Northamptonshire Pension Fund Annual Report and Statement of Accounts

Year Ended 31st March 2024

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Chairperson's Foreword

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

Our scheme membership increased to over 82,000 active, pensioner and deferred member records. Scheme members rely on us to look after their valuable pension rights during their lifecycle of scheme membership. We have now included within the Scheme Administration section 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))

At the last formal valuation, 31 March 2022, the funding level, which is the comparison of Fund assets to liabilities, was 113%. This means the Fund has £1.13 of assets to cover every £1 of liabilities owned to members. This funding level has continued to improve by the end of the 2023-24 scheme year.

The Fund has seen further growth of 10.7%, ending this year with a fund valuation of £3.62bn as at 31st March 2024, compared to £3.25bn as at 31st March 2023. The Fund is in a stable cash positive position with total income and expenditure equalling a positive £8.8m before any investment income or returns are received.

This year, we have implemented a number of changes to our annual report. This is in response to the increasing reporting expectations of the national Scheme Advisory Board as well as the need for greater accessibility and readability. One of the significant changes made is the new summary report (Pages 4 to 7) with an overview of the key messages from each area of the annual report, as well as reference to the subsequent pages for further information.

The team have worked hard on progressing 19 business plan objectives for the year across areas including administration, governance, investments and communications, all while keeping up to date with business as usual activities. For example, we have successfully carried out six retenders and reviews for expiring contracts; continued with the development of the ACCESS Pool and climate action plan and carried out a review of the Fund's website.

Our active participation in the ACCESS pool is a reflection of our commitment to pooling, increasing our pooled assets to 82.3% of the Fund's total assets as of 31st March 2024, an increase of 8.5% from the prior year, with a further 7% earmarked for pooling during the next financial year.

The Fund has carefully chosen an ambitious decarbonisation pathway for its portfolio of investments that will enable the Fund to manage climate risk within its portfolio, reach net zero carbon emissions by 2050 or earlier whilst still ensuring its ability to pay benefits when they fall do is not compromised. We have made significant progress in meeting decarbonisation targets since they were set in 2021, and this year have reviewed the Fund's passive equity allocation to increase exposure to stocks with positive climate-related characteristics. More information is provided in the Climate Change Report within this annual report (Pages 52 to 56) and on the Fund's website.

I would like to extend my sincere appreciation to Members of the Pension Fund Committee, the Investment Sub-Committee, and Local Pension Board. These Committees and Boards have had a packed agenda, including reviewing key policies and strategies, reviewing the Fund's Additional Voluntary Contributions providers, making strategic and tactical asset allocation decisions, and monitoring investment performance. I would like to welcome Councillor Janice Duffy and Elorna Latchman as the newest members on the Pension Fund Committee, and Councillor Greg Lunn, who joined the Local Pension Board.

The Fund remains committed to excellence, transparency, and responsible stewardship providing financial security for its scheme members. As readers delve into the annual report, they will gain deeper understanding into the Fund's operations, achievements, and future outlook.

Councillor Malcolm Longley

Chairman of the Northamptonshire Pensions Committee.

Summary Report

West Northamptonshire Council is the administering authority for the Northamptonshire Pension Fund (the Fund) which is part of the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit pension scheme and Northamptonshire Pension Fund has over 82,000 members and 162 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 113%. This means for every £1 of liabilities owed to members, the Fund has £1.13 of assets to cover the liability. The actuarial statement on page 63 provides more information on the latest actuarial valuation as of 31 March 2022.

Financial Performance

The budget is approved by Pension Fund Committee (see Governance section on page 38) at the start of the year 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 10.7% on investments during the year resulting in a £323.2m return on investments. In total, the Fund value increased by £368.9m from £3.250 bn to £3.619 bn.
- The Fund has received £136.3m of contributions during the year, of the total amount of contributions received, only 1% (£193k) 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 £19.2m of transfers in and paid £13.6m transfers out during the year.
- Benefits payable are Pensions and lump-sum benefits paid to members. The Fund paid £117.9m in Pension benefits during the year.
- Management expenses during the year were £15.3m, of that £11.9m were paid to investment managers.
- Investment income received from investment managers during the year was £36.9m.

Financial Performance	2023-24 Budget £000	2023-24 Actual £000
Contributions	-117,000	-136,466
Transfers in from other funds	-10,500	-19,182
Total Income	**-127,500**	**-155,648**
Benefits payable	118,000	117,931
Payments to and for leavers	10,000	13,638
Total Benefits	**128,000**	**131,569**
Surplus of contributions over benefits	**500**	**-24,079**
Management Expenses	0	0
Administrative Costs	2,784	2,367
Investment Management Expenses (Invoiced)	480	798
Investment Management Expenses (Non-Invoiced)	13,100	11,127
Oversight and Governance Costs	814	1,023
Total Management Expenses	**17,178**	**15,315**
Total Income less Expenses	**17,678**	**-8,764**
Investment Income	-31,000	-36,953
Taxes on Income	0	27
(Profit)/loss on disposal and changes in market value of investments	-138,000	-323,200
Net return on investments	**-169,000**	**-360,126**
Net (increase)/decrease in assets during the year	**-151,322**	**-368,890**

Summary Report (continued)

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 Northamptonshire Pension Fund include: Scheduled bodies, Admitted bodies and Resolution/Designated bodies. For more information on these types of employers see page 70.

The Fund has been working on business plan activities during the year, including, including, 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 retenders 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 caried 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

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

All members of the ISC sit on the PFC. Councillor Malcolm Longley is the Chairman for the Northamptonshire Pension Fund Committee and Councillor Charles Morton is the Vice-Chair.

Membership of the PFC consist of:

Member Type	Number of representatives
West Northamptonshire Council elected members	7
North Northamptonshire Council elected members	2
All other employer's representative	1
Active scheme member representative	1
Deferred and Pensioner member representative	1
Non-elected employer and scheme 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. Alicia Bruce is the Chair and Julie Petrie is the Vice Chair for the LPB.

The full membership list of the above governance bodies is available on page 40.

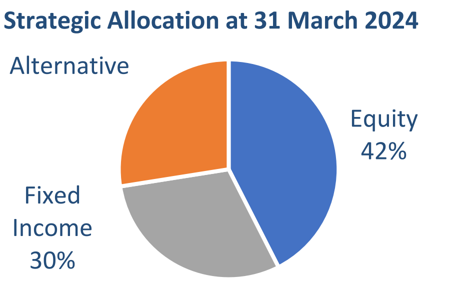
Investments

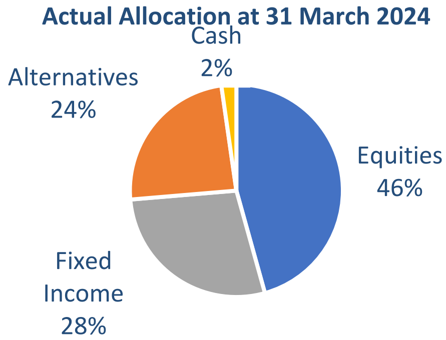
The primary objective of the Fund is to pay benefits as they fall due to members and beneficiaries. In normal market conditions, all accrued benefits should be fully covered by the value of the Fund's assets and an appropriate level of contributions is agreed by the employer to meet the cost of future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

Summary Report (continued)

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.

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





The detailed market summary from our independent advisor's annual review is available from the page 57 '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 and 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 2% invested in levelling up assets. The below table shows the Funds levelling up assets.

Asset	£m
M&G UK Residential Property	46.2
Catapult Ventures	0.7
M&G Shared Ownership Fund	22.0
Total	**68.9**

Task Force on Climate Related Financial Disclosures (TCFD)

The Fund recognises the systemic risk associated with climate change as well as the Administering Authority'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.

Summary Report (continued)

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

- Reviewed the Fund's passive equity allocation and implemented 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.

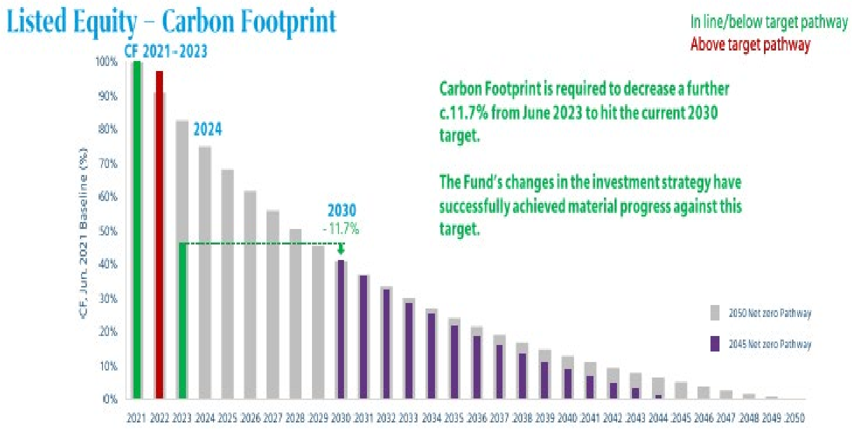
Current reported metrics only include emissions data for the Fund's listed equity portfolio. From 2024 this will be expanded to include corporate bonds.

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 to the right 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 52



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 Northamptonshire 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 Pensions 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

West Northamptonshire 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.

XXXXX

Chief Finance Officer

(Section 151 Officer)

Dated: xxxxxxx

Scheme Management & Key Officers

The Key Officers of the Fund during the year were:
Martin Henry – Executive Director of Finance (Chief Finance Officer)
James Smith – Assistant Director of Finance & Strategy
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

Martin Henry

West Northamptonshire Council

Email: Martin.Henry@westnorthants.gov.uk

James Smith

West Northamptonshire Council

Email: James.Smith@westnorthants.gov.uk

Enquiries relating to management and administration should be directed to:

Mark Whitby

Head of Pensions

Pensions Service

Email: Mark.Whitby@westnorthants.gov.uk

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

Ben Barlow

Investments and Fund Accounting Manager

Pensions Service

Email: Ben.Barlow@westnorthants.gov.uk

Registered Pension Scheme Number: 10079143

Scheme Management, Advisors and Partners

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

Partners
ACCESS (Pension Pool)
AON (Consultants)
Barclays (Bank)
David Crum (Independent Advisor)
Grant Thornton (Auditors)
Hymans Robertson (Actuary)
Mercer (Investment Consultants)
Northern Trust (Custodian)
Squire Patton Boggs (Legal Advisors)

Asset Managers
Adams Street Partners
Allianz Global Investors
Ares Asset Management
AVIVA Investors
Baillie Gifford & Co*

Asset Managers (Continued)
BlueBay Asset Management*
Catapult
CBRE Global
Harbour Vest Partners (UK)
IFM Investors
JP Morgan
Longview Partners*
M&G Investments*
Newton*
Osmosis
Waystone Management Limited
UBS Asset Management

AVC Providers
Prudential
Standard Life

*Sub-funds managed by Waystone Management in the ACCESS pool (page 45)

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 decrease. The 2023-24 forecasted variance is due to actual salary increases being much higher than the actuarial salary increase assumption used from the 2022 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 73.

- 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 57).

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	-117,000	-136,466
Transfers in from other funds	-10,500	-19,182
Total Income	**-127,500**	**-155,648**
Benefits payable	118,000	117,931
Payments to and for leavers	10,000	13,638
Total Benefits	**128,000**	**131,569**
Surplus of contributions over benefits	**500**	**-24,079**
Management Expenses		
Administrative Costs	2,784	2,367
Investment Management Expenses (Invoiced)	480	798
Investment Management Expenses (Non-Invoiced)	13,100	11,127
Oversight and Governance Costs	814	1,023
Total Management Expenses	**17,178**	**15,315**
Total Income less Expenses	**17,678**	**-8,764**
Investment Income	-31,000	-36,953
Taxes on Income	0	27
(Profit)/loss on disposal and changes in market value of investments	-138,000	-323,200
Net return on investments	**-169,000**	**-360,126**
Net (increase)/decrease in assets during the year	**-151,322**	**-368,890**

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	1,819	1,898
Altair administration and payroll system	397	371
Data Assurance	21	15
Communications	51	28
Other non pay and income	29	-412
County Council overhead recovery	467	467
Total Administration Costs	**2,784**	**2,367**

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 43.2% 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	106,754	106,601	99	153	1
Employee	29,712	29,672	99	40	1
Total	136,466	136,273	99	193	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]	9,8181,841
Total write off amount (£)	59,736
Write offs amount as % of payroll	0.061%

[1]*Excludes 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]	136,830	47,180	89,650
2020-21	45,998	5,297	40,701
2021-22	11,326	9,481	1,845
2022-23[3]	262,560	50,507	212,053
2023-24	59,736	0	59,736

[2]*Overpayments 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.*

[3]*Overpayments in 2022-23 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 management, 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

West Northamptonshire Council is responsible for administering the Northamptonshire Pension Fund, which is available to employees of the Council, organisations with a statutory right to be in the scheme (scheduled bodies) and organisations, such as outsourced contractors and charities, which the 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).

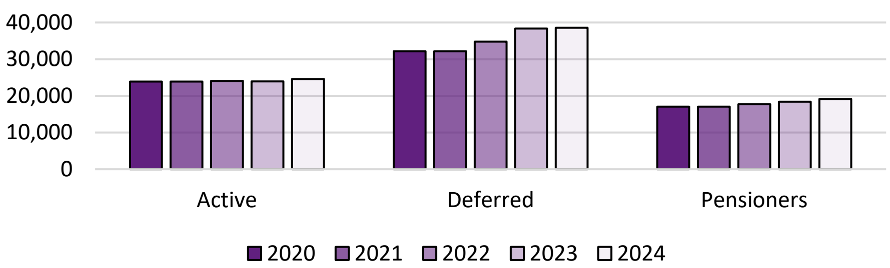
The Fund is a qualifying scheme under the automatic enrolment regulations and can be used by employers to automatically enroll eligible employees, and every three years re-enrol anyone who opts out of the scheme.

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

Membership

Membership of the Fund increased by 2% from the previous year.

On 31 March 2024 there were the total membership of 82,312 in the Fund with 24,595 active, 38,585 deferred and 19,132 pensioner members. The deferred figure is inclusive of 9,258 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 Northamptonshire and Cambridgeshire 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 40 are attributed to the Northamptonshire 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.

Support for members and employers can be accessed via the website or by contacting the Helpline on 01604 526 528.

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 Northamptonshire 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 Unitary authorities, the Police Authority, Police and Crime Commissioner 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 113% (31 March 2019: 93%) and an average primary employer contribution rate of 20.5% (31 March 2019: 19%). The primary rate includes an allowance of 0.8% (31 March 2019: 0.8%) of the pensionable pay for the Fund's expenses. The average employee contribution rate is 6.3% (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 the page 104

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.

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 was completed in August 2024.
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 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 8,300 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 the 2024-25 business plan 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 Northamptonshire 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 Patten 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. The activity will be updated following the DWP announcement to reset the Pension Dashboard Programme and the delay to connection deadlines.	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 45
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 52
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 allocation (SAA). Work will be undertaken throughout 2023-24 to implement these changes.	Ongoing, for more information see investment allocation and performance on page 49
Review of investment consultancy contract.	To consider an extension to the contract with the Fund's Investment Consultant from the expiry date of September 2024.	The contract has been extended to September 2027.
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 West Northamptonshire Council's website at [Make a Freedom of Information (FOI) request]

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	9
The Fund's investment holdings	6
Query on foreign markets	1
Senior management expenses and contribution rates	1
Total number of Freedom of Information request received	**17**

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.

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	9	698	701	99%	686	99%
New dependent member benefits	29	339	331	90%	336	92%
Deferred member retirements	15	838	818	96%	752	98%
Active member retirements	27	436	422	91%	373	93%
Deferred benefits	4,136	3,585	3,837	50%	4,698	53%
Transfers in (including interfunds in, club transfers)	164	764	759	82%	620	79%
Transfers out (including interfunds out, club transfers)	0	301	301	100%	272	100%
Refunds	52	579	580	92%	502	91%
Divorce quotations issued	0	126	91	72%	124	100%
Actual divorce cases *	5	1	1	17%	2	50%
Member estimates requested either by scheme member and employer	159	686	699	83%		
New joiner notifications	0	5,949	5,949	100%	4,795	96%
Aggregation cases	2,376	1,581	1,383	35%	1,767	42%
Optants out received after 3 months membership	0	62	62	100%	129	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 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	98%	99%
Communication issued to deferred member with confirmation of pension and lump sum options (actual)	10 days	86%	91%
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	84%	92%
Communication issued with deferred benefit options	15 days	97%	96%
Communication issued to scheme member with completion of transfer in	10 days	99%	98%
Communication issued to scheme member with completion of transfer out	10 days	98%	93%
Divorce quotation	10 days	68%	98%
Communication issued to new starters	2 months	99%	96%
Member estimates requested by scheme member and employer	10 days	82%	93%

Scheme Administration (continued)

Key Performance Indicators continued

Communications and Engagement

Engagement with online portals	Percentage as at 31 March
% of active members registered	57%
% of deferred member registered	44%
% of pensioner and survivor members	59%
% total of all scheme members registered for self-service	51%
% 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	9,207
Total number of email and online channel queries received	16,405
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	13.0%	63
21-25	28.8%	375
26-30	40.7%	834
31-35	38.6%	1,389
36-40	41.3%	1,885
41-45	45.4%	2,467
46-50	49.6%	2,728
51-55	53.6%	3,787
56-60	61.4%	4,515
61-65	68.1%	4,065
66-70	69.3%	3,200
71-75	55.5%	2,171
76-80	44.2%	1,354
81-85	33.4%	543
86-90	29.7%	240
Over 90	19.6%	71

Scheme Administration (continued)

Key Performance Indicators continued

Resources

Resources	
Total number of all administration staff (FTE)	40.71
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)	1:2,022
Ratio of administration staff (excluding management) to total number of scheme members	1:2,183

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	80.93%
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	3.64%
Percentage of active, deferred and pensioner members with an email address held on file	58.06%
Employer performance	
Percentage of employers set up to make monthly data submissions	99.30%
Percentage of employers who submitted monthly data on time during the reporting year	17.80%

Scheme Administration (continued)

Contributors to the Fund

Active Employers as at 31 March 2024

Type Of Body	Number of Active Employers
Administering (AA)	**1**
Scheduled (S)*	**266**
Admitted (Ad)	**60**
Total	**327**

The table to the left, shows the number of employers in the Fund as at 31 March 2024. The breakdown of contributions by employer shown in the table below will show a different number of employers when compared to the left, 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, these represent prior year adjustments that have been made within 2023-24, or contribution receipts recorded within the period.

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 Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Abbey CofE Acad (Daventry)	8,745	30,390	39,135		S
Abbeyfield School	66,893	199,682	266,575		S
Abington Vale Primary School	37,715	136,391	174,106		S
ABM (St Mary's CE Primary)	806	0	806		Ad
ABM Catering (Duston Eldean Primary School)	872	4,058	4,930		Ad
ABM Catering (Lyncrest Primary)	581	2,703	3,284		Ad
ABM Catering Limited - 2016 PDET	2,025	7,473	9,498		Ad
ABM Catering Limited (2018 PDET)	603	2,227	2,830		Ad
ABM Catering Limited (Montsaye Academy)	3,443	10,762	14,205		Ad
Alfred Street Junior School (NNC)	11,232	47,875	59,107		S*
All Saints CofE Primary School and Nursery Unit	9,585	41,634	51,219		S*
All Saints CofE VA Primary School (WNC)	29,578	132,616	162,194		S*
AMEY Limited	10,215	30,309	40,524		Ad
Ashby Fields Primary School	31,496	117,730	149,226		S
Ashton CofE Primary School (WNC)	3,840	17,745	21,585		S*
Aspens - DSLV Academy (Dantre & Southbrook)	1,986	935	2,921		Ad
Badby School	12,199	42,611	54,810		S
Balfour Beatty-St Lighting	4,246	9,447	13,693		Ad
Barby Academy	3,991	14,732	18,723		S
Barry Road Primary (WNC)	31,077	140,146	171,223		S*
Barton Seagrave Primary School (NNC)	46,490	200,582	247,072		S*
Beanfield Primary School	69,895	206,559	276,454		S
Billing Brook Academy	105,834	337,490	443,324		S
Bishop Stopford Academy	78,180	251,411	329,591		S
Blackthorn Primary (Academy)	23,033	75,684	98,717		S
Blakesley CE Primary	6,900	25,898	32,798		S
Blisworth Community Primary School (WNC)	13,501	44,597	58,098		S*

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Boddington C of E Primary Academy	4,650	14,997	19,647		S
Boothville Primary School (WNC)	49,081	224,298	273,379		S*
Boughton Primary Academy	12,383	40,083	52,466		S
Bozeat Community Primary Academy	9,567	42,779	52,346		S
Bracken Leas Primary Academy	25,929	100,923	126,852		S
Brackley Church of England Junior School (WNC)	14,988	67,575	82,563		S*
Brackley Town Council	26,647	99,774	126,421		S
Brambleside Primary School	20,727	85,850	106,577		S
Braunston Academy	12,460	46,065	58,525		S
Briar Hill Primary Academy	20,388	66,992	87,380		S
Bridgewater Primary School (WNC)	50,974	229,864	280,838		S*
Brightr Ltd (Braunston Primary School)	359	1,324	1,683		Ad
Brigstock Latham's CE Primary School (NNC)	7,892	34,712	42,604		S*
Brington Primary school (WNC)	6,786	29,830	36,616		S*
Brixworth CEVC Primary Sch. (WNC)	32,938	149,437	182,375		S*
Brixworth Parish Council	3,021	10,840	13,861		S
Brooke Weston Academy	259,579	679,154	938,733		S
Broughton Primary School (NNC)	15,479	66,177	81,656		S*
Buckton Fields Primary School	11,583	44,924	56,507		S
Bugbrooke Comm Primary Sch. (WNC)	21,238	97,733	118,971		S*
Bugbrooke Parish Council	345	1,452	1,797		S
Byfield Academy	12,041	44,323	56,364		S
Campion School	75,048	235,506	310,554		S
Camrose Early Years Centre Children and Families (WNC)	31,173	135,184	166,357		S*

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Caroline Chisholm (Academy)	108,540	342,186	450,726		S
Castle Primary Academy	36,747	131,981	168,728		S
Caterlink (The Grange)	211	744	955		Ad
Caterlink Ltd (Eastfield Academy)	190	585	775		Ad
Cedar Road Primary (Academy)	15,655	55,539	71,194		S
Chacombe CEVA Primary Academy	10,086	35,594	45,680		S
Chelveston Road School	18,039	61,008	79,047		S
Chenderit School (Academy)	43,160	141,831	184,991		S
Chiltern Primary School (WNC)	17,927	81,805	99,732		S*
Chipping Warden Primary Academy	7,813	32,329	40,142		S
Cleantec (Chenderit School)	1,682	5,992	7,674		Ad
Cleantec (The Parker E-ACT)	3,484	11,148	14,632		Ad
Cleantec Services (Grange Primary)	74	208	282		Ad
Clipston Primary (WNC)	7,064	32,827	39,891		S*
Cogenhoe Primary School	12,641	48,427	61,068		S
Collingtree C of E Primary School	6,185	22,899	29,084		S
Compass (Innovate MAT)	771	3,239	4,010	Y	S*
Compass (The Abbey Primary School & Standens Barn Primary School	20	93	113	Y	Ad
Coombs Catering (Thomas Beckett Catholic Academy)	2,634	12,029	14,663		Ad
Corby Business Academy	81,661	237,844	319,505		S
Corby Old Village Sch (NNC)	18,911	81,218	100,129		S*
Corby Primary Academy	41,506	143,852	185,358		S
Corby Technical School	61,520	175,805	237,325		S
Corby Town Council	8,247	33,786	42,033		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Cosgrove Village Primary (WNC)	6,683	23,964	30,647		S*
Cottingham CofE Primary Academy	7,189	26,349	33,538		S
Cottingham Parish Council	883	3,917	4,800		S
Cranford CoE Academy	6,367	23,370	29,737		S
Crick Primary School (WNC)	13,191	59,599	72,790		S*
Croughton All Saints CE Primary (WNC)	9,078	40,474	49,552		S*
Croyland Nursery (NNC)	27,904	114,256	142,160		S*
Croyland Primary (Well'boro) (NNC)	46,258	198,089	244,347		S*
Cucina Restaurants (Elizabeth Woodville School)	2,429	9,276	11,705		Ad
Culworth C of E Primary Academy	8,781	38,688	47,469		S
Danesholme Infants Academy	20,956	79,855	100,811		S
Danesholme Junior Academy	20,674	93,295	113,969		S
Daventry Hill School	83,644	261,795	345,439		S
Daventry Norse Limited	20,941	96,916	117,857		Ad
Deanshanger Parish Council	1,364	5,736	7,100		S
Deanshanger Primary (WNC)	21,230	75,648	96,878	Y	S*
Deanshanger Primary School	2,107	9,512	11,619		S
Delapre Primary School (WNC)	39,296	189,442	228,738		S*
Denfield Park Primary (NNC)	34,215	146,976	181,191		S*
Denton Primary School (WNC)	12,253	54,940	67,193		S*
Desborough Town Council	2,636	10,199	12,835		S
Dolce Limited (Little Harrowden)	786	2,898	3,684	Y	Ad
DSLV E-ACT Academy	44,763	144,224	188,987		S
Duston Eldean Primary (WNC)	33,245	151,497	184,742		S*
Duston Parish Council	8,057	30,926	38,983		S
Earl Spencer Primary School (WNC)	30,226	138,709	168,935		S*

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Earls Barton Parish Council	1,751	7,366	9,117		S
Earls Barton Primary School (NNC)	31,104	145,968	177,072		S*
East Haddon CE Primary School (WNC)	4,666	21,397	26,063		S*
East Hunsbury Parish Council	5,342	17,247	22,589		S
East Hunsbury Primary Academy	40,222	151,364	191,586		S
Eastfield Academy	10,953	34,283	45,236		S
Easy Clean (Campion Sch)	2,496	8,666	11,162		Ad
Easy Clean (Our Lady's School)	535	2,340	2,875		Ad
Easy Clean Contractors Limited (St Thomas More Catholic Primary)	259	1,249	1,508		Ad
Easy Clean Contractors Ltd (St Brendan Pri)	675	3,648	4,323		Ad
Ecton Brook Primary (Academy)	64,288	213,212	277,500		S
Ecton Village Academy	3,771	13,732	17,503		S
Elizabeth Woodville Academy	65,863	240,206	306,069		S
emPSN Services Ltd (pre. EMBC)	29,154	76,406	105,560		Ad
Exeter - a learning community	48,409	164,594	213,003		S
Fairfields Special (WNC)	75,669	343,889	419,558		S*
Falconers Hill Academy	10,982	42,421	53,403		S
Falconers Hill Infant School	17,597	65,182	82,779		S
Farthinghoe Primary School	3,300	11,820	15,120		S
Finedon Infants School	14,524	60,123	74,647		S
Finedon Mulso CEVA Junior School	9,119	37,949	47,068		S
Finedon Town Council	1,471	6,648	8,119		S
Flore Chruch of England Primary School (WNC)	9,291	41,758	51,049		S*
Freemans Endowed Church of England Junior School	16,273	59,666	75,939		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased Body
Fresh Start Catering (Innovate MAT)	1,337	7,291	8,628	Ad
Fresh Start Catering Limited	696	3,600	4,296	Ad
Friars Academy	56,434	188,944	245,378	S
Futures Housing Group	28,781	303,125	331,906	Ad
Gateway School (WNC)	13,096	57,909	71,005	S*
Gayton Church Of England Primary School (WNC)	9,356	42,328	51,684	S*
Geddington CE Primary School (NNC)	14,240	61,091	75,331	S*
Glapthorn Church of England Primary School	6,378	24,285	30,663	S
Gloucester Nursery School (WNC)	12,400	55,078	67,478	S*
Grand Union Housing Group	77,620	0	77,620	Ad
Grange Park Parish Council	2,165	7,816	9,981	S
Grange Primary Academy	21,621	73,314	94,935	S
Grange Transport Limited	19,274	67,112	86,386	Ad
Great Addington CEVA Academy	3,567	13,078	16,645	S
Great Doddington Primary (NNC)	8,987	39,289	48,276	S*
Greatwell Homes	28,057	0	28,057	Ad
Greatworth Primary School (WNC)	3,885	17,894	21,779	S*
Green Oaks Academy	19,923	81,325	101,248	S
Greenfields Primary School and Nursery	32,225	111,604	143,829	S
Greenfields Spec Sch for Comm	50,777	216,084	266,861	S
Greens Norton Primary School	10,256	37,573	47,829	S
Grendon CE Primary School (NNC)	14,100	35,197	49,297	S*
Gretton Primary School	9,903	30,970	40,873	S

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased Body
GSO Limited (Prince William and Stimpson Avenue)	1,204	6,013	7,217	Ad
Guilsborough CEVA Primary School	6,889	25,426	32,315	S
Guilsborough School (Academy)	74,745	238,740	313,485	S
Hackleton CofE Aided Primary School (WNC)	9,819	44,258	54,077	S*
Hall Meadow Primary School	35,722	118,017	153,739	S
Hardingstone Academy	19,115	63,906	83,021	S
Harlestone Primary School (WNC)	5,114	23,803	28,917	S*
Harpole Primary School (WNC)	7,364	32,954	40,318	S*
Hartwell Primary (Academy)	10,139	34,064	44,203	S
Havelock Infants	16,911	63,496	80,407	S
Havelock Junior	22,607	84,023	106,630	S
Hawthorn Community Primary	22,386	82,015	104,401	S
Hayfield Cross CofE School (NNC)	24,891	107,743	132,634	S*
Hazel Leys Primary & Nursery School	20,531	89,766	110,297	S
Headlands Primary (Academy)	81,633	216,145	297,778	S
Helmdon Primary School (WNC)	5,138	23,589	28,727	S*
Henry Chichele Primary School (NNC)	29,712	127,668	157,380	S*
Higham Ferrers Junior School (NNC)	25,277	107,839	133,116	S*
Higham Ferrers Nur & Inf sch (NNC)	23,957	101,441	125,398	S*
Higham Ferrers Town Council	3,225	11,571	14,796	S
Highfield Nursery (NNC)	13,042	53,829	66,871	S*
Hopping Hill Primary (WNC)	29,072	131,809	160,881	S*
Hospital and Outreach Education PRU	21,452	79,739	101,191	S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Hunsbury Park Primary (WNC)	37,049	164,503	201,552		S*
Huxlow Academy	55,179	212,521	267,700		S
IDVerde	37,769	6,970	44,739		Ad
Innovate Services (Magdalen School)	302	1,648	1,950		Ad
Innovate Services Ltd (Campion School)	1,793	6,013	7,806		Ad
Irchester Primary	26,891	111,936	138,827		S
Irthlingborough Junior School	32,016	123,184	155,200		S
Irthlingborough Nursery & Infants School	24,545	97,627	122,172		S
Irthlingborough Town Council	10,310	40,278	50,588		S
Isebrook School	159,284	516,906	676,190		S
Isham CE Primary Academy	4,243	15,662	19,905		S
John Hellins Primary School (WNC)	19,532	89,106	108,638		S*
Just Ask Estate Services Limited	6,454	0	6,454		Ad
Kettering Buccleuch Academy	104,672	289,338	394,010		S
Kettering Park Infants Academy	17,279	64,984	82,263		S
Kettering Park Junior Academy	21,531	78,914	100,445		S
Kettering Science Academy (including Compass Primary)	115,909	339,508	455,417		S
Kettering Town Council	2,520	10,184	12,704		S
KGB Cleaning South West Limited (Kettering Buccleuch Academy - United learning Trust)	2,634	7,930	10,564		Ad
Kier (May Gurney Fleet & Passenger)	-110	1,341	1,231	Y	Ad
Kier (May Gurney Nordis)	14,924	55,144	70,068		Ad
Kier (North Northants)	32,142	99,926	132,068		Ad
Kier (West Northants)	8,148	26,636	34,784		Ad
Kilsby Academy	7,506	25,584	33,090		S

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Kings Cliffe Endowed Primary School (NNC)	12,218	52,281	64,499		S*
Kings Heath Primary Academy	21,091	65,007	86,098		S
Kings Meadow School	15,017	51,417	66,434		S
Kings Sutton Primary Academy	9,494	34,901	44,395		S
Kingsley Primary School	22,435	112,207	134,642		S
Kingsley Special Academy	85,906	306,232	392,138		S
Kingsthorpe College	48,127	196,876	245,003		S
Kingsthorpe Grove P (WNC)	46,227	214,104	260,331		S*
Kingsthorpe Parish Council	6,269	27,066	33,335		S
Kingsthorpe Village Primary School (WNC)	15,968	72,140	88,108		S*
Kingswood Catering (Bridgstock Lathams)	767	3,373	4,140		Ad
Kingswood Primary Academy	24,817	100,861	125,678		S
Kingswood Secondary Academy	86,268	322,225	408,493		S
Kislingbury CE Primary Academy	5,417	20,046	25,463		S
Latimer Arts College (NNC)	63,506	258,165	321,671		S*
Legacy Leisure Ltd	1,441	6,854	8,295		Ad
Lings Primary (Academy)	28,912	93,359	122,271		S
Little Harrowden Community Primary School	12,173	45,740	57,913		S
Little Houghton CE Primary (WNC)	7,098	32,703	39,801		S*
Little Stanion Primary School (NNC)	21,827	92,974	114,801		S*
Loatlands Primary Academy	31,583	118,405	149,988		S
Loddington CE Primary School	7,156	26,205	33,361		S
Lodge Park Academy	62,151	219,753	281,904		S
Long Buckby Infant School (WNC)	9,877	49,379	59,256		S*

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Long Buckby Junior School (WNC)	14,311	65,747	80,058		S*
Lumbertubs Primary Academy	18,233	55,873	74,106		S
Lyncrest Primary School (WNC)	13,264	61,221	74,485		S*
Magdalen College (Academy)	79,138	302,787	381,925		S
Maidwell Primary School (WNC)	5,868	26,994	32,862		S*
Malcolm Arnold Academy	66,567	199,864	266,431		S
Malcolm Arnold Prep (DRET)	17,931	57,831	75,762		S
Manor School Sports College	95,011	294,277	389,288		S
Maplefields Academy	45,475	119,580	165,055		S
Marie Weller Primary School	7,137	26,770	33,907		S
Mawsley Primary (NNC)	19,210	82,073	101,283		S*
Maxim Facilities Management Ltd	1,155	4,462	5,617		Ad
Meadowside Primary School (NNC)	33,652	144,973	178,625		S*
Mears Ashby C of E Endowed School	6,125	22,408	28,533		S
Middleton Cheney Academy	25,645	88,182	113,827		S
Millbrook Infant (NNC)	18,985	81,612	100,597		S*
Millbrook Junior School (NNC)	33,617	142,625	176,242		S*
Millway Primary School (WNC)	28,047	125,098	153,145		S*
Milton Parochial Primary School	3,527	12,816	16,343		S
Miquill South LTD (Whitefriars School)	208	913	1,121		Ad
Mitie Care & Custody Ltd	21,704	66,782	88,486		Ad
Monksmoor Park CE Primary School (WNC)	20,013	90,518	110,531		S*
Montsaye Academy	86,797	256,917	343,714		S
Moulton College	280,374	1,030,597	1,310,971		S
Moulton Parish Council	11,435	42,110	53,545		S

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Moulton Primary School (WNC)	38,495	176,715	215,210		S*
Moulton School and Science College	79,967	239,726	319,693		S
Naseby CE Primary	5,280	20,641	25,921		S
Nassington School (NNC)	6,190	26,629	32,819		S*
Newbottle and Charlton CEVA Primary School (WNC)	7,514	34,884	42,398		S*
Newnham Primary Academy	6,157	23,916	30,073		S
Newton Road School	17,438	55,374	72,812		S
Nicholas Hawksmoor Primary School	22,634	91,681	114,315		S
North Northants Council	5,094,371	18,993,307	24,087,678		S
Northampton Academy	109,482	306,178	415,660		S
Northampton College	427,043	1,724,680	2,151,723		S
Northampton High School	20,780	104,788	125,568		Ad
Northampton International Academy	101,769	341,668	443,437		S
Northampton Partnership Homes Ltd	640,640	3,039,244	3,679,884		S
Northampton School for Boys	99,193	308,336	407,529		S
Northampton School for Girls Academy	63,060	249,387	312,447		S
Northampton Theatres Trust Ltd	11,825	54,096	65,921		Ad
Northampton Town Council	24,600	86,582	111,182		S
Northamptonshire Carers	4,494	13,796	18,290		Ad
Northamptonshire Children's Trust	2,398,413	6,082,789	8,481,202		S
Northamptonshire County Council	0	1,554	1,554	Y	AA
Northamptonshire Fire & Rescue Service	141,767	390,044	531,811		S
Northamptonshire Sport	34,058	99,323	133,381		Ad

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Northants Chief Constable	2,299,030	7,099,357	9,398,387		S
Northants Music & P/A Trust	3,476	3,428	6,904		Ad
Northants Police & Fire Crime Commissioner	233,573	711,767	945,340		S
Northgate Sch Arts (Academy)	128,502	417,477	545,979		S
NSL LTD	-	-458,000	-458,000	Y	Ad
Oakley Vale Primary School	31,541	96,302	127,843		S
Oakway Academy	28,419	116,354	144,773		S
Old Stratford Primary School	12,224	50,470	62,694		S
Olympic Primary School Academy	24,439	85,797	110,236		S
Oundle CE Primary School	19,701	72,217	91,918		S
Oundle Town Council	4,286	16,446	20,732		S
Our Lady Immaculate Catholic Academies Trust HQ staff	22,304	56,169	78,473		S
Our Lady of Walsingham Catholic Primary School	24,605	88,176	112,781		S
Our Ladys Catholic Primary School	21,647	80,848	102,495		S
Overstone Primary School (WNC)	13,323	60,449	73,772		S*
Park Junior School (NNC)	5,053	18,670	23,723	Y	S*
Park Junior School (Wellingborough)	16,514	56,712	73,226		S
Parklands Nursery School (WNC)	7,965	36,411	44,376		S*
Parklands Primary School	17,283	70,362	87,645		S
Parkwood Leisure Ltd (formerly The Castle Theatre)	1,265	4,549	5,814		Ad
Pathfinder Legal Services Ltd (WNC)	87,667	272,212	359,879		S
Pattishall Church of England Primary School (WNC)	9,765	45,100	54,865		S*
Paulerspury Church of England Primary School	6,124	20,971	27,095		S

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Pboro Diocese Ed. Trust (HQ)	91,379	246,727	338,106		S
Pen Green Centre for Children	150,818	561,521	712,339		S*
Pineham Barns Primary School (Free School)	21,092	72,181	93,273		S
Pitsford Primary School (WNC)	5,180	23,861	29,041		S*
Places For People Leisure Management Ltd	7,753	0	7,753		Ad
Polebrook CoE Primary School	5,685	25,192	30,877		S
Preston Hedge's Primary (Acade	39,726	116,701	156,427		S
Prince William Academy	40,850	210,727	251,577		S
Priors Hall - A Learning Community	34,948	127,869	162,817		S
Prospects Services	11,320	0	11,320		Ad
Purple Oaks Academy	42,814	146,059	188,873		S
Pytchley Endowed CEVA Primary School	4,003	14,776	18,779		S
Queen Eleanor Primary Academy	14,546	50,086	64,632		S
Raunds Park Infant School	11,466	51,998	63,464		S
Raunds Town Council	10,492	44,668	55,160		S
Rectory Farm Primary Academy	15,159	53,638	68,797		S
Red Kite Academy	64,646	213,875	278,521		S
Redwell Primary School	32,660	137,150	169,810		S
Ringstead CofE Primary Academy	7,892	29,032	36,924		S
RM Education (Brooke Weston Academy)	5,493	0	5,493		Ad
Roade Primary School (WNC)	20,031	91,754	111,785		S*
Rockingham Forest Trust	1,019	4,929	5,948		Ad
Rockingham Primary Academy	23,522	79,372	102,894		S
Ronald Tree Nursery School	20,683	85,478	106,161		S*

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased Body
Rothersthorpe Church of England Primary School	4,410	15,413	19,823	S
Rothwell Junior School	23,233	85,523	108,756	S
Rothwell Town Council	1,636	5,804	7,440	S
Rothwell Victoria Infants School	18,615	69,603	88,218	S
Rowan Gate Primary (NNC)	128,161	545,938	674,099	S*
Rushden Academy	53,569	189,391	242,960	S
Rushden Primary Academy	31,262	103,714	134,976	S
Rushden Town Council	19,298	70,623	89,921	S
Rushton Primary Academy	7,917	29,890	37,807	S
Ruskin Infant and Nursery School	13,543	53,003	66,546	S
Ruskin Junior Academy	20,573	80,669	101,242	S
Semilong Services Limited	2,065	6,227	8,292	Ad
Shaw Healthcare	9,992	0	9,992	Ad
Silverstone CE Primary Academy	13,057	47,837	60,894	S
Silverstone UTC	30,624	92,151	122,775	S
Simon de Senlis Primary Academy	34,823	138,575	173,398	S
Sir Christopher Hatton Academy	91,653	291,347	383,000	S
South End Infant School (NNC)	22,157	95,565	117,722	S*
South End Junior Rushden (NNC)	22,580	98,134	120,714	S*
Southfield Primary Academy	11,248	37,587	48,835	S
Southfield School for Girls	69,391	213,507	282,898	S
Sponne School (Academy)	116,276	374,488	490,764	S
Sports & Leisure Management (Everyone Active)	52	185	237	Ad
Spratton CE Primary School	4,906	18,093	22,999	S
Spring Lane Primary School	28,503	87,997	116,500	S
St Andrews CEVA Primary School (WNC)	36,829	100,098	136,927	S*

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased Body
St Andrews Primary Academy	26,643	97,312	123,955	S
St Barnabas	13,122	47,998	61,120	S
St Brendan's Catholic Primary School	19,098	94,904	114,002	S
St Edwards Catholic Primary	11,786	50,852	62,638	S
St Gregory's Catholic Primary School	21,941	91,343	113,284	S
St James CE Primary School	48,668	176,045	224,713	S
St James Infant School	17,777	68,059	85,836	S
St Loy C of E Primary Academy	3,201	15,189	18,390	S
St Lukes CEVA Primary School Academy	19,740	71,261	91,001	S
St Marys Catholic Primary School	13,212	56,941	70,153	S
St Mary's Catholic Primary School (Aston-le-Walls) (WNC)	4,856	21,986	26,842	S*
St Mary's CEVA Pri Acad Kettering	20,787	76,911	97,698	S
St Mary's Pri Acad, Burton Latimer	20,070	73,808	93,878	S
St Patricks Primary (NNC)	17,343	74,269	91,612	S*
St Peters's C of E Academy	9,826	35,494	45,320	S
St Thomas More Catholic Primary School	14,013	65,833	79,846	S
Standens Barn Primary School	21,133	79,225	100,358	S
Stanion CofE (Aided) Primary School (NNC)	6,304	27,738	34,042	S*
Stanton Cross Primary Sch	8,144	26,836	34,980	S
Stanwick Academy	12,540	53,413	65,953	S
Stanwick Parish Council	1,437	6,046	7,483	S
Staverton CofE Pri Academy	7,277	27,903	35,180	S
Stimpson Avenue Primary Academy	21,918	88,754	110,672	S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased Body
Stoke Bruerne Church Of England School (WNC)	7,839	36,504	44,343	S*
Studfall Infant School & Nursery Academy	35,078	140,291	175,369	S
Studfall Junior School Academy	37,444	164,034	201,478	S
Sunnyside Primary (Academy)	14,981	56,960	71,941	S
Syresham St James C.E. Primary School and Nursery (WNC)	11,061	50,518	61,579	S*
Sywell CEVA Primary School	5,525	20,486	26,011	S
Taylor Shaw (Ferrers School)	3,164	11,852	15,016	Ad
Tennyson Road Infant School (NNC)	4,887	20,398	25,285	S*
The Abbey Primary School	19,592	94,048	113,640	S
The Arbours Primary (Academy)	14,897	63,875	78,772	S
The Avenue Infants School (NNC)	18,452	78,653	97,105	S*
The Bliss Charity School (WNC)	11,482	50,958	62,440	S*
The Bramptons Primary School (WNC)	3,449	16,052	19,501	S*
The CE Academy	54,714	175,433	230,147	S
The Duston School (Academy)	93,310	291,579	384,889	S
The Ferrers School Academy	55,185	197,595	252,780	S
The Gateway School	16,353	82,780	99,133	S
The Good Shepherd Catholic Primary School	15,565	76,522	92,087	S
The Grange School (WNC)	35,036	154,850	189,886	S*
The Hawksmoor Learning Trust - HQ staff	15,552	48,526	64,078	S
The Parker E-ACT Academy	219,849	535,588	755,437	S
The Radstone Primary School	17,408	68,584	85,992	S
The Spires Academy	15,568	57,787	73,355	S
The University of Northampton	1,356,695	5,579,496	6,936,191	S

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased Body
Stoke Bruerne Church Of England School (WNC)	7,839	36,504	44,343	S*
Studfall Infant School & Nursery Academy	35,078	140,291	175,369	S
Studfall Junior School Academy	37,444	164,034	201,478	S
Sunnyside Primary (Academy)	14,981	56,960	71,941	S
Syresham St James C.E. Primary School and Nursery (WNC)	11,061	50,518	61,579	S*
Sywell CEVA Primary School	5,525	20,486	26,011	S
Taylor Shaw (Ferrers School)	3,164	11,852	15,016	Ad
Tennyson Road Infant School (NNC)	4,887	20,398	25,285	S*
The Abbey Primary School	19,592	94,048	113,640	S
The Arbours Primary (Academy)	14,897	63,875	78,772	S
The Avenue Infants School (NNC)	18,452	78,653	97,105	S*
The Bliss Charity School (WNC)	11,482	50,958	62,440	S*
The Bramptons Primary School (WNC)	3,449	16,052	19,501	S*
The CE Academy	54,714	175,433	230,147	S
The Duston School (Academy)	93,310	291,579	384,889	S
The Ferrers School Academy	55,185	197,595	252,780	S
The Gateway School	16,353	82,780	99,133	S
The Good Shepherd Catholic Primary School	15,565	76,522	92,087	S
The Grange School (WNC)	35,036	154,850	189,886	S*
The Hawksmoor Learning Trust - HQ staff	15,552	48,526	64,078	S
The Parker E-ACT Academy	219,849	535,588	755,437	S
The Radstone Primary School	17,408	68,584	85,992	S
The Spires Academy	15,568	57,787	73,355	S
The University of Northampton	1,356,695	5,579,496	6,936,191	S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased Body
Wellingborough Town Council	8,600	26,427	35,027	S
Welton C of E Primary (Academy	5,254	16,674	21,928	S
West Haddon Endowed CE Primary (WNC)	18,639	84,834	103,473	S*
West Haddon Parish Council	2,723	10,376	13,099	S
West Northants Council	5,885,289	23,883,449	29,768,738	AA
Weston Favell Academy	73,515	240,959	314,474	S
Weston Favell CE Primary School	34,118	115,711	149,829	S
Whitefriars Primary School (NNC)	28,268	120,518	148,786	S*
Whitehills Nursery School (WNC)	9,178	42,204	51,382	S*
Whitehills Primary (WNC)	28,270	129,838	158,108	S*
Whittlebury Church of England Primary School (WNC)	5,008	22,267	27,275	S*
Wilbarston Primary Academy	8,610	25,997	34,607	S
Wilby CE Primary School (NNC)	6,883	29,660	36,543	S*
Windmill Primary School	23,121	85,173	108,294	S
Wollaston Primary School	13,721	51,310	65,031	S
Wollaston School (Secondary)	75,308	293,967	369,275	S
Woodford CofE Primary School	8,424	32,840	41,264	S
Woodford Halse CE Primary Academy	19,369	67,995	87,364	S
Woodland View Primary Academy	25,655	98,246	123,901	S
Woodnewton - a learning community	74,363	223,693	298,056	S
Woodvale Primary (Academy)	34,816	116,603	151,419	S
Wootton Parish Council	8,953	27,716	36,669	S
Wootton Park School	107,510	322,863	430,373	S
Wootton Primary (Academy)	28,353	94,337	122,690	S
Wren Spinney Community School	52,403	264,130	316,533	S
Wrenn School	87,402	305,351	392,753	S

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased Body
Yardley Gobion CE Primary School (WNC)	7,080	33,442	40,522	S*
Yardley Hastings Primary (WNC)	9,070	42,129	51,199	S*
Yelvertoft Primary School (WNC)	6,534	30,807	37,341	S*
Grand Total	**29,711,997**	**106,754,218**	**136,466,215**	

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

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 West Northamptonshire 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
Challenge for not allowing a transfer of AVCs and complaint of maladministration. (prior year)	Partially upheld.	Not progressed to State 2
Challenge on the payment of death grant (prior year)	Not upheld	Upheld
Challenge on the delays encountered in paying pension & AVCs.	Not upheld	Upheld
Challenge for not allowing a deferred pension to be paid on ill health grounds (exited employer). (prior year)	Not upheld	Upheld
Challenge on the refusal to allow change of structure of benefits in payment.	Not Upheld	Not progressed to State 2
Challenge on maladministration regarding delays in paying entitlement specifically AVCs.	Upheld	Not progressed to State 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
Pension Credit member quoted max conversion options on Member Self-Service when option not available.	Partially Upheld	Not Upheld
Refusal to pay survivor's pension to co-habiting partner.	Not Upheld	Not progressed to Stage 2
Delays in paying pension and AVCs causing anguish and inconvenience.	Upheld	Not Upheld

Scheme Administration (continued)

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 complaint had been received relating to an administering authority decision. The complaint related to the inability to transfer out pension benefits following redundancy after having attained normal pension age. The outcome has yet to be determined.

The Pensions Ombudsman notified the Fund in 2023-2024 that a complaint relating to an administering authority decision had been treated as withdrawn in line with their withdrawal procedures, because all parties accepted the proposed outcome in one of their adjudicators Opinion. The complaint related to a refusal of the Fund to pay the difference between the lump sum a member was entitled to upon taking payment of their deferred benefits and the lump sum that had been shown in a letter providing option details which overstated the lump sum in one of the options by £10,000 due to a typing error. The adjudicator’s Opinion was that the complaint should not be upheld.

Complaints

Should you have a complaint about the service, we will do our best to put things right. To access support, please email 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 21 complaints during 2023-24, which were managed outside IDRP (2022-23:14).

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 1,512 members. The Fund has received 189 responses in total (12.5% 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 Northamptonshire 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 Pensions Committee, Local Pension Boards, West Northamptonshire Council's Monitoring Officer and Section 151 Officer. This ensures that risks are integrated within the governance structure of West Northamptonshire 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

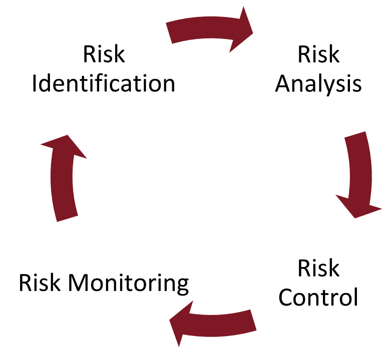
The aim of the Risk Register is to ensure that an informed decision can be made on whether a risk can, or should be accepted. Risk appetite is informed by an understanding of any existing controls and will also be influenced by the expected reward or outcome. Once risks have been identified the Fund 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 gives information about how investments are valued and gives 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 45), 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 Northamptonshire'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:

[Northamptonshire 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 Fund 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 and updated 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

West Northamptonshire 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.

West Northamptonshire Council acknowledged the establishment of the ACCESS Joint Committee (AJC) delegating powers to this body in response to the Government's pooling agenda. The Chairman 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.

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

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

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

Pension Fund Committee and Local Pension Board Training

In July 2021, CIPFA published its revised Knowledge and Skills Framework aimed at Pension Fund 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.

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

Governance and Training (continued)

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 Fund 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	Committee/Board	Meetings Attended	Training Undertaken (In person and virtual)
Cllr Malcolm Longley	West Northamptonshire Council Chair	Northamptonshire Pension Fund Committee Investment Sub Committee	5 meetings out of 5 4 meetings out of 4	1 sessions attended
Cllr Charles Morton	West Northamptonshire Council Vice-Chair	Northamptonshire PensionFund Committee Investment Sub Committee	3 meetings out of 5 3 meeting out of 4	9 sessions attended
Cllr Phil Bignell	West Northamptonshire Council	Northamptonshire Pension Fund Committee Investment Sub Committee	5 meetings out of 5 4 meetings out of 4	2 sessions attended
Cllr Paul Joyce		Northamptonshire Pension Fund Committee	1 meeting out of 1	0 sessions attended (Resigned May 2023)
Cllr Jamie Lane	West Northamptonshire Council	Northamptonshire Pension Fund Committee	1 meetings out of 5	7 sessions attended
Cllr Janice Duffy	West Northamptonshire Council	Northamptonshire Pension Fund Committee	3 meetings out of 5	5 sessions attended (Appointed May 2023)
Cllr Peter Matten	West Northamptonshire Council	Northamptonshire Pension Fund Committee	4 meetings out of 5	2 sessions attended
Cllr Cathrine Russell	West Northamptonshire Council	Northamptonshire Pension Fund Committee Investment Sub Committee	3 meetings out of 5 3 meetings out of 4	15 sessions attended
Cllr Graham Lawman	North Northamptonshire Council	Northamptonshire Pension Fund Committee Investment Sub Committee	4 meetings out of 5 4 meetings out of 4	13 sessions attended
Cllr Lloyd Bunday	North Northamptonshire Council	Northamptonshire Pension Fund Committee	4 meetings out of 5	12 sessions attended
Robert Austin	All Other Employers	Northamptonshire Pension Fund Committee Investment Sub Committee	2 meetings out of 5 2 meetings out of 4	22 sessions attended
Paul Wheeler	All Other Employers	Northamptonshire Pension Fund Committee	4 meetings out of 5	24 sessions attended
Peter Borley-Cox	Active Scheme Members	Northamptonshire Pension Fund Committee Investment Sub Committee	3 meetings out of 5 3 meetings out of 4	14 sessions attended
Elnora Latchman	Deferred and Pensioner Members	Northamptonshire Pension Fund Committee	5 meetings out of 5	22 sessions attended (Appointed May 2023)

Governance and Training (continued)

Councillor/Member Name	Representation	Committee/Board	Meetings Attended	Training Undertaken (In person and virtual)
Alicia Bruce	Scheme Members Chair	Northamptonshire Local Pension Board	4 meetings out of 4	2 sessions attended
Julie Petrie	Scheme Employers Vice-Chair	Northamptonshire Local Pension Board	3 meetings out of 4	13 sessions attended
Cllr Ken Pritchard		Northamptonshire Local Pension Board	0 meetings out of 1	0 sessions attended (Resigned June 2023)
Cllr Greg Lunn	Scheme Employers	Northamptonshire Local Pension Board	1 meetings out of 3	0 sessions attended (Appointed June 2023)
Cllr Andrew Weatherill	Scheme Employers	Northamptonshire Local Pension Board	4 meetings out of 4	2 sessions attended
Kev Standish-Day	Scheme Members	Northamptonshire Local Pension Board	3 meetings out of 4	12 sessions attended
Katy Downes	Scheme Members	Northamptonshire Local Pension Board	3 meetings out of 4	14 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
- Approve Investment Consultant contract extension
- Review of the Additional Voluntary Contribution providers

Key Investment Activities

- Annual Investment Review
- Annual Investment Consultancy Provider review

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 of the Additional Voluntary Contribution providers
- Review Administration Strategy
- Annual Report and Statement of Accounts
- Cyber Resilience update
- Annual Report of the Local Pension Board

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 West Northamptonshire 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.

West Northamptonshire 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 West Northamptonshire Council as the Administrating 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 Pensions 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 25% by 2024 and by 59% 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 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 continue to support the principles of the UK Stewardship Code (the "Stewardship Code").

Investments (continued)

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.

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 [Northamptonshire 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 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.

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 Chairmen 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.

At 31 March 2024, the Northamptonshire Fund had invested £1,565m in the ACCESS Authorised Contractual Scheme and £1,399m under pooled management resulting in pooled assets of £2,964m, representing 82.3% 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.

	£m Asset values as at 31 March 2023				£m Asset values as at 31 March 2024			
Asset class	Pooled	Under pooled management	Not pooled	Total	Pooled	Under pooled management	Not pooled	Total
Equities	1,113.5	636.0	0.0	**1,749.5**	869.3	775.4	0.0	**1,644.7**
Bonds	163.7	268.1	147.9	**579.7**	514.0	493.5	0.0	**1,007.5**
Property	0.0	0.0	201.1	**201.1**	74.8	0.0	205.4	**280.2**
Diversified Growth Funds	202.8	0.0	0.0	**202.8**	107.2	0.0	0.0	**107.2**
Private Equity	0.0	0.0	243.0	**243.0**	0.0	0.0	272.3	**272.3**
Infrastructure	0.0	0.0	222.2	**222.2**	0.0	130.0	83.8	**213.8**
Dervatives	0.0	0.0	0.0	**0.0**	0.0	0.1	0.0	**0.1**
Cash and net current assets	0.0	0.0	35.9	**35.9**	0.0	0.0	81.3	**81.3**
Total	**1,480.0**	**904.1**	**850.1**	**3,234.2**	**1,565.3**	**1,399.0**	**642.8**	**3,607.1**

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 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. 7% of the Funds assets are earmarked for pooling during the next financial year.

Investments (continued)

Asset Pooling continued

A significant proportion (29.6%) 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.

	£m Asset values as at 31 March 2023				£m Asset values as at 31 March 2024			
Asset class	Pooled	Under pooled management	Not pooled	Total	Pooled	Under pooled management	Not pooled	Total
UK Listed Equities	301.2	28.2	0	329.4	51.6	207.3	0	258.9
UK Government Bonds	0	268.1	0	268.1	0	493.5	0	493.5
UK Property	0	0	176.7	176.7	74.8	0	180.8	255.6
UK Infrastructure	0	0	59.4	59.4	0	0	58.7	58.7
UK Private Equity	0	0	0.6	0.6	0	0	0.7	0.7
Total	**301.2**	**296.3**	**236.7**	**834.2**	**126.4**	**700.8**	**240.2**	**1,067.4**

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 2% invested in levelling up assets:

£m Asset values as at 31 March 2024	Pooled	Under pooled management	Not pooled	Total
UK Levelling up	0	0	68.9	68.9

Investments (continued)

The Costs of Pooling

The costs of setting up the ACCESS pool and the operating cost of the pool are collected by a nominated host authority and re-charged in equal shares to the eleven ACCESS funds. Northamptonshire'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**

Pooling 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	1,555.7	9,247.9
Fees	-146.1	-797.6
Net savings	1,409.6	8,450.3

Cost Transparency

The analysis below shows the investment expenses incurred during the financial year 2023-24 between expenses incurred in respect of Pooled Assets held in the ACCESS Pool and those assets held outside of the pool.

	Asset Pool			Non- Asset Pool			Fund Total
	Direct	Indirect	Total	Direct	Indirect	Total	
	£000	£000	£000	£000	£000	£000	£000
Investment Management Fee	6,226	1,345	7,571	2,509	1,026	3,535	11,106
Performance Fee	1,592	-740	852	-488	62	-426	426
Transaction taxes	0	14	14	153	35	188	202
Broker commissions	0	339	339	65	15	80	419
Other explicit costs	9	452	461	139	32	171	632
Implicit/indirect transaction costs	0	401	401	42	366	408	809
Administration	212	0	212	193	135	328	540
Governance and Compliance	86	0	86	128	266	394	480
Other	364	-341	23	695	3,964	4,659	4,682
Total	**8,489**	**1,470**	**9,959**	**3,436**	**5,901**	**9,337**	**19,296**

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:

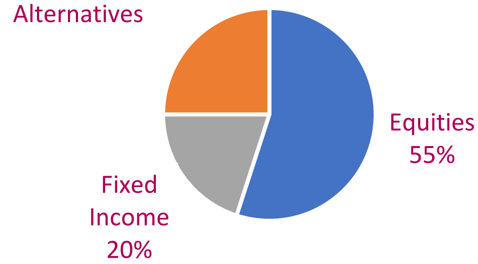
- Reduce the equity allocation by 12.5%, removing the standalone UK equity allocation and retaining the passive equity allocation at 20%;
- Increase fixed income (+10%) and alternatives (+2.5%) allocations to provide greater exposure to inflation linked, cashflow generative assets while protecting the strong funding position;
- Remove the Diversified Growth Fund (DGF) (-5%) within the alternatives allocation to facilitate direct investment across private market alternative assets;
- 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.

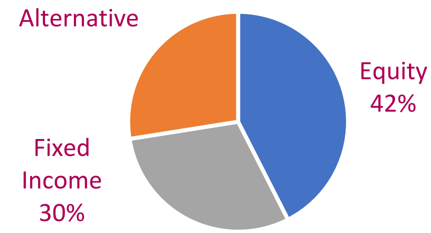
- Implement equity sales (£236.5m) to fund increased index-linked gilts allocation
- Implement equity sales (£80m) to fund increased Multi-Asset Credit allocation
- Implement DGF (£100m) sales to fund increased private market allocations
- Invested in ACCESS long lease property manager (£75m)

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

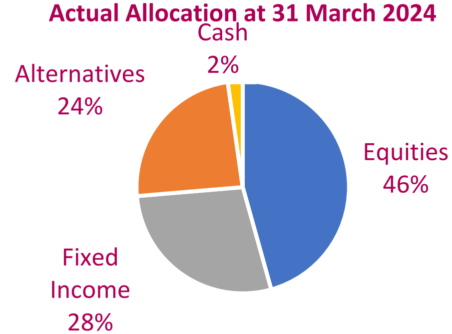
Strategic Allocation at 31 March 2023



Strategic Allocation at 31 March 2024



Actual Allocation at 31 March 2024



Investments (continued)

Total Fund Performance

The total investment return for the Fund over the financial year was 10.7% net of fees compared with a weighted benchmark return of 12.3%. In the previous year the total investment return was -4.8% compared with a weighted benchmark of -3.8%. The Fund's total investment return was 4.6% p.a over the three years to 31 March 2024 and 6.8% p.a over the five years to 31 March 2024.

Performance of Managers

The ISC continues 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 %
Newton – Equity	MSCI AC World (NDR) Index	25.5	20.5	5.0
Baillie Gifford – Equity	MSCI AC World (NDR) Index	23.9	20.5	3.4
Longview – Equity	MSCI World (NDR) Index	18.1	20.5	-2.4
UBS –Equity	FTSE Developed (GBP Hedged) Index	n/a	n/a	n/a
Osmosis – Equity	Solactive Osmosis Resource Efficient Core Equity Ex-Fossil Fuels Index NTR	n/a	n/a	n/a
UBS - Index Linked Gilts	Composite	-6.8	-6.8	0.0
BlueBay – Multi Asset Credit	Composite	9.2	11.2	-2.0
M&G Alpha Opportunities - Multi Asset Credit	Composite	12.2	11.2	1.0
Baillie Gifford – Diversified Growth Fund	Bank of England UK Base Rate +3.5% p.a.	3.4	8.7	-5.3
CBRE – Property	MSCI All Balanced Property Funds Index	-6.5	-0.7	-5.8
Aviva – Property	Composite	n/a	n/a	n/a
M&G – Residential Property	Absolute Return of 6.0% p.a.	-1.2	6.0	-7.2
M&G Shared Ownership – Property	Absolute Return of 6.0% p.a.	-0.4	6.0	-6.4
HarbourVest – Private Equity	MSCI World Index	-3.7	10.3	-14.0
Adams Street – Private Equity	MSCI World Index	-2.1	10.3	-12.4
Ares Capital – Infrastructure Debt	IRR of 10.0% p.a.	2.2	10.0	-7.8
Allianz – Infrastructure Debt	IRR of 4.0% p.a.	11.1	4.0	7.1
IFM Infrastructure	IRR of 10.0% p.a.	5.5	10.0	-4.5
JP Morgan Infrastructure	IRR of 10.0% p.a.	5.0	10.0	-5.0

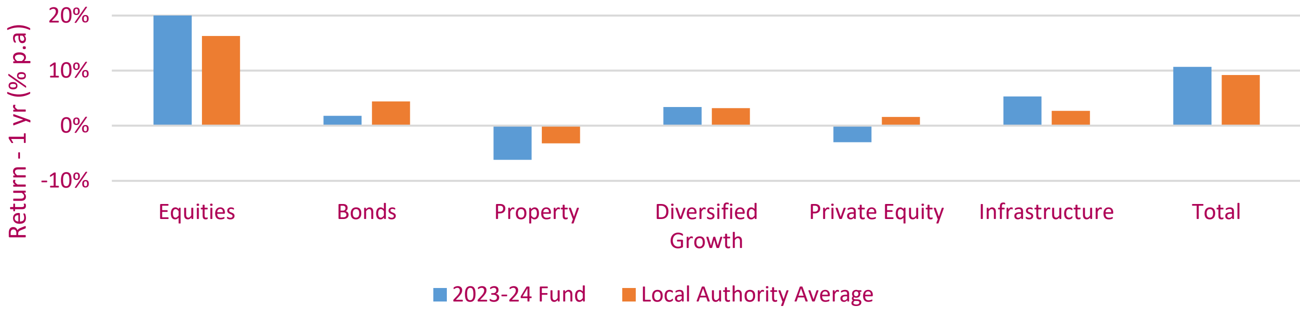
n/a = Not invested for the full period therefore no meaningful performance measure is available

Investments (continued)

Performance in Comparison with Local Authority Universe

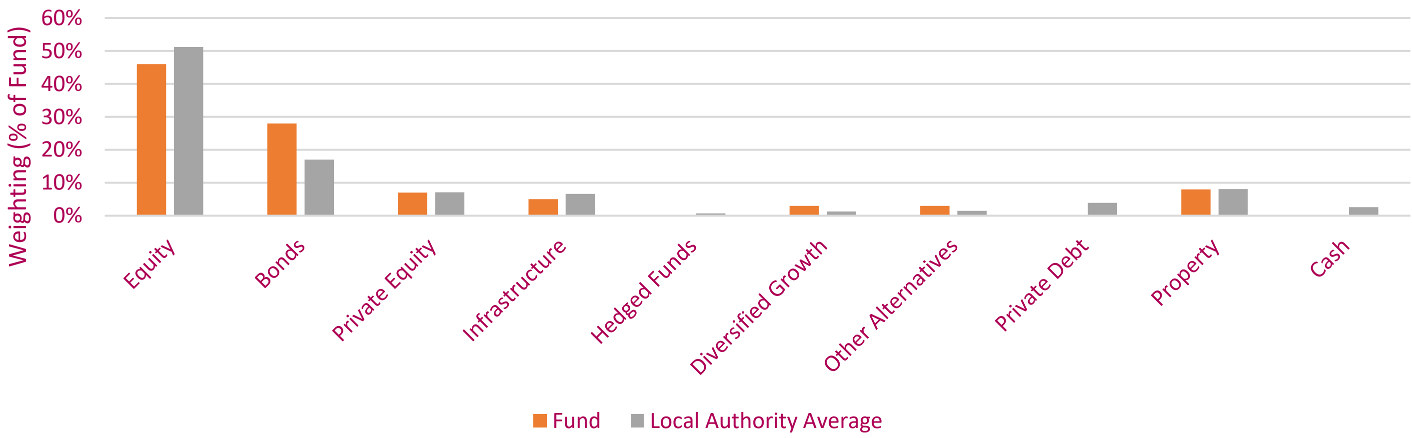
The Local Authority Universe is a national scheme consisting of 63 pension funds collated by PIRC Ltd that provides benchmarking of local authority pension funds investment performance.
In 2023-27 the Fund's performance of 10.7% net of fees over the financial year was ranked 49th percentile out of the 63 Funds participating in the Universe.

Investment Return compared to Local Authority Universe



The Fund's current strategy has a higher allocation to Bonds and diversified growth and a lower allocation to Equities and Infrastructure when compared to the Local Authority Universe.

Investment Allocation compared to Local Authority Universe



Investments (continued)

Climate Change Report

Executive summary

The Fund recognises the systemic risk associated with climate change as well as the Administering Authority'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^{o}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^{o}C and 4^{o}C scenarios**).

Investments (continued)

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

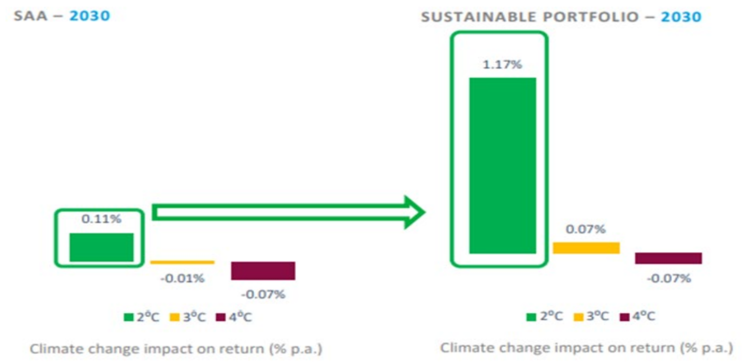
Resilience of the Fund's investment strategy

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	0.11%
2°C	2050	-0.05%
2°C	2100	-0.07%
3°C	2030	-0.01%
3°C	2050	-0.06%
3°C	2100	-0.09%
4°C	2030	-0.07%
4°C	2050	-0.13%
4°C	2100	-0.16%

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).



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.

Investments (continued)

- 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.

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

The Fund recognises the systemic risk associated with climate change and the views and aspirations of other scheme employers and scheme members.

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."

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.

Strategy

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.

Reporting

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.

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).

Manager selection and retention

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.

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

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

Investments (continued)

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^{o}C' objective - i.e. net zero by 2050.

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)

a) It is not impacted by changes in strategy, unlike absolute emissions. For example, a reduction in the Fund's strategic target equity would, all else equal, lead to a reduction in the level of absolute emissions.

b) Widening the scope of the Fund's climate reporting in future 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

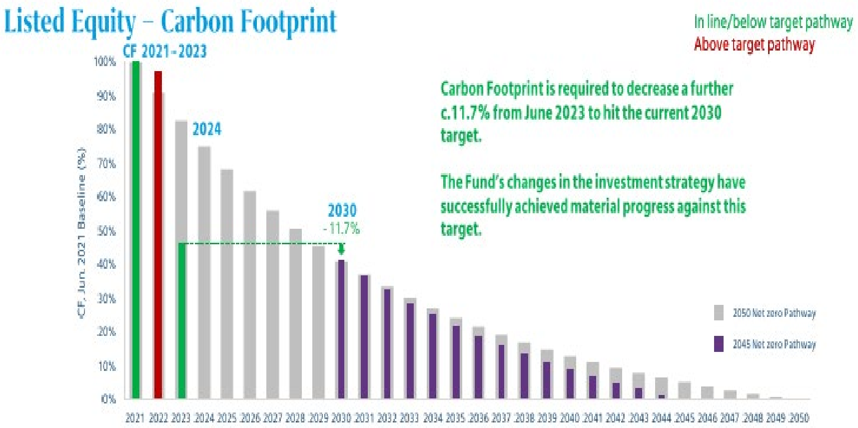
The Fund's metrics were initially measured as at 30 June 2021, providing a baseline for future targets, and were recalculated as at 30 June 2022 and 30 June 2023 in order to monitor progress against these targets. The metrics are set out in a publicly available carbon reporting dashboard:

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.



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)

Investment Review – Financial Year to 31st March 2024

David Crum ASIP, May 2024

Economic Background & Market Review

Region / Asset Class	Index	12 months % return GBP
UK Equities	FTSE All Share	8.4
European Equities	FTSE Europe X UK	13.8
US Equities	S&P 500	27.1
Japanese Equities	TOPIX	21.7
Asian Equities	MSCI AC Asia ex Japan	1.8
Emerging Markets Equities	MSCI Emerging Markets	5.9
Global Equities	MSCI World	22.5
UK Government Bonds	FTSE A Over 15 Year Gilts Index	-4.6
UK Index Linked Bonds	FTSE A Over 5 Year Index Linked Gilts Index	-6.8
Global Bonds	Merrill Lynch Global Broad Market Corporate Index	2.9
UK Property	MSCI All Balanced Property Funds Index	-1.1

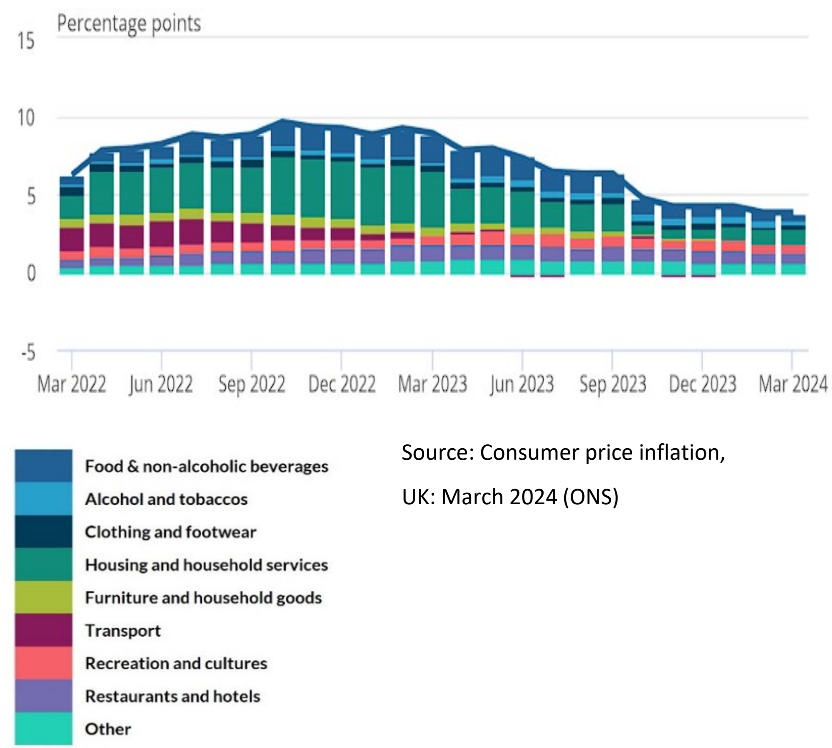
The financial year to 31st March 2024 continued to be dominated by all-to-familiar recent themes, with continuing ructions in geopolitics, global financial markets, and the fiscal & monetary policies of the major economies. Set out below are summaries of my views on five key themes:

1) Inflation and Interest Rates

Inflation and interest rates were again key influences on the global investment environment, driving market sentiment and economic policy. Persistent inflation was a significant concern for both developed and emerging economies. A range of factors contributed to this, including supply chain disruptions, high energy prices due to geopolitical tensions, and, in some markets, strong post-pandemic demand. As a result, inflation rates remained elevated, prompting central banks to take decisive action.

The Federal Reserve, along with other major central banks such as the European Central Bank and the Bank of England, embarked on a series of interest rate hikes to tame inflation. These increases in benchmark interest rates were aimed at cooling down economies by making borrowing more expensive and slowing consumer spending. Mortgage rates rose, affecting the housing market, while higher corporate borrowing costs led to a cautious approach in company capital expenditure and expansion plans.

Chart 1: Breakdown of UK Consumer Price Inflation



Source: Consumer price inflation, UK: March 2024 (ONS)

Investments (continued)

In the UK, this resulted in inflation levels falling from 7.8% in April 2023 to 3.8% in March 2024. Following the colours in Chart 1, it can be seen that price inflation has been falling mostly in Food & Non-alcoholic Beverages and Housing & Household service, whilst remaining relatively steady in Recreation & Culture, and Alcohol & Tobacco. However, the high level view of falling inflation hides a mixed picture – in terms of housing, whilst energy costs are falling, owner occupier & rental costs continue to rise, as does Council Tax. Given that housing is typically the largest item in household's budgets, the cost of living squeeze looks set to continue.

In the bond markets, rising interest rates led to lower bond prices, causing a re-evaluation of fixed-income portfolios. Investors faced the challenge of balancing the need for yield with the risks associated with inflation and higher interest rates. Equity markets experienced increased volatility, as sectors sensitive to interest rates, such as technology and consumer discretionary, saw greater fluctuations in valuations. More 'defensive' sectors, such as utilities and consumer staples, were perceived as more resilient in the 'high' interest rate environment.

Overall, persistent inflation and resultant higher interest rates necessitated a recalibration of investment strategies. Investors sought to navigate an environment characterized by higher costs of capital, economic uncertainty, and shifting growth dynamics, emphasizing the importance of diversification and risk management in investment strategies.

2) Economic Growth and Recession Fears

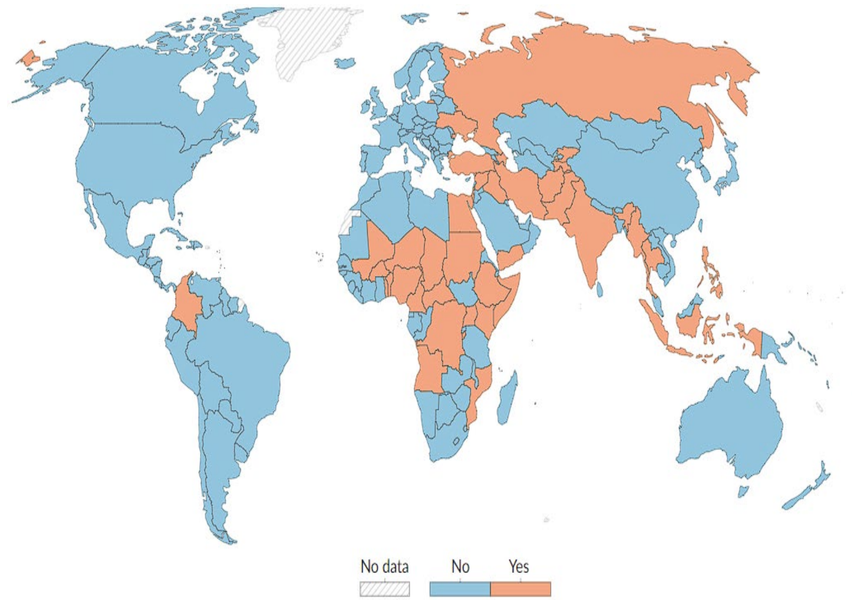
Between April 2023 and March 2024, concerns about economic growth and the potential for a recession were high for investors. Signs of an economic slowdown were evident in major economies like the United States and Europe, driven by persistent inflation, tightening monetary policies, and geopolitical uncertainties.

In the United States, fears of a recession grew as indicators such as declining retail sales, slowing industrial production, and weakening consumer confidence emerged. The European economy also faced challenges, including energy supply disruptions stemming from geopolitical tensions and the post-pandemic recovery. These factors combined to create a more cautious investment climate, with investors generally seeking safe-haven assets and more defensive market sectors.

Emerging markets displayed mixed economic performances. Some benefitted from higher commodity prices, while others struggled with the inflationary pressures and external debt burdens exacerbated by the strong U.S. dollar. This led to tighter financial conditions and heightened the risk of financial instability in vulnerable economies.

3) Geopolitical Tensions

Chart 2: States involved in State-based Conflicts



Source: Our World In Data

Two primary areas of geopolitical concern were prominent in the last year - the ongoing 'hot' war in Ukraine and escalating ('cold') tensions between the United States and China. They were joined by conflict in the Middle East, following Hamas' surprise attack on Israel on October 7th 2024.

Investments (continued)

The conflict in Ukraine continued to disrupt global markets throughout the year. The war's impact continues to be felt in energy markets, as sanctions on Russia, one of the world's largest energy producers, continued to result in volatile oil and gas prices. European countries continued to focus efforts on diversify energy sources, with sustainable energy generation continuing to benefit from increased investment. The rethinking of energy policies continued apace, as countries sought to enhance energy security and reduce reliance on volatile regions.

In parallel, the increasingly strained relationship between the United States and China remained a critical geopolitical issue. Trade tensions, technology competition, and strategic rivalry shaped interactions between the two superpowers. The U.S. imposed stricter regulations on Chinese technology companies, citing national security concerns, which affected global supply chains and investment flows. Conversely, China pursued its own technological advancements and sought to reduce dependence on Western technology through initiatives like "Made in China 2025."

The Israel-Hamas conflict reignited on October 7, 2023, when Hamas launched a deadly surprise attack on Israel, involving thousands of rockets and infiltrations. This assault resulted in over 1,000 Israeli deaths and widespread destruction. Israel responded with a major military operation in Gaza, including extensive airstrikes and ground incursions aimed at dismantling Hamas' infrastructure.

The conflict has led to a severe humanitarian crisis in Gaza, where heavy Israeli bombardment has caused tens of thousands of civilian casualties, a massive displacement of the population, and the significant destruction of Gaza’s infrastructure, worsening the humanitarian situation.

International reactions included calls for a ceasefire and increased humanitarian aid. The United Nations and various countries have urged de-escalation, but a lasting resolution is proving elusive at the time of writing. There remains an urgent need for a sustainable peace to prevent further tragedies and regional instability, and to allow for the resolution of the humanitarian crisis.

4) Rise of the Machines

Throughout history, technological advancements have profoundly impacted the global investment environment, driving innovation and reshaping industries. Two key areas where these advancements were most pronounced in the last year were **Artificial Intelligence (AI)** and **Automation.**

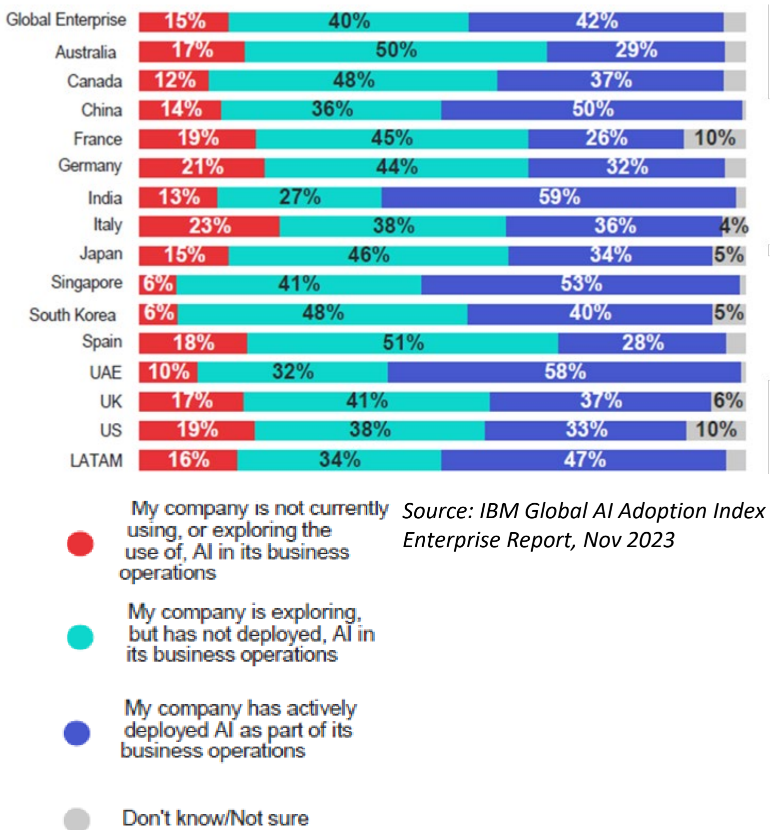
AI refers to the simulation of human intelligence in machines that are programmed to think, learn, and make decisions. AI systems use algorithms and large datasets to recognize patterns, perform tasks, and improve over time through machine learning. Key applications of AI include natural language processing, image and speech recognition, predictive analytics, and autonomous systems. AI enhances efficiency, automates repetitive tasks, and enables advanced problem-solving across various industries, such as healthcare, finance, automotive, and customer service.

Automation involves the use of technology to perform tasks with minimal human intervention, enhancing efficiency and precision. Automation encompasses a range of technologies, including robotics, software automation and ‘Internet of Things’ (IoT) devices, which streamline processes in manufacturing, logistics, and various service industries.

AI and automation continued to revolutionize various sectors. AI's rapid development and integration into business processes enhanced efficiency, productivity, and decision-making capabilities. Companies across industries adopted AI-driven solutions for tasks such as data analysis, customer service, and predictive maintenance. For instance, some financial services leverage AI for algorithmic trading and risk management, while healthcare use AI applications in diagnostics and personalized medicine. The automotive industry made significant strides in autonomous driving technologies, with major players investing heavily in self-driving cars and advanced driver-assistance systems.

Investments (continued)

Chart 3: AI Adoption in Business Operations and Digital Transformation Survey:



Source: IBM Global AI Adoption Index – Enterprise Report, Nov 2023

Automation technologies also saw substantial growth, particularly in manufacturing and logistics. Robotics and automated systems improved operational efficiency and reduced labour costs. The adoption of aspects such as integrating Internet of Things (IoT) devices and real-time data analytics enable smart manufacturing processes. Warehouses and supply chains increasingly utilize automation to optimize inventory management and streamline distribution.

These technological advancements drove significant capital flows into tech startups and established companies alike. Venture capital investment in AI, automation, and cybersecurity firms reached new heights in the last year, reflecting investor confidence in the transformative potential of these technologies.

5) ESG & the Backlash

ESG (Environmental, Social, and Governance) investing continued to gain prominence, becoming a central theme in the global investment landscape. This approach to investing emphasizes the incorporation of environmental, social, and governance factors into investment decisions, aiming to generate long-term competitive financial returns and positive societal impact.

Environmental Criteria: The environmental aspect of ESG focuses on a company's impact on the natural environment. This includes how a company manages its carbon footprint, waste, natural resource usage, and overall sustainability practices. During the last year, there was a marked increase in investor scrutiny of companies' environmental practices. Climate change concerns, regulatory pressures, and societal demand for sustainable practices pushed businesses to adopt more environmentally friendly operations.

Social Criteria: The social component examines how a company manages relationships with employees, suppliers, customers, and the communities where it operates. Key considerations include labour practices, human rights, community engagement, and customer satisfaction. In the last year there was heightened awareness and activism around social issues. Companies were increasingly held accountable for their social impact, with investors favouring those that demonstrated strong commitment to social responsibility, diversity and inclusion, fair labour practices, and community development. The rise of social justice movements and the ongoing effects of the COVID-19 pandemic amplified the focus on the social aspects of ESG investing.

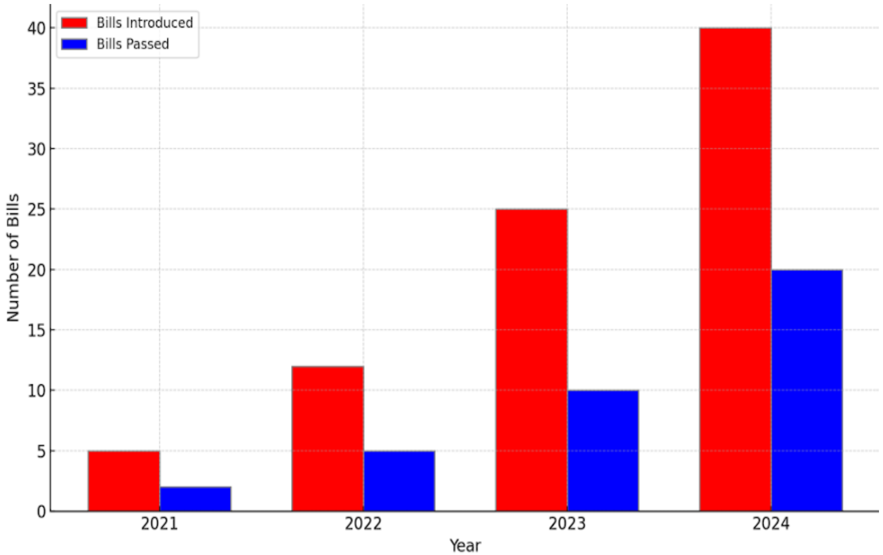
Governance Criteria: Governance pertains to a company's leadership, executive pay, audits, internal controls, and shareholder rights. Good governance ensures that a company is managed in a way that is accountable and transparent to its stakeholders.

Investments (continued)

Recent years have seen investors increasingly demanding higher standards of corporate governance, favouring companies with transparent reporting practices, ethical business conduct, diverse and independent boards, and alignment of executive compensation with long-term performance.

During the last few years, the US has experienced a significant (and increasing) backlash against ESG investing. Critics argued that ESG considerations often prioritize ideological agendas over financial performance, potentially compromising investor returns. This backlash was particularly pronounced among certain political and business circles that viewed ESG criteria as intrusive and inconsistent with fiduciary responsibilities.

Chart 4: Anti-ESG Bills Introduced in US State Legislatures



Source: ChatGPT 4.0

Some state governments took concrete actions against ESG investing. For instance, states like Texas and Florida introduced legislation prohibiting public pension funds from considering ESG factors in their investment decisions. These states argued that ESG mandates could lead to underperformance and detract from the primary goal of maximizing financial returns for beneficiaries.

Additionally, major financial institutions and asset managers faced heightened scrutiny and legal challenges over their ESG strategies. Detractors claimed that these institutions were imposing ESG standards on businesses, influencing corporate behavior in ways that may not align with shareholder interests or broader economic priorities.

The backlash also led to a growing debate within the investment community about the role of ESG. Some investors questioned the efficacy and transparency of ESG ratings and metrics, arguing for more rigorous and standardized reporting.

Despite the pushback, many investors – including myself and the Fund – believe that ESG factors can represent material financial risks to investments, and so should be considered when appraising and holding investments, as far as possible across all asset classes.

Fund Investment Performance	1 Year Performance	3 Year Performance (p.a.)	5 Year Performance (p.a.)
Northamptonshire Pension Fund	10.7%	4.6%	6.8%
Fund Benchmark	12.3%	6.0%	7.0%

The Fund returned 10.7% for the year to 31st March 2024, underperforming the benchmark return of 12.3%. The returns from the different asset classes were mixed in the last year, with outperformance in equities (22.1% versus the benchmark return of 20.7%) being more than offset by underperformance in fixed interest (1.5% versus 1.8%), and another annual underperformance in alternatives (-0.1% vs 7.6%).

Investments (continued)

In terms of specific equity manager performance, both Newton and Baillie Gifford had a good year, delivering returns of 25.5% and 23.9% respectively against a benchmark return of 20.5% for their Global Equities mandates.

The Fund's fixed interest investments saw negative relative returns, with the Fund's Multi-Asset Credit managers, BlueBay and M&G, again having mixed results, with the former underperforming their benchmark (9.2% vs 11.2%) and the latter outperforming (12.2% vs 11.2%).

The Fund's Alternatives exposure had another challenging year, returning -0.1% against a benchmark return of 7.6%. Almost all of the investments in alternative assets – the Diversified Growth, Commercial, Residential and Shared Ownership Property, Private Equity and Infrastructure underperformed when compared against their respective benchmarks.

In conclusion, whilst the Fund's investment performance did not beat the benchmark for the 1, 3 and 5 year periods, the underperformance gap is relatively modest, and the Fund's longer term absolute return of 6.8% over the 5 year period remains higher than the estimated investment return used when setting the investment strategy. As ever, it is worthwhile remembering that we judge success over the longer term and expect there to be fluctuations in investment returns over shorter time periods.

Investment Outlook

The investment outlook for the coming year is shaped by the confluence of economic, geopolitical, and technological factors. Investors will need to navigate a complex landscape characterized by persistent inflation, 'high' interest rates, geopolitical tensions, and rapid technological advancements.

<u>Economic Conditions and Monetary Policy:</u> As central banks, particularly the Federal Reserve, continue to combat inflation with tighter monetary policies, interest rates are expected to remain elevated, which will likely have mixed effects on different asset classes. Higher borrowing costs could continue to dampen corporate profits and consumer spending, posing challenges for equities, especially in interest-rate-sensitive sectors like technology and consumer discretionary. Conversely, fixed-income investments may become more attractive as yields rise, though the bond market could experience volatility as investors adjust to the new rate environment.

<u>Inflation and Commodity Prices:</u> Inflation is expected to persist, albeit potentially at a slower pace than in previous years. Commodity prices, influenced by ongoing geopolitical tensions and supply chain disruptions, will continue to play a critical role. Energy prices, particularly oil and gas, will be closely watched. Renewable energy investments are likely to continue to benefit as governments and businesses push for energy diversification and sustainability in response to the volatile fossil fuel markets.

<u>Geopolitical Risks:</u> Geopolitical tensions, notably the conflicts in Ukraine and Gaza, and strained US-China relations, will remain significant risk factors. These tensions could lead to further disruptions in global trade and supply chains, impacting sectors like manufacturing, technology, and consumer goods. Defence and cybersecurity sectors may see increased investment as nations bolster their security measures.

<u>Technological Advancements:</u> The rapid pace of technological innovation presents both opportunities and challenges. AI, automation, and cybersecurity are expected to continue attracting substantial investment. Companies that leverage AI and automation to enhance efficiency and innovation will likely outperform. However, technological disruptions also pose risks to traditional business models and labour markets.

<u>Sustainability and ESG Investing:</u> Despite the ESG backlash in the US, ESG integration into investment is expected to continue to grow, with the focus likely moving from purely climate concerns to include nature, natural capital and biodiversity issues. As investors increasingly recognize the long-term value of sustainable and socially responsible practices, companies with strong ESG credentials may enjoy a premium, attracting capital from a growing base of ESG-focused funds.

In summary, the coming year promises yet another dynamic and challenging investment environment. Investors will need to remain vigilant, balancing risks and opportunities across a diversified portfolio. The Fund remains well placed to face these challenges, having an appropriately diversified investment strategy and range of investment managers.

Actuarial Information

Northamptonshire 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 £3,364 million, were sufficient to meet 113% 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 £380 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	4.4%
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	21.6 years	24.3 years
Future Pensioners*	22.5 years	25.8 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 2023

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 LLP

Actuarial Information (continued)

Extract from the Actuarial Valuation Report

Executive Summary

We have carried out an actuarial valuation of the Northamptonshire 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 summarizes 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	2,679	2,984
Market Value of Assets	2,502	3,364
Surplus/(Deficit)	-176	380
Funding Level	93%	113%

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
20.5%	£8,586,000	£8,155,000	£7,660,000

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 Mclnroy 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

Fund Account

31-Mar-23 £000		Notes	31-Mar-24 £000
	Dealings with members, employers and others directly involved in the fund:		
-130,100	Contributions	Note 7	-136,466
-16,937	Transfers in from other pension funds	Note 8	-19,182
-147,037			**-155,648**
105,500	Benefits	Note 9	117,931
10,648	Payments to and on account of leavers	Note 10	13,638
116,148			**131,569**
-30,889	**Net (additions)/withdrawals from dealing with members**		**-24,079**
16,615	Management expenses	Note 11	15,315
-14,274	**Net (additions)/withdrawals including fund management expenses**		**-8,764**
	Returns on investments:		
-34,027	Investment income	Note 13	-36,953
0	Taxes on income		27
166,048	(Profit) and losses on disposal of investments and changes in the value of investments	Note 17b	-323,200
132,021	**Net return on investments**		**-360,126**
117,747	**Net (increase)/decrease in the net assets available for benefits during the year**		**-368,890**
-3,367,746	Opening net assets of the scheme		-3,249,999
-3,249,999	**Closing net assets of the scheme**		**-3,618,889**

Net Asset Statement

31-Mar-23 £000		Notes	31-Mar-24 £000
3,234,160	Investment assets		3,607,282
0	Investment liabilities		-158
3,234,160	**Total net investments**	Note 14	**3,607,124**
21,634	Current assets	Note 21	19,302
-5,795	Current liabilities	Note 22	-7,537
15,839	**Net current assets**		**11,765**
3,249,999	**Closing net assets of the scheme**	Note 17a	**3,618,889**

Notes on pages 70 to 101 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 Northamptonshire Pension Fund is part of the Local Government Pension Scheme (LGPS) and is administered by West Northamptonshire Council. The 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 West Northamptonshire Council to provide pensions and other benefits for pensionable employees of West Northamptonshire Council 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 Northamptonshire Pension Fund Committee, which is a committee of West Northamptonshire 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 Northamptonshire 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 are 162 (2023: 166) active employers within the Northamptonshire Pension Fund, including the Council itself.

	31-Mar-23	31-Mar-24
Number of employers with active members	166	162

The Fund has over 82,000 individual members, as detailed below:

Number of employees in scheme:	**31-Mar-23**	**31-Mar-24**
Administering Authority	5,309	5,212
Other employers	18,640	19,383
Total	**23,949**	**24,595**
Number of pensioners:		
Administering Authority	7,775	8,036
Other employers	10,639	11,096
Total	**18,414**	**19,132**
Deferred pensioners:		
Administering Authority	10,112	10,423
Other employers	17,740	18,904
Total	**27,852**	**29,327**
Undecided leavers:		
Administering Authority	2,695	2,142
Other employers	7,814	7,116
Total	**10,509**	**9,258**
Total members	**80,724**	**82,312**

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 43.2% 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.

Notes to the Pension Fund Accounts (continued)

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 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.

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 (see page 98) to purchase scheme benefits are accounted for on an accruals 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 Asset 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 Asset 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 Asset Statement as current liabilities and paid in the following month.

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).

Notes to the Pension Fund Accounts (continued)

Administrative Expenses

All administrative expenses are accounted for on an accruals basis. All staff costs of the pension's 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.

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, £239k of fees are based upon such estimates (2022-23: £107k). In addition, manager fees deducted from pooled funds of £11.6m (2022-23: £12.9m) are based upon information received from fund managers.

Net Asset Statement

Financial Assets

Financial assets are included in the Net Asset Statement on a fair value basis, except for assets held at amortised cost.

Assets held at amortised cost includes contributions owing from employers and cash deposits. These are initially recognised at fair value and subsequently measured at amortised cost. A financial asset is recognised in the Net Asset 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 Asset 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).

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). Purchases and sales of derivatives are recognised as follows:

Forward currency contracts settlements are reported as gross receipts and payments.

Cash and Cash Equivalents

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

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Notes to the Pension Fund Accounts (continued)

Financial Liabilities

The Fund initially recognises financial liabilities at fair value and subsequently measures them at amortised cost. A financial liability is recognised in the Net Asset 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 IAS 19 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 Asset 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 Standard 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 Asset Statement but are disclosed by way of a narrative in the notes.

4. CRITICAL JUDGEMENT IN APPLYING ACCOUNTING POLICIES

It has not been necessary to make any material critical judgements in applying the accounting policies in 2023-24.

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 Financial Statements as 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Pension Fund Liability

The 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 value of the liabilities at the last formal valuation were £2,984m. This resulted in a £380m surplus.

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 (disclosure only).

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)

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.

- **Uncertainties**: Estimation of the 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. The actuary has included the McCloud judgement within their calculation shown in Note 20 (disclosure only).
- **Effect if Actual Results Differ from Assumptions:** The value of actuarial present value of the promised retirement benefits in the financial statements is £3,243m. The effects on the 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 of £59m. A 0.1% increase in assumed earnings inflation would increase the value of liabilities by approximately £2m, and a 1 year increase in assumed life expectancy would increase the liabilities by approximately £130m.

Private Equity

- **Uncertainties:** All private equity 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 investments at fair value in the financial statements are £272.3m. There is a risk that this investment may be under or overstated in the accounts. Note 18 gives a price sensitivity of Private Equity of 31.2%, which indicates that private equity values may range from £187.4m to £357.3m.

Infrastructure

- **Uncertainties:** All 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 infrastructure investments at fair value in the financial statements are £213.8m. There is a risk that this investment may be under or overstated in the accounts. Note 18 gives a price sensitivity infrastructure investments of 12.8%, which indicates that infrastructure values may range from £186.4m to £241.1m.

Property

- **Uncertainties:** Valuation techniques are used to determine the carrying amount of pooled property funds. Where possible management uses the best available data. Uncertainties including changes in rental growth, covenant strength for existing tenancies, discount rate could affect the fair value of the property investments.
- **Effect if Actual Results Differ from Assumptions:** Total property investments in the financial statements are £280.3m. There is a risk that this investment may be under or overstated in the accounts. Note 18 gives a price sensitivity pooled property investments of 15.6%, which indicates that infrastructure values may range from £236.6m to £324.0m.

Notes to the Pension Fund Accounts (continued)

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.

7. CONTRIBUTIONS RECEIVABLE

By category:

31-Mar-23 £000		31-Mar-24 £000
26,864	**Employees' contributions**	**29,712**
	Employers' contributions:	
81,859	Normal contributions	95,791
0	Employers in surplus (exit credits paid)	-458
21,377	Deficit recovery contributions	11,421
103,236	**Total employers' contributions**	**106,754**
130,100		**136,466**

By authority:

31-Mar-23 £000		31-Mar-24 £000
27,856	Administering authority	29,770
99,313	Scheduled bodies	105,147
2,931	Admitted bodies	1,549
130,100		**136,466**

8. TRANSFERS IN FROM OTHER PENSION FUNDS

31-Mar-23 £000		31-Mar-24 £000
16,937	Individual transfers	19,182
16,937		**19,182**

9. BENEFITS PAYABLE

By category:

31-Mar-23 £000		31-Mar-24 £000
88,236	Pensions	98,086
14,282	Commutation and lump sum retirement benefits	17,684
2,982	Lump sum death benefits	2,161
105,500		**117,931**

By authority:

31-Mar-23 £000		31-Mar-24 £000
24,355	Administering authority	26,327
73,630	Scheduled bodies	83,172
7,515	Admitted bodies	8,432
105,500		**117,931**

10. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

31-Mar-23 £000		31-Mar-24 £000
546	Refunds to members leaving service	706
10,102	Individual transfers	12,932
10,648		**13,638**

11. MANAGEMENT EXPENSES

31-Mar-23 £000		31-Mar-24 £000
2,483	Administrative costs	2,367
13,221	Investment management expenses	11,925
911	Oversight and governance costs*	1,023
16,615		**15,315**

*Base fees payable to External Auditors, included within Oversight and Governance costs were £133k during the year (2022-23 £55k).

Notes to the Pension Fund Accounts (continued)

12. INVESTMENT MANAGEMENT EXPENSES

2023/24	Management Fees £000	Performance Related Fees £000	Transaction Costs £000	Other Costs £000	Total £000
Equities	7	0	0	245	252
Pooled investments	5,414	0	9	378	5,801
Pooled property investments	452	0	399	239	1,090
Private equity/infrastructure	2,862	1,104	0	793	4,759
Custody	0	0	0	23	23
Total	**8,735**	**1,104**	**408**	**1,678**	**11,925**

2022/23	Management Fees £000	Performance Related Fees £000	Transaction Costs £000	Other Costs £000	Total £000
Pooled investments	6,403	0	8	410	6,821
Pooled property investments	442	0	451	153	1,046
Private equity/infrastructure	2,947	1,778	0	603	5,328
Custody	0	0	0	26	26
Total	**9,792**	**1,778**	**459**	**1,192**	**13,221**

13. INVESTMENT INCOME

31-Mar-23 £000		31-Mar-24 £000
29	Income from equities	3,053
20,542	Pooled investments – unit trusts and other managed funds	17,975
8,553	Pooled property investments	6,740
3,956	Private equity/infrastructure income	7,089
947	Interest on cash deposits	2,096
34,027		**36,953**

Notes to the Pension Fund Accounts (continued)

14. INVESTMENTS

31-Mar-23 £000		31-Mar-24 £000
	Investment assets	
0	Equities	226,054
	Pooled investments	
329,402	• UK Equity Funds	0
1,420,172	• Global Equity Funds	1,416,075
268,056	• Index Linked Bonds	493,516
311,629	• Multi Asset Credit Funds	513,957
202,763	• Diversified Growth Funds	107,197
2,210	• Cash Funds	13,217
201,130	Pooled property investments	280,302
242,990	Private equity	272,333
222,154	Infrastructure	213,784
	Derivative contracts	
0	• Futures	18
33,339	Cash deposits	67,934
315	Investment income due	1,136
0	Amounts Receivable for Sales	1,759
3,234,160	**Total investment assets**	**3,607,282**
	Investment liabilities	
	Derivative contracts	
0	Amounts payable for purchases	-158
0	**Total investment liabilities**	**-158**
3,234,160	**Net investment assets**	**3,607,124**

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	144,652	-116,387	197,789	**226,054**
Pooled investments	2,534,232	800,218	-838,552	48,064	**2,543,962**
Pooled property investments	201,130	98,309	-6,442	-12,695	**280,302**
Private equity	242,990	35,366	-12,484	6,461	**272,333**
Infrastructure	222,154	1,566	-12,461	2,525	**213,784**
	3,200,506	**1,080,111**	**-986,326**	**242,144**	**3,536,435**
Derivative contracts:					
• Forward currency contracts	0	147	-1	-146	**0**
• Futures	0	7	-103	114	**18**
	3,200,506	**1,080,265**	**-986,430**	**242,112**	**3,536,453**
Other investment balances:					
• Cash deposits	33,339				**67,934**
• Amount receivable for sales	0				**1,759**
• Investment income due	315				**1,136**
• Spot FX contracts	0				**0**
• Amounts payable for purchases of investments	0				**-158**
Net investment assets	**3,234,160**				**3,607,124**

Notes to the Pension Fund Accounts (continued)

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

	Market value 01-Apr-22 £000	Purchases during the year and derivative payments £000	Sales during the year and derivative receipts £000	Change in market value during the year £000	Market value 31-Mar-23 £000
Pooled investments	2,681,942	69,931	-65,033	-152,608	**2,534,232**
Pooled property investments	249,167	643	-4,806	-43,874	**201,130**
Private equity	187,426	56,159	-17,506	16,911	**242,990**
Infrastructure	201,861	13,447	-7,504	14,350	**222,154**
	3,320,396	**140,180**	**-94,849**	**-165,221**	**3,200,506**
Derivative contracts:					
• Forward currency contracts	0	4	-2	-2	**0**
	3,320,396	**140,184**	**-94,851**	**-165,223**	**3,200,506**
Other investment balances:*					
• Cash deposits	36,374				**33,339**
• Amount receivable for sales	0				**0**
• Investment income due	509				**315**
• Spot FX contracts	0				**0**
• Amounts payable for purchases of investments	-2,521				**0**
Net investment assets*	**3,354,758**				**3,234,160**

Notes to the Pension Fund Accounts (continued)

14(b). INVESTMENTS ANALYSED BY FUND MANAGER

Market value 31-Mar-23 £000	% of net investment assets		Market value 31-Mar-24 £000	% of net investment assets
Investments managed under Pooled Governance:				
1,480,060	46	Waystone Management (UK) Limitied	1,490,536	41.3
0	0	Aviva Investors	74,882	2.1
0	0	IFM Infrastructure	70,384	2.0
0	0	JP Morgan	59,665	1.7
0	0	Osmosis Investment Management	226,854	6.3
904,078	28	UBS Global Asset Management	1,042,094	28.9
2,384,138	**74**	**Total Investments managed under pool governance**	**2,964,415**	**82.3**
Investments managed outside Pooled Governance:				
107,325	3	Adams Street Partners	115,805	3.2
12,575	0	Allianz Global Investors	12,540	0.3
35,752	1	Ares Management	25,027	0.7
147,905	5	BlueBay Asset Management	0	0.0
585	0	Catapult Ventures	733	0.0
212,534	7	CBRE Global Investment Partners	206,380	5.7
135,080	4	HarbourVest Partners (UK)	155,798	4.3
67,556	2	IFM Infrastructure	0	0.0
59,492	2	JP Morgan	0	0.0
60,842	2	M&G Investments	92,427	2.6
10,376	0	Cash with custodian	33,999	0.9
850,022	**26**	**Total investments managed outside pool governance**	**642,709**	**17.7**
3,234,160	**100**	**Net investment assets**	**3,607,124**	**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 Asset Statement of the scheme as at 31st March 2024.

Security	31-Mar-23	% of total fund	31-Mar-24	% of total fund
	£000	%	£000	%
Waystone ACCESS UK Equity - Liontrust	301,193	9	**0**	**0**
Waystone ACCESS Baillie Gifford Diversified Growth Fund	195,631	6	**n/a**	**n/a**
UBS Global Asset Management - Over 5 Year Index Linked Gilts	268,056	8	**493,516**	**14**
Waystone ACCESS M&G Alpha Opportunities Fund	163,724	5	**268,882**	**7**
Waystone ACCESS Global Equity - Newton Investment Management	313,842	10	**336,021**	**9**
Waystone ACCESS Baillie Gifford Long Term Global Growth Fund	202,763	6	**242,499**	**7**
Waystone ACCESS Longview Global Equity	302,907	9	**290,861**	**8**
UBS Asset Global Management - Climate Aware World Equity Fund	n/a	n/a	**546,695**	**15**
Waystone ACCESS Total Return Credit Fund	n/a	n/a	**245,075**	**7**
	1,748,116		**2,423,549**	

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.

- **Options**

There were no outstanding option contracts at 31 March 2024 or 31 March 2023.

Notes to the Pension Fund Accounts (continued)

• 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 £000	Market Value as at 31/03/2023 £000	Economic exposure £000	Market Value as at 31/03/2024 £000
Assets					
UK Equity Futures	Less than one year	0	0	160	6
Overseas Equity Futures	Less than one year	0	0	506	12
Total Assets					**18**
Total Liabilities		**0**	**0**	**0**	**0**
Net Futures					**18**

• Forward foreign currency

To maintain appropriate diversification and to take advantage of overseas investment returns, a significant proportion of the Fund's quoted equity portfolio is in overseas stock markets. To reduce the volatility associated with fluctuating currency rates, the Fund has a passive currency programme in place managed by the Fund managers.

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 any currency hedging should be used to mitigate any potential risk.

There were no open forward currency contracts at 31 March 2024. At 31 March 2023 the net open forward currency contract position was -£93.

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 Northamptonshire 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.

16(a). 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:

Values at March 2024 Financial assets at fair value through	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Equities	226,054	0	0	**226,054**
Pooled investments	13,217	2,530,745	0	**2,543,962**
Pooled property investments	0	107,718	172,584	**280,302**
Private equity	0	0	272,333	**272,333**
Infrastructure	0	0	213,784	**213,784**
Derivatives	18	0	0	**18**
Cash and Cash Equivalents	67,934	0	0	**67,934**
Net investment assets	**307,223**	**2,638,463**	**658,701**	**3,604,387**

Values at March 2023 Financial assets at fair value through profit and loss	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Pooled investments	2,210	2,532,022	0	**2,534,232**
Pooled property investments	0	115,749	85,381	**201,130**
Private equity	0	0	242,990	**242,990**
Infrastructure	0	0	222,154	**222,154**
Cash and Cash Equivalents	33,339	0	0	**33,339**
Net investment assets	**35,549**	**2,647,771**	**550,525**	**3,233,845**

Notes to the Pension Fund Accounts (continued)

All assets have been valued using fair value techniques which represent the highest and best price at the reporting date. The fair valuation of each class of investment asset is set our 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	Level 2	Net Asset Value / Bid Market Price.	Evaluated price feeds	Not required
Pooled Investments	Level 2	Average of broker prices.	Evaluated price feeds	Not required
Forward Foreign exchange derivatives	Level 2	Market forward exchange rates at theyear-end	Exchange rate risk	Not required
Property	Level 2	Closing bid price where bid and offer prices are published; closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required
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 changes to expected cashflows or by differences between audited and unaudited accounts
Private Equity	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines 2022 and the IPEV Board's Special Valuation Guidance (March 2020)	Price Earnings or EBITDA multiple	Valuations could be affected by changes to expected cashflows or by differences between audited and unaudited accounts
Infrastructure	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines 2022 and the IPEV Board's Special Valuation Guidance (March 2020)	Price Earnings or EBITDA multiple	Valuations could be affected by changes to expected cashflows or by 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 Advisors, 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
Private equity	272,333	31.2	357,301	187,365
Infrastructure	213,784	12.8	241,148	186,420
Property funds	172,584	15.6	199,507	145,661
Total Assets	**658,701**		**797,956**	**519,446**

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

Period 2023-24	Market value 01-Apr-23 £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
Private Equity	242,990	35,366	-12,484	521	5,940	272,333
Infrastructure	222,154	1,566	-12,461	2,760	-235	213,784
Property funds	85,381	94,852	-1,939	-3,054	-2,656	172,584
Total	**550,525**	**131,784**	**-26,884**	**227**	**3,049**	**658,701**

Notes to the Pension Fund Accounts (continued)

17. FINANCIAL INSTRUMENTS

17(a). CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

31-Mar-23				31-Mar-24		
Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost		Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
£000	£000	£000		£000	£000	£000
			Financial assets			
0	0	0	Equities	226,054	0	0
2,534,232	0	0	Pooled investments	2,543,962	0	0
201,130	0	0	Pooled property investments	280,302	0	0
242,990	0	0	Private equity	272,333	0	0
222,154	0	0	Infrastructure	213,784	0	0
0	0	0	Derivative contracts	18	0	0
33,339	14,109	0	Cash	67,934	10,229	0
0	315	0	Other investment balances	0	1,136	0
0	7,525	0	Debtors	0	10,832	0
3,233,845	**21,949**	**0**		**3,604,387**	**22,197**	**0**
			Financial liabilities			
0	0	0	Derivative contracts	0	0	0
0	0	0	Other investment balances	0	0	-158
0	0	-5,795	Creditors	0	0	-7,537
0	**0**	**-5,795**		**0**	**0**	**-7,695**
3,233,845	**21,949**	**-5,795**		**3,604,387**	**22,197**	**-7,695**
		3,249,999	**Total**			**3,618,889**

Notes to the Pension Fund Accounts (continued)

17(b). NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

31-Mar-23 £000		31-Mar-24 £000
	Financial assets:	
-165,221	Fair value through profit and loss	242,144
-747	Loans and receivables	81,214
0	Financial liabilities measured at amortised cost	0
	Financial liabilities:	
-2	Fair Value through profit and loss	-32
-78	Loans and receivables	-126
0	Amortised cost – unrealised losses	0
-166,048	**Total gains/(losses)**	**323,200**

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.

Risk Strategy Statement

Responsibility for the Fund's Risk Management Strategy rests with the Pensions 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.

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 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 Advisors 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. It is possible for over-the-counter equity derivative contracts to be used in exceptional circumstances to manage specific aspects of market risk.

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 Advisors, the Council has determined that the following movements in market price risk would have reasonably been possible for the 2023-24 reporting period. The potential price changes disclosed above are broadly consistent with one-standard deviation movement in the value of the assets. The sensitivities are consistent with the assumptions contained in the investment Advisors 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
Overseas Equities	16.7
Index linked bonds	7.1
Multi asset credit	7.1
Diversified growth	7.9
Property	15.6
Private Equity	31.2
Infrastructure	12.8
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 Asset Type	Value as at 31-Mar-24 £000	% (rounded) Change	Value on Increase £000	Value on Decrease £000
UK Equities	**8,447**	16.0	9,799	7,095
Overseas Equities	**1,633,682**	16.7	1,906,507	1,360,857
Index linked bonds	**493,516**	7.1	528,556	458,476
Multi asset credit	**513,957**	7.1	550,448	477,466
Diversified growth	**107,197**	7.9	115,666	98,728
Property	**280,302**	15.6	324,029	236,575
Private Equity	**272,333**	31.2	357,301	187,365
Infrastructure	**213,784**	12.8	241,148	186,420
Cash and other investment balances	**83,906**	0.3	84,158	83,654
Total Assets	**3,607,124**		**4,117,612**	**3,096,636**

31-Mar-23 Asset Type	Value as at 31-Mar-23 £000	% (rounded) Change	Value on Increase £000	Value on Decrease £000
UK pooled equities	**329,402**	18.2	389,353	269,451
Global pooled equities	**1,420,172**	19.0	1,690,005	1,150,339
Index linked bonds	**268,056**	7.2	287,356	248,756
Multi asset credit	**311,629**	7.8	335,936	287,322
Diversified growth	**202,763**	8.9	220,809	184,717
Property	**201,130**	15.5	232,305	169,955
Private Equity	**242,990**	31.2	318,803	167,177
Infrastructure	**222,154**	14.7	254,811	189,497
Cash and other investment balances	**35,864**	0.3	35,972	35,756
Total Assets	**3,234,160**		**3,765,350**	**2,702,970**

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 below. 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 £000	Asset Type	31-Mar-24 £000
268,056	Index linked bonds	**493,516**
311,629	Multi Asset Credit	**513,957**
579,685	**Total**	**1,007,473**

Exposure to interest rate risk	Asset values at 31-Mar-24 £000	Impact of 1% decrease £000	Impact of 1% increase £000
Index linked bonds	**493,516**	498,451	488,581
Multi asset credit	**513,957**	519,097	508,817
Total change in assets available	**1,007,473**	**1,017,548**	**997,398**

Exposure to interest rate risk	Asset values at 31-Mar-23 £000	Impact of 1% decrease £000	Impact of 1% increase £000
Index-linked securities	**268,056**	270,737	265,375
Multi asset credit	**311,629**	314,745	308,513
Total change in assets available	**579,685**	**585,482**	**573,888**

Notes to the Pension Fund Accounts (continued)

Exposure to interest rate risk	Interest receivable 2023-24 £000	Value on 1% increase £000	Value on 1% decrease £000
Cash deposits, cash and cash equivalents	**2,096**	2,117	2,075
Multi asset credit	**4,518**	4,563	4,473
Total	**6,614**	**6,679**	**6,549**

Exposure to interest rate risk	Interest receivable 2022-23 £000	Value on 1% increase £000	Value on 1% decrease £000
Cash deposits, cash and cash equivalents	**947**	956	938
Multi asset credit	**3,020**	3,050	2,990
Total	**3,967**	**4,007**	**3,927**

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 Advisors in accordance with the Fund's Risk Management Strategy, including monitoring the range of exposure to currency fluctuations.

The Fund has partially hedged the currency exposures on its 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 Advisors, 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 Advisors 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**	**Potential market movement**	**Value on increase**	**Value on decrease**
	£000	**£000**	**£000**	**£000**
Overseas equities - hedged	**546,695**	0	546,695	546,695
Overseas equities - unhedged	**1,086,987**	101,090	1,188,077	985,897
Overseas fixed income	**245,075**	22,792	267,867	222,283
Overseas cash fund	**13,217**	1,229	14,446	11,988
Total	**1,891,974**	**125,111**	**2,017,085**	**1,766,863**

Assets exposed to currency risk	**Value at 31-Mar-23**	**Potential market movement**	**Value on increase**	**Value on decrease**
	£000	**£000**	**£000**	**£000**
Overseas equities - hedged	**234,102**	0	234,102	234,102
Overseas equities - unhedged	**1,186,070**	117,421	1,303,491	1,068,649
Overseas fixed income	**147,905**	14,643	162,548	133,262
Overseas cash fund	**2,210**	219	2,429	1,991
Total	**1,570,287**	**132,282**	**1,702,569**	**1,438,005**

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 recognized rating agency, Standard & Poor's. 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 £78.1m (31 March 2023: £47.4m). 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	AAAm	33,295	43,213
Bank deposit account			
Barclays Bank	A-1	14,109	10,229
Bank current accounts			
Northern Trust custody accounts	A-1+	44	24,721
Total		**47,448**	**78,163**

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 £766.4m, which represented 21.2% of the total Fund assets (31 March 2023: £666.3m, which represented 20.5% 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:

- to ensure the long-term solvency of the Fund, i.e. that sufficient funds are available to meet all pension liabilities as they fall due for payment;
- to ensure that employer contribution rates are as stable as possible;
- to minimise the long-term cost of the scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return;
- to reflect the different characteristics of employing bodies in determining contribution rates where the Administering Authority considers it reasonable to do so;
- to use reasonable measures to reduce the risk to other employers and ultimately to the council tax payer from 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 113% funded (93% at the March 2019 valuation). This corresponded to a surplus of £380m (2019 valuation: deficit of £176m) 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 summarizes 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: 20.5%	2023-24: £8,586,000	2024-25: £8,155,000	2025-26: £7,660,000

The Primary rate above includes an allowance of 0.8% of pensionable pay for the Fund's expenses. The average employee contribution rate is 6.3% 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	3.9%	4.4%

Allowance for the McCloud remedy has been included for this expected benefit change at the 2022 valuation as directed by the Department of Levelling Up, Housing and Communities.

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 Male	Active and Deferred Members Female	Current Pensioners Male	Current Pensioners Female
2019 valuation	22.3	25.1	21.5	23.7
2022 valuation	22.5	25.8	21.6	24.3

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 dependents.

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) Retirements 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) Proportion married - 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 dependant of a female member is assumed to be 3 years older than her.
g) Commutation - 55% 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 £m		31-Mar-24 £m
-3,136	Present value of promised retirement benefits	**-3,243**
3,249	Fair value of scheme assets (bid value)	**3,619**
113	**Net Assets**	**376**

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	2.8
3.45	Salary increase rate	3.3
4.75	Discount rate	4.8

Notes to the Pension Fund Accounts (continued)

21. CURRENT ASSETS

31-Mar-23 £000		31-Mar-24 £000
	Debtors:	
1,850	Contributions due – members	2,069
5,505	Contributions due – employers	6,515
170	Other debtors	489
7,525		**9,073**
14,109	**Cash balances**	10,229
14,109		**10,229**
21,634		**19,302**

22. CURRENT LIABILITIES

31-Mar-23 £000		31-Mar-24 £000
818	Benefits payable	1,558
4,977	Other creditor	5,979
5,795		**7,537**

23. ADDITIONAL VOLUNTARY CONTRIBUTIONS

31-Mar-23 £000		31-Mar-24 £000
5,234	Prudential	5,485
545	Standard Life	513
5,779		**5,998**

Total contributions of £652k (2022-23: £829k) were paid directly to Prudential during the year. Total contributions of £9.7k (2022-23: £14k) were paid directly to Standard Life during the year.

24. AGENCY SERVICES

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
2,233	Unfunded pensions	2,356
2,233		**2,356**

Notes to the Pension Fund Accounts (continued)

25. RELATED PARTIES TRANSACTIONS

West Northamptonshire Council

The Northamptonshire Pension Fund is administered by West Northamptonshire Council. Consequently, there is a strong relationship between the Council and the Fund. The Council incurred costs of £2.9m (2022-23: £2.6m) 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 £29.8m of employer’s contributions to the Fund in 2023-24 (2022-23: £27.9m). At 31 March 2024 there was £0.9m due to the Council by the Fund (31 March 2023: £1.5m was 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 Phil Bignell, Councillor Graham Lawman, Councillor Lloyd Bunday, Peter Borley-Cox, Andy Landford, Robert Austin and Elnora Latchman

The following members are on the Board or an employee of an employer body in the Pension Fund;

Councillor Graham Lawman, Councillor Janice Duffy, Robert Austin and Paul Wheeler

Council members have declared their interests in their Register of Members’ Interests. Other members of the Pensions Committee are required to declare their interests at each meeting.

25 (a). KEY MANAGEMENT PERSONNEL

The administration of the Fund is provided by West Northamptonshire Council (lead authority) 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.

31-Mar-23 £000		31-Mar-24 £000
59	Short-term benefits	67
-201	Post-employment benefits	42
-142		**109**

Notes to the Pension Fund Accounts (continued)

26. CONTINGENT LIABILITIES AND CONTRACTUAL COMMITMENTS

Outstanding capital commitments at 31 March 2024 totalled £104.6m (31 March 2023: £155.0m).

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.

Eight admitted body employers in the Northamptonshire 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 or cease to be an active scheme employer. The potential obligations at such events are identified at the cessation valuation conducted by scheme actuary as a funding gap between the assets and liabilities as at their cessation date. Such values are impacted significantly by the factors used at the actuarial calculation, which are applicable to their cessation date in the future. Due to these unknown factors, estimating the values is not practicable.

27. ASSET POOLING

The Northamptonshire Pension Fund has joined with ten other Local Government Pension Schemes (LGPS) Administering Authorities to for the ACCESS (A Collaboration of Central, Eastern and Southern Shires) Pool. The other members of the ACCESS Pool are:

Cambridgeshire, East Sussex, Essex, Hampshire, Hertfordshire, Isle of Wight, Kent, Norfolk, Suffolk and West Sussex.

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 ACCESS Pool is not a legal entity in itself but is governed by the Inter Authority Agreement (IAA) signed by each Administering Authority established in 2017. The IAA sets out the terms of reference and constitution of ACCESS.

The formal decision-making body within the ACCESS Pool is the ACCESS Joint Committee. The Joint Committee has been appointed by the 11 Administering Authorities under s102 of the Local Government Act 1972, with delegated authority from the Fund Council of each Administering Authority to exercise specific functions in relation to the Pooling of Pension Fund assets.

The Joint Committee is responsible for ongoing contract management and budget management for the Pool and is supported by the Section 151 Officers Group, Officer Working Group and the ACCESS Support Unit. More information on the ACCESS pool can be found on their website: ACCESS Pool.

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

DEFFERED 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 divided. 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

Scheme Framework

The below table compares the 2008 and the 2014 schemes.

	LGPS 2008	LGPS 2014
Basis of Pension	Final Salary	Career Average Revaluated Earnings (CARE)
Accrual Rate	1/60th	1/49th
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	1/160th accrual based on Tier 1 ill health pension enhancement	1/160th accrual based on Tier 1 ill health pension enhancement
Ill Health Provision	Tier 1 – Immediate payment with service enhanced to Normal Pension Age (65) Tier 2 – Immediate payment with 25% service enhancement to Normal Pension Age (65) Tier 3 – Temporary payment of pension for up to 3 years	Tier 1 – Immediate payment with service enhanced to Normal Pension Age Tier 2 – Immediate payment with 25% service enhancement to Normal Pension Age Tier 3 – Temporary payment of pension for up to 3 years
Indexation of Pension in Payment	CPI (RPI for pre-2011 increases)	CPI
Vesting Period	3 months	2 years