m (31 March 2023: £7.1m) due to the Fund by the Council.

Governance

The following members of the Pension Fund Committee declared a personal interest due to either being a member of the scheme themselves or having a family member in the scheme.

Councillor Whelan, Matthew Pink, Howard Nelson and Liz Brennan.

County Council members have declared their interests in their Register of Members' Interests. Other members of the Pension Fund Committee are required to declare their interests at each meeting.

Cambridge and Counties Bank

The Fund is joint owner, along with Trinity Hall, Cambridge, of Cambridge and Counties Bank (CCB). The Fund has no controlling interest in the Bank and it is included within the Fund's financial statements as a minority interest. Each shareholder is entitled to appoint one shareholder Non Executive Director to the Board of CCB. The Fund is represented by an external party to the Pension Fund (See Note 5).

ACCESS Pool

The Fund is working with ten like-minded LGPS funds to implement the ACCESS asset pool in response to the Government's LGPS reform agenda. On

31 March 2024, the Cambridgeshire Fund had invested £1,861.8m in the ACCESS pool and £1,660.0m under pooled management resulting in pooled assets of £3,521.7m, representing 74.4% of the Fund's assets.

During 2023-24 a total of £146.1k was charged to the Pension Fund by ACCESS asset pool in respect of operating costs (£106.9k in 2022-23).

25(a) KEY MANAGEMENT PERSONNEL

The administration of the Fund is provided by West Northamptonshire Council in partnership with Cambridgeshire County Council. The Head of Pensions reports directly to the Executive Director of Finance at West Northamptonshire Council, who is also the West Northamptonshire Section 151 Officer, whose costs are reported in the West Northamptonshire Council statement of accounts. Other key personnel include the Cambridgeshire Section 151 Officer, who is Treasurer to the Fund. The Section 151 Officer is remunerated for their services to the organisation as a whole and it is not possible to identify within the overhead charge from the proportion of costs relating to these services to the Fund.

Notes to the Pension Fund Accounts (continued)

26. CONTINGENT LIABILITIES AND CONTRACTUAL COMMITMENTS

Outstanding contractual commitments at 31 March 2024 totalled £249.9m (31 March 2023: £313.8m).

These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a period of between three and fifteen years from the date of each original commitment.

6 admitted body employers in the Cambridgeshire Fund hold insurance bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the Pension Fund and payment will only be triggered in the event of employer default, and usually only in the event of premature cessation.

A scheme employer may become an exiting employer when a cessation event is triggered. The LGPS regulations states that, where an employing authority ceases to be a scheme employer, the administering authority is required to obtain an actuarial valuation of the liabilities of current and former employees as at the exit date to identify whether cessation deficits or surplus exist. The regulations also state that where a cessation surplus exists, the Fund has full discretion over the extent to which any surplus results in the payment of an exit credit to the existing employer. The policy over the Fund's discretion at employer cessations can be found on our [Cessation Policy](#).

The following table shows the open cessation cases as at 31/03/2024, which were possible to results in the payment of an exit credit, with the current progresses.

Existing employer	Case status	Exit Date	Cessation surplus £000	Exit credit value £000	Case progress details
Sanctuary Housing Group	Complete	31/05/2023	2,337	2,337	Exit credit was determined on 15/04/2024 and paid in April and June 24
Cross Keys Homes	Complete	30/04/2023	1,655	1,655	Exit credit was determined on 16/04/202 and paid in April 24.
Churchill (Cambs City Council)	Complete	31/03/2022	732	Nil	Exit credit was determined to be Nil on 14/05/2024
Churchill (Cambs City Council)	Complete	31/03/2022	732	Nil	Exit credit was determined to be Nil on 14/05/2024
Clarion Housing Group	On-going	30/11/2023	2,339	TBC	Fund's determination process over exit credit is not yet complete.
Wimblington Parish Council	On-going	31/01/2024	6	TBC	Fund's determination process over exit credit is not yet complete.
Goshen Multiservices (Lot2)	On-going	31/03/2024	TBC	TBC	Cessation valuation is not yet complete
Aspens (Sacred Heart)	On-going	25/02/2024	5	TBC	Fund's determination process over exit credit is not yet complete.

Glossary

ACCRUAL An amount to cover income or spending that belongs to the accounting year, which was outstanding at the accounting date.

ACTUARY An independent company which advises on the assets and liabilities of the Fund with the aim to ensure that the payment of pensions and future benefits are met.

ALTERNATIVES assets that fall outside of the traditional asset classes (equities, bonds and cash). Types of alternative investments include private equity, infrastructure and property.

ADMINISTERING AUTHORITY The LGPS is administered locally by 86 local pension funds. The administering authority is the body responsible for each fund. For the Cambridgeshire Pension Fund, the administering authority is Cambridgeshire County Council.

ADMISSION AGREEMENT A legal agreement allowing certain private companies and charities (Admission bodies) to participate in the LGPS.

ADMITTED BODIES Voluntary and charitable bodies whose staff can become members of the Local Government Pension Scheme subject to certain terms and conditions and other organisations to whom Local Government employees have been transferred under the outsourcing of Local Government services.

ANNUAL BENEFIT STATEMENT A document issued to active and deferred members on an annual basis informing them of the current and estimated future value of their pension benefits at the end of each scheme year.

AUTOMATIC ENROLMENT is the term used to describe an employer's duty to automatically enrol employees who meet certain criteria into a qualifying workplace pension scheme.

BOND Security issued by a corporate or government body borrowing in the capital markets. Bonds promise to pay interest (coupons) during the life of the bond plus the principal sum borrowed on the redemption date. Bonds may be secured over assets of the firm or be unsecured.

COMMUTATION Giving up part or all of the pension payable from retirement in exchange for an immediate lump sum. Commutation factors (usually

calculated by the Scheme Actuary) are used to determine the amount of pension which needs to be given up in order to provide the lump sum.

CURRENT ASSETS Short-term assets such as inventories, receivables and bank balances.

CURRENT LIABILITIES Amounts owed which are due to be settled in less than one year, such as bank overdrafts and money owed to suppliers.

CUSTODIAN An external body responsible for ensuring Fund assets are registered in the name of the Fund, managing the settlement of trades entered into by the Fund, collecting income arising on Fund assets and reporting transactions and values to the Fund on a regular basis.

DEFINED BENEFIT a pension which guarantees you specific income throughout retirement

DEFERRED BENEFITS Deferred benefits are the pension benefits held within the pension fund for a member who has stopped building up new benefits in the LGPS but is not receiving payment of their pension benefits.

DEFICIT An outcome as a result of taking away all expenses from income. Additionally, the Fund is in deficit when the liabilities are larger than assets.

DERIVATIVE A financial instrument derived from a security, currency or commodity, or an index indicator representing any of these, the price of which will move in a direct relationship to the price of the underlying instrument. Derivatives can be used for a number of purposes - including insuring against price movements (hedging), increasing exposure to price movements for speculation or getting access to otherwise hard to trade assets or markets.

DISCRETIONS are powers given to employers and administering authorities, by the LGPS, to choose how to apply the Scheme rules in certain situations. A guide to these discretions is available on the [LGPS Regulations and Guidance website](#).

DIVIDEND The distribution of profits by a company to its shareholders. The dividend may be passed or cut if profits fall. [See also Equities]

DLUHC The Department for Levelling Up, Housing and Communities is a ministerial department which supports communities across the UK to thrive, making them great places to leave and work.

Glossary (continued)

EBITDA Earnings Before Interest, Taxes, Depreciation, and Amortisation is a statistic used to assess a company's operating performance.

EQUITIES Shares representing the capital of a company issued to shareholders usually with voting rights on the way the company runs the business. Equity holders rank last in the event of the winding up of a company.

FIXED INCOME asset or security that pay a fixed level of income to investors, typically in the form of fixed interest or dividend. Government and corporate bonds are the most common types of fixed income products.

FORMAL VALUATION A valuation, carried out every three years, of the pension assets and liabilities held by each employer in the Pension Fund.

FINANCIAL INSTRUMENTS Contracts which give rise to a financial asset of one entity and a financial liability or equity instrument of another.

GUARANTEED MINIMUM PENSIONS (GMPs) A member of LGPS who were an active member of the scheme between 6 April 1978 and 5 April 1997, did not pay into the State earnings Related Pension Scheme (SERPS). The GMPs are a pensions which LGPS must pay to the member at least as good as the member would have received from SERPS.

LEAVER An active member who ceases membership of the LGPS as a result of ending an employment. This includes someone who leaves employment voluntarily or who's employment is terminated by the employer.

LOCAL GOVERNMENT The term local government within this document covers:

- County, District and Borough councils
- Combined local authorities
- Police and Fire service civilian staff
- Town and Parish Council's
- Local authority schools (non-teaching staff)
- Academy trusts (non-teaching staff)
- Sixth form colleges (non-teaching staff)
- Further or Higher education establishments (non-teaching staff)
- Other tax raising bodies

LOCAL GOVERNMENT PENSION SCHEME (LGPS) The LGPS is a national pension scheme for people working in local government or working for other employers that participate in the scheme.

LOCAL PENSION BOARD The Local pension board is made up of employer and member representatives and provides assistance to the scheme manager with the administration of the pension fund.

HEDGE To protect a fund from a fall in prices. This is usually accomplished by the selling of futures.

INDEX LINKED Stock whose value is related directly to an index, usually the Retail Price Index and therefore provides a hedge against inflation.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) Accounting Standards, Interpretations and the Framework adopted by the International Accounting Standards Board (IASB).

PENSION STRAIN Charges to employers to cover discretionary early retirement costs, which are the responsibility of the employer, recovered in the first year of retirement in full.

PORTFOLIO A collection of investments. This can refer to the investments managed by a particular Investment Manager, or to describe the whole Fund's investments.

PENSION FUND (FUND) The LGPS is split into 86 local pension funds. The pension fund or simply "Fund" is the collective term for both the employers participating in the LGPS within Cambridgeshire and the monies held to pay the benefits of those employers' members. The pension fund is administered by the administering authority and overseen by the pension fund committee and local pension board.

PENSION FUND COMMITTEE The pension fund committee is the ultimate decision maker for the pension fund. Its members act as 'quasi-trustees'. The pension fund committee decides the overall policy objectives, strategy and operation of the pension fund in line with the relevant legislation. It also decides the strategy for the investment of pension fund money

Glossary (continued)

PENSIONS OMBUDSMAN The Pensions ombudsman is the official body responsible for investigating complaints regarding pensions in the UK.

PENSIONS REGULATOR The pensions regulator is the official regulator of workplace pension schemes and is responsible for ensuring the pension schemes operating in the UK are managed in line with UK law.

PRAG Pensions Research Accountants Group is a leading independent industry body working for the development of occupational pension scheme, focusing on financial reporting and internal control.

RELATED PARTY A person or an organisation which has influence over another person or organisation.

RETIREMENT In this document retirement refers to the act, by an active or deferred member, of taking immediate payment of LGPS benefits following the end of a relevant employment regardless of whether that person stops all employment.

SAA Strategic Assets Allocation is a portfolio strategy by setting the target allocations for various asset classes and rebalancing the portfolio periodically.

SAB The Local Government Pension Scheme Advisory Board is a statutory body to help and support DLUHC and administering authorities fulfil their statutory duties and obligations in relation to the scheme.

SBTi alignment The Science Based Targets initiative (SBTi) is a corporate climate action organisation that enables companies and financial institutions worldwide to play their part in combating the climate crisis. They develop standards, tool and guidance which are line with climate science.

SCHEDULED BODIES Local Authorities and similar bodies whose staff are entitled automatically to become members of the local Authority Pension Fund.

SCHEME EMPLOYER An employer participating in the pension fund with current employees enrolled in the LGPS.

SCHEME MEMBER An individual with pension benefits in the LGPS or who is in receipt of pension benefits from the LGPS. Members are categorized as:

- **Active member:** A current employee of a scheme employer building up pension benefits in the LGPS.

- **Deferred member:** A person who has pension benefits in the LGPS but who is neither building up new benefits in, or receiving payment of pension benefits from, the LGPS.

- **Pensioner member:** A person who receives payment of pension benefits from the LGPS. This may be someone who was an active member in the LGPS or a dependant of someone who was an active member of the LGPS and is being paid dependant benefits.

SCHEME YEAR The Scheme year runs from 1 April to 31 March.

STOCK Shares (e.g. Common stock). However, UK Gilts are more correctly described as stock.

SURPLUS An outcome as a result of taking away all expenses from income. Additionally, the Fund is in surplus when the assets are larger than liabilities.

TRANSFER VALUES Sums which are paid either to or received from other pension schemes and relate to new and former members' periods of pensionable employment with employers participating in the scheme.

TREASURY MANAGEMENT A process which plans, organises and controls cash, investments and borrowings so as to optimise interest and currency flows, and minimise the cost of funds.

UNFUNDED Pension benefits not funded by the Pension Fund. Benefits are fully reclaimed from the employer bodies.

UNIT TRUST An open-ended trust investing in a wide spread of stocks, shares and cash (subject to FSA limits). Investors buy units directly from the Investment manager to participate in a diversified portfolio. Unit trusts are subject to FSA investment and borrowing regulations.

VESTING PERIOD The length of time what an individual needs to be an active member of the LGPS to qualify for benefits in the scheme.

WEIGHTED AVERAGE CARBON INTENSITY (WACI) is a measure of carbon emissions calculated by a debtor/issuer divided by the debtor's/issuer's total revenue and weighted by the value of the creditor's/holder's investment as a share of its total investment portfolio.

Appendix A

The below table compares the 2008 and the 2014 schemes.

Schemes	LGPS 2008	LGPS 2014
Basis of Pension	Final Salary	Career Average Revaluated Earnings (CARE)
Accrual Rate	1/60 th	1/49 th
Revaluation Rate	Based on Final Salary	Consumer Prices Index (CPI)
Pensionable Pay	Pay excluding non contractual overtime and non pensionable additional hours	Pay including non-contractual overtime and additional hours
Employee Contribution Rates	Between 5.5% and 7.5%	Between 5.5% and 12.5%
Contribution Flexibility	No	Option to pay 50% contributions for 50% of pension benefit
Normal Pension Age	65	Equal to individuals state pension age
Lump Sum Trade Off	Trade £1 of pension for £12 lump sum	Trade £1 of pension for £12 lump sum
Death in Service Lump Sum	3 x Pensionable Pay	3 x Pensionable Pay
Death in Service Survivor Benefits	1/160 th accrual based on Tier 1 ill health pension enhancement	1/160 th accrual based on Tier 1 ill health pension enhancement
Ill Health Provision	<p>Tier 1 – Immediate payment with service enhanced to Normal Pension Age (65)</p> <p>Tier 2 – Immediate payment with 25% service enhancement to Normal Pension Age (65)</p> <p>Tier 3 – Temporary payment of pension for up to 3 years</p>	<p>Tier 1 – Immediate payment with service enhanced to Normal Pension Age</p> <p>Tier 2 – Immediate payment with 25% service enhancement to Normal Pension Age</p> <p>Tier 3 – Temporary payment of pension for up to 3 years</p>
Indexation of Pension in Payment	CPI (RPI for pre-2011 increases)	CPI
Vesting Period	3 months	2 years