



## Pensions Fund Committee

**A meeting of the Pensions Fund Committee will be held at the The Court Room - The Guildhall, Northampton, NN1 1DE on Wednesday 17 July 2024 at 2.00 pm**

### Agenda

<b>1.</b>	<b>Apologies for Absence and Notification of Substitute Members</b>
<b>2.</b>	<b>Declarations of Interest</b> Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.
<b>3.</b>	<b>Minutes</b> (Pages 5 - 10) To confirm the Minutes of the meeting of the Committee held on 4 June 2024.
<b>4.</b>	<b>Chair's Announcements</b> To receive communications from the Chair.
<b>5.</b>	<b>Multiple Investment Strategies</b> (Pages 11 - 16)
<b>6.</b>	<b>Statement of Accounts 2023-24</b> (Pages 17 - 56)
<b>7.</b>	<b>Northamptonshire Pension Fund Forward Agenda Plan</b> (Pages 57 - 60)
<b>8.</b>	<b>Exclusion of Press and Public</b> The following report(s) contain exempt information as defined in the following paragraph(s) of Part 1, Schedule 12A of Local Government Act 1972.  Paragraph 3 – Information relating to the financial or business affairs of any particular

person (including the authority holding that information).  
 Members are reminded that whilst the following item(s) have been marked as exempt, it is for the meeting to decide whether or not to consider each of them in private or in public. In making the decision, members should balance the interests of individuals or the Council itself in having access to the information. In considering their discretion members should also be mindful of the advice of Council Officers.

Should Members decide not to make a decision in public, they are recommended to resolve as follows:

“That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item(s) of business on the grounds that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part I, Paragraph(s) 3 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

9.	<b>Minutes of the Pension Fund Committee Meeting held in Private on 4 June 2024</b> (Pages 61 - 62)
10.	<b>Review of the Action Log</b>
11.	<b>Annual Investment Review</b> (Pages 63 - 88)
12.	<b>Annual Investment Consultancy Provider Review</b> (Pages 89 - 114)
13.	<b>Urgent Business</b> The Chairman to advise whether they have agreed to any items of urgent business being admitted to the agenda.

Catherine Whitehead  
 Proper Officer  
 9 July 2024

**Pensions Fund Committee Members:**

Councillor Malcolm Longley (Chair)

Councillor Charles Morton (Vice-Chair)

Councillor Phil Bignell

Councillor Lloyd Bunday

Councillor Keith Holland-Delamere  
Councillor Jamie Lane  
Councillor Cathrine Russell  
Peter Borley-Cox  
Andy Langford

Councillor Graham Lawman  
Councillor Peter Matten  
Robert Austin  
Paul Wheeler  
Elnora Latchman

## **Information about this Agenda**

### **Apologies for Absence**

Apologies for absence and the appointment of substitute Members should be notified to [democraticservices@westnorthants.gov.uk](mailto:democraticservices@westnorthants.gov.uk) prior to the start of the meeting.

### **Declarations of Interest**

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item

### **Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates**

Members are reminded that any member who is two months in arrears with Council Tax must declare that fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

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If you have any queries about this agenda please contact Maisie McInnes via the following:

Tel:

Email: [democraticservices@westnorthants.gov.uk](mailto:democraticservices@westnorthants.gov.uk)

Or by writing to:

West Northamptonshire Council  
The Guildhall  
St Giles Street  
Northampton  
NN1 1DE



## **Pensions Fund Committee**

Minutes of a meeting of the Pensions Fund Committee held at Holding Room, The Guildhall, St Giles Street, Northampton, NN1 1DE on Tuesday 4 June 2024 at 4.00 pm.

### **Present:**

Councillor Charles Morton (Vice-Chair)  
Councillor Phil Bignell  
Councillor Keith Holland-Delamere  
Councillor Graham Lawman  
Councillor Peter Matten  
Peter Borley-Cox  
Paul Wheeler  
Andy Langford  
Elnora Latchman

### **Officers:**

Mark Whitby, Head of Pensions  
Michelle Oakensen, Governance and Regulations Manager  
Cory Blöse, Employer Services and Communications Manager  
Madalina Bratec, Governance Specialist  
Jeverly Findlay, Committee Officer

#### **1. Apologies for Absence and Notification of Substitute Members**

Apologies for absence were received from Councillors Malcolm Longley, Lloyd Bunday, Cathrine Russell and Jamie Lane. Also Robert Austin and James Smith, Assistant Director Finance.

#### **2. Declarations of Interest**

Councillor Graham Lawman declared an interest as his wife was now in receipt of a pension. Elnora Latchman declared an interest as she receives a pension. Paul Wheeler declared an interest in agenda item 7 as one of the sub-contractors was on the register for East Midlands Academy.

#### **3. Minutes**

##### **RESOLVED:**

That the minutes of the Pensions Fund Committee meeting of 27 March 2024 be approved and signed as a correct record.

#### 4. **Administration Report**

The Governance and Regulations Manager presented the report for the period of 1 February to 31 March 2024 and drew the Committee's attention to the key performance indicators (kpis) in Appendix A. All had been met with the exception of 4; 2 of which were amber and 2 red.

Now that the target for processing the payments of benefits from active service had changed from 5 working days to 10 working days to allow sufficient processing time, this kpi was moving in the right direction. Sickness within the team had caused some performance issues and some of the sickness cases were now going through the formal absence management process. There had been pressure on the operations team due to staffing issues. In March, 4 additional full-time posts and 1 part time post had been approved by the Committee. The Administration Assistant and Training Officer posts would hopefully be advertised in July; these appointments would aid service resilience.

The partially upheld IDRP case was due to delays in paying benefits where there was also an additional voluntary contribution arrangement in place. In the future the member would be contacted at the earliest opportunity and the process would be monitored.

Further to an enquiry regarding the breaches section of the report, the Governance and Regulations Manager advised that material breaches would be reported to committee or to the Chair (if outside the committee schedule) and to The Pensions Regulator. The Employer Services and Communications Manager added that it was important to understand if the breach was systemic or a one off with regard to employers.

Further to an enquiry relating to administrative costs, the Head of Pensions advised that the management expenses costs per member were lower than the CIPFA benchmark, but it was difficult to make comparisons between funds as some used consultants and outsourced their work.

Councillor Lawman highlighted that one of the failures listed was due to an employer not providing the correct information, so should not be considered as a fault of the service. The Governance and Regulations Manager advised that officers were looking into what additional reporting could be undertaken to identify failures when multiple parties were involved and various crossover of information required. If a member delayed completing their forms this also affected the performance. CIPFA would likely be providing revised national kpis in the future.

With regard to sickness levels across the sector, the Head of Pensions advised that they were high with 300 days of sickness recorded. For the fund, the average number of days per full time equivalent had been reviewed and the percentage of sickness within one month. The figure had been at 18% one month, but it was usually 10-14%, and the average sickness level had improved.

Further to an enquiry from Councillor Matten, the Employer Services and Communications Manager advised that when a retirement was voluntary employees did not always provide significant notice to their manager. The website was being redesigned to tie in the employer and member information.

**RESOLVED:**

The Pension Committee noted the report.

**5. Governance and Compliance Report**

The Governance and Regulations Manager provided an update on the Pension Dashboard Programme.

The Department for Work and Pensions (DWP) had issued a written ministerial statement providing an update on the publication of connection guidance and a new staging timeline. All public service pensions schemes were required to connect to the dashboard ecosystem by 31 October 2025. The project plan had been updated accordingly. All decisions would need to be recorded. The National Audit Office had issued a report on 10<sup>th</sup> May outlining reasons that had contributed to the project pause, such as the lack of digital infrastructure that had been put in place. The report also highlighted that there was a 23% increase in costs with regard to the project.

The General Code of Practice had come into force on 27 March. Officers now had a compliance tool which they had started to populate and significant work would need to be undertaken in order to demonstrate compliance.

Members were reminded that they needed to complete their training by 20<sup>th</sup> July or 12 months from the date of their appointment onto the committee. A feedback form would be sent to Committee members in July to evaluate the Hymans training.

Further to an enquiry from Paul Wheeler, with regard to the annual report guidance, the Head of Pensions advised that the service was near to full compliance.

**RESOLVED:**

That the Pension Committee:

- (i) Noted the Governance and Compliance Report.
- (ii) Noted the immaterial amendments and updates to policies and strategies (sections 6.29-6.31).

**6. Admissions and Cessations Report**

The Employer Services and Communications Manager drew Members' attention to the recommendations in the report and it was

**RESOLVED:**

That the Pension Committee:

- (i) Noted the admission of the following admitted bodies to the Northamptonshire Pension Fund and approve the sealing of the admission agreements;
  - KGB Cleaning (Grange Primary Academy)
  - Purgo Supply Services Ltd (Prince William and Stimpson Avenue Academies)
- (ii) Noted the exit of the following bodies from the Northamptonshire Pension Fund:
  - Dolce Limited (Little Harrowden)
- (iii) Noted the update on previously reported cessations relating to:
  - Compass (Innovate MAT)

## 7. **Business Plan Update**

The Head of Pensions drew the Committee's attention to the executive summary and the three amber activities. The procurement of the Integrated Service Provider (ISP) was being reviewed, so had been delayed, but this was not a concern. The processing of undecided leaver records would remain as amber for the year; however it was at the lowest volume for years and was moving in the right direction. Two new members of staff were being recruited in Business as Usual.

A review was being undertaken with regard to suitability of having multiple investment strategies and would require a consultancy spend; this would be brought to the committee for a decision in July or October.

With regard to the Heywood Engage member self-service portal, this was still under discussion as members with multiple records between funds could cause issues.

### **RESOLVED:**

The Pension Committee noted the Business Plan Update.

## 8. **Administration Strategy**

The Employer Services and Communications Manager advised that a major re-drafting of the Administration Strategy had been undertaken. The Local Pension Board had reviewed the strategy and their comments had been taken into account. The consultation on the strategy would take place over a month and would come back to the committee in October. New sections had been added to the strategy following feedback from Aon. There was a new section which reflected the Fund's "digital by default" approach to administration. This section also reduced the deadline for the submission of i-Connect from 10 working days after the end of the calendar month to 7 working days to help the Fund ensure it meets statutory deadlines for follow on actions. There were different escalation processes for different activities, and these were set out in appendix D.

Councillor Peter Matten considered that the strategy was excellent and pointed out a couple of typographical errors.

The Employer Services and Communications Manager highlighted that the strategy would be reviewed annually and would be brought back to committee every 3 years.



With regard to quotations for divorce cases being provided within 10 working days, Elnora Latchman pointed out this may need to be shorter if there was a court order. The Governance and Regulations Manager advised that this would be verified but it should not be an issue and that would still mean the cases were completed within the KPI.

**RESOLVED:**

The Pension Committee approved the amended administration strategy for consultation with employers.

9. **Equality, Diversity and Inclusion Report**

The Governance and Regulations Manager reported that the Pensions Regulator had published guidance last year which the Fund had reviewed. An action plan had been produced in consultation with Aon. The guidance primarily focused on the role of the governing body, reasonable adjustments would need to be considered and barriers removed where possible to allow people to become members of the Committee or the Board. The plan also considered wider issues such as member communication and investments. The first key area to consider would be training for Committee and Board members, as well as Officers, to ensure the right level of understanding was embedded before any further decisions were made. It was noted that most of the protected characteristics for members were not held on the system due to there being no processing need under GDPR.

**RESOLVED:**

The Pension Fund Committee:

- (i) approved the proposed EDI actions located in appendix A.
- (ii) approved to update the Web Content Accessibility Guidelines from version 2.1 to 2.2 in the member communication section and to include the identification of barriers in the Fund appointments section as proposed in 5.18.

10. **Northamptonshire Pension Fund Forward Agenda**

The Governance and Regulations Manager drew Members' attention to the Pension Fund Forward Agenda Plan.

**RESOLVED:**

That the Northamptonshire Pension Fund Forward Agenda Plan be noted.

11. **Exclusion of Press and Public**

**The Chair moved that the remainder of the meeting be held in private:**

**That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item(s) of business on**

**the grounds that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part I, Paragraph(s) 3 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.**

The meeting closed at 5.15 pm

Chair: \_\_\_\_\_

Date: \_\_\_\_\_



## West Northamptonshire Council

### Pension Fund Committee

17 July 2024

### Mark Whitby – Head of Pensions

<b>Report title</b>	Multiple Investment Strategies
<b>Report author</b>	Cory Blose Employer services manager Cory.blose@westnorthants.gov.uk

#### Approvers

<b>MO</b>	Julia Rickards on behalf of Catherine Whitehead	05/07/2024
<b>S151</b>	James Smith on behalf of Martin Henry	28/06/2024
<b>Head of Pensions</b>	Mark Whitby	21/06/2024

#### List of appendices

Appendix A None

#### 1. Purpose of report

- 1.1. To seek approval from the Committee to carry out detailed modelling to review the possible impact of having multiple investment strategies for Fund employers.

#### 2. Executive summary

- 2.1 This report sets out a recommendation and seeks approval for detailed modelling of the potential impact of having multiple investment strategies for Fund employers.
- 2.2 Following the 2019 triennial valuation officers investigated, and reported to the Pension Fund Committee, the potential benefits of implementing a framework where the Fund offered multiple employer investment strategies to meet the different needs of the diverse groups of employers participating in the Fund.
- 2.3 The modelling at that time did not show any material improvement in funding outcomes for employers by introducing such a framework but did suggest that it would be worth reviewing

in the future if market conditions and the funding position of the Pension Fund were significantly different.

- 2.4 As part of the 2024-2027 business plan, the Pension Fund Committee approved an initial review, by the Fund Actuary, to determine if conditions had changed significantly enough to warrant looking again at the potential impact of introducing a framework for multiple employer investment strategies.
- 2.5 The Actuary has completed the initial review and has recommended that conditions are significantly different to those at the previous investigation and that a further detailed review would be justified.

### **3. Recommendation**

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- 3.1 The Pension Committee is asked to approve the contents of the report.

### **4. Reasons for recommendation**

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- 4.1 To ensure that the Fund is achieving the best funding outcomes for the Fund's employers whilst ensuring that contribution rates are as stable as possible.

### **5. Report background**

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- 5.1 The Pension Fund Committee previously considered the possibility of introducing multiple employer investment strategies following the 2019 triennial valuation. Detailed modelling at that time did not identify any material improvements from implementing such a framework and the decision was taken not to do so at that time. The modelling did however suggest that it may be worth reconsidering that decision if the funding level of the Pension Fund and wider economic conditions were to change significantly.
- 5.2 The previous modelling looked at possible outcomes from the introduction of three notional investment buckets for different employer groups:
  - 5.2.1 Bucket A – Council's, Further Education Bodies, Academies, Transferee admission bodies (contractors) with a guarantor, and Community Admission Bodies (e.g. Charities) that are open to new members and have a formal guarantee in place. These employers have a funding target based on a lower level of prudence (the ongoing basis).
  - 5.2.2 Bucket B – Community Admission Bodies without a formal guarantee and/or poor funding levels and Resolution bodies (Parish/Town Councils and other small precepting authorities). These employers have a funding target based on a higher level of prudence (the exit basis).
  - 5.2.3 Bucket C – Community Admission Bodies who are well funded and other ceased employers with no guarantor. These employers have a funding target set against the exit basis.
- 5.3 As part of the business plan activities for 2024, the Pension Fund Committee approved an initial review to determine if conditions had changed sufficiently to justify detailed modelling to facilitate a full review of the impact of multiple investment strategies on Fund employers.
- 5.4 The Fund has an obligation to ensure employer contributions are as stable as possible, recognising the characteristics, circumstances and affordability constraints of each employer.
- 5.5 The investment strategy and expected returns from it have a significant impact on the contribution strategy set for each employer. All else being equal, the greater the expected returns, the lower the contribution requirement is for employers.

- 5.6 The Fund currently has a single investment strategy covering an increasing number and variety of employers with different funding requirements, which means that, for some employers, we may not be achieving the lowest possible stable contribution strategy.
- 5.7 Different employers have differing levels of maturity within their membership, different funding targets and different investment risk appetites. A single investment strategy therefore does not necessarily cater for these different employer profiles.
- 5.8 The introduction of multiple investment strategies could allow the Fund to better meet the needs of different groups of employers by assigning returns from a mix of asset classes better aligned with the needs of each group of employers.
- 5.9 A single investment strategy would still exist at Fund level but having a small number of notional “investment buckets” within this would allow the Fund to assign returns from different mixes of asset classes to provide different levels of growth or protection, depending on what is trying to be achieved, e.g. low risk/low return for well-funded employers close to exit or higher risk/higher return for those with the ability to absorb greater volatility.
- 5.10 The actuary has identified that a detailed review would be warranted due to a significant change in the funding level of the Pension Fund, financial markets and the wider economic environment.

## **6. Issues and choices**

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### **Rationale and proposals for details review**

- 1.1 Since the previous decision of the Pension Fund Committee, and since the most recent formal valuations at 31 March 2022, there has been significant change in the financial markets and economic environment.
- 1.2 The Fund now has a very strong past service position, and recent Funding updates at 31 March 2024 showed a funding level of 146%, an improvement from 111% at 31 March 2022.
- 1.3 This improvement has largely been driven by rising interest rates increasing market expectations for long term future investment returns and reducing the value of the liabilities. The returns on the Fund’s investments since 2022 have been slightly less than anticipated (although investment performance has picked up over recent months), however in essence the Fund is holding a similar amount of assets today, as it did on 31 March 2022, for every £ of pension it expects to pay out. Therefore, the increases in funding levels have not been driven by an actual increase in the money held to pay out each £ of pension (as per previous valuation cycles), but rather by the promise of greater future returns.
- 1.4 The Actuary has proposed to carry out asset-liability modelling to help the Committee understand the potential impact of multiple employer investment strategies. This modelling would consist of varying the investment strategy to determine whether better outcomes are achieved for certain groups of employers according to the group’s funding needs.
- 1.5 This modelling is similar to that used as part of the valuation exercise to set contribution rates for stabilised employers. The model allows the Actuary to project forward a share of assets and liabilities under 5,000 different economic scenarios. The output from the model includes metrics which can be compared to assess how the different employer groups perform under different investment strategies.
  - Employer groups to be modelled**
- 1.6 Due to various distinctive characteristics the Actuary has proposed to initially model the following three groups of employers:

- 1.6.1 **Group A** - Councils and other secure, stabilised employers (please note this does not include any resolution bodies, such as Town & Parish Councils).
  - 1.6.2 **Group B** - Academies. This group of employers are similar to group A in that they are very secure (due to the existence of the DfE Guarantee) and the same “ongoing” funding objective applies. This group differs to Group A in that the membership is far less mature; specifically, the proportion of active members is far greater for the Academies Group, and this is an important consideration when designing a suitable investment strategy.
  - 1.6.3 **Group C** - Closed Community Admission Bodies who are over 100% funded on the lower-boundary of exit basis corridor, plus all other ceased employers with no guarantor.
- 1.7 Please note that contractors and resolution bodies have not been included in this modelling. The number of contractors holding funding risk is diminishing. The vast majority of contractors now participate in the Fund under pass-through agreements where the assets and liabilities, and therefore the funding risk, are retained by the contracting Scheme employer. In most cases a Council or Academy Trust. The results from the modelling for these groups could be extrapolated and applied to contractors.
- 1.8 The relative size of resolution bodies means that inclusion in the modelling would have no material effect on the results. Resolution bodies are a unique type of employer and though they are similar in size to community admission bodies and would have their exit funding position assessed on the same basis, they are expected to be long term employers and therefore a longer-term investment strategy, similar to groups A and B could be more appropriate than one specifically targeting an exit similar to group C. Once the results of the modelling are known we will be able to better decide within which group to include resolution bodies.

**Investment strategies to model**

- 1.9 The Actuary has proposed to model a range of different investment strategies for each employer group so the Pension Fund Committee can fully understand the effect of different strategies on future outcomes. The Fund’s latest target asset allocation would be modelled alongside two other de-risked investment strategies.
- 1.10 The exact alternative strategies to be modelled will be agreed with officers with input from the Fund’s investment consultants.
- Fees and timescale**
- 1.11 The actuary has quoted a cost of £25,000 (plus VAT) to carry out this modelling, this is a reduction on the cost of the previous review (approximately £35,000). The results, including a detailed report setting out the summary of the output and recommendations would be expected to be delivered in the early part of quarter 4 in time for an update to be provided at the December meeting of the Pension Fund Committee.

**7. Implications (including financial implications)**

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**7.1 Resources and financial**

- 7.1.1 The proposed modelling would cost £25,000 (plus VAT)

**7.2 Legal**

- 7.2.1 There are no legal implications arising from the proposals.

**7.3 Risk**

7.3.1 The mitigated risks associated with this report have been captured in the Fund’s risk register as detailed below -

Risk	Residual risk rating
Failure to respond to changes in economic conditions	Amber
Fund assets are not sufficient to meet obligations and liabilities	Amber

7.3.2 The executive summary of the Northamptonshire Pension Fund risk register can be found [here](#).

#### 7.4 Relevant Pension Fund objectives

7.4.1 The following objectives as per the Business Plan have been considered in this report -

- To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
- To manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund’s stakeholders, particularly the scheme members and employers.
- To ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.
- To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.
- To ensure employer contributions are as stable as possible, recognising the characteristics, circumstances and affordability constraints of each employer.
- To ensure the long-term solvency of the Fund, taking a prudent long-term view, so that sufficient funds are available to meet all members’/dependants’ benefits as they fall due for payment.
- To put in place a strategic asset allocation ensuring it is appropriately maintained taking into account the Funding strategy.
- To maximise investment returns over the long term within agreed risk tolerances.

#### 7.5 Consultation

7.5.1 The Fund Actuary has provided the initial recommendation and proposals set out in this paper.

### 8. Background papers

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8.1 None

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**West Northamptonshire Council**

**Pension Fund Committee**

**17/07/2024**

**Mark Whitby – Head of Pensions**

<b>Report title</b>	Statement of Accounts 2023-24
<b>Report author</b>	Ben Barlow Investment and Fund Accounting Manager Ben.Barlow@westnorthants.gov.uk

**Approvers**

<b>MO</b>	Julia Rickards on behalf of Catherine Whitehead	05/07/2024
<b>S151</b>	James Smith on behalf of Martin Henry	28/06/2024
<b>Head of Pensions</b>	Mark Whitby	25/06/2024

**List of appendices**

Appendix A - Northamptonshire Pension Fund Draft Statement of Accounts 2023-24

**1. Purpose of report**

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1.1 To present the Draft Statement of Accounts of the Pension Fund for the 2023-24 financial year.

**2. Executive summary**

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2.1 The report covers key highlights from the Statement of Accounts. The Fund's assets have risen to £3,612.3m, following positive investment performance during the year with a net increase of £362.3m. Contributions, Benefits and Investment income have increased since last year, Management Expenses have decreased.

2.2 The Scheme Advisory Board issued new Annual Report Guidance for Pension Funds in March 2024. The report lays out key changes being made to the annual report this year to adhere to the new guidance.

**3. Recommendation**

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3.1 The Pension Committee is asked to note the contents of the report.

**4. Reasons for recommendation**

- 4.1 The Pension Committee are responsible for approving the Annual Report for the Northamptonshire Pension Fund and providing assurance to Audit and Governance Committee for the Statement of Accounts. The Audit and Governance Committee are responsible for approving the Statement of Accounts as these form part of the overall Administering Authority's Statement of Accounts.

## **5. Report background**

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- 5.1 The Pension Fund's Statement of Accounts (SOA) form part of the Council's Statement of Accounts. These are audited by the Council's external auditor Grant Thornton (GT). The auditor confirms whether, in their opinion, the SOA reflect a true and fair view of the financial position of the authority (and the Fund within it) for the financial year 1<sup>st</sup> April to 31<sup>st</sup> March and that the SOA is free from material misstatement.
- 5.2 The accounts are based on transactions accounted for within the Fund's financial ledger, information received from Investment Managers and the Fund's Custodian Northern Trust, and assumptions and estimations utilising the professional judgement of officers and Fund professional advisers in order to give a true and fair statement of the Fund's financial position.
- 5.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) has issued the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24 (the Code), which governs the preparation of the financial statements for Local Government Pension Scheme funds. A CIPFA template is used each year to ensure that the reporting meets the requirements of the Code and is compliant with International Financial Reporting Standards (IFRS).
- 5.4 The publication of the Accounts is an essential feature of public accountability and stewardship as it provides information on how the Fund has used the members' funds for which it is responsible.
- 5.5 The structure and content of the Annual Report is governed by the new guidance issued by the Scheme Advisory Board in compliance with Regulation 57 of The Local Government Pension Scheme Regulations 2013 (as amended).

## **6. Issues and choices**

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### **Statement of Accounts**

- 6.1 The Fund Account and the Net Asset Statement provide a summary of the financial activity with the notes to the accounts providing further information.
- 6.2 The net increase for the year was £362.3m, with the Fund's net assets rising to £3,612.3m reflecting positive performance during the year.
- 6.3 Contribution receipts increased from £130.1m to £136.5m. The increase in contribution payments reflects salary increases during the year.
- 6.4 Benefit payments have increased from £105.5m to £117.9m. The increase in pension payments reflects the growth in the number of pensioners during the year and CPI uplifts to benefits in payment.
- 6.5 Management expenses are broken down in Note 11. Administration expenses have decreased from £2.5m to £2.4m due to the amount of bank interest received (£495k) during the year, offsetting staffing and other inflationary increases. Oversight and Governance costs have increased from £911k to £1.023m mainly due to additional investment consultancy work for the implementation of the new strategic asset allocation. Investment Management fees have decreased from £13.2m to £11.9m due to changes in investment holdings.

- 6.6 The Fund returned 10.7% net of fees on its investments, compared with a weighted benchmark return of 12.3%, resulting in a net market gain of £316.6m.
- 6.7 Investment income increased from £34.0m to £36.9m mainly due to large income distributions from JP Morgan Infrastructure and interest on cash deposits. Investment income is impacted by market performance, however, the main returns are reflected in market value increases.

**Annual Report**

- 6.8 The Scheme Advisory Board issued new Annual Report Guidance for Pension Funds in March 2024. The purpose of the new guidance is to assist local government pension funds with the preparation and publication of the pension fund annual report, as required by regulation 57 of the Local Government Pension Scheme Regulations 2013. It also aims to ensure that reporting across the scheme is consistent and provides comparable data for all funds.
- 6.9 The guidance applies to 2023-24 annual reports and later years. For annual reports covering 2023-24, funds have been advised to use their best endeavours to comply fully with this guidance.
- 6.10 The Annual Report draft is currently being finalised and will be subject to further refinement, external auditor oversight and accessibility checks and a final version for publication will be brought to the October Pension Committee.
- 6.11 The statutory date for publication of the Pension Funds Annual Report is 1st December.
- 6.12 The following terms are used for levels of compliance to the guidance:
  - 6.12.1 Must - Compliance is strongly expected. Any non-compliance should be clearly identified in the annual report and an explanation provided.
  - 6.12.2 Should - Compliance is anticipated but is discretionary. Where non-compliance may be significant or material for the readers the non-compliance should be identified and explained.
  - 6.12.3 May - Compliance is recommended but is discretionary.
- 6.13 The Fund is making the following changes to adhere to the new guidance, categorised by the above terms:

<b>Must</b>	<b>Should</b>	<b>May</b>
Includes a summary of administration activities, linked to the business plan, undertaken during the year	Actions taken to deliver the communications policy	Freedom of Information Request received during the year
Additional information included on Key Performance indicators, including casework, communications and engagement, resources, and data quality	More information included about the internal dispute resolution procedure (IDRP), The Pensions Ombudsman and the number of formal complaints received during the year (not through IDRP)	Table showing UK levelling up assets and % of total assets invested in levelling up assets

Further information on asset pooling and plans for the future.	Results from member and employer satisfaction surveys	
Table showing asset class split by pooled, under pooled governance and not pooled	Additional information on the roles of Committee and Board members and training that is required from each member.	
Table showing UK assets split by pooled, under pooled governance and not pooled.	Summary of activities carried out by Committee and Board during the year	
Net savings of pooling	Information on the Funds conflict of interest policy	
Value for Money statement	Breakdown of administration expenses	

6.14 In addition to the above, the annual report will include a summary report at the beginning of the document. This is being added to improve readability, make the report more engaging and signpost key information throughout the document.

6.15 A copy of the guidance can be found here: [Preparing the Pension Fund Annual Report - Guidance for Local Government Pension Scheme Funds \(APRIL 2024\) \(lgpsboard.org\)](https://www.lgpsboard.org/Preparing-the-Pension-Fund-Annual-Report-Guidance-for-Local-Government-Pension-Scheme-Funds-APRIL-2024)

## **7. Implications (including financial implications)**

### **7.1 Resources and financial**

7.1.1 There are no resources or financial implications arising from the proposals.

### **7.2 Legal**

7.2.1 The production of the Annual Report is a regulatory requirement and needs to be published by 1 December. As it is proposed that the Committee approves the Annual report its meeting in October, this will enable the Fund to meet the timescale for compliance.

### **7.3 Risk**

7.3.1 The mitigated risks associated with this report have been captured in the Fund’s risk register as detailed below –

Risk	Residual risk rating
Contributions to the Fund are not received on the correct date and/or for the correct amount	Amber
Failure to administer the scheme in line with regulations and guidance.	Green
Information may not be provided to stakeholders as required	Green
Those charged with governance are unable to fulfil their responsibilities effectively	Green

Risk of fraud and error	Green
Custody arrangements may not be sufficient to safeguard Pension Fund assets.	Green
Failure to administer the scheme in line with regulations and guidance.	Green
Pension Fund investments may not be accurately valued.	Green
Investment decisions and portfolio management may not achieve the return required or be performed in accordance with instructions provided.	Green
Incorrect production of accounts, notices, publications and management reports leading to possible financial and reputational damage.	Green

7.3.2 The executive summary of the Northamptonshire Pension Fund risk register can be found [here](#).

#### 7.4 Relevant Pension Fund objectives

7.4.1 The following objectives as per the Business Plan have been considered in this report -

7.4.1.1 To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies, and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.

To manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers.

7.4.1.3 To ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.

7.4.1.4 To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.

7.4.1.5 To administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration.

7.4.1.6 To maintain accurate records and ensure data is protected and used for authorised purposes only.

7.4.1.7 To promote the scheme as a valuable benefit.

7.4.1.8 To deliver accessible communications to stakeholders.

7.4.1.9 To provide scheme members with up-to-date information about the scheme in order that they can make informed decisions about their benefits.

7.4.1.10 To seek and review regular feedback from all stakeholders and use the feedback appropriately to shape the administration of the Fund.

#### 7.5 Consultation

7.5.1 The Pension Fund Accounts are produced utilising information and advice provided by Investment Managers, the Fund's Custodian Northern Trust and the Fund's Actuary, Hymans Robertson.

### 8. Background papers

8.1 None

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# Fund Account

31-Mar-23 £000	Notes	31-Mar-24 £000
<b>Dealings with members, employers and others directly involved in the fund:</b>		
-130,100	Contributions	-136,466
-16,937	Transfers in from other pension funds	-19,182
<b>-147,037</b>		<b>-155,648</b>
105,500	Benefits	117,931
10,648	Payments to and on account of leavers	13,638
<b>116,148</b>		<b>131,569</b>
<b>-30,889</b>	<b>Net (additions)/withdrawals from dealing with members</b>	<b>-24,079</b>
16,615	Management expenses	15,315
<b>-14,274</b>	<b>Net (additions)/withdrawals including fund management expenses</b>	<b>-8,764</b>
<b>Returns on investments:</b>		
-34,027	Investment income	-36,953
0	Taxes on income	27
166,048	(Profit) and losses on disposal of investments and changes in the value of investments	-316,633
<b>132,021</b>	<b>Net return on investments</b>	<b>-353,559</b>
<b>117,747</b>	<b>Net (increase)/decrease in the net assets available for benefits during the year</b>	<b>-362,323</b>
-3,367,746	Opening net assets of the scheme	-3,249,999
<b>-3,249,999</b>	<b>Closing net assets of the scheme</b>	<b>-3,612,322</b>

# Net Asset Statement

31-Mar-23		Notes	31-Mar-24
£000			£000
3,234,160	Investment assets		3,600,715
0	Investment liabilities		-158
<b>3,234,160</b>	<b>Total net investments</b>	Note 14	<b>3,600,557</b>
21,634	Current assets	Note 21	19,375
-5,795	Current liabilities	Note 22	-7,610
<b>15,839</b>	<b>Net current assets</b>		<b>11,765</b>
<b>3,249,999</b>	<b>Closing net assets of the scheme</b>	Note 17a	<b>3,612,322</b>

Notes on pages 70 to 100 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 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 172 (2023: 166) active employers within the Northamptonshire Pension Fund, including the Council itself.

	31-Mar-23	31-Mar-24
<b>Number of employers with active members</b>	166	172

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

<b>Number of employees in scheme:</b>	31-Mar-23	31-Mar-24
Administering Authority	5,309	5,221
Other employers	18,640	19,374
<b>Total</b>	<b>23,949</b>	<b>24,595</b>
<b>Number of pensioners:</b>		
Administering Authority	7,775	8,280
Other employers	10,639	10,852
<b>Total</b>	<b>18,414</b>	<b>19,132</b>
<b>Deferred pensioners:</b>		
Administering Authority	10,112	10,520
Other employers	17,740	18,807
<b>Total</b>	<b>27,852</b>	<b>29,327</b>
<b>Undecided leavers:</b>		
Administering Authority	2,695	2,130
Other employers	7,814	7,128
<b>Total</b>	<b>10,509</b>	<b>9,258</b>
<b>Total members</b>	<b>80,724</b>	<b>82,312</b>

# 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
<b>Pension</b>	Each year worked is worth 1/80 x final pensionable salary.	Each year worked is worth 1/60 x final pensionable salary.
<b>Lump Sum</b>	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 net Pension Fund liability is recalculated every three years by the appointed actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines.

The estimated liability is subject to significant variances based on changes to the underlying assumptions which are agreed with the actuary and have been summarised in Note 19 (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 net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rates at which salaries and pensions are projected to increase, changes in retirement ages, mortality rates and expected returns on Pension Fund assets. An independent firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied. The actuary has included the McCloud judgement within their calculation shown in Note 20 (disclosure only).
- **Effect if Actual Results Differ from Assumptions:** The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate assumption would result in an increase in the pension liability 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 £265.7m. 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 £182.8m to £348.6m.

## 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 £213.0m. 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 £185.7m to £240.3m.

## 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 £281.1m. 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 £237.3m to £325.0m.

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

By authority:

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

## 8. TRANSFERS IN FROM OTHER PENSION FUNDS

31-Mar-23	31-Mar-24
£000	£000
16,937 Individual transfers	19,182
<b>16,937</b>	<b>19,182</b>

## 9. BENEFITS PAYABLE

By category:

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

By authority:

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

## 10. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

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

## 11. MANAGEMENT EXPENSES

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

\*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
<b>Total</b>	<b>8,728</b>	<b>1,104</b>	<b>408</b>	<b>1,433</b>	<b>11,925</b>

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
<b>Total</b>	<b>9,792</b>	<b>1,778</b>	<b>459</b>	<b>1,192</b>	<b>13,221</b>

## 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
<b>34,027</b>		<b>36,953</b>



# Notes to the Pension Fund Accounts (continued)

## 14. INVESTMENTS

31-Mar-23		31-Mar-24
£000		£000
	<b>Investment assets</b>	
	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	281,137
242,990	Private equity	265,715
222,154	Infrastructure	213,000
	Derivative contracts	
0	• Futures	18
33,339	Cash deposits	67,934
315	Investment income due	1,136
0	Amounts Receivable for Sales	1,759
<b>3,234,160</b>	<b>Total investment assets</b>	<b>3,600,715</b>
	<b>Investment liabilities</b>	
	Derivative contracts	
0	Amounts payable for purchases	-158
<b>0</b>	<b>Total investment liabilities</b>	<b>-158</b>
<b>3,234,160</b>	<b>Net investment assets</b>	<b>3,600,557</b>

# 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	-11,860	281,137
Private equity	242,990	35,366	-12,484	-157	265,715
Infrastructure	222,154	1,566	-12,461	1,741	213,000
	<b>3,200,506</b>	<b>1,080,111</b>	<b>-986,326</b>	<b>235,577</b>	<b>3,529,868</b>
<b>Derivative contracts:</b>					
• Forward currency contracts	0	147	-1	-146	0
• Futures	0	7	-103	114	18
	<b>3,200,506</b>	<b>1,080,258</b>	<b>-986,327</b>	<b>235,431</b>	<b>3,529,886</b>
<b>Other investment balances:</b>					
• 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
<b>Net investment assets</b>	<b>3,234,160</b>				<b>3,600,557</b>

# Notes to the Pension Fund Accounts (continued)

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

	Market value 01-Apr-22	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Change in market value during the year	Market value 31-Mar-23
	£000	£000	£000	£000	£000
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
	<b>3,320,396</b>	<b>140,180</b>	<b>-94,849</b>	<b>-165,221</b>	<b>3,200,506</b>
<b>Derivative contracts:</b>					
• Forward currency contracts	0	4	-2	-2	0
	<b>3,320,396</b>	<b>140,184</b>	<b>-94,851</b>	<b>-165,223</b>	<b>3,200,506</b>
<b>Other investment balances:*</b>					
• 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
<b>Net investment assets*</b>	<b>3,354,758</b>				<b>3,234,160</b>

# Notes to the Pension Fund Accounts (continued)

## 14(b). INVESTMENTS ANALYSED BY FUND MANAGER

Market value 31-Mar-23		Market value 31-Mar-24		
£000	% of net investment assets	£000	% of net investment assets	
<b>Investments managed under Pooled Governance:</b>				
1,480,060	45.8	Waystone Management Limited	1,490,536	41.3
0	0.0	Aviva Investors	74,882	2.1
0	0.0	IFM Infrastructure	70,384	2.0
0	0.0	JP Morgan	59,732	1.7
0	0.0	Osmosis Investment Management	226,854	6.3
904,078	28.0	UBS Global Asset Management	1,042,094	28.9
<b>2,384,138</b>	<b>73.7</b>	<b>Total Investments managed under pool governance</b>	<b>2,964,482</b>	<b>82.3</b>
<b>Investments managed outside Pooled Governance:</b>				
107,325	3.3	Adams Street Partners	115,232	3.2
12,575	0.4	Allianz Global Investors	12,772	0.4
35,752	1.1	Ares Management	23,944	0.7
147,905	4.6	BlueBay Asset Management	0	0.0
585	0.0	Catapult Ventures	733	0.0
212,534	6.6	CBRE Global Investment Partners	207,528	5.7
135,080	4.2	HarbourVest Partners (UK)	149,753	4.2
67,556	2.1	IFM Infrastructure	0	0.0
59,492	1.8	JP Morgan	0	0.0
60,842	1.9	M&G Investments	92,114	2.6
10,376	0.3	Cash with custodian	33,999	0.9
<b>850,022</b>	<b>26.3</b>	<b>Total investments managed outside pool governance</b>	<b>636,075</b>	<b>17.7</b>
<b>3,234,160</b>	<b>100.0</b>	<b>Net investment assets</b>	<b>3,600,557</b>	<b>100.0</b>

- 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 31<sup>st</sup> March 2024.

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

## 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
<b>Assets</b>					
UK Equity Futures	Less than one year	0	0	160	6
Overseas Equity Futures	Less than one year	0	0	506	12
<b>Total Assets</b>					<b>18</b>
<b>Total Liabilities</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Futures</b>					<b>18</b>

## • 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.

Settlement	Currency bought	Local Value	Currency sold	Local Value	Asset Value	Liability Value
		Currency		Currency	£000	£000
<b>Total</b>					<b>0</b>	<b>0</b>
Net forward currency contracts at 31 March 2024						<b>0</b>
<b>Prior year comparative</b>						
Open forward currency contracts at 31 March 2023					<b>0</b>	
Net forward currency contracts at 31 March 2023						<b>0</b>

# 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	Level 1	Level 2	Level 3	Total
Financial assets at fair value through	£000	£000	£000	£000
Equities	226,054	0	0	226,054
Pooled investments	13,217	2,530,745	0	2,543,962
Pooled property investments	0	0	281,137	281,137
Private equity	0	0	265,715	265,715
Infrastructure	0	0	213,000	213,000
Derivatives	18	0	0	18
Cash and Cash Equivalents	67,934	0	0	67,934
<b>Net investment assets</b>	<b>307,223</b>	<b>2,530,745</b>	<b>759,852</b>	<b>3,597,820</b>

Values at March 2023	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss	£000	£000	£000	£000
Pooled investments	2,210	2,532,022	0	2,534,232
Pooled property investments	0	0	201,130	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
<b>Net investment assets</b>	<b>35,549</b>	<b>2,532,022</b>	<b>666,274</b>	<b>3,233,845</b>

# 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 out below.

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
<b>Quoted Equities</b>	Level 1	The published bid market price on the final day of the accounting period	Not required	Not required
<b>Cash and cash equivalents</b>	Level 1	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required
<b>Futures</b>	Level 1	Published exchange price at the year-end	Not required	Not required
<b>Pooled Investments</b>	Level 2	Net Asset Value / Bid Market Price.	Evaluated price feeds	Not required
<b>Pooled Investments</b>	Level 2	Average of broker prices.	Evaluated price feeds	Not required
<b>Forward Foreign exchange derivatives</b>	Level 2	Market forward exchange rates at theyear-end	Exchange rate risk	Not required
<b>Property</b>	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
<b>Private Equity</b>	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
<b>Infrastructure</b>	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	265,715	31.2	348,618	182,812
Infrastructure	213,000	12.8	240,264	185,736
Property funds	281,137	15.6	324,994	237,280
<b>Total Assets</b>	<b>759,852</b>		<b>913,876</b>	<b>605,828</b>

## 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	-6,097	5,940	265,715
Infrastructure	222,154	1,566	-12,461	1,976	-235	213,000
Property funds	201,130	98,309	-6,442	-9,204	-2,656	281,137
<b>Total</b>	<b>666,274</b>	<b>135,241</b>	<b>-31,387</b>	<b>-13,325</b>	<b>3,049</b>	<b>759,852</b>

# 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
<b>Financial assets</b>					
0	0	0	Equities	226,054	0
2,534,232	0	0	Pooled investments	2,543,962	0
201,130	0	0	Pooled property investments	281,137	0
242,990	0	0	Private equity	265,715	0
222,154	0	0	Infrastructure	213,000	0
0	0	0	Derivative contracts	18	0
33,339	14,109	0	Cash	67,934	10,229
0	0	0	Other investment balances	0	1,136
0	7,525	0	Debtors	0	10,905
<b>3,233,845</b>	<b>21,634</b>	<b>0</b>		<b>3,597,820</b>	<b>22,270</b>
<b>Financial liabilities</b>					
0	0	0	Derivative contracts	0	0
0	0	0	Other investment balances	0	0
0	0	-5,795	Creditors	0	0
<b>0</b>	<b>0</b>	<b>-5,795</b>		<b>0</b>	<b>0</b>
<b>3,233,845</b>	<b>21,634</b>	<b>-5,795</b>		<b>3,597,820</b>	<b>22,270</b>
		<b>3,249,684</b>	<b>Total</b>		<b>3,612,322</b>

# Notes to the Pension Fund Accounts (continued)

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

31-Mar-23 £000		31-Mar-24 £000
<b>Financial assets:</b>		
-165,221	Fair value through profit and loss	235,577
-747	Loans and receivables	81,214
0	Financial liabilities measured at amortised cost	0
<b>Financial liabilities:</b>		
-2	Fair Value through profit and loss	-32
-78	Loans and receivables	-126
0	Amortised cost – unrealised losses	0
<b>-166,048</b>	<b>Total gains/(losses)</b>	<b>316,633</b>

## 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:

<b>31-Mar-24</b>	<b>Value as at</b>	<b>% (rounded)</b>	<b>Value on</b>	<b>Value on</b>
<b>Asset Type</b>	<b>31-Mar-24</b>	<b>Change</b>	<b>Increase</b>	<b>Decrease</b>
	<b>£000</b>		<b>£000</b>	<b>£000</b>
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	281,137	15.6	324,994	237,280
Private Equity	265,715	31.2	348,618	182,812
Infrastructure	213,000	12.8	240,264	185,736
Cash and other investment balances	83,906	0.3	84,158	83,654
<b>Total Assets</b>	<b>3,600,557</b>		<b>4,109,010</b>	<b>3,092,104</b>

<b>31-Mar-23</b>	<b>Value as at</b>	<b>% (rounded)</b>	<b>Value on</b>	<b>Value on</b>
<b>Asset Type</b>	<b>31-Mar-23</b>	<b>Change</b>	<b>Increase</b>	<b>Decrease</b>
	<b>£000</b>		<b>£000</b>	<b>£000</b>
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
<b>Total Assets</b>	<b>3,234,160</b>		<b>3,765,350</b>	<b>2,702,970</b>

# 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 Asset Type	31-Mar-24
£000	£000
268,056 Index linked bonds	493,516
311,629 Multi Asset Credit	513,957
<b>579,685 Total</b>	<b>1,007,473</b>

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

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

# 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
<b>Total</b>	<b>6,614</b>	<b>6,679</b>	<b>6,549</b>

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
<b>Total</b>	<b>3,967</b>	<b>4,007</b>	<b>3,927</b>

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 £000	Potential market movement £000	Value on increase £000	Value on decrease £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
<b>Total</b>	<b>1,891,974</b>	<b>125,111</b>	<b>2,017,085</b>	<b>1,766,863</b>

Assets exposed to currency risk	Value at 31-Mar-23 £000	Potential market movement £000	Value on increase £000	Value on decrease £000
Overseas equities - hedged	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
<b>Total</b>	<b>1,570,287</b>	<b>132,282</b>	<b>1,702,569</b>	<b>1,438,005</b>

## 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
<b>Money market funds</b>			
Northern Trust Global Investors Global Cash Fund	AAAm	33,295	43,213
<b>Bank deposit account</b>			
Barclays Bank	A-1	14,109	10,229
<b>Bank current accounts</b>			
Northern Trust custody accounts	A-1+	44	24,721
<b>Total</b>		<b>47,448</b>	<b>78,163</b>

## 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 £760m, which represented 21.0% 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	Active and Deferred Members	Current Pensioners	Current Pensioners
	Male	Female	Male	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		31-Mar-24
£m		£m
-3,136	Present value of promised retirement benefits	-3,243
3,249	Fair value of scheme assets (bid value)	3,612
<b>113</b>	<b>Net Assets</b>	<b>369</b>

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	Assumption	31-Mar-24
% p.a.		% 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
<b>Debtors:</b>	
1,850 Contributions due – members	2,069
5,505 Contributions due – employers	6,515
170 Other debtors	562
<b>7,525</b>	<b>9,146</b>
14,109 Cash balances	10,229
<b>14,109</b>	<b>10,229</b>
<b>21,634</b>	<b>19,375</b>

## 22. CURRENT LIABILITIES

31-Mar-23 £000	31-Mar-24 £000
818 Benefits payable	1,558
4,977 Other creditor	6,052
<b>5,795</b>	<b>7,610</b>

## 23. ADDITIONAL VOLUNTARY CONTRIBUTIONS

31-Mar-23 £000	31-Mar-24 £000
5,234 Prudential	5,485
545 Standard Life	513
<b>5,779</b>	<b>5,998</b>

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
<b>2,233</b>	<b>2,356</b>

# 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: £1.5k 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, 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 Assistant Director of Finance at West Northamptonshire Council, whose costs are reported in the West Northamptonshire Council statement of accounts. Other key personnel include the Section 151 Officer.

31-Mar-23	31-Mar-24
£000	£000
59 Short-term benefits	67
-201 Post-employment benefits	42
<b>-142</b>	<b>109</b>

# 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.

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

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

Existing employer	Case status	Exit date	Cessation surplus	Exit credit value	Case progress details
Kier (May Gurney)	Complete	11/09/2022	£2,519,000	Nil	Exit credit was determined to be Nil on 11/06/2024
WSP Management Service	Complete	11/09/2022	£6,880,000	Nil	Exit credit was determined to be Nil on 11/06/2024
Kier (Fleet and Passenger)	Complete	31/12/2022	£2,042,000	Nil	Exit credit was determined to be Nil on 11/06/2024
Birkin Cleaning Services (Tove Learning Trust)	Complete	31/01/2023	£122,000	£18,000	Exit credit was determined to be £18,000 on 21/06/2024. The exit credit will be paid within 30 days from the determination date.

## 27. CONTINGENT ASSETS

8 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.

# Notes to the Pension Fund Accounts (continued)

## 28. ASSET POOLING

The Northamptonshire Pension Fund has joined with ten other Local Government Pension Schemes (LGPS) Administering Authorities to form 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 £Xbn (of which X% has been pooled) serving X employers with X million members including X 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](#).



Meeting date	Agenda item 08	Lead officer	
<b>July 2024 PFC</b>	Multiple Investment Strategies	C Blose	
	Annual Report and Statement of Accounts	B Barlow	
	Annual Investment Review <b>exempt</b>	B Barlow	
	Annual Investment Consultancy Provider Review <b>exempt</b>	B Barlow	
<b>October 2024 PFC</b>	Administration Report [standing item]	M Oakensen	
	Business Plan Update [standing item]	M Whitby	
	Governance and Compliance Report [standing item]	M Oakensen	
	Employer Admission and Cessation Report [standing item]	C Blose	
	Northamptonshire Pension Fund Committee Effectiveness Review [review]	M Oakensen	
	Code of Practice compliance and action plan [review]	M Oakensen	
	Dashboard Update & Matching Criteria Policy	M Oakensen	
	Overpayment of Pension Entitlement Policy [approval]	M Oakensen	
	AVC Framework Review	M Oakensen	
	ACCESS Update [standing item] <b>exempt</b>	M Whitby	
	<b>December 2024 PFC</b>	Administration Report [standing item]	M Oakensen
		Business Plan Update [standing item]	M Whitby
<b>Page 57</b>	Governance and Compliance Report [standing item]	M Oakensen	
	Employer Admission and Cessation Report [standing item]	C Blose	

Meeting date	Agenda item 08	Lead officer
	Annual Report and Statement of Accounts [to note]	B Barlow
	External Audit Plan	F Coates
	Training Strategy [approval]	M Oakensen
	EDI Policy [approval]	M Oakensen
	Admission Bodies, Scheme Employers and Bulk Transfer Policy [approval]	C Blose
	Cyber Strategy [approval] – exempt	M Oakensen
	Risk Strategy [approval]	M Oakensen
	Risk Monitoring [standing item] – exempt	M Oakensen
	ACCESS Update [standing item] exempt	M Whitby
<b>March 2025 PFC</b>	Administration Report [standing item]	M Oakensen
	Business Plan Update [standing item]	M Whitby
	Governance and Compliance Report [standing item]	M Oakensen
	Annual Business Plan and Medium-Term Strategy [to approve]	M Whitby
	Employer Admission and Cessation Report [standing item]	C Blose
	Communication Plan [approval]	C Blose
	Payment of Employee and Employer Pension Contributions Policy [approval]	F Coates
	Investment Strategy Statement	B Barlow
<b>Page 58</b>	Multiple Investment Strategies	B Barlow
	Anti-Fraud and Corruption Policy [approval]	M Oakensen

Meeting date	Agenda item 08	Lead officer
	ACCESS Update [standing item] exempt	M Whitby

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