

Cambridgeshire Pension Fund

Pension Fund Board

Date: 27 January 2023

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:
1) note the Business Plan Update

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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 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.
- 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

Paragraph	Activity	RAG status
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	Green
3.7	Implement the best practice recommendations of the Scheme Advisory Board's good governance review	Green
3.8	Complete the Guaranteed Minimum Pension Rectification	Red
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 the Investment Strategy and Strategic Asset Allocation	Green
3.17	Private Equity Review	Green
3.18	Review of website and digital communications	Green

2.5 The tables in appendix A 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 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 11 for full context and reference.

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	Completed
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

3.1.3 Update: Officers have spoken to Hymans ahead of the contract expiry date to confirm that the contract would automatically extend, if notice is not given.

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	Completed
Register to access national LGPS Frameworks	January 2023	Completed
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: The extension for the contract has been enacted with Aon and access to the framework has been obtained.

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: In discussion with Squire Patton Boggs and the National Frameworks to extend the existing contract, on track to be completed by January 2023. A new Legal Services Framework will launch on 16th January, once live, officers will register access to the framework.

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	Completed
Obtain and complete National LGPS Framework documents	September 2022	Completed
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

3.4.3 Update: Development of tender documents including invitation to further competition, specification and pricing schedule are well advanced. Consultation is also under way with West Northants Council's Procurement, Legal, Data Protection and IT departments.

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:

Please see Appendix 3 (exempt)

3.5.3 Update:

Please see Appendix 3 (exempt).

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 2023. Date to be confirmed following release of the Code	Dependent upon release of the Code
Present action plan	As above	As above
Present update on progress on action plan	As above	As above

3.6.3 Update: The Pension Regulator's new code of practice was due to come into force in November 2021 and was postponed until Autumn 2022. To date, the new code has not been released with no further indication of when the new release date will be. Once the code comes into effect the Fund will have 6 months to achieve full compliance. Activity has been rescheduled and changed to a RAG status of Green.

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	Rescheduled to 2023. Date to be confirmed upon receipt of further information	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	Completed.
Present update on progress on action plan	Rescheduled to 2023. Date to be confirmed upon receipt of further information	Dependent upon SAB as above
Implementation of activities requiring SAB and DLUHC guidance	Rescheduled to 2023. Date 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 Conflicts of Interest Policy is a separate agenda item at this meeting following training delivered by Aon in November. Activity has been rescheduled and changed to a RAG status of Green.

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	No – extension to 31 December 2023 to be confirmed (see update)

3.8.3 Update: In September 2022 there were approximately 530 cases requiring rectification of a scheme member's pension in payment. At the time of writing approximately 515 cases remain outstanding as a result of an increased focus of resources on unprocessed leavers. There will be an increased focus on this project commencing February 2023. An extension to 31 December 2023 will be required to complete this project and this will be recommended in the Business Plan Update report that will be presented to the Pension Fund Committee in 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	Completed
Data sheets checked by Fund	May 2022 to July 2022	Completed
Uploading of revised scheme member data	August 2022 to March 2023	In progress
Respond to DLUHC consultation on draft regulations (expected December 2022)	January 2023 – February 2023	Anticipated
Devise communication plan for scheme members and scheme employers	Rescheduled to January 2023 (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: DLUHC have 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 a new milestone added. The uploading of revised scheme member data is underway and is expected to complete in the set timescale. This activity is being run on a full project basis with several separate workstreams and a detailed project plan.

On 24 November 2022, HMRC launched a consultation on how pension tax will apply to members protected by the McCloud remedy with a closing date of 6 January 2023. As the draft regulations were mainly looking at clarification in niche scenarios the Fund did not feel it necessary to submit a response.

3.10 Processing of undecided leaver records

3.10.1 Activity: To reduce the backlog by 2,500 cases per year for the next 3 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	Completed
Reduce cases by 2,500	April 2022 to March 2023	No – see update below
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: At 31 December 2022 the number of unprocessed leavers ringfenced as backlog had decreased by approximately 7,800 from the baseline in April 2022. However, the service has not been able to keep on top of business as usual (BAU) cases following an influx of leavers which has offset the backlog reduction and led to the overall number of aged cases decreasing by only 831 as a result. Further resource has been added to the BAU team and bulk processing is now operating on both backlog and business as usual cases.

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	Completed
Provision of whole Fund results by Fund Actuary	September 2022	Completed
Discuss whole Fund results with Committee	October 2022	Completed
Committee to approve Funding Strategy Statement for consultation	October 2022	Completed
Funding Strategy Statement issued for consultation	November 2022	Completed
Issue draft employer results and contribution strategies to scheme employers	November 2022 to December 2022	Completed
Committee to approve final Funding Strategy Statement	March 2023	On track
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: The valuation project is progressing as planned with all target dates currently on track. The new cessations policy was approved by the Committee in December following consultation with employers. The approval of the Funding Strategy Statement has been pushed back to March 2023 due to the proximity of the end of the consultation to the Committee and the size of the document. It was felt there may not be enough time to discuss and make the required changes. Draft employer results have been issued and discussions held with individual employers where required.

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	Completed
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: The initial project plan and identification of the workstreams provided has been completed. The work plan will be continually reviewed as further information is released from the associated industry bodies.

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. The AJC approved that the next asset class to be progressed and indicative completion dates are: Private Debt (Q3 2023), followed by Private Equity (Q1 2024), and then Infrastructure (Q4 2024).

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	Completed
Commence implementation of decarbonisation changes to passive and active equity mandates	December 2022	Completed
Draft Stewardship Code submission presented to the Investment Sub Committee	March 2023	On target

3.14.3 Update: As agreed with the Pension Fund Committee the Fund's TCFD position has been reported within the 21/22 Statement of Accounts.

The 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, and the preferred manager products identified and agreed at November 2022 ISC, subject to completion of Mercer research returning a positive view.

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	Rescheduled to February 2023 (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	Rescheduled to March 2023 onwards (December 2022)	On target - this work will move to the implementation of the SAA under next years business plan.

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 November 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, to be presented at February 2023 ISC.

3.16 Review the Investment Strategy and Strategic Asset Allocation

3.16.1 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.

3.16.2 Key milestones:

Key Milestones	Dates	On target for completion?
Development of revised Investment Strategy/SAA by officers and advisors	Rescheduled to February 2023 (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

3.16.3 Update: The Fund's Officers have engaged with its investment advisors, Mercer, and are on track to deliver training and a revised Investment Strategy as planned to be presented at the March 2023 Pension Fund Committee.

3.17 Private Equity Review

3.17.1 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.

3.17.2 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

3.17.3 Update: The Fund's Officers have engaged with its investment advisors, Mercer, and are on track to bring forward proposals for private equity commitments for approval at the February 2023 ISC meeting.

Communications

3.18 Review of website and digital communications during 2022/23

3.18.1 Activity: The 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.

3.18.2 Key milestones:

Key Milestones	Dates	On target for completion?
Initial engagement with key stakeholders and agreement of project objectives	April 2022 – June 2022	Completed
Review of initial engagement including mapping of user journeys and key insights	July 2022 – August 2022	Completed
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)	Completed

Key Milestones	Dates	On target for completion?
Stakeholder demonstration of new user journeys and prototype web pages/functions	Rescheduled to October – November 2022 (September 2022 – October 2022)	Completed
Presentation of key recommendations to officers	Rescheduled to November – December 2022 (October 2022 – November 2022).	Completed
Present outcomes and recommendations to Committee	March 2023	On target

3.18.3 Update: The review of the website has been progressing as planned. Initial findings and key recommendations have been presented to officers along with prototype webpages. These have also been tested with users and results are currently being collated for presenting to officers. A paper will be presented to the Committee in March providing recommendations and seeking approval to progress to the next stage of the project: implementing the recommended changes.

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.

6.2 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 – Progress against Climate Action Plan

12.3 Appendix C – Progress against Cyber Resilience Action Plan – **exempt**

Checklist of Key Approvals

Checklist of Key Approvals	
Has this report been cleared by Head of Pensions?	Mark Whitby – 13/1/2023

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

Fund Account	2022/23 Estimate	2022/23 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	15,000	7,000	
Total income	143,000	153,000	10,000	
Benefits payable	(121,000)	(124,000)	(3,000)	Benefits in line with current membership numbers Demand led
Payments to and on account of leavers	(10,000)	(11,000)	(1,000)	
Total Payments	(131,000)	(135,000)	(4,000)	
Net additions/(withdrawals) from dealings with members	12,000	18,000	6,000	
Management Expenses	(4,555)	(4,768)	(213)	See below
Total income less expenditure	7,445	13,232	5,787	
Investment income	30,000	34,000	4,000	Actual income received to December 2022 plus one estimated quarter
Taxes on income	-	-	-	
profit and (losses) on disposal of investments and changes in the market value of investments	169,000	(141,500)	(310,500)	Actual Q3 return followed by actuarial long term growth assumption
Net return on investments	199,000	(107,500)	(306,500)	
Net increase/(decrease) in the net assets available for benefits during the year	206,445	(94,268)	(300,713)	

Management Expenses	2021-22 Estimate	2021-22 Forecast	Variance	Comments
	£000	£000	£000	
Total Administration Expenses	(2,674)	(2,907)	(233)	See below
Total Governance Expenses	(900)	(861)	39	Forecasts for consultancy are currently lower than expected
Total Investment Invoiced Expenses	(981)	(1,000)	(19)	Outperformance of property mandate resulting in higher than expect investment manager costs
Total Management Expenses	(4,555)	(4,768)	(213)	

Administration Expenses Analysis	2021-22 Estimate	2021-22 Forecast	Variance	Comments
	£000	£000	£000	
Staff Related	(1,647)	(1,838)	(191)	Budget based on estimated 22/23 pay rates, higher than expected pay awards received. Expected vacancies to be filled during the quarter
Altair administration and payroll system	(398)	(435)	(37)	Inflation increases higher than expected
Data assurance	(45)	(43)	2	
Communications	(41)	(40)	1	
Other Non-Pay and Income	(16)	(24)	(8)	IT hardware costs are higher than expected
County Council Overhead Recovery	(527)	(527)	-	
Total Administration Expenses	(2,674)	(2,907)	(233)	

Cambridgeshire Pension Fund - 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"> • 23% from June 2021 baseline by 2024 • 57% from June 2021 baseline by 2030 	✓
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	✓
Prepare and publish reporting in line with the Task-Force on Climate-Related Financial Disclosures (TCFD) disclosure requirements for the 2021-22 Fund annual report	✓
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	