

# CAMBRIDGESHIRE PENSION FUN

## Pension Fund Board

Date: 4 November 2022

Report by: Head of Pensions

Subject: Pension Fund Annual Business Plan Update report  
2022/23

Purpose of the Report: To present the Business Plan Update.

Recommendation: The Pension Fund Board is asked to note the Business  
Plan Update.

Enquiries to: Mark Whitby, Head of Pensions  
[mark.whitby@westnorthants.gov.uk](mailto:mark.whitby@westnorthants.gov.uk)

## 1. Background

- 1.1 Good governance requires that updates to the pre-agreed Annual Business Plan and Medium-Term Strategy are provided to the Pension Fund Board on a regular basis. This update highlights the progress made on the key activities for the period.

## 2. Executive summary

- 2.1 The Cambridgeshire Pension Fund have for many years considered it good governance to have in place a Business Plan and Medium-Term Strategy that is agreed annually and regularly monitored by the committee and board.
- 2.2 The report summarises the progress made on each activity for the period under review.
- 2.3 Section 3 of this report provides a progress update for each business plan activity. The table below provides an overview of the RAG status of each activity.

Paragraph	Activity	RAG status
3.1	Extend the existing contract and re-tender for actuarial consultancy services	Green
3.2	Extend the existing contract and re-tender for benefits and governance consultancy services	Green
3.3	Extend existing contract and re-tender for legal services provider	Green
3.4	Re-tender for pensions administration and pensioner payroll platform	Green
3.5	Continue to develop the Fund's Cyber Strategy	Green
3.6	Review and implement changes required from the Pension Regulator's new Code of Practice	Amber
3.7	Implement the best practice recommendations of the Scheme Advisory Board's good governance review	Amber
3.8	Complete the Guaranteed Minimum Pension Rectification	Green
3.9	Application of the McCloud age discrimination remedy	Green
3.10	Processing of undecided leaver records	Amber
3.11	Complete the 2022 Valuation of the Pension Fund	Green
3.12	Prepare for the implementation of Pension Dashboards	Green
3.13	Continue development of the ACCESS asset pool	Green
3.14	Decarbonisation and improved stewardship reporting	Green
3.15	Review the Fund's Property Investment Strategy	Green
3.16	Review of website and digital communications	Amber
3.17 (NEW)	Review the Investment Strategy and Strategic Asset Allocation	Green
3.18 (NEW)	Private Equity Review	Green

- 2.4 Two new activities as described in paragraphs 3.17 and 3.18 have been added to the business plan. The Pension Fund Committee approved these additional activities at the meeting of 25 October 2022.
- 2.5 The tables in Appendix A provide an update of the Pension Fund account, investment and administration income and expenditure against the cash flow projection outlined in the Annual Business Plan as agreed by the Pension Fund Committee in March 2022. There are no material variances identified.
- 2.6 The link to the full Business Plan approved by the Committee in March 2022 is provided in Section 12 for full context and reference.

### 3. Procurement of Services

#### 3.1 Extend the existing contract and re-tender for actuarial consultancy services

3.1.1 Activity: To extend the existing contract and re-tender for actuarial consultancy services currently with Hymans Robertson due to expire on 31 March 2024 (following extension).

##### 3.1.2 Key milestones:

Key Milestones	Dates	On target for completion?
Extend contract	January 2023	On target
Register to access national LGPS Frameworks	August 2023	On target
Draft specification of services required and associated documentation	August 2023 to September 2023	On target
Issue invitation to tender to suppliers on the Framework	October 2023	On target
Evaluate tender responses	November 2023 to December 2023	On target
Award contract	January 2024	On target

3.1.4 Update: No activity to report for the period.

#### 3.2 Extend the existing contract and re-tender for benefits and governance consultancy services

3.2.1 Activity: To extend the existing contract and re-tender for the supplier of benefits and governance consultancy services currently with Aon due to expire 31 March 2024 (following extension).

##### 3.2.2 Key milestones:

Key Milestones	Dates	On target for completion?
Extend contract	January 2023	On target
Register to access national LGPS Frameworks	January 2023	On target
Draft specification of services required and associated documentation	January 2023 to February 2023	On target
Issue invitation to tender to suppliers on the Framework	March 2023	On target
Evaluate tender responses	May 2023 to June 2023	On target
Award contract	July 2023	On target

3.2.3 Update: No activity to report for the period.

### 3.3 Extend existing contract and re-tender for legal services provider

3.3.1 Activity: To extend the existing contract with Squire Patton Boggs to February 2024 and re-tender for a legal services provider.

#### 3.3.2 Key milestones:

Key Milestones	Dates	On target for completion?
Extend existing contract	January 2023	On target
Register to access national LGPS Frameworks	January 2023	On target
Draft specification of services required and associated documentation	July 2023 to August 2023	On target
Issue invitation to tender to suppliers on the Framework	September 2023	On target
Evaluate tender responses	October 2023 to November 2023	On target
Award contract	December 2023	On target

3.3.3 Update: No activity to report for the period.

### 3.4 Re-tender for pensions administration and pensioner payroll platform

3.4.1 Activity: To re-tender for pensions administration and pensioner payroll platform currently with Heywood that is due to cease in September 2024.

#### 3.4.2 Key milestones:

Key Milestones	Dates	On target for completion?
Soft market testing and discussions with other Funds	April 2022 to December 2022	Complete
Obtain and complete National LGPS Framework documents	September 2022	Complete
Develop tender documents	January 2023 to March 2023	On target
Undertake framework procurement	April 2023 to September 2023	On target
Award contract to successful provider	October 2023	On target
Business process re-engineering and systems development (if new supplier)	October 2023 to September 2024	On target
Contract commences	October 2024	On target

Update: All relevant forms have been obtained from the National LGPS Frameworks and have been completed to allow access to the framework. The next stage is to

develop the tender documents in line with the planned schedule. Consultation is under way with Procurement, Legal and Data Protection teams.

## Core governance activities

### 3.5 Continue to develop the Fund's Cyber Strategy

3.5.1 Activity: Cyber-crime continues to evolve and become increasingly sophisticated and as such the cyber strategy and action plan developed in 2021/22 will need to be regularly reviewed and new activities added as time goes on.

3.5.2 Key milestones:

Key Milestones	Dates	On target for completion?
Ongoing monitoring and development of the cyber strategy and action plan evidenced by a separate agenda item at each meeting of the Pension Fund Committee and Pension Fund Board.	2022/23	On target

3.5.3 Update: Activities on the cyber strategy, data and asset mapping, cyber security surveys for main suppliers and cyber security awareness training have all been completed. Updates on the hygiene guidelines, phishing exercise, cyber security surveys for other suppliers and incident response plan will be provided as a separate agenda item at this meeting.

### 3.6 Review and implement changes required from the Pension Regulator's new Code of Practice

3.6.1 Activity: The new code of practice was expected to come into force summer 2022 following a delay from the Pensions Regulator. The fund will have six months to achieve full compliance with its contents.

3.6.2 Key milestones:

Key Milestones	Dates	On target for completion?
Develop an action plan of changes required on launch of code of practice	Rescheduled to Autumn 2022 (Summer 2022)	Dependent upon release of the Code.
Present action plan	Pension Fund Committee December 2022 (October 2022) /Local Pension Board January 2022 (November 2022)	Rescheduled based on the above
Present update on progress on action plan	Local Pension Board April 2023 (February 2023)/Pension Fund	Rescheduled based on above

	Committee June 2023 (March 2023)	
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Update: The Pension Regulator's new code of practice was due to come into force in November 2021 but has been postponed until Autumn 2022. Once the code comes into effect the fund will have 6 months to achieve full compliance.

### 3.7 Implement the best practice recommendations of the good governance review

3.7.1 Activity: There has been no further progress on any of the recommendations either by the Department for Levelling Up, Housing and Communities (DLUHC) or the Scheme Advisory Board (SAB).

3.7.2 Key milestones:

Key Milestones	Dates	On target for completion?
Develop an action plan to implement the best practice activities	May 2022	Dependent upon when the Scheme Advisory Board resume focus on the workplan
Present action plan and Conflicts of Interest Policy	Pension Fund Committee December 2022 /Local Pension Board January 2023 (July 2022)	Rescheduled to allow for training prior to approving the policy
Present update on progress on action plan	Local Pension Board February 2023/ Pension Committee March 2023	Dependent upon SAB as above
Implementation of activities requiring SAB and DLUHC guidance	Dates to be confirmed upon receipt of further information	Dependent upon SAB as above

3.7.3 Update: There has been no activity from the SAB or DLUHC in this area since February 2021. Once the Scheme Advisory Board provides further details on the recommendations the fund will develop an action plan. The approval of Conflicts of Interest Policy by the Pension Fund Committee has been rescheduled to December 2022 to allow for a training session to be held in advance.

### Scheme member and data projects

### 3.8 Complete the Guaranteed Minimum Pension Rectification

3.8.1 Activity: To complete the rectification stage for scheme members, making adjustments to pensions in payment where necessary.

### 3.8.2 Key milestones:

Key Milestones	Dates	On target for completion?
Manual rectification of outstanding records.	April 2022 to March 2023	On target

3.8.3 Update: As at September 2022, approximately 550 cases requiring rectification of a scheme member's pension in payment remain outstanding. The project remains on target to complete by 31 March 2023.

## 3.9 Application of the McCloud age discrimination remedy

3.9.1 Activity: To rectify the pension records of scheme members within scope of the McCloud ruling following the implementation of the age discrimination remedy once legislation is in place.

### 3.9.2 Key milestones:

Key Milestones	Dates	On target for completion?
Data sheets returned from scheme employers	February 2022 to April 2022	Complete
Data sheets checked by fund	May 2022 to July 2022	Complete
Uploading of revised scheme member data	August 2022 to March 2023	In progress
Devise communication plan for scheme members and scheme employers	November 2022	On target
Undertake scheme member record preparations to identify in scope members in readiness for the application of the underpin	April 2023 to September 2023	On target
Application of the revised underpin following release of amended LGPS Regulations	October 2023 onwards	On target

3.9.3 Update: DHCLG have recently announced that they expect draft regulations to be issued in late 2022, followed by a consultation in early 2023. As a result, this activity has been realigned accordingly and several new milestones added. This activity is being run on a full project basis with a number of separate workstreams and a detailed project plan.

## 3.10 Processing of undecided leaver records

3.10.1 Activity: To reduce the backlog by 2,500 cases per year for the next three years from a baseline of approximately 9,500 cases at the beginning of April 2022.

### 3.10.2 Key milestones:

Key Milestones	Dates	On target for completion?
Re-baseline project	April 2022	Complete

Reduce cases by 2,500	April 22 to March 23	On target
Reduce cases by a further 2,500	April 2023 to March 2024	On target
Reduce cases by a further 2,500 to a business as usual baseline	April 2024 to March 2025	On target

3.10.3 Update: As at 31 August 2022, the number of unprocessed leavers ringfenced as backlog had decreased by approximately 1,360 from the baseline in April 2022. However, the service has not been able to keep on top of business as usual (BAU) cases meaning some have become aged and therefore the overall number of cases >6 months old has only decreased by circa 500 cases. Further resource is being added to the BAU team and bulk processing was rolled out to this team in September 2022.

### 3.11 Complete the 2022 Valuation of the Pension Fund

3.11.1 Activity: The valuation date is 31 March 2022, and the work is carried out during 2022/23 with results to be published by 31 March 2023 and new employer contribution rates effective from 1 April 2023.

3.11.2 Key milestones:

Key Milestones	Dates	On target for completion?
Provision, validation and sign-off of valuation data	July 2022 – August 2022	Complete
Provision of whole Fund results by Fund Actuary	September 2022	Complete
Discuss whole Fund results with Committee	October 2022	On target
Committee to approve Funding Strategy Statement for consultation	October 2022	On target
Funding Strategy Statement issued for consultation	November 2022	On target
Issue draft employer results and contribution strategies to scheme employers	November 2022 to December 2022	On target
Committee to approve final Funding Strategy Statement	December 2022	On target
Consultation and discussions with employers to agree contribution strategies	December 2022 – February 2023	On target
Publication of final valuation report and certified contribution rates	31 March 2023	On target

3.11.3 Update: All valuation activities are on target or completed. Membership data has been provided to the actuary, reviewed and signed off for use in the valuation. An update on the valuation will be presented as a separate agenda item at this meeting.



### 3.12 Prepare for the implementation of Pension Dashboards

3.12.1 Activity: To prepare for the implementation of Pension Dashboards by 30 September 2024.

3.12.2 Key milestones:

Key Milestones	Dates	On target for completion?
Work with the Pensions Administration Software supplier to connect to a Pensions Dashboard by the deadline of 30 September 2024.	April 2022 – September 2024	On target
Devise project plan and workstreams to prepare for connection to the Dashboard with clean value data.	October to November 2022	On target
Connect to the Pension Dashboard	By 30 September 2024	On target
Provide value data to the Pension Dashboard	By 1 April 2025	On target

3.12.3 Update: Recently issued draft regulations have extended the staging date for LGPS Funds to connect to a pensions dashboard to 30 September 2024 to allow for the remedial work of McCloud to be completed. Data must be available on the dashboard by 1 April 2025. The release of the draft regulations has provided more detailed information as to what is required of pension funds and as such this activity has been initially rescoped. It is expected that this activity will be rescoped further once a project plan has been established.

#### Investment related activities

### 3.13 Continue development of the ACCESS asset pool

3.13.1 Activity: The ACCESS pool has recently appointed MJ Hudson as Implementation Adviser for Illiquid Assets. During 2022/23 MJ Hudson will be implementing pooled solutions for investing in Illiquid assets. Due to the illiquid nature of this asset class, migration of the fund's assets may take several years.

3.13.2 Key milestones:

Key Milestones	Dates	On target for completion?
Transition into the new Multi Asset Credit sub fund	By 31 March 2023	On target
Produce plan for investing in illiquid assets in the pooled solution	By 31 March 2023	On target

3.13.3 Update: Following data collection and analysis on non-listed assets by MJ Hudson across ACCESS pool members, Real Estate (Property) has been approved by the ACCESS Joint Committee (AJC) as the first asset class to be progressed. Hampshire County Council have been appointed as the procurement lead and procurement documents have been developed and are currently being finalised. MJ

Hudson have prepared a document, for consideration by ACCESS pool members, detailing the proposed running order for the procurement of remaining non-listed asset classes.

### 3.14 Decarbonisation and improved stewardship reporting

3.14.1 Activity: During 2022/23 the fund is planning to commence the transition to a more sustainable portfolio by reviewing its passive equities mandates and commence Task Force on Carbon-Related Financial Disclosures (TCFD) reporting. The fund will also prepare its first submission under the UK Stewardship Code.

#### 3.14.2 Key milestones:

Key Milestones	Dates	On target for completion?
Draft TCFD report to be included in Fund annual report	December 2022	In progress
Commence implementation of decarbonisation changes to passive and active equity mandates	December 2022	On target
Draft Stewardship Code submission presented to the Investment Sub Committee	March 2023	On target

3.14.3 Update: It was agreed with the Pension Fund Committee that the Fund's TCFD position will be reported within the 21/22 Statement of Accounts which is currently being finalised.

The Pension Fund has developed a Climate Action Plan which includes approved decarbonisation targets to reduce carbon emissions with the aim of achieving net zero by 2050 or earlier. Progress against the plan is shown in Appendix B.

Implementation of decarbonisation changes to passive mandates is progressing well with new passively managed options presented to Investment Sub-Committee members in September, with a decision planned for the November Sub-Committee meeting. Active equity fund managers have been engaged with and made aware of the intentions of the fund.

### 3.15 Review the Fund's Property Investment Strategy

3.15.1 Activity: A review of the mandate will be undertaken, including consideration of possible enhancements to the property strategy, especially considering the expected benefits arising from the pooling agenda.

#### 3.15.2 Key milestones:

Key Milestones	Dates	On target for completion?
Report on strategy review presented to Investment Sub Committee	November 2022	On target
Implement required asset class changes from property review	December 2022 – March 2023	On target

Communicate Fund's new requirements to the ACCESS illiquid asset programme	December 2022	On target
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3.15.3 Update: A property portfolio review covering the target split across real estate styles, sectors, geographies, and implementation route/timeline was presented at the September 2022 ISC for consideration. This review will help shape the fund's Property Investment Strategy and feed into the fund's overall Investment Strategy Review which will agree target allocations across all asset classes.

## Communications

### 3.16 Review of website and digital communications during 2022/23

3.16.1 Activity: The Pension Fund's web offering will be reviewed to assess whether the website is still fit for purpose and alternative options available to meet the needs of the Fund's stakeholders.

#### 3.16.2 Key milestones:

Key Milestones	Dates	On target for completion?
Initial engagement with key stakeholders and agreement of project objectives	April 2022 – June 2022	Completed (August) – Delay from initial target date due to resource constraints within the WNC Digital team.
Review of initial engagement including mapping of user journeys and key insights	July 2022 – August 2022	Complete
Investigation into any identified "pain points" identified by user groups and identification of any further areas for improvement	Rescheduled to September – October 2022 (August 2022 - September 2022)	On target
Stakeholder demonstration of new user journeys and prototype web pages/functions	Rescheduled to October – November 2022 (September 2022 – October 2022)	On target

Presentation of key recommendations to officers	Rescheduled to November – December 2022 (October 2022 – November 2022).	On target
Present outcomes and recommendations to Committee	March 2023	On target

3.16.3 Update: Due to resource constraints within the WNC Digital team the timeline was pushed back a month but is still on target to report back to the Pension Fund Board in March 2023. At the initial engagement meeting the key objectives, project team roles, communication methods, high level timeline and stakeholder mapping were agreed. Workshops were held throughout August to identify areas of use, struggle, and need / like-to-have for each website for the Pension Fund's stakeholders.

### New Activities following approval of the Business Plan

## 3.17 Review the Investment Strategy and Strategic Asset Allocation

3.17.1 New Activity: The fund must review its investment strategy and strategic asset allocation (SAA) once the outcomes of the triennial valuation process is known. This will ensure the fund's investment approach is appropriately aligned with its funding strategy and that the fund can pay liabilities as they fall due over time.

It is proposed for this exercise is to be undertaken with the full Pensions Committee, supplemented by virtual training where required.

### 3.17.2 Key milestones:

Key Milestones	Dates	On target for completion?
Development of revised Investment Strategy/SAA by officers and advisors	November to December 2022	On target
Investment Strategy Training to Pension Fund Committee	January 2023	On target
Revised Investment Strategy/SAA approved by Pension Fund Committee	March 2023	On target
Implementation of revised Investment Strategy Statement	2023 onwards	On target

3.17.3 Costs: The estimated consultancy costs of the review including training is £12.5k. These costs are included in the agreed governance costs for the year.

3.17.4 Update: This is a future activity.

### 3.18 Private Equity Review

3.18.1 New Activity: The fund has a strategic asset allocation (SAA) for Private Equity of 5% within an overall allocation to Alternative assets of 25%. In order to maintain this the Fund must make regular private equity commitments.

To ensure the continued suitability of the portfolio, a deeper fundamental portfolio review covering exposures, risks and opportunities needs to be undertaken. This will also include modelling of expected commitment levels and deployment rates.

3.18.2 Key milestones:

Key Milestones	Dates	On target for completion?
Private Equity Portfolio Review	December 2022 to January 2023	On target
Investment Sub Committee approve future private equity commitments	February 2023	On target
Implementation of agreed private equity commitments	March 2023 onwards	On target

3.18.3 Costs: The estimated consultancy costs of the review and commitment planning is £15k, with expected minor input into implementation billed at time-cost. These costs are included in the agreed governance costs for the year.

3.18.4 Update: This is a future activity.

## 4. Relevant Fund objectives

4.1 To continually monitor and measure clearly articulated objectives through business planning.

## 5. Risk Management

5.1 The Pension Fund Committee approves the Annual Business Plan and Medium-Term Strategy every March for the upcoming year. The plan highlights the key activities of the Fund, and the progress of these activities are reported through the Business Plan Update reports provided to the Pension Fund Committee and Pension Fund Board at every meeting.

5.2 The risks associated with failing to monitor progress against the Business Plan have been captured in the Fund's risk register as detailed below:

Risk	Residual risk rating
Those charged with the governance are unable to fulfil their responsibilities effectively	Green
Failure to provide relevant information to the Pension Committee/Pension Board to enable informed decision making.	Green
Pension Fund objectives not defined and agreed	Green

- 5.3 Please see the [Cambridgeshire Pension Fund Risk Register Executive Summary](#).
6. Communication Implications
- The Business Plan Update will be presented to the Pension Fund Committee and Pension Fund Board at each meeting.
7. Finance & Resources Implications
- 7.1 Any updated financial implications are set out in the relevant activities.
8. Legal Implications
- 8.1 Not applicable
9. Consultation with Key Advisers
- 9.1 Consultation with the Fund's advisers was not required for this report.
10. Alternative Options Considered
- 10.1 Not applicable
11. Background Papers
- 11.1 [Cambridgeshire Pension Fund Business Plan and Medium-Term Strategy](#)
12. Appendices
- 12.1 Appendix A – Variances against the forecast of investments and administration expenses based on original setting of assumptions.
- 12.2 Appendix B – Climate Action Plan

### Checklist of Key Approvals

Checklist of Key Approvals	
Has this report been cleared by Head of Pensions?	Mark Whitby – 27 September 2022

Appendix A – Variances against the forecast of investments and administration expenses based on original setting of assumptions

Fund Account	2022/23 Estimate	2022/24 Forecast	Variance	Comments
	£000	£000	£000	
Contributions	135,000	138,000	3,000	Contributions in line with current membership numbers Demand led
Transfers in from other pension funds	8,000	11,000	3,000	
<b>Total income</b>	<b>143,000</b>	<b>149,000</b>	<b>6,000</b>	
Benefits payable	(121,000)	(121,000)	-	
Payments to and on account of leavers	(10,000)	(9,000)	1,000	
<b>Total Payments</b>	<b>(131,000)</b>	<b>(130,000)</b>	<b>1,000</b>	
Net additions/(withdrawals) from dealings with members	<b>12,000</b>	<b>19,000</b>	<b>7,000</b>	
Management Expenses	(4,555)	(4,595)	(40)	See below
<b>Total income less expenditure</b>	<b>7,445</b>	<b>14,405</b>	<b>6,960</b>	
Investment income	30,000	31,000	1,000	Actual income received to September 2022 plus two estimated quarters
Taxes on income	-	-	-	
profit and (losses) on disposal of investments and changes in the market value of investments	169,000	(120,000)	(289,000)	Actual Q2 return followed by actuarial long term growth assumption
<b>Net return on investments</b>	<b>199,000</b>	<b>(89,000)</b>	<b>(288,000)</b>	
<b>Net increase/(decrease) in the net assets available for benefits during the year</b>	<b>206,445</b>	<b>(74,595)</b>	<b>(281,040)</b>	

<b>Management Expenses</b>	<b>2021-22 Estimate</b>	<b>2021-22 Forecast</b>	<b>Variance</b>	<b>Comments</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Total Administration Expenses	(2,674)	(2,782)	(108)	See below
Total Governance Expenses	(900)	(815)	85	Forecasts for consultancy and actuarial fees are currently lower than expected
Total Investment Invoiced Expenses	(981)	(998)	(17)	Outperformance of property mandate resulting in higher than expect investment manager costs
<b>Total Management Expenses</b>	<b>(4,555)</b>	<b>(4,595)</b>	<b>(40)</b>	

<b>Administration Expenses Analysis</b>	<b>2021-22 Estimate</b>	<b>2021-22 Forecast</b>	<b>Variance</b>	<b>Comments</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Staff Related	(1,647)	(1,755)	(108)	Budget based on estimated 22/23 pay rates, higher than expected pay awards received. Expected vacancies to be filled during the next quarter
Altair administration and payroll system	(398)	(398)	-	
Data assurance	(45)	(45)	-	
Communications	(41)	(41)	-	
Other Non-Pay and Income	(16)	(16)	-	
County Council Overhead Recovery	(527)	(527)	-	
<b>Total Administration Expenses</b>	<b>(2,674)</b>	<b>(2,782)</b>	<b>(108)</b>	



## Appendix B – Climate Action Plan

### Climate Action Plan

#### Calendar Year

#### Quarter 1 2022

Agree decarbonisation pathway and targets that align the beliefs and ambitions of the Investment Sub Committee (ISC) . The ISC agreed target reductions in absolute carbon emissions of the Fund's listed equity holdings of at least: <ul style="list-style-type: none"> <li>• 23% from June 2021 baseline by 2024</li> <li>• 57% from June 2021 baseline by 2030</li> </ul>	✓
Communicate agreed targets and aspirations to investment managers	✓
Instruct advisers to investigate high level approaches to climate aware passive equity investing	✓
Publish Climate Action Plan	✓

#### Quarter 2/3 2022

ISC receive training on strategic options to decarbonise the Pension Fund's active equity portfolio, including setting targets for existing managers and considering sustainable and impact equity and/or UN Sustainable Development Goals (SDG) alignment	✓
ISC receive report on high level climate aware passive equity options	✓

#### Quarter 3/4 2022

Receive implementable proposal on carbon aware passive equity portfolio	
ISC review and approve the Pension Fund's initial report complying with the requirements of the Task-Force on Climate-Related Financial Disclosures (TCFD)	
Engage with existing active equity managers around decarbonisation approaches	
Engage with private asset managers to improve carbon data provision for portfolios and increased ESG integration	
Engage with ACCESS on sustainable/impact equity managers (based on Committee preferences following Q2 discussion)	
Consider draft UK Stewardship Report ahead of submission to the Financial Reporting Council (FRC)	
Implement carbon aware passive equity in Q4 2022	

## 2023

ISC consider proposals to include fixed income portfolio including Multi-Asset Credit (MAC) and credit portfolios in climate reporting and target setting	
ISC receive report on availability of data and approach on alternatives assets	
ISC consider proposals for impact investing	
Continuation of the work with active managers to implement carbon reduction measures and increase the sustainability of the portfolios they manage	

## 2024

ISC consider feasibility of including Scope 3 within emissions reduction reporting and targets	
ISC consider proposals to extend climate reporting and target setting to private asset classes	
ISC review progress made to date against targets and reset short-term and long-term targets	
Pension Committee consider appropriateness of adopting “net zero by 2045” or earlier aspiration as a firm long-term target (replacing “2050 or earlier”)	
Continuation of the work with active managers to implement carbon reduction measures and increase the sustainability of the portfolios they manage	