

Cambridgeshire Pension Fund

Pension Fund Committee.

Date: 6 June 2024

Report by: Head of Pensions

Subject: Pension Fund Annual Business Plan Update report 2024-25

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

Recommendation: The Pension Fund Committee is asked to:
1) note the Business Plan Update.

Enquiries to: Mark Whitby
Head of Pensions
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 Committee and 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 has 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.

2.4 The tables in appendix 1 provide an update of the 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 2024. There are no material variances identified.

2.5 The link to the full Business Plan approved by the Committee in March 2024 is provided in section 11 for full context and reference.

3. RAG status of Business Plan activities

3.1 The below table provides the progress made against each activity for this reporting period:

Paragraph	Activity	RAG status
4.1 – 4.3	Extend the contract with the current supplier of address and mortality screening services and have a new solution in place from 1 April 2025.	Amber
4.4 – 4.6	Procure an Integrated Service Provider (ISP).	Amber
4.7 – 4.9	Investment Consultant Contract.	Green
4.10 – 4.12	Review and implement changes required from the Pension Regulator’s new General Code of Practice.	Green
4.13 – 4.15	Implement the best practice recommendations of the good governance review.	Green
4.16 – 4.18	Prepare for the implementation of Pension Dashboards.	Green
4.19 – 4.21	Continue to review cyber resilience.	Green
4.22 – 4.24	Implement equality, diversity and inclusion (EDI) best practices.	Green
4.25 – 4.27	Review the National LGPS Framework for Additional Voluntary Contribution Services (AVC).	Green
4.28 – 4.30	McCloud remedy rectification.	Green
4.31 – 4.33	Processing of undecided leaver records.	Amber
4.34 – 4.36	Explore the upgraded member self-service portal, Heywood Engage.	Green
4.37 – 4.39	Continue development of the ACCESS asset pool.	Green
4.40 – 4.42	Continue activities within the Fund’s Climate Action Plan.	Green
4.43 – 4.45	Continue with the development of the website.	Green
4.46 – 4.48	Prepare for 2025 Fund Valuation.	Green
4.49 – 4.51	Review suitability of having multiple investment strategies.	Green

3.2 All activities are currently green with the exception of three ambers. The reasons for the ambers are outlined below:

- 1) Extend the contract with the current supplier of address and mortality screening services and have a new solution in place from 1 April 2025 is amber due to the Member Data Services Framework not being released until 30 April 2024.
- 2) Procure an Integrated Service Provider (ISP) is amber due to delays with the progression of the variation agreement.
- 3) Processing of undecided leaver records is amber due to the volume of cases to be completed with conflicting priorities within the Service.

4. Business Plan Activities
Procurement of Services

Extend the contract with the current supplier of address and mortality screening services and have a new solution in place from 1 April 2025.

4.1 Activity: The current contract for address tracing and mortality screening ceases in June 2024.

The delay in launching the National LGPS Framework has meant that there will be inadequate time to comprehensively review options before the current contract expires.

Therefore, the aim is to have a new solution in place from 1 April 2025 to allow for all options to be fully considered.

4.2 Key milestones:

Key Milestones.	Dates.	On target for completion?
Extend existing contract until 31 March 2025 (subject to s151 Officer approval).	April 2024.	On target
Register to access National LGPS Framework.	April 2024.	Not on target
Consider framework offerings and other suitable solutions.	April – June 2024.	Not on target
Develop approach for procurement of address and mortality screening services.	June 2024 onwards.	TBC

4.3 Update: Approval has granted to extend the contract until 31 March 2025 and a variation agreement is currently in the process of being completed. The Member Data Services Framework was not released until 30 April 2024 so registering for the Framework will now commence in May.

Procure an Integrated Service Provider (ISP) to enable connection to the Pension Dashboards ecosystem before the staging date deadline of 31 October 2026.

4.4 Activity: Via a variation agreement to the Fund’s pensions administration and payroll software contract, procure Heywood Pensions Technology Ltd’s ISP solution and associated data quality reports enabling the connection to the Dashboard ecosystem.

The Heywood ISP solution will fully integrate into the pensions administration system, Altair, resulting in a more effective and straightforward implementation than with an alternative provider.

ISP capabilities of suppliers were tested as part of the 2023-24 pensions software tender.

4.5 Key milestones:

Key Milestones.	Dates.	On target for completion?
Complete procurement activities	April 2024.	Fallen behind schedule due to the legal review of the variation agreement being more extensive than envisaged and the data privacy impact review needed to be to be undertaken concurrently with the Information Governance Team. Reviews are now complete. Completion of milestone expected end of June 2024.
Receive data quality reports and produce data improvement plan to improve data quality for matching purposes	April 2024.	Fallen behind schedule – please see the milestone above. Completion of milestone expected end of June 2024.
Implementation of software	TBC when the Pensions Dashboards Programme confirm final parameters that will enable ISP suppliers to begin implementation.	

4.6 Update: The variation agreement and data impact privacy assessment have now been reviewed. The variation agreement will be signed following satisfactory clarification of some minor contractual queries. Receipt of the data quality reports will follow and the implementation of the ISP will take place as soon as the final infrastructure is in place.

Investment Consultant Contract

4.7 Activity: The current investment consultancy supplier is Mercer. The initial contract comes to an end on 30 September 2024. The contract has the ability to extend up to a maximum of three years to 30 September 2027. A decision was taken by the Committee in 2023-24 to align a review of the contract with the 2024 IC Objectives review.

4.8 Key milestones:

Key Milestones.	Dates.	On target for completion?
Complete Investment Consultancy (IC) Objectives review.	July 2024.	On target
Decision as to whether to extend or re-procure the investment consultancy contract.	October 2024.	On target
Implement Committee decision.	October 2024 – March 2025	On target

4.9 Update: The agreed pathway is to align a decision regarding the investment consultancy contract to the annual IC objectives review with a decision at the meeting following the review. This would require a short-term extension to the investment consultancy contract should a procurement be required.

Core governance activities

Review and implement changes required from the new General Code of Practice.

4.10 Activity: In March 2021 the Pensions Regulator launched a consultation on its revised code of practice for the pensions industry. The revised code of practice consolidates, updates, and amends the existing 15 codes of practice into one single consistent source of information.

The responses to the consultation have taken the Pensions Regulator longer than expected to digest and as such the new general code of practice' is due to come into force in March 2024.

4.11 Key milestones:

Key Milestones.	Dates.	On target for completion?
Review compliance of the Fund against the new standards.	Rescheduled to April – June 2024 (April 2024)	On target for rescheduled dates
Develop an action plan of changes required.	Rescheduled to July 2024 (May 2024)	On target for rescheduled dates
Present progress against the action plan to the Pension Fund Committee and Pension Board at each meeting.	Rescheduled to October 2024 to March 2025 (June 2024 – October 2024)	On target for rescheduled dates

4.12 Update: The Fund is in receipt of the Code of Practice compliance checker tool developed by Hymans. Regulatory compliance against the requirements of the Code has started to be considered, input is required from other teams within the Service and appropriate evidence to support each area. As such the target dates for completion have been rescheduled to allow for a comprehensive review of each requirement.

Implement the best practice recommendations of the good governance review.

- 4.13 Activity: The Scheme Advisory Board (SAB) has been working on the good governance review for several years with the current objective to identify both the issues deriving from the current scheme arrangements and the potential benefits of increasing the level of separation between the host authority and the scheme manager role to avoid potential conflicts of interest.

Following consultation with LGPS stakeholders, in February 2021, a number of recommendations for improvement were identified. Some would require the input of DLUHC to amend scheme regulations and publish statutory guidance, others by SAB and other for Funds to implement as best practice.

The standards are due to be issued early 2024.

- 4.14 Key milestones:

Key Milestones	Dates	On target for completion?
Develop an action plan to implement the best practice activities.	TBC.	
Present update on progress on action plan to the Pension Fund Committee and Pension Board	TBC.	
Implementation of activities requiring SAB and DLUHC guidance.	TBC.	

- 4.15 Update: No update for this reporting period.

Prepare for the implementation of Pension Dashboards

- 4.16 Activity: Government made a commitment that Pension Dashboards would be created by the pensions industry, enabling pension savers to view details of all their pensions together. The industry is currently consulting on the proposed staging date for public service pension schemes with the final staging guidance to be released by the Money and Pensions Service in the Spring of 2024.

Project plan activities based on national connection guidance will be undertaken in the following areas in order to connect to the Pension Dashboard ecosystem: Governance, Internal controls, Connection, Record keeping, Budget, Resource, Data.

- 4.17 Key milestones:

Key Milestones.	Dates.	On target for completion?
Undertake project plan activities to enable connection to the Dashboard including data cleansing activities.	April 2024 – March 2025	On target.
Update the Committee and Board with progress against the Pension Regulator’s dashboard checklist as appropriate	October 2024 & March 2025	On target.

4.18 Update: The connection guidelines have been published which includes the timeline for connecting to the dashboard. For all public service pension schemes the connection date is confirmed as 31 October 2025. The internal project plan has been reviewed and updated against the connection guide to ensure that all actions are documented against proposed timescales. Following an initial project meeting conducted at the beginning of May, actions have started to be undertaken in preparation for connecting to the dashboard by the prescribed connection date.

Continue to review cyber resilience

4.19 Activity: Cyber-crime will continue to evolve and become increasingly sophisticated and as such this area will be regularly reviewed and monitored. The cyber action plan (exempt Appendix 2) will be updated as and when necessary.

4.20 Key milestones:

Key Milestones.	Dates.	On target for completion?
Ongoing monitoring and development of the cyber strategy and action plan via the Business Plan Updates at each meeting of the Pension Committee and Pension Board.	April 2024 – March 2025.	On target for completion.

4.21 Update: The action plan has been updated to reflect the starting position for 2024/25. Any additional actions that are identified during 2024/25 will be added to the action plan accordingly.

Implement equality, diversity and inclusion (EDI) best practices

4.22 Activity: The Pensions Regulator has published guidance to help improve pension schemes’ equality, diversity and inclusion. Pension schemes have legal duties to scheme members, and good decision making is key to ensuring those duties are met. EDI supports robust discussion and effective decision making and is an important consideration for schemes.

The Fund will be aiming to improve its equality, diversity and inclusion via these best practices.

4.23 Key milestones:

Key Milestones	Dates	On target for completion?
Present action plan to Local Pension Board.	April 2024.	Completed.
Present action plan to Pension Committee.	June 2024.	Completed.
Further milestones subject to action plan approval.	June 2024 – March 2025	On target for completion.

4.24 Update: The EDI action plan was presented to the Local Pension Board on 26 April and is being presented to the Committee at this meeting. Taking into consideration any comments made on the proposals, further milestone will be added accordingly and included within the next update report.

Review the National LGPS Framework for Additional Voluntary Contribution Services (AVC)

- 4.25 Activity: The Fund has two Additional Voluntary Contribution (AVC) providers Utmost Life and Prudential, which have recently been reviewed for administration and investment performance for which both were deemed adequate for the needs of the Fund.

However, it is important that the Fund does not become complacent with arrangements over the long term and other providers should be considered where appropriate to establish whether another arrangement would be better suited for members.

The first National LGPS Framework for AVC Services is being developed to support Funds in meeting their AVC responsibilities and is due to launch at the end of April 2024. A decision will be made as to whether to enter into a procurement process.

- 4.26 Key milestones:

Key Milestone	Dates	On target for completion?
Register to access national LGPS Frameworks.	May 2024.	TBC
Consider framework offerings against arrangements already in place.	June 2024 – August 2024.	TBC
Develop approach for procurement if required.	June 2024 – August 2024.	TBC
Present findings to the Pension Fund Committee and Pension Fund Board.	October 2024 - November 2024.	TBC

- 4.27 Update: The AVC Services Framework is yet to be released.

Scheme member and data projects

Complete the McCloud Remedy Rectification

- 4.28 Activity: The McCloud age discrimination remedy removes the age discrimination that has been judged to have arisen in the LGPS due to the age-related transitional protections that were introduced following the introduction of CARE arrangements in 2014.

Following the implementation of the age discrimination remedy on 1st October 2023 the records of scheme members within scope of the McCloud ruling must be reviewed to determine if any rectification of benefits is required in line with the remedy and national guidance that is currently awaited from DLUCH.

- 4.29 Key milestones:

Key Milestones	Dates	On target for completion?
Milestones will be updated once guidance from DLUCH has been received.	TBC	Draft guidance has been seen and feedback

Key Milestones	Dates	On target for completion? provided.
The LGA have advised Funds to allow for two years from receipt of the guidance to completion of all activities.	TBC	

- 4.30 Update: Draft statutory guidance regarding the implementation of the McCloud in the LGPS was circulated by DLUHC which sought views from of the Local Government Pensions Committee, members of the LGPS scheme advisory board, representatives of LGPS administrators, representatives of fund actuaries, and LGPS pensions administration software suppliers. The Cambridgeshire Pension Fund fed into this process and are currently awaiting the consultation response.

Processing of undecided leaver records

- 4.31 Activity: The Fund has a number of unprocessed leaver records where a member has left a period of pensionable employment, is not entitled to immediate payment of pension benefits, but is entitled to either a refund of contributions, aggregation with another period of pensionable membership and/or a deferred pension award.

A significant number of these records are in progress for a variety of reasons, including outstanding information or workflow. Any case which is older than 6 months since the point of notification is classed as backlog/aged case and reported through this business plan activity.

The backlog had reduced by approximately 1,250 cases as at 31 January 2024 to 7,268 cases. The intention is to reduce this backlog by 6,000 further cases over the next 3 years.

- 4.32 Key milestones:

Key Milestones.	Dates.	On target for completion?
Reduce the backlog by 1,000	April 2024 – March 2025	
Reduce the backlog by 2,500	April 2025 – March 2026	
Reduce the backlog by 2,500 by 2,500	April 2026 – March 2027	

- 4.33 Update: At 1st April 2024, the total number of records within the backlog stood at 7,500. Future Business Plan update reports will provide details of the progress made to reduce this number.

Explore the upgraded member self-service portal, Heywood Engage.

- 4.34 Activity: The Fund's supplier (Heywood Pension Technologies Ltd) of the current member self-service portal (MSS) have released a new self-service portal, Heywood Engage, with many enhanced features to provide scheme members with a better understanding of their future pension entitlement.

In order to determine the optimum time, migrate to the new portal a full review of the portal's offerings, migration process and communication requirements will need to be undertaken.

4.35 Key milestones:

Key Milestones	Dates	On target for completion?
Undertake review of the current new and enhanced features and those that will be introduced in this financial year.	April – May 2024	Confirmation that Engage can support two Funds has not been received
Consider all actions required from the migration process and impact on communications and support required by members.	June – July 2024	
Make decision on if/when to begin implementation.	August 2024	

4.36 Update: Confirmation that Engage can support two Funds is required before progress can be made on this activity.

Investment related activities

Continue development of the ACCESS asset pool.

4.37 Activity: The Fund will continue to develop asset pooling over the medium term. The key developments on the horizon are:

- Expected regulations and guidance following DLUHC's response to the "LGPS: Next steps on investments" consultation, including those relating to the pooling model, the pace of asset transition, levelling up plans and private equity ambition.
- Matters arising from the ACCESS third party review
- The Operator re-procurement
- Provision of ACCESS non-listed asset solutions; real estate, private equity, private debt, infrastructure
- Responsible investment

4.38 Key milestones:

Key Milestones	Dates	On target for completion?
Consideration of revised regulations and guidance.	TBC	
Consideration/implementation of options from third party review.	Throughout 2024-25	On target
Procurement of Operator.	March 2024 – Dec 2024	On target
Non-listed programme development.	Throughout 2024-25	On target
Responsible investment activities including review of Voting Guidelines.	Throughout 2024-25	On target

- 4.39 Update: UK Core Real Estate Mandate has been awarded to CBRE. For the UK Alternative Building Blocks, Apex/ACCESS focus will be on impact investing, and affordable housing. PIRC has been appointed to provide external advice and support in respect of the implementation of the RI Guidelines and delivery of the reporting requirements.

Following the ISC's decision to implement a 1% allocation to timberland, timberland mandate has been awarded to the successful applicants. In November 2023, the ISC approved a 3% allocation into the Aviva Lime Property Fund through ACCESS. 73% of desired allocation to AVIVA has been achieved to date, with the final tranche to be completed by the end of May.

Continue activities within the Fund's Climate Action Plan

- 4.40 Activity: In May 2023, the ISC approved the adoption of the carbon footprint metric as the primary metric for monitoring progress against the existing decarbonisation targets, maintaining reductions at 23% by 2024 and 57% by 2030.

In November 2023, ISC approved the "roadmap" carbon reporting beyond listed equities.

- 4.41 Key milestones:

Key Milestones	Dates	On target for completion?
All activities are listed within the Climate Action Plan – see Appendix C.	During 2024/25.	On target

- 4.42 Updates: The scope of the climate action plan will be extended beyond listed equities to encompass multi-asset credit in future analyses, thereby increasing coverage to 57.5%.

Communications

Continue with the development of the website

- 4.43 Activity: Following review of the pension fund website and testing of recommended changes, a homepage and example content pages have been developed and comments received from the local pension board.

The team will now finish the build of the website during quarter 1 of the scheme year and launch in quarter 2.

Following the initial launch, satisfaction of the new website will be tested at the end of quarter 3.

- 4.44 Key milestones:

Key Milestones	Dates	On target for completion?
Webpages to be drafted and approved for publication.	April to June 2024	On target
Communicate planned website update to stakeholders.	May to July 2024	On target
Launch new website.	July 2024	On target
Review satisfaction with new website.	December 2024	On target

- 4.45 Update: Content is being drafted by officers and a number of pages have been approved for publication following a review by subject matter experts within the service.

Prepare for 2025 Fund Valuation

- 4.46 Activity: The date of the next triennial valuation of the Pension Fund is 31 March 2025 with results to be published by 31 March 2026 and new employer contribution rates effective from 1 April 2026. Officers will work with the Fund’s actuarial advisors to develop requirements and plan for the valuation. This will include a review of assumptions to be used for the valuation and preparation of early valuation results for large local authority employers.

- 4.47 Key milestones:

Key Milestones.	Dates.	On target for completion?
Develop plan with Fund Actuary	April to June 2024	On target
Undertake pre-valuation activities	July 2024 to March 2025	On target
Valuation of the Pension Fund	April 2025 to March 2026	On target

- 4.48 Update: An initial conversation has been had with the actuary discussing priority workstreams for this valuation and a written plan will be agreed by the deadline.

Review suitability of having multiple investment strategies

- 4.49 Activity: The Pension Fund Committee previously considered whether to introduce multiple investment strategies to provide greater flexibility to meet the different funding requirements of scheme employers.

This was not previously implemented as modelling of a variety of “investment buckets” suggested no material improvement in funding outcomes, with increased downside risk.

However, modelling did suggest that multiple investment strategies may provide improved outcomes if certain conditions were different, including if asset values were 20% greater than at the time of the modelling.

Reconsideration is therefore proposed via a two-stage process, initially investigating whether the landscape has sufficiently changed to warrant further impact modelling and then a full impact review of the options.

- 4.50 Key milestones:

Key Milestones.	Dates.	On target for completion?
Actuary to carry out initial assessment to determine if conditions have changed sufficiently to warrant further impact modelling.	April 2024	Completed.
Officers to consider results of initial assessment.	May to June 2024	On Target
Officers to make recommendation to Committee.	July 2024	

If recommended and approved Fund officers to discuss scope of impact modelling and options to be considered.	August to September 2024	
Actuary to carry out impact modelling.	October to December 2024	
Officers to consider results of impact modelling.	January 2024	
Officers to present results and make recommendation to Committee for approval	March 2025	

4.51 Update: The Actuary has provided an initial recommendation that conditions have changed sufficiently to warrant a further review of this matter. They are now producing a scoping and costings paper to be considered by officers before a recommendation is put to the Committee.

5. Relevant Fund objectives.

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

6. Risk Management.

6.1 The Cambridgeshire Pension Fund has embedded risk management into the governance of the Fund. The Pension Committee has approved a Risk Strategy and a detailed Risk Register is maintained and reviewed by the Local Pension Board at every meeting. Changes to the level of risk are reported to the Pension Committee at every other meeting, or more frequently if necessary.

Risk.	Residual risk rating.
The operations of the Pension Fund and that of its suppliers are interrupted as a result of a cyber-attack.	Amber
Failure to respond to changes in economic conditions.	Amber
The ACCESS asset pool does not have the sub-fund choices available to enable the Fund to fulfil its strategic and tactical asset allocation requirements in a timely manner.	Amber
The Pension Fund and its members may become a target for fraudsters and criminals.	Amber
Pension Fund systems and data may not be secure and appropriately maintained, whether in situ or in transit.	Amber

7. Communication Implications.

7.1 The Business Plan Update will be presented to the Pension Fund Committee and Pension Fund Board at each meeting.

8. Finance & Resources Implications.

8.1 There are no financial and resource implications associated with this report.

9. Legal Implications.

9.1 No material issues have been identified which may give rise to legal liability and/or risk from an administering authority perspective.

10. Consultation with Key Advisers.

10.1 Squire Patton Boggs conducted a review of the paper for legal implications.

11. Alternative Options Considered.

11.1 Not applicable.

12. Background Papers.

12.1 [Council and committee meetings - Cambridgeshire County Council > Meetings \(cmis.uk.com\)](https://cmis.uk.com)

13. Appendices.

13.1 Appendix 1 – Variances against the forecast of investments and administration expenses based on original setting of assumptions.

Appendix 2 – Cyber activity action plan (**exempt**)

Appendix 3 – Cambridgeshire Pension Fund Climate Action Plan

Checklist of Key Approvals.

Has this report been cleared by Section 151 Officer? Sarah Heywood – 23/05/2024

Has this report been cleared by Head of Pensions? Mark Whitby – 30/04/2024

Has this report been cleared by Monitoring Officer? Emma Duncan – 21/05/2024

Appendix 1 – Variances against the forecast of investments and administration expenses based on original setting of assumptions.

The following tables provide estimates of the Fund account, investment and administration income and expenditure for the next three years.

	2023/24 Estimate	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
	£000	£000	£000	£000	£000
Contributions ¹	148,000	162,000	155,000	158,000	167,000
Transfers in from other pension funds ²	11,000	21,500	18,000	19,000	19,000
TOTAL INCOME	159,000	183,500	173,000	177,000	186,000
Benefits payable ³	(137,000)	(137,000)	(149,000)	(157,000)	(165,000)
Payments to and on account of leavers ²	(9,000)	(17,400)	(13,000)	(13,500)	(14,000)
TOTAL PAYMENTS	(146,000)	(154,400)	(162,000)	(170,500)	(179,000)
Net additions/(withdrawals) from dealings with members	13,000	29,100	11,000	6,500	7,000
Management expenses (Invoiced)	(4,947)	(5,328)	(5,903)	(6,233)	(6,349)
Management expenses (Non-invoiced) ⁴	(22,900)	(20,300)	(21,300)	(22,400)	(23,500)
TOTAL MANAGEMENT EXPENSES	(27,847)	(25,628)	(27,203)	(28,633)	(29,849)
TOTAL INCOME LESS EXPENDITURE	(14,847)	3,472	(16,203)	(22,633)	(22,849)
Investment income ⁵	34,000	66,600	48,000	50,000	52,000
Taxes on income	-	-	-	-	-
Profit and (losses) on disposal of investments and changes in the market value of investments ⁶	204,000	252,700	219,000	230,000	241,000
NET RETURN ON INVESTMENTS	238,000	319,300	267,000	280,000	293,000

Net increase/(decrease) in net assets available for benefits during the year	223,153	322,772	250,797	257,867	270,151
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Management Expenses

	2023/24 Estimate	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
	£000	£000	£000	£000	£000
Total administration expenses	(3,221)	(3,117)	(3,546)	(3,602)	(3,745)
Total governance expenses	(881)	(962)	(1,072)	(1,283)	(1,190)
Total investment expenses	(845)	(1,249)	(1,285)	(1,348)	(1,414)
TOTAL MANAGEMENT EXPENSES	(4,947)	(5,328)	(5,903)	(6,233)	(6,326)

Administration Expenses

	2023/24 Estimate	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
	£000	£000	£000	£000	£000
Staff related	(2,080)	(2,176)	(2,458)	(2,537)	(2,618)
Altair administration and payroll system	(485)	(444)	(413)	(434)	(455)
Data Assurance	(25)	(27)	(22)	(23)	(24)
Communications	(51)	(22)	(87)	(28)	(30)
Other non pay and income	(27)	105	15	30	23
County Council overhead recovery	(553)	(553)	(581)	(610)	(641)
TOTAL ADMINISTRATION EXPENSES	(3,221)	(3,117)	(3,546)	(3,602)	(3,745)

¹Contributions have been calculated using the Employer contribution rate and salary increase assumptions of 3.2% set by the actuary at the 2022 Valuation. Contributions in 2026/27 are subject to change due to the 2025 valuation. The 2023/24 forecasted variance is due to actual salary increases being much higher than the actuarial salary increase assumption used from the 2022 valuation.

² Transfers in/out have been calculated using an average of 3 years (excluding group transfers).

- ³ 2024/25 benefits payable have been calculated using average membership increases, estimated PI of 6.7% and pension increases assumptions of 2.7% set by the actuary in subsequent years.
- ⁴ Management expenses (non-invoiced) have been calculated using investment managers actual fees plus the actuarial assumption of investment growth +4.9% per annum.
- ⁵ Investment income have been calculated by using an average of 3 years income received and applying the actuarial assumption of investment growth +4.9% per annum.
- ⁶ Return on Investments have been calculated by applying the actuarial assumption of investment growth +4.9% per annum.