Annual Report

Bedfordshire Pension Fund 2024/25

Registration number: 00328861RF

Bedfordshire Pension Fund

BEDFORD BOROUGH COUNCIL

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The format and content of the Annual Report has been prepared in accordance with the Guidance for Local Government Pension Scheme Funds – Preparing the Pension Fund Annual Report, issued by Department for Levelling Up, Housing & Communities in April 2024, wherever practical.

Section 1: Overall Fund Management

Scheme Management & Advisers as at 31 March 2025

Role	Company/Organisation	Email address
Administering Authority	Bedford Borough Council	www.bedford.gov.uk
Senior Officers		
Fund Administrator	Andy Watkins	andy.watkins@bedford.gov.uk
Service Director	Mike Batty	mike.batty@bedford.gov.uk
Asset Pool	Border to Coast Pensions Partnership	www.bordertocoast.org.uk
Investment Managers	Patria	www.patria.com
	BlackRock Advisors	www.blackrock.com/uk
	Border to Coast Pensions Partnership	www.bordertocoast.org.uk
	CBRE Global Investors	www.cbre.co.uk
	Gresham House	www.greshamhouse.com
	Insight Investment Management	www.insightinvestment.com
	Legal & General Investment Management	www.lgim.com/uk/en
	Newton Investment Management	www.newtonim.com
	Pantheon Ventures	www.pantheon.com
	PIMCO	www.pimco.co.uk
Custodian	Caceis	www.caceis.com
Fund Actuary	Melanie Durrant	Melanie.Durrant@Barnett-waddingham.co.uk
	Barnett Waddingham	www.barnett-waddingham.co.uk
AVC Providers	Pru (M&G)	www.mandg.com
	Standard Life	www.standardlife.co.uk
External Legal Advisors	Eversheds Sutherland	www.eversheds-sutherland.com
Bankers	National Westminster Bank	www.natwest.com
	Goldman Sachs Asset Management International	www.global-liquidity.gs.com
Executive Director of Resources & s151 Officer	Julie McCabe	julie.mccabe@bedford.gov.uk
External Auditor	KPMG	http://www.kpmg.com/uk/en/home.html
Investment Consultant	David Walker	David.Walker@hymans.co.uk
	Hymans Robertson	www.hymans.co.uk
Independent Investment Advisor	Elizabeth Carey	elizabeth.carey@btinternet.com

Risk Management

Identifying, Managing and Reviewing Risks

Bedfordshire's Pension Fund's processes for identifying and managing risks are governed by the Administering Authority's Risk Management Strategy. The Fund uses the Risk Register as its key risk management tool, with the Council's Risk Management System (JCAD) used to record and report on risk and control measures in detail.

The Risk Register is maintained by the Pension Fund Committee and is reviewed at each Committee meeting. The Register is also reviewed by the Local Pension Board at each of its meetings.

The risks and controls set out in the Risk Register are reviewed by officers based on timescales set by the Service Director for the Fund; they are currently reviewed on a quarterly basis. A copy of the latest risk register can be found in the minutes of the Pension Fund Committee.

The Fund also maintains an Issues Log setting out risks which have materialised. The issues log is reviewed alongside the Risk Register as set out above.

Key Risks

The Fund's risk register considers risks across the following categories:

- Investment
- Funding
- Covenant
- Governance
- Administration

Risks are assigned a risk rating of low, medium or high. 3 ratings are produced for each risk, one indicating the rating with no controls in place, one indicating the rating given current controls, and a further rating assessing the target level of risk if all controls were to be fully operational.

A brief summary of each of the Fund's key risks (those where the uncontrolled risk is rated as high, or the current risk status does not meet the target) and the approach being taken to manage them is set out below.

Investment – Mismatch between liability profile and asset allocation

Status: Uncontrolled risk high, current risk low/medium (on target)

Risk: that a mismatch leads to assets being insufficient to meet liabilities

Controls: asset/liability review, rebalancing of assets against strategic benchmark, cash flow management.

Investment – Pooling and effects on asset allocation

Status: Uncontrolled risk high, current risk low/medium (on target)

Risk: That LGPS pooling could compromise the Fund's asset allocation strategy if the strategies available via the pool do not align with the Fund's investment objectives

Controls: Collaboration with BCPP.

Investment – Exposure to currency fluctuations

Status: Uncontrolled risk medium/high, current risk medium/high (target – low/medium)

Risk: Exposure to currency fluctuations leads to losses and reduced returns

Controls: Implementation of currency hedging strategy, diversification, regular monitoring of currency markets.

Governance – Pension Fund Committee members lack sufficient knowledge and skills

Status: Uncontrolled risk high, current risk low/medium (on target)

Risk: That Committee members have insufficient knowledge and advice to make correct decisions.

Controls: Longer terms of office, training programme, provision of qualified advisors, tPR toolkit.

Governance – Non-compliance with GDPR

Status: Uncontrolled risk high, current risk low/medium (on target)

Risk: Failure to protect personal data in line with legislation

Controls: data processing agreements, ICT security, training.

Governance – McCloud project

Status: Uncontrolled risk high, current risk High (target – medium/high)

Risk: The McCloud project impacts performance standards, leads to errors in benefit calculations and/or results in increases in liabilities & employer contributions

Controls: financial impact assessment, project management, member impact assessment, review of policy.

Administration – Cyber Attack

Status: Uncontrolled risk high, current risk medium high (target – medium/high)

Risk: Loss of pension records / data or in ability to pay benefits due to cyber-attack

Controls: disaster recovery plan, business continuity plan, use of Cloud Technology and cyber training.

Administration – Pensions Dashboards

Status: Uncontrolled risk high, current risk medium high (on target)

Risk: Failure to comply with new Pensions Dashboards requirements and inability to respond to find requests and matching queries.

Controls: Regular engagement with ISP, guidance updates, governance and internal controls, deployment of adequate resource.

The Pension Fund receives assurance from an internal audit programme that covers areas such as pensioner payroll, administration, investments, contributions receivable and governance to ensure the effectiveness of internal controls. In 2024/2025 the Fund received full or substantial assurance in all areas.

Investment managers and custodian also provide reports detailing their internal controls in line with the AAF01/06 (Audit and Assurance Faculty of the Institute of Chartered Accountants in England and Wales release 01/06), SAS (Statement on Auditing Standards) 70, International Standard on Assurance Engagement no. 3402 and SSAE 16 (U.S. Statement on Standards for Attestation Engagements No. 16). In 2024/2025, each report was reviewed and the conclusion was that the control procedures described were suitably designed and operated with sufficient effectiveness to provide reasonable assurance during the period under review.

Use of Financial Instruments

Note 16 of the Statement of Accounts sets out the nature and extent of the financial instruments employed by the Fund and the associated risks. The Fund is exposed to market risk, credit risk and liquidity risk through its use of financial instruments; the note presents information on the Fund's exposure to each of the above risks and the Fund's policies and processes for managing those risks.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Fund's income or the value of its assets. The Fund uses manager and adviser information to help it identify market risks, such as interest rate, currency and market price risks. The risks are managed primarily through ensuring that the Fund's asset allocation includes a diversity of exposures to different financial markets and market sectors. It was agreed in 2024/2025 that the Fund would implement a solution to manage the risk of foreign currency exposures. A currency hedging manager was appointed and the risk management strategy went live in April 2025, after the end of the financial year.

Credit Risk

Credit risk is the risk that a counterparty to a transaction involving a financial instrument will fail to discharge an obligation or commitment it has entered into with the Fund. Credit risk is monitored through ongoing reviews of the investment managers' activity. The Fund manages credit risk primarily through avoidance of significant exposures to any single counterparty or industry.

Liquidity Risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations when they fall due. The Fund's liquidity is monitored on a daily basis. The Fund manages liquidity risk by:

- Giving careful consideration to the anticipated income and expenditure required for the administration of the Fund and the payment of benefits and by maintaining in-house managed cash balances sufficient to meet day-to-day cash flows.
- Maintaining a significant proportion of the Fund held in highly liquid investments such as actively traded equities and unit trusts.

Section 2: Governance and Training

The Fund Governance Structure

Bedfordshire Pension Fund has a Governance Policy, which describes how Bedford Borough Council fulfils its role as Administering Authority in an effective and transparent manner. The policy covers:

- delegations to the Pension Fund Committee;
- frequency of meetings of the Committee;
- terms of reference and operational procedures;
- representation from other scheme employers and scheme members.

The Governance Policy in place on 31 March 2025 statement can be seen in full on the Pension Fund's website.

In addition, the Pension Fund Committee has published a Governance Compliance statement in accordance with current regulations. This statement is published in full on the Pension Fund website.

Pension Fund Committee and sub-committees

Bedford Borough Council's responsibility as the Administering Authority is undertaken via the Pension Fund Committee. The Committee consists of nominated elected members of Bedford Borough Council, Central Bedfordshire Council and Luton Borough Council. A scheme member representative and an academy schools representative are invited to sit on the Committee in an observer role. An independent investment adviser also sits on the Committee in an advisory capacity. The Committee takes advice from Bedford Borough Council officers, principally the Executive Director for Resources and the Service Director for Bedfordshire Pension Fund, and from external professional investment advisers, Hymans Robertson. The membership of the Pension Fund Committee at 31 March 2025 is shown on page 10.

A Pension Fund Panel and a Responsible Investment sub-committee operate in advisory capacity to the Pension Fund Committee. An investment sub-group, comprising the Committee Chairman, Vice-Chairman, Fund administrator and Service Director for Bedfordshire Pension Fund, with advice from advisers, considers and approves the rebalancing of the Fund's assets to enable timely decisions to be made.

The Local Pension Board

Bedfordshire Pension Fund has a Local Pension Board, in compliance with the requirements of the Public Service Pension Act 2013. The Pension Board is responsible for assisting the Administering Authority and Pension Fund Committee in relation to securing compliance with the scheme regulations and other legislation relating to the governance and administration of the Scheme. The Board is also responsible for securing compliance with requirements imposed by the Pensions Regulator. Bedfordshire Local Pension Board is made up of four employer representatives, four scheme member representatives and an Independent Chairman.

Corporate governance

The Executive Director for Resources , and the Fund Administrator have delegated authority for the day-to-day management of the Fund. This delegation includes managing the Council's functions as administering authority, and the power to seek advice and to devolve day-to-day handling of the Fund's investments to professional advisers within the scope of the Local Government Pension Fund Regulations. The Executive Director for Resources delegation of duties to the Service Director for Bedfordshire Pension Fund and the Pensions Administration Manager is set out in the Fund's Governance Policy.

Oversight and governance of the asset pool

Administration of the Fund is the responsibility of Bedford Borough Council, which also has overall responsibility for the investment of the Fund's assets.

Bedfordshire Pension Fund has an Investment Strategy Statement, which is reviewed on an annual basis and with a full refresh following each actuarial valuation of the Fund. The strategy can be found on the pension fund website.

The Pension Fund Committee supervises the overall arrangements for management of the Fund's assets. It appoints external fund managers to manage the Fund's assets and monitors their performance. The key principle in the prudent management of the Fund's assets is maintaining the balance between risk and return. The Committee seeks to achieve this by ensuring that its assets are spread over a variety of different asset classes, both in the UK and overseas, and with different managers.

To satisfy the requirements of the Local Government Pension Scheme: Investment reform criteria and guidance, the Administering Authority is a shareholder in Border to Coast Pension Partnership Limited (BCPP).

BCPP was created in 2017 as a wholly owned private limited company registered in England and Wales, authorised and regulated by the Financial Conduct Authority (FCA) as an alternative investment fund manager (AIFM). BCPP currently has 11 equal shareholders comprising the following Funds:

- Bedfordshire Pension Fund
- Cumbria Pension Fund
- Durham Pension Fund
- East Riding Pension Fund
- Lincolnshire Pension Fund
- North Yorkshire Pension Fund
- South Yorkshire Pension Fund
- Surrey Pension Fund
- Teesside Pension Fund
- Tyne and Wear Pension Fund
- Warwickshire Pension Fund

Border to Coast's role is to implement the investment strategies of the partner funds, through a range of investment sub-funds offering internally and externally managed solutions.

The investment performance and capability of BCPP is overseen on a day-to-day basis by senior officers at each partner fund, and more formally on a quarterly basis by the Joint Committee, which is made up of shareholder representatives from the eleven administering authorities both on an ongoing basis and formally once a year at its AGM.

The Pension Fund Committee

The Pension Fund Committee is made up of eight councillors from the three local authorities. The table below details the Committee members at 31 March 2025.

Pension Fund Committee membership

Authority	Councillor Name
Bedford Borough Council	Doug McMurdo (Chair)
Bedford Borough Council	Jon Gambold
Bedford Borough Council	David Sawyer
Bedford Borough Council	James Valentine
Central Bedfordshire Council	Richard Wenham (Vice Chair)
Central Bedfordshire Council	David Shelvey
Luton Borough Council	Robert Roche
Luton Borough Council	Vacancy

Current membership of the Pension Fund Committee can be found on the Bedford Borough Council website.

Pension Fund Committee voting rights 2024/2025

The Fund's Governance Policy was updated in 2024/2025 to amend the voting rights of the members of the Pension Fund Committee. The amendment was made following a review of the wider Governance Policy, consideration of how other Funds operate in terms of governance, and issues around being quorate. The following members have voting rights:

- Four Elected Members of Bedford Borough Council
- Two Elected Members of Central Bedfordshire Council
- Two Elected Members of Luton Borough Council

For meetings to be quorate, three of the eight voting members must be present.

Attendance at Committee and Pension Fund Panel (Investments) meetings in 2024/2025:

The table below shows the attendance of Councillors at both the Investment Panel and Pension Fund Committee Meetings during 2024/2025.

Pension Fund Committee meeting attendance

Committee member	Meeting 27 Jun 2024	Meeting 01 Oct 2024	Meeting 19 Nov 2025	Meeting 28 Jan 2025	Meeting 11 Mar 2025
Councillor Doug McMurdo (Chair)	Y	Y	Y	Y	Y
Councillor Richard Wenham (Vice Chair)	Y	Y	Y	Y	N
Councillor Jon Gambold	Y	Y	Y	Y	Y
Councillor David Sawyer	N	Y	Y	Y	Y
Councillor James Valentine	Y (virtual)	Y	Y	N	Y
Councillor David Shelvey	Y	Y	Y	Y	Y
Councillor Robert Roche	N	N	Y	Y	N

Investment Panel meeting attendance

Panel member	Meeting 24 Apr 2024	Meeting 24 May 2024	Meeting 06 Sept 2024	Meeting 18 Oct 2024	Meeting 10 Jan 2025	Meeting 14 Feb 2025
Councillor Doug McMurdo	Y	Y	Y	Y	Y	Y
Councillor Richard Wenham	Y	Y (virtual)	Y	N	Y	N
Councillor Jon Gambold	N	Y	N	Y	N	Y (virtual)
Councillor David Sawyer	N	Y (virtual)	Y	Y	Y	Y
Councillor James Valentine	N	Y	Y	Y	Y	Y
Councillor David Shelvey	Y	Y	N	Y	Y	Y
Councillor Robert Roche	Y	Y (virtual)	Y	Y	N	Y

The Local Pension Board

The Local Pension Board is made up of four employer representatives, four scheme member representatives and an independent chair. The membership of the Board at 31 March 2025 is shown in the table below.

Local Pension Board membership

Local Pension Board member	Representing
Ian Coleman	Independent Chair
Councillor Jacqueline Burnett – Luton Borough Council	Scheme employers
Councillor Kenson Gurney – Central Bedfordshire Council	Scheme employers
Councillor Robert Rigby – Bedford Borough Council	Scheme employers
Stuart Goodwin	Scheme employers
Emma Payne	Scheme members
Nafia Baust	Scheme members
John Wallace	Scheme members
Vacancy	Scheme members

One of the Board's scheme member representatives, Martin Foster, left the Board during 2024/2025.

Local Pension Board voting rights

Each employer and member representative of the Board has an individual voting right. The Independent Chair is excluded from having the right to vote in accordance with regulation 106 (7) of the LGPS Regulations.

Attendance at Local Pension Board meetings in 2024/2025

The table below shows the attendance of Board members at meetings during 2024/2025.

Local Pension Board meeting attendance

Local Pension Board member	Meeting 23 May 2024	Meeting 25 Jul 2025	Meeting 24 Oct 2024	Meeting 06 Feb 2025
Ian Coleman (Independent Chair)	Y	Y	Y	Y
Cllr Jacqui Burnett	Y	Y	N	N
Cllr Kenson Gurney	Y	N	Y	N
Cllr Robert Rigby	N	Y	N	Y
Stuart Goodwin	Y	Y	Y	Y
Emma Payne	Y	Y	Y	N
Nafia Baust	Y	Y	Y	Y
Martin Foster	Y (virtual)	N	N	N
John Wallace	Y	Y	Y	Y

Representation of scheme employers and scheme members

The Pension Fund Committee has, as voting members, representatives of employers holding more than 10% of the active membership. A scheme member representative and an academies representative are invited to sit on the Committee in an observer role.

The Local Pension Board is made up of four employer representatives and four scheme member representatives.

Knowledge and training

Public sector organisations engaged in the financial management of pension schemes face the challenge of the schemes' growing complexity. Public sector pension scheme financial management demands requisite skills and knowledge, including:

- financial markets and products;
- financial services procurement;
- pensions accounting and auditing;
- actuarial practices; and
- investment performance and risk management and the implications of legal and regulatory requirements.

Public sector organisations should ensure appropriate training, having assessed the professional competence of those involved in pension scheme financial management and those with a governance, management and/or oversight role.

CIPFA has published its Pensions Finance Knowledge and Skills Framework for the training and development of those involved in pension scheme financial management. The framework covers eight key areas:

1. Pensions legislation and guidance
2. Pensions governance
3. Funding strategy and actuarial methods
4. Pensions administration and communications
5. Pensions financial strategy, management, accounting, reporting and audit standards
6. Investment strategy, asset allocation, pooling, performance and risk management
7. Financial markets and products
8. Pension services procurement, contract management and relationship management.

The Pension Fund has adopted the CIPFA framework in formulating and implementing its own training plan and, as recommended by CIPFA, makes the following compliance statement:

As the administering authority of Bedfordshire Pension Fund, the Council recognises the importance of ensuring that all staff and members involved in the Pension Fund financial management and decision-

making have the prerequisite knowledge and skills to discharge the duties and responsibilities allocated to them. Therefore, it seeks to appoint competent individuals who are experienced and will provide training for staff and members to enable them to develop and maintain an appropriate level of expertise. The Fund's training plan sets out the approach to the development and maintenance of the required knowledge and skills. The plan reflects the recommended knowledge and skills level requirements set out in the CIPFA Pensions Finance Knowledge and Skills Framework. The Fund has appointed the Fund Administrator to be responsible for ensuring that policies and strategies are implemented. The Fund conducts training needs assessments and designs a training plan accordingly.

Training

The table below shows the key training received by officers and Members in 2024/2025. Unshaded events are considered compulsory for new Board and Committee members and are strongly recommended for all members to refresh and maintain knowledge. Optional events are shaded in grey.

Training 2024/2025

Event	Knowledge area: Legislation, guidance & governance	Knowledge area: Funding strategy & actuarial methods	Knowledge area: Admin & comms	Knowledge area: financial strategy, management, accounting reporting & audit standards	Knowledge area: Investment strategy, asset allocation, pooling, performance, risk, financial markets	Knowledge area: Procurement, contract & relationship management	Attended
LGA Fundamentals training 3 days Autumn 2024	X	X	X	X	X	X	2 Board members
2025 valuation - local event led by the fund actuary ½ day October 2024	X	X	X				2 Board and 6 Committee members. 5 officers
Business Plan and Risk Management review Feb 2025	X		X		X	X	5 Board and 1 Committee members. 5 officers

Event	Knowledge area: Legislation, guidance & governance	Knowledge area: Funding strategy & actuarial methods	Knowledge area: Admin & comms	Knowledge area: financial strategy, management, accounting reporting & audit standards	Knowledge area: Investment strategy, asset allocation, pooling, performance, risk, financial markets	Knowledge area: Procurement, contract & relationship management	Attended
Valuation assumptions March 2025	X	X		X			3 Board and 4 Committee members. 4 officers
Border to Coast Conference 2 days July 2024	X			X	X		2 Board and 3 Committee members. 4 officers
LAPFF Strategic Investment Forum 3 days July 2024				X	X		3 Committee members. 1 officer
LGC – Investment Summit 2 days Sept 2024	X			X	X		1 Committee member.
Annual employer meeting Nov 2024	X	X	X		X	X	5 Board and 3 Committee members. 6 officers
LAPFF Conference 2 days Dec 2024					X		1 Committee member. 1 officer
LGA LGPS governance conference 2 days Jan 2025	X		X				4 Board and 1 Committee member. 3 officers

Conferences were held during the year, with some giving a choice between virtual or in-person attendance. Officers and members also attended investment forums and Bedfordshire Pension Fund was represented at the annual Pension Managers' conference. Shorter, virtual training sessions and webinars were also

available, with members and officers attending virtual events including sessions on managing risk in the LGPS, pensions dashboards and CIPFA pension board member training.

All members are encouraged to undertake the training offered by the Pensions Regulator Public Sector toolkit and to register for Barnett Waddingham's Enlighten portal, which offers training in key areas.

The work of the Bedfordshire Pension Fund Committee 2024/2025

A report from the Chair of the Pension Fund Committee, Councillor Doug McMurdo

As Chair of Bedfordshire Pension Fund Committee (B P F C), I am pleased to present this overview of the work of the Pension Fund Committee during 2024/2025.

The Pension Fund's Business Plan sets out the Pension Fund Committee's duties and work programme and the Committee met its objectives for 2024/2025. Key policy documents, including the Administration Strategy, Governance Policy, Stewardship Policy and the Administering Authority Discretions Policy were reviewed and updated. The regular review of Fund policies, in consultation with professional advisers and officers, is essential for effective governance of the fund.

The Fund value was £3.644 billion at 31 March 2025 compared to £3.458 billion last year.

Throughout the year, Bedfordshire Pension Fund continued to review, reallocate and rebalance its investments through the agreed strategy statement. The Fund worked closely with the pool company, Border to Coast Pension Partnership Ltd (B C P P), and our ten partner funds. Bedfordshire Pension Fund has approximately 27% invested through the pool company, with plans to transition a further 23% of the fund in the first quarter of 2025/2026. Assets under pool management total 27%, leaving approximately 19% of the Fund in assets not yet transferred to the pool comprising of property, legacy private market investments and fixed income. During the year the Fund made further commitments to the BCPP private markets programme, a sustainable infrastructure fund and a secondaries private equity fund, bringing total commitments to £712 million (as of March 2025). The Fund also implemented a dynamic currency hedging solution following a decision to manage the foreign currency exposures and reduce volatility and uncertainty of the future currency movements. Approximately 60% of the Fund's assets were exposed to unmanaged currency risk.

Bedfordshire Pension Fund is committed to responsible investment (R I) and has an agreed and adopted R I policy in place. The Fund works with Border to Coast and the other partner funds of the asset pool to agree its approach to R I and stewardship, collectively. Review and the approval of Border to Coast's Responsible Investment Policy took place in November 2024. Talking to companies in which we invest about issues of concern is a key part of being a responsible investor. We do this both through working with Border to Coast and through the Local Authority Pension Fund Forum (L A P F F). Working with others in this area achieves far more than acting alone, as such collaboration is becoming ever more important.

The Fund has an agreed a net zero target date for investments by 2050 or sooner, with an aspiration to bring that date forward, if possible, in the future. A climate transition action plan has been developed during 2024/2025 to assess the Fund's trajectory towards net zero and biodiversity loss implications. This plan is expected to be published in early 2025/2026.

The Government's Fit for the Future consultation, launched in November 2024, proposed several changes to the asset pooling requirements and governance arrangements for LGPS funds. The Committee and officers worked together to create a response to the consultation and work will continue through 2025/2026 to incorporate the changes into the Fund's investment strategy, governance and processes, as the relevant legislation comes into effect.

In February 2025 it was announced that Bedfordshire Pension Fund has remained a successful signatory to the UK Stewardship Code. The code sets high stewardship standards for asset owners and asset managers and for the providers that support them. The Fund retaining its status as a signatory is a testament to the hard work of all those involved in making sure that the Fund meets the Code's high standards.

The Committee manages its responsibility for oversight of the fund through its thorough and effective quarterly meetings, which include a regular review of the Fund's risk register and updates on administration matters. 2024/2025 has seen the continuation of challenges for the fund's administration team, due to the ongoing work to implement the McCloud remedy, alongside other projects such as preparation for Pensions Dashboards and introducing more efficient ways of collecting data from scheme employers. While managing these projects, the administration team has remained committed to maintaining a good service for scheme members.

The Local Pension Board worked collaboratively with the Pension Fund Committee during the year and maintained a strong relationship. On behalf of the Committee, I would like to thank the Fund Administrator, the Service Director for Bedfordshire Pension Fund, the Pensions Administration Manager, and all the officers for their work during the year 2024/2025.

Councillor Doug McMurdo, Chair of Bedfordshire Pension Fund Committee

The work of the Pension Board 2024/2025

The Local Pension Board participated in the review of the Fund's key policy documents, including the Governance Policy, Code of Conduct and Conflicts of Interest policies and the Fund's Business Plan. The Board, through quarterly meetings, received updates from officers on matters including the assessment of the fund against the Pensions Regulator's new Code of practice, the ongoing implementation of the i-Connect monthly data collection system, the continuing work on the McCloud remedy and preparation for the national Pensions Dashboards. The Board's comments and observations were reported to the Pension Fund Committee as part of a regular agenda item at the Committee's quarterly meetings. The annual report of the Board, from the Board's independent Chair, is included below.

Annual Report of Bedfordshire LGPS Pension Board for 2024/2025

1. Constitution, Representation and Attendance

1.1 The Bedfordshire LGPS Local Pension Board ("the Board") was constituted under the Public Service Pensions Act 2013. As such, the Board is not a Committee of Bedford Borough Council (the Council).

1.2 The first meeting of the Board took place on 25 June 2015. It consists of four representatives of the Scheme employers, and four representatives of the Scheme members, all of whom are voting members. Nominated substitutes are allowed. A non-voting Independent Chair has been appointed.

1.3 The Board met on four occasions during the year, on 23 May 2024, 25 July 2024, 24 October 2024 and 6 February 2025. Overall attendance during the year was 73%. Individual attendance records are shown in the Appendix.

1.4 Board meetings are open to the public, other than when considering exempt items. All the meetings were held in Borough Hall and were also streamed live on YouTube. The Board is empowered to continue with virtual or hybrid meetings.

1.5 To facilitate the operation of the Board, the Chair is invited as an observer to meetings of the Pension Fund Committee ("the Committee").

2. Functions and Operation of the Board

2.1 The two primary functions of a Local Pension Board (LPB) are to assist the Administering Authority to:

- ensure effective and efficient governance and administration of the LGPS;
- ensure compliance with relevant laws and regulations.

To help achieve this, under Regulation 106 (8) of the LGPS regulations 2013, "a local pension board shall have the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions".

2.2 Therefore, the Board has a monitor/assist/review/scrutinise purpose, rather than being a decision-making body. It could be seen as being a critical but supportive friend. It sets its own agenda and has the opportunity to be selective and to probe particular topics in more depth than the Committee, which has a wider range of statutory responsibilities and decision-making. As such, the general approach of the Board is to seek assurances with evidence from the Fund and external bodies, that the Fund is meeting its objectives, producing the required statements and managing risks. The Board can commission its own reports and make recommendations to the Committee and to Officers.

2.3 In so doing, the Board is helping to manage the reputational risk of both the Fund and the Administering Authority. The LGPS in England and Wales has both the Ministry of Housing. Communities and Local Government (MHCLG) and the Pensions Regulator (TPR) as its regulators. The Administering Authority, and in extreme circumstances Board members, can be fined by TPR, which also has other powers available should breaches of the law and unacceptable standards occur.

2.4 The Board is supported by the Administering Authority and operates under Terms of Reference which were initially agreed by Council in March 2015. The Terms of Reference are reviewed annually. On 7 February 2018, the Council accepted recommendations from the Committee to make various revisions, including the desire to appoint an Independent Chair. The Council agreed further revisions on 13 January 2021. The Terms of Reference were most recently reviewed by the Board on 25 July 2024. The current Terms of Reference and other information regarding the Pension Board can be located on the website.

2.5 In 2024/25 the direct costs of operating the Board amounted to £16,817.55, mainly relating to the costs of the provision of an Independent Chair, training fees and expenses for Board members. These costs do not include any indirect costs relating to officer time nor any apportioned costs for the use of premises, systems or services recharged to the Fund by the Council. The Board seeks approval from the Administering Authority for its budget on an annual basis. Mindful of delivering value for money, the Board endeavours to work in a cost-effective manner, as its costs are reflected in employer contribution rates.

3. Detailed Work of the Board

3.1 Overview

3.1.1 This is the tenth annual report produced by the Board. Since their inception, Local Pension Boards have become increasingly visible, as have the expectations of both TPR and the Scheme Advisory Board (SAB), who may make direct contact with Board Chairs.

3.1.2 As such, Boards are in a continuous state of evolution. This has manifested itself in a closer working relationship between the Committee and the Board. There are also regular meetings between the Board Chairs of the Pensions Funds who are members of the Border to Coast Pension Partnership (BCPP).

3.1.3 As Board Chair, I attend the Committee to discuss any recommendations from the Board.

3.1.4 Board meetings are scheduled before Committee meetings to enable the Board to give detailed consideration of the process and procedure of proposed new policies, or with reviews of existing policies, such that observations and recommendations from the Board are then integrated into the final report to the Committee and thus are taken into account as part of the decision-making process. The Board takes satisfaction from its role as a sounding board in developing new policies and reviewing existing policies and statements. The Pensions Regulator expects Boards to be in a position, if necessary, to challenge the Administering Authority on any decisions made. There were no such cases during the financial year 2024/2025.

3.1.5. The main elements of the work programme of the Board are governance, and oversight of the pensions administration function, which is run by an in-house team. A detailed and wide-ranging quarterly administration performance report is scrutinised at each ordinary meeting of the Board, comparing actual performance against both best practice and regulatory

deadlines. Consideration is given to the focus on the priority tasks, and to the adequate resourcing of the Administration Team, including succession planning.

3.1.6 Amongst other objectives, the Board endeavours to help manage the reputational risk of the Fund. Such a focus seeks assurances that the Fund is complying with its responsibilities, obligations and expectations. The Board is mindful that all scheme employers have a responsibility to provide complete, accurate, timely and secure information and data. The roll-out of access by scheme employers to the i-Connect facility should further improve data quality and reliability.

3.2 Risk Management

3.2.1 The Pension Fund Committee owns the Risk Register. The Board's views on the Risk Register are sought as part of the governance of Pension Fund risks. The detailed assessment of the likelihood of each risk occurring and its impact is assessed in the light of the existence of the Board as an additional scrutiny resource. Review of the Risk Register is a standing item at Board meetings and the Board can make recommendations to the Committee to amend the Risk Register. Any recommendations from the Board are usually accepted by the Committee. The Board endeavours to identify new risks and the Risk Register is seen as a working document.

3.3 The Pensions Regulator (TPR)

3.3.1 The Pensions Regulator examines the Scheme on an ongoing basis and has, for example, highlighted delays across LGPS Funds in producing Annual Benefit Statements (ABS). The Board was pleased to note that Bedfordshire Pension Fund once again produced its ABS by the due date.

3.3.2 Traditionally, the Board has undertaken an annual review of the Fund against the standards and expectations as reflected in TPR Code of Practice 14, on a red, amber, green basis: RAG. The assessment has identified areas in which the Fund needs to make improvements. TPR replaced Code of Practice 14 with its new General Code of Practice with effect from March 2024. Therefore, the Board is in the process of undertaking an assessment of the Fund against the General Code of Practice. The Board will continue to consider certain areas of the Code at any one time. No areas have red status. The Board will study and make recommendations on amber items and will also challenge those areas assessed as "green", so seeking on-going assurance that the evidence supports each assessment. Interim reviews of any area of the Code will be undertaken should circumstances so require.

3.3.3 The Board monitors TPR's annual review of its priorities, and studies its guidance, intervention reports and the reasons behind any fines it levies, reflecting these issues when setting the Board agenda. A particular focus of TPR is cyber security and pension scams, which have featured appropriately on Local Board agendas.

3.3.4 The Board continues to be mindful of TPR's Scheme Annual Return, which is a statutory document which Bedfordshire Pension Fund completed within the statutory deadline. The return shows percentages for the completeness and accuracy of "common data" and "scheme specific data". Using 2018/2019 data as a baseline, TPR measures and seeks annual improvements in data quality. Data quality for Bedfordshire is at a high level and a Data Improvement Plan is in place, which is reviewed by the Board.

3.4 Reporting and Recording Breaches

3.4.1 All breaches of the law are recorded. The Board, and everybody associated with the Fund, other than individual scheme members, have a responsibility to report significant breaches of law to TPR. The Board reviews any breaches of the law as a standing item on the agenda. During 2024/2025, as far as the Board was aware, no breaches were reported to TPR.

3.5 Scheme Advisory Board (SAB)

3.5.1 The Board monitors the focus and priorities of the SAB and takes them into account in setting the Work Programme.

3.5.2 The SAB commissions periodic surveys of local pension boards, the outcomes of which are reported to the Board.

3.6 Review of Investment Issues

3.6.1 Whilst the majority of the Board work programme focuses on administration and governance issues, there is some involvement in investment issues.

3.6.2 As is expected under the Investment Regulations, the Board continues to monitor the on-going process for developing strategies for responsible investment, and the reporting of delivery against those strategies.

3.6.3 The Board continues to receive updates on progress by Border to Coast Pension Partnership (BCPP) regarding the pooling of investment assets. Representatives of the scheme members of the partner Funds observe the Joint Committee of BCPP and report back to scheme member representatives on partner Boards. The Pool has been accepted as a signatory of the Financial Reporting Council Stewardship Code.

3.6.4 The Board Chair participates, along with the other Board Chairs of the partner Funds, in regular discussions regarding aspects of governance and procedures within BCPP and the Joint Committee.

3.7 Scheme and Council documents

3.7.1 The Board examines the range of scheme documents expected to be in place. It has reported where it found gaps or a need to update. The Board also checks that appropriate information regarding the Board is shown on the website.

3.7.2 The Board pays particular regard to those standard documents which are sent to scheme members and may make recommendations regarding their content.

4. Ensuring Compliance with Regulatory Deadlines.

4.1 As the regulatory burden imposed on pension schemes continues to increase, so an increasing component of the Board agenda is ensuring compliance with regulatory deadlines, some of which represent an annual requirement, whilst others relate to the effective dates of new legislation and regulations. In all cases timely progress reports are received, so that the Board can consider whether any recommendations are needed to ensure that deadlines are met.

4.2 The changing working patterns, which were given added impetus by the pandemic in 2020, have resulted in a significant increase in home working. The Board is keeping the potential implications of home working under review.

4.3 In line with the majority of Local Authorities in England, the audit of the Bedford Borough Council Accounts, which incorporate the Pension Fund Annual Report and Accounts, continues to be subject to significant delays for reasons beyond the control of the Pension Fund.

4.4 The Board continues to review and challenge on-going compliance in areas such as the General Data Protection Regulation (GDPR) and cyber security guidance.

5. Board Self-Assessment

5.1 Following a dedicated training event, the Board has previously undertaken a self-assessment of its performance as a means of identifying how it could optimise the use of its time and add more value to Officers and to the Pension Fund Committee. In overall terms the Board felt that it was achieving its objectives. The Board will look to repeat this exercise.

6. Training

6.1 Each Board member must be conversant with the details of the Scheme, which translates as having a good working knowledge. The training policy for Board members is based on an individual training needs analysis and is therefore individually tailored. This allows use of both the CIPFA Framework and TPR Toolkit. In addition, Board members are informed of external training opportunities such as CIPFA events and the annual LGA/LGPS Trustees Conference.

6.2 Board members are encouraged to attend at least two LGPS-focussed seminars/conferences each year.

6.3 Board members are frequently invited to training provided for Committee members. New Board members are offered the opportunity to receive one to one training with the Board Chair on appointment. In addition, all new Board members are offered the opportunity to attend the three-day LGA Fundamentals course.

6.4 A specific training session is sometimes provided immediately before the Board meeting to consider a particular topic.

7. Work plan

7.1 The work plan for 2025/2026 covers the separate activity areas of:

- Pension Fund Annual Report and Accounts
- administration, including Key Performance Indicators and the Data Improvement Plan
- audit and risk management, including the Risk Register
- governance; including conflicts of interest, recording and, if appropriate, reporting breaches, and compliance with TPR General Code
- specific training on the implications and requirements of the TPR General Code and consideration of how the Board can continue to monitor compliance
- monitoring guidance from both TPR and SAB
- monitoring delivery and reporting by BCPP which has implications for Administering Authorities
- monitoring developments in responsible investment, including requirements under the Stewardship Code, and reporting on the likely requirements in line with the recommendations of the Task Force on Carbon-related Financial Disclosures – TCFD.
- oversight of the implications and implementation of the outcome of the MHCLG Consultation on the LGPS Fit for the Future. This could include implementation of the Good Governance proposals.
- compliance with external deadlines
- training
- member communications
- Pension Fund Business Plan

7.2 There is flexibility to allow for any additional reviews and developments.

8. Public accountability

8.1 As well as being open to the public, other than for occasional excluded items, the agendas, minutes and the Board Terms of Reference are available on the Bedford website at the following address:

https://www.bedspensionfund.org/Fund_information/pension_board/pension_board.aspx

As the Chair of the LGPS Local Pension Board I wish to thank the Vice-Chair Cllr Burnett and fellow Board members who have volunteered their time and energy in their roles. Grateful thanks are also expressed to the Officers of the Bedfordshire Pension Fund, the Chair of the Pension Fund Committee, Democratic Services and other support officers. In particular, I wish to thank Claire Bennett for the excellent support provided to the Board over many years in her role as the Manager for Pensions Administration.

Ian Coleman
Independent Chair

Bedfordshire LGPS Local Pension Board 23 April 2025

Conflicts of interest

The fund has a Code of Conduct and Conflict of Interest policy in place for both Pension Fund Committee and Local Pension Board. The policies can be found on the Pension Fund website. Any potential conflict of interest shall be identified and monitored in a register of interests. Any alleged breaches of the Code of Conduct and Conflict of Interest policy will be investigated by the Scheme Manager, or in line with the Council's process for Members. In the event of any adverse findings, appropriate sanctions may be applied.

Section 3: Financial Performance

Overview

The Fund Account shows that the net assets of the fund have increased by £186.2 million during 2024/25. This increase has been mainly driven by increases in value of investments amounting to £157.4 million. The Pension Fund also remains cashflow positive in its dealings with members, with contributions and transfers in (£177.7m) exceeding total benefit payments and transfers out (£165.3m) by £12.4 million, whilst management expenses totalled £27.3m.

The sections below present further information on the Fund's administrative cashflows and operational budget monitoring, to provide a broad analysis of the Fund's financial health outside of investment performance.

Membership Cashflows

An estimate of the administrative cash flows of the Pension Fund is prepared prior to the beginning of each financial year. An estimate is prepared for each key membership item, generally based on prior year experience together with known future changes. Some items, such as transfers in and out, have highly uneven cash flows as they are based on individual member experience and behaviour; producing a reliable estimate for these items is therefore extremely challenging.

The cash flows shown below include the payment, and subsequent recovery, of compensatory added years benefits which are excluded from the statement of accounts. It should also be noted that the table below is prepared on a cash basis, in contrast to the Statement of Accounts which is prepared on an accruals basis.

The estimate for 2024/25 was reviewed by the Pensions Committee at its meeting on 5th March 2024. It was anticipated that the Fund would continue to be cashflow positive with a small cash surplus (£2.1m) resulting from its dealings with members. The table below presents the yearly estimate compared to the actual for each key membership item. As per the table, the overall outturn is a cash surplus of £10.7m, which exceeds the estimated surplus by £8.6m.

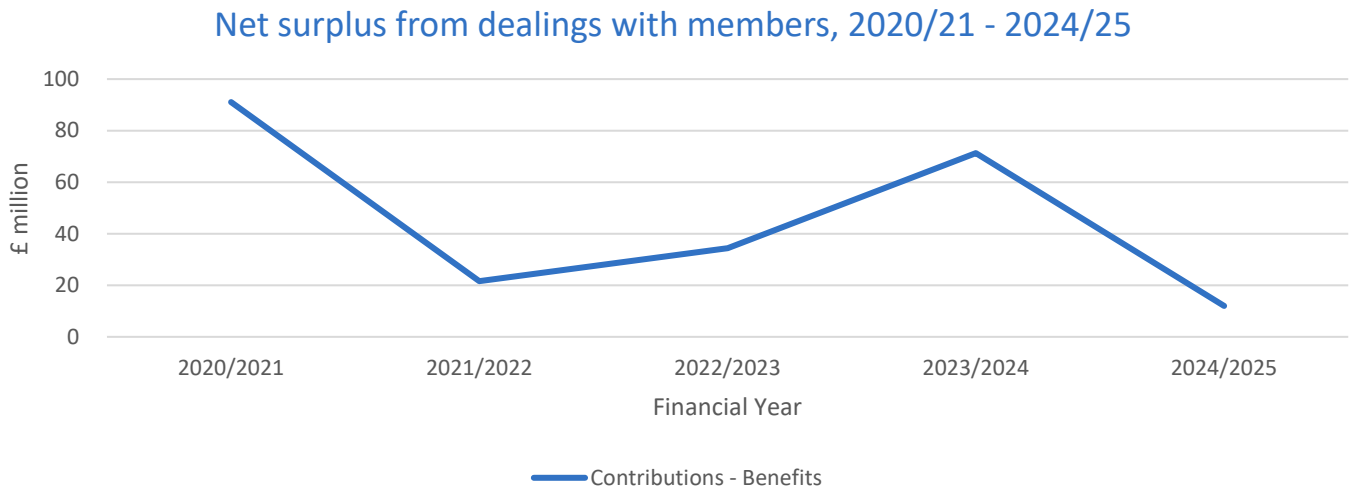
Administrative cash flows	Yearly Estimate £000	Actual £000	Variance £000
Employee Contributions Received	(31,000)	(36,494)	(5,494)
Employer Contributions Received	(110,000)	(121,897)	(11,897)
Employers Added Years Contributions	(3,000)	(3,130)	(130)
Actuarial Strain Cost to Employers	(2,000)	(727)	1,273
Transfers from other Schemes	(15,000)	(17,378)	(2,378)
Total Income in Relation to Members	**(161,000)**	**(179,626)**	**(18,626)**

Administrative cash flows	Yearly Estimate £000	Actual £000	Variance £000
Cash Outflows:			
Benefits Payable			
Payment of Pensions	111,300	115,747	4,447
Payment of Lump Sums	24,800	30,410	5,610
Transfers to Other Schemes and Refunds	15,000	22,354	7,354
Administration and Other Expenses	**7,800**	**4,044**	**(3,756)**
Total Expenditure in Relation to Members	**158,900**	**172,555**	**13,655**
Net Cash (Inflow) / Outflow Attributable to Members	**(2,100)**	**(7,071)**	**(4,971)**
Other Cash (Inflows) / Outflows:			
Other Income (Interest Received)	0	(3,639)	(3,639)
Total Net Cash (Inflow) / Outflow	**(2,100)**	**(10,710)**	**(8,610)**

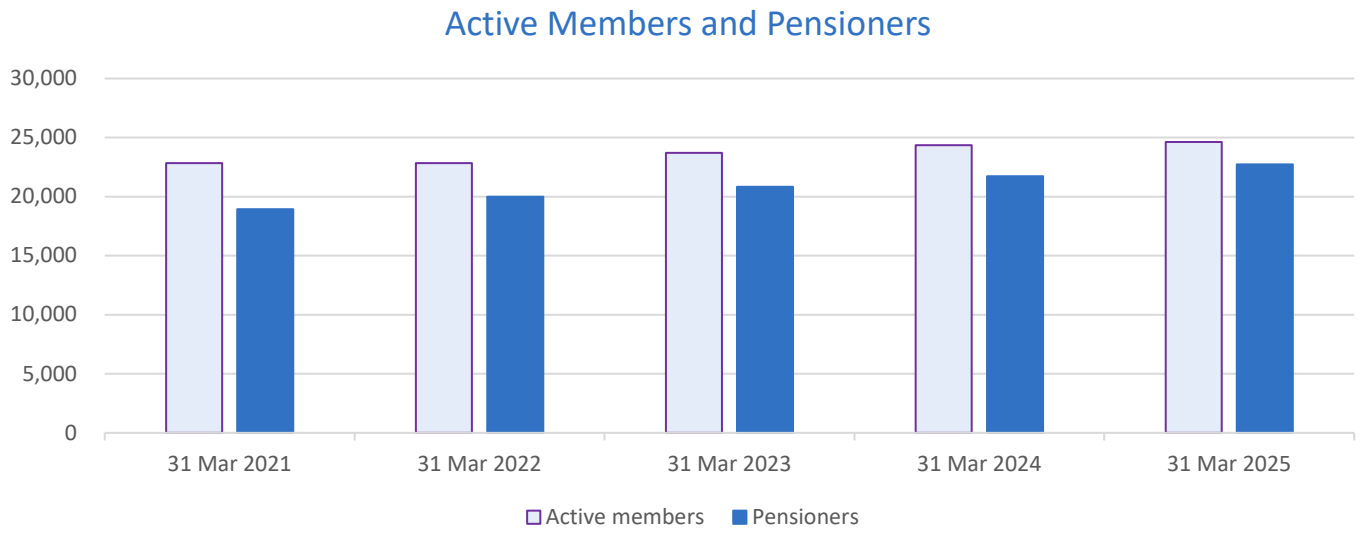
For income, the most significant variance relates to increased income from Employers of £11.9 million. This can be attributed to an increase in the number of active employees in the Fund and an overall increase in their pay which impacts on both employee and employer contributions. Transfers In are also higher than estimated by £2.4 million. Other Income is driven by returns on cash investments held internally and is not included in the estimate; returns for the year 2024/2025 have resulted in a cash inflow of £3.6 million (2023/24 £3.6 million).

The main variances in expenditure relate to an increase of £4.4 million in pension payments as a result of inflation and increase in pensioner numbers. Lump sum payments totalled £30.4m, an increase of £5.6m over and above the original estimate of £24.8 million. Transfers out and refunds exceeded forecast by £7.4 million; these payments are driven by member behaviour and are extremely difficult to forecast accurately, they are however in line with the actuals from 2023/2024. The Fund holds sufficient liquidity to be able to pay these from within the existing cash balances and will not be required to disinvest from any investment products.

The chart below (which has been prepared using information from the Fund Account and is therefore prepared on an accruals basis) shows the overall trend in the membership surplus from 2020/21 to 2024/25. The chart overall suggests a gradual decrease in the surplus over time, which is consistent with the gradual maturing of the Fund's membership profile. Recent high inflation has also increased benefit payments, as these are linked to CPI (Consumer Prices Index). The significant peaks in 2020/21 and 2023/24 represent years in which large employers have chosen to prepay contributions; the 3 year gap aligns to the Fund's valuation cycle.



The chart below sets out the change in the numbers of active members and pensioners over the period from 2020/21 to 2024/25. As suggested above, the membership profile of the Fund is gradually maturing, as the number of pensioners is increasing faster than the number of active members. The ratio of active members to pensioners was 1.08 in 2024/25, down from 1.21 in 2020/21.



Budget Monitoring 2024/25

The table below presents the Fund's budget and outturn for 2024/25. Budget information is presented across 3 key categories: Investment Management Fees, which covers the cost of investing; Oversight and Governance, which includes staff costs, external consultancy fees and training; and administration, which covers the cost of the Fund's dealings with members.

	2024/2025 Budget £000	2024/2025 Outturn £000	2024/2025 Variance £000
Administration			
Running Expenses	198	301	103

	2024/2025 Budget £000	2024/2025 Outturn £000	2024/2025 Variance £000
Technology	535	529	(6)
Fund Administration – BBC recharge	1,651	1,498	(153)
Total Administration	**2,384**	**2,328**	**(56)**
Oversight and Governance	**1,907**	**1,530**	**(376)**
Investment Management			
i) Budgeted			
Management Fees	5,997	6,263	266
Underlying Property Fund Costs	2,110	1,364	(746)
Custody Fees	0	136	136
Total Budgeted Investment Management Fees	**8,107**	**7,763**	**(480)**
ii) Non-Budgeted			
Non-invoiced Fees	**N/A**	13,000	**N/A**
Performance-related Fees	**N/A**	2,681	**N/A**
Total Investment Management Fees	**N/A**	**23,444**	**N/A**
Total	**N/A**	**27,302**	**N/A**

The full year outturn shows an underspend (£0.5 million) on investment management fees for 2024/2025, largely resulting from lower than budgeted underlying property fund costs. Non-budgeted investment management fees are those linked to investment strategy changes, such as the decision to increase exposure to private markets which incur higher management fees. More information on management fee expenditure for 2024/25 can be found in Section 5, Investments and Funding.

There was an underspend of £0.4 million on Oversight and Governance during the year (2023/2024 underspend of £1.1 million), which resulted largely from a reallocation of spending on investment pooling development from Oversight and Governance to Investment Management costs. This amounted to £0.8m and was partly offset by increased professional fees. Spend on investment pooling during the year was £0.3 million (2023/2024 £0.5 million).

Non-investment Assets & Liabilities, Contributions, Overpayments & Fraud

Current assets for 2024/25 totalled £108.5m compared to £109.7m in 2023/24. The bulk of this balance was made up of cash; £94.9m for 2024/25 compared to £97.3m for 2023/24. Current liabilities were £3.9m in 2024/25, relative to £1.7m for 2023/24. The increase was driven largely by a change in accounting treatment for a tax payment to HMRC; this had been incorrectly netted off cash as a reconciling item in prior years but has now been correctly identified as a creditor.

Employees' contributions in the LGPS are payable based on a banded system of rates linked to pensionable pay. The bands applying during 2024/25 are set out in the table below; these are determined by the Government and are not within the control of Bedfordshire Pension Fund or its employers.

During 2024/2025 the average employee contribution rate as a percentage of pensionable pay was 7.0% (2023/2024 – 7.5%).

Contribution rate bands

Pensionable Pay (£)	Contribution Rate (%)
Up to £17,600	5.5%
£17,601 to £27,600	5.8%
£27,601 to £44,900	6.5%
£44,901 to £56,800	6.8%
£56,801 to £79,700	8.5%
£79,701 to £112,900	9.9%
£112,901 to £133,100	10.5%
£133,101 to £199,700	11.4%
£199,701 or more	12.5%

Employer contribution rates are individual to each employer and are certified by the Fund Actuary after agreeing assumptions with Bedfordshire Pension Fund. The rates are reviewed at each triennial valuation, although inter-valuation contribution reviews can be requested by both employers and the administering authority.

The current rates payable were set at the 2022 valuation and are effective from 1 April 2023 to 31 March 2026; rates for each employer for the 3 years can be found in the Rates and Adjustment certificate contained within the 2022 Valuation document. The primary rate of contribution on a whole Fund level was 19.6% of payroll per annum for 2022 valuation. Each employer also pays a secondary contribution as required under the Regulations that when combined with the primary rate results in the minimum total contributions. This secondary rate is based on their particular circumstances and so individual adjustments are made for each employer.

Employer rates are payable by participating employers monthly, due in arrears by the 7th working day of the following month. the following pension During 2024/2025, 93% of contributions were received by the due date, improving on the 84% reported in 2023/2024. The Fund has not exercised any interest levy on late contributions.

The following table shows the pension overpayments that occurred during the last three years analysed over the year in which the overpayment occurred.

Overpayments

Year	Overpayment £	Recovered £	Written Off £	Outstanding 31 March 2025 £
2022/2023	73,745	65,182	7,846	717
2023/2024	104,357	64,227	39,885	245
2024/2025	33,650	23,536	3,286	6,828

The Pension Fund uses various approaches to reduce the risk of fraud, including participation in the National Fraud Initiative (NFI). The NFI is a data matching exercise, administered by the Cabinet Office, to assist in the prevention and detection of fraud which is undertaken every two years. The NFI is primarily used by the Pension Fund to ensure a pension is stopped after a member has died. The Fund also makes use of other approaches, including mortality checks on pensioners and dependents monthly via an external database, and the "Tell Us Once Service" operated by DWP which automatically notifies the Fund when a death is registered.

The Pension Fund also makes use of Bedford Borough Council's Anti-Fraud Strategy to prevent, and where applicable detect and investigate, wider instances of fraud or corruption. The Council's Internal Audit team reviews the Fund's internal control arrangements on an annual basis, covering pensioner payroll, administration, investments, contributions receivable and governance. In 2024/2025 the Fund received full or substantial assurance in all areas.

No examples of fraud, credit losses, provisions, contingent liabilities, or impairments were identified during the year.

Section 4: Fund Account, Net Assets Statement and notes

Fund Account for the Year Ended 31 March 2025

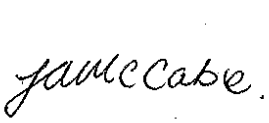
2023/2024 £000		2024/2025 £000	See note
	Contributions and Benefits		
203,659	Contributions	160,306	*7*
17,421	Transfers in from other pension funds	17,377	*8*
0	Other Income	0	
221,080		**177,683**	
(129,057)	Benefits	(143,096)	*9*
(20,799)	Payments to and on account of leavers	(22,230)	*10*
71,224	**Net additions/(withdrawals) from dealings with members**	**12,357**	
(23,579)	Management Expenses	(27,302)	*11*
47,645	**Net additions/(withdrawals) including Management Expenses**	**(14,945)**	
	Returns on Investments		
34,418	Investment income	43,772	*12*
357,341	Profit and losses on disposal of investments and changes in value of investments	157,397	*13b*
391,758	**Net return on investments**	**201,169**	
439,403	Net increase/(decrease) in the fund during the year	186,224	
3,028,870	Opening Net Assets of the Fund	3,468,273	
3,468,273	**Closing Net Assets of the Fund**	**3,654,497**	

Net Assets Statement for the Year Ended 31 March 2025

31 March 2024 £000		31 March 2025 £000	See note
1,182	Long Term Investment Assets	1,182	*13a*
1,182	**Total Long Term Investment Assets**	**1,182**	
3,363,276	Investment Assets	3,565,169	*13a*
(4,158)	Investment Liabilities	(16,398)	*13a*
3,359,117	**Total Net Current Investments**	**3,548,771**	
3,360,299	**Total Net Investments**	**3,549,953**	
0	Long Term Assets	0	*18*
109,695	Current Assets	108,491	*19*
(1,720)	Current Liabilities	(3,947)	*20*
3,468,273	**Net assets of the fund available to fund benefits at the end of the Reporting Period**	**3,654,497**	

The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed in Pension Note 17a.

I certify that the Net Assets Statement represents a true and fair view of the Pensions Funds financial position as at 31 March 2025.



Signed:
Date: 26 February 2026
Julie McCabe, Executive Director of Resources

Notes to the Accounts

1) Description of the Pension Fund

Bedfordshire Pension Fund (the Fund) is part of the Local Government Pension Scheme and is administered by Bedford Borough Council. The Borough Council is the reporting entity for the Fund.

The following description of the Fund is a summary only. For more detail, reference should be made to the Bedfordshire Pension Fund Annual Report & Accounts 2024/2025 and the underlying statutory powers underpinning the scheme, namely the Superannuation Act 1972 and the Local Government Pension Scheme (LGPS) Regulations.

The Fund is governed by the Public Service Pensions Act 2013 and is administered in accordance with the following secondary legislation:

- The LGPS (Administration) Regulations 2013 (as amended)
- The LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The LGPS (Management and Investment of Funds) Regulations 2016 (as amended)

Local Government Pension Funds are required to be funded, being financed by contributions from employees, employers and by earnings from investments. Triennial actuarial valuations are undertaken and employers' contributions are reviewed to ensure that the Fund's assets are sufficient to meet its funding targets.

Membership of the Fund

The Fund is a contributory defined benefit pension scheme providing pensions and other benefits for pensionable employees of Bedford Borough, Central Bedfordshire and Luton Borough Councils and a range of other scheduled and admitted bodies within the Bedfordshire area. Teachers, Police Officers and Firefighters are not included as they come within other national pension schemes.

Organisations participating in the Fund include:

Scheduled bodies - local authorities and similar bodies whose staff are automatically entitled to be members of the Fund;

Admitted bodies - other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

As at 31 March 2025, the total number of employees (i.e. from Councils within Bedfordshire and the other scheduled and admitted bodies) contributing to the Fund was 24,640 (24,359 - 31 March 2024), the number of pensioners was 22,722 (21,720) and the number of deferred pensioners was 34,899 (34,903).

A full list of participating bodies as at 31 March 2025 is included in the Bedfordshire Pension Fund Annual Report.

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside of the scheme.

Core Benefits of the Scheme

From 1 April 2014 the scheme became a Career Average Revalued Earnings (CARE) scheme. Benefits earned in the scheme before 1 April 2014 are protected so benefits up to that date will be based on the scheme member's final year's pay.

The benefits payable from the Fund are set out in the Local Government Pension Scheme Regulations 2013, as amended, and in summary are:

- A guaranteed annual pension based on the pay received during the year and revalued in line with earnings.
- An optional tax-free lump sum by commuting part of the pension.
- Life assurance of three times the members' yearly pay from the day they join the scheme.
- Pensions for spouses, civil registered partners, qualifying cohabiting partners and eligible children on the death of the member.
- An entitlement paid early if a member has to stop work permanently due to permanent ill-health.
- Inflation-proof preserved pensions and pensions in payment.
- Pensions payable from age 55, including (with the employer's consent) flexible retirement and early retirement.
- The option to contribute a reduced contribution for a reduced benefit - the 50/50 option.

NB scheme members must have a minimum of two years' membership to qualify for a pension

Full details of the contributions payable by employees and benefits receivable can be found in the Fund's scheme handbook "Guides to the Local Government Pension Scheme", available from Borough Hall and available in full or in summary on the Fund's website.

2) Basis of Preparation

The accounts are compliant with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/2025 (the Code), which is based on International Financial Reporting Standards (IFRS) as amended for the UK public sector. The accounts of the Pension Fund have also been prepared to meet the requirements of the Local Government Pension Scheme (Administration) Regulations 2013 and in accordance with the Statement of Recommended Practice on Financial Reports of Pension Schemes.

The accounts summarise the transactions and net assets of the Fund and do not take account of liabilities to pay pensions and other benefits in the future. They should therefore be read in conjunction with the actuarial reports which take account of future liabilities.

The Administering Authority has carried out an assessment and is satisfied that Bedfordshire Pension Fund is a going concern. The Fund value at 31 March 2025 stood at £3.65 billion, a 5% increase from the balance at 31 March 2024.

The Fund remains cashflow positive in 2024/2025 despite the significant level of prepayments made in the first valuation year. Cash held at the Balance Sheet date stood at £94.87 million, equivalent to 2.5% of the Fund Assets. In addition, the Fund does not have any external borrowing and held £2.84 billion in Level 1 and Level 2 investment assets which could be realised within 3 months if required. Therefore, the fund is satisfied it has sufficient resources to meet its obligations to pay pensions throughout the going concern period which is at least 12 months from the date of authorisation of these accounts. For this reason, alongside the statutory guidance, these financial statements have been prepared on a going concern basis.

3) Significant Accounting Policies

Contribution Income

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis at the percentage rate recommended by the actuary in the payroll period to which they relate. Employer deficit funding contributions are accounted for on the dates on which they are due under the schedule of contributions set by the actuary or on receipt if earlier than the due date. Employer's augmentation and pension strain contributions are accounted for in the period in which the liability arises. Any amount due in-year but unpaid is classed as a current financial asset.

Benefits Payable

All pensions and lump sum payments have been included on an accruals basis other than some death gratuities. The payment of some death gratuities is dependent upon the receipt of probate or letters of administration. Where death occurs before the end of the year but probate or letters of administration have not yet been received by the balance sheet date, then no accrual is made. The departure from the accruals basis for these death gratuities does not materially affect the reported figure.

Lump sums are accounted for in the period in which the member becomes a pensioner. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

Only benefits paid under local government pension scheme regulations are included in the Fund account. For administrative ease, the Fund also pays out compensatory added years benefits on behalf of scheme employers; these are refunded in full by the employer. Both the benefits paid and the subsequent reimbursements are excluded from the Fund account.

Refunds of Contributions

Refunds have been included on a cash basis. Accounting for refunds on an accruals basis would not materially alter the reported figure.

Transfer Values

Transfer values to and from other schemes have been included on a cash basis. Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

Management Expenses

The Code of Practice does not require any breakdown of Pension Fund administrative expenses. However, in the interests of greater transparency, the Fund discloses its management expenses in accordance with CIPFA Guidance on Accounting for LGPS management expenses.

Administrative Expenses

The administration of the Fund is undertaken by the Borough Council in its role as administering authority. The Council's costs of administering the scheme, agreed by the relevant committees of both the Council and the Pension Fund, are charged to the Fund.

Oversight and Governance Costs

All oversight and governance expenses are accounted for on an accruals basis. All staff costs associated with governance and oversight are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

Investment Management Expenses

Fees of the external investment managers and the Fund's custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the assets under their management and therefore increase or reduce as the value of these investments change. In addition there are some performance-related fees which are disclosed in the notes to the accounts.

Where an investment manager's fee note has not been received by 31 March 2025, an estimate based upon the market value of their mandate as at the end of the year is used for inclusion in the Fund account.

Following guidance from CIPFA, Accounting for Local Government Pension Scheme Management Expenses, the Fund extracts transactional costs from managers where the information is available to make an estimate or where this is readily available from the Custodian. This is included within the investment management costs. For the Property manager, management costs have been extracted reflecting the unit management costs based on the Net Asset Value (NAV) of each separate fund.

Investments

Investments are shown in the accounts at market value, determined as follows:

(i) Quoted securities are valued by reference to market bid price at the close of business on 31 March 2025.

(ii) Traded futures are valued by reference to their exchange prices as at 31 March 2025.

(iii) Other unquoted securities are valued having regard to latest dealings, professional valuations, asset values and other appropriate financial information.

(iv) Unit trust and managed fund investments are valued by reference to the latest bid prices quoted by their respective managers prior to 31 March 2025. If bid prices are unavailable, mid prices or net asset value will be used.

(v) Assets, including investments, denominated in foreign currencies are valued on the relevant basis and translated into sterling at the rate ruling on 31 March 2025. Exchange gains and losses arising from movements in current assets and liabilities are included in the Fund account for the year.

Investment assets include cash balances held by the Fund managers and debtor and creditor balances in respect of investment activities.

Investment Income

(i) Interest income is recognised in the Fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

(ii) Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

(iii) Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

(iv) Changes in the net market value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year.

Acquisition Costs of Investments

Where shown, the cost of investments includes direct costs of acquisition.

Additional Voluntary Contribution (AVC) Investments

Bedford Borough Council as the administering authority has arrangements with its AVC providers to enable employees to make AVCs to supplement their pension benefits. AVCs are invested separately from the Fund's main assets and the assets purchased are specifically allocated to provide additional benefits for members making AVCs. The value of AVC assets is not included in the Fund's net asset statement.

Taxation

The Fund is an exempt approved Fund under section 1(1) of Schedule 36 of the Finance Act 2004, and as such is exempt from tax on capital gains and from UK income tax on interest receipts. As the Council is the administering authority for the Fund, VAT is recoverable on all expenditure where appropriate, and all of the Fund's income is outside the scope of VAT.

The Fund is liable to tax at a rate of 20% on small pensions that have been compounded into a lump sum.

The Fund is exempt from United States withholding tax.

Where the Fund is subject to other foreign tax, income is shown as the grossed-up figure and the tax withheld as an item of expenditure.

New Accounting Standards

For any new accounting standard or policy introduced, the Pension Fund is required to provide information explaining how these changes have affected the accounts.

There were no new accounting standards introduced in 2024/2025 affecting the Pension Fund.

Accounting Standards that have been issued but have not yet been adopted

The Fund is required to disclose information relating to the impact of the accounting change on the financial statements as a result of the adoption by the Code of a new standard that been issued but is not yet required to be adopted by the Pension Fund. There are no such disclosures.

Events after the reporting date

These are events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period), and

b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

An example of an adjusting event would be if new information came to light regarding the methodology employed in the valuation of an asset.

4) Critical Judgements in Applying Accounting Policies

Pension Fund Liability

The Pension Fund liability is calculated every three years by the Fund Actuary in line with the regulations, with annual updates in the intervening years. The methodology used is in accordance with International Accounting Standard (IAS) 19. Assumptions underpinning the valuations are agreed between the Fund and the Actuary and are summarised in Note 17 Funding Arrangements – Actuary Statement. This estimate is subject to significant variances based on changes to the underlying assumptions.

Actuarial revaluations are used to set future contribution rates and underpin the Fund's most significant investment management policies, for example in terms of the balance struck between longer term investment growth and short-term yield/return.

Unquoted Investments

The fair value of unquoted securities is estimated by the Fund's investment managers and subject to the professional judgement and assumptions used by those managers. It is considered that changes in those assumptions would not produce significant variations in the value of those assets other than normal market fluctuations.

5) Assumptions made About the Future and Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made about the future or events that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the net asset statement at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming year are as follows:

Estimation Uncertainties

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits	Estimation of the net liability to pay pensions depends on a number of complex judgments relating to the discount rates used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on Pension Fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice on the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, an increase in the discount rate assumption would result in a decrease in the pension liability. An increase in assumed earnings would increase the value of liabilities and an increase assumed life expectancy would increase the liability. A Sensitivity Analysis is shown in Note 17a.
Pooled Property	Property investments are valued at fair value in accordance with the Royal Institute of Chartered Surveyors (RICS) guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	There is a risk that these may be over or understated in the accounts.
Alternatives (Private Equity, Infrastructure and Private Credit)	Alternatives or unquoted investments are valued at fair value e.g Private equity investments are valued at fair value in accordance with the British Venture Capital Association guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in their valuation.	There is a risk that these may be over or understated in the accounts. A Sensitivity Analysis on Level 3 assets is shown in Note 14.

6) Events after the Reporting Date

It was agreed at the January 2025 Pension Fund Committee that an investment would be made in the Border to Coast Multi-Factor Equity Index Fund and it would be funded from the existing allocations to the BlackRock ACS Global Low Carbon Fund and BlackRock ishares Emerging Market Fund. This transaction took place on 8th May 2025 and amounted to c£700 million.

7) Contributions receivable

2023/2024 £000	Contributions	2024/2025 £000
34,138	Employees' normal contributions	36,318
398	Employees' additional voluntary contributions	440
114,152	Employers' normal contributions	119,617
54,617	Employers' deficit funding	3,225
354	Employers' augmentation contributions	706
203,659		**160,306**
37,238	Administering authority	21,327
158,617	Scheduled bodies	130,781
7,804	Admitted and other bodies	8,198
203,659		**160,306**

Employers' augmentation contributions relate to payments for the cost of enhanced benefits and early retirements. Refunded payments from employers in respect of compensatory added years' benefits are excluded from the accounts.

8) Transfers In from Other Pension Funds

2023/2024 £000	Transfers in from other pension funds	2024/2025 £000
0	Transfers in from other pension funds - bulk	0
17,421	Individual transfers from other pension funds	17,377
17,421		**17,377**

9) Benefits Payable

2023/2024 £000		2024/2025 £000
	Benefits	
105,636	Pensions	112,959
19,762	Commutations of pensions and lump sum retirement benefits	25,740
3,660	Lump sum death benefits	4,397
129,057		**143,096**
	Further analysed as:	
17,170	Administering authority	19,286
99,646	Scheduled bodies	109,158
12,241	Admitted and other bodies	14,652
129,057		**143,096**

Payments to employees in respect of compensatory added years benefits are excluded from the accounts.

10) Payments To and On Account of Leavers

2023/2024 £000	Payments to and on account of leavers	2024/2025 £000
493	Refunds of contributions	302
0	Transfers to other schemes – bulk	1,864
20,238	Transfers to other schemes – individuals	20,005
68	Annual Allowance - Tax Charge	59
0	Lifetime Allowance - Tax Charge	0
20,799		**22,230**

The Annual Allowance Tax Charge is on behalf of individual scheme members who exceeded the annual allowance and used the Scheme Pays facility which permits members to opt for the LGPS to pay the tax charge, which is then recovered from the member's pension benefits.

The Lifetime Allowance Tax Charge is on behalf of individual members who exceeded the lifetime allowance and used the Scheme Pays facility which permits members to opt for the LGPS to pay the tax charge, which is then recovered from the member's pension benefits. The charge for breaching the LTA was removed from 6 April 2023 and from April 2024, the lifetime allowance is no longer in force.

11) Management Expenses

2023/2024 £000	Management Expenses	2024/2025 £000
2,372	Administrative Costs	2,328
20,474	Investment Management Expenses	23,444
733	Oversight and Governance Costs	1,530
23,579		**27,302**

A further breakdown of the investment management expenses is shown below:

2023/2024				2024/2025		
Total £000	Management £000	Performance £000	Investment Management Expenses	Total £000	Management £000	Performance £000
213	213	0	Equities - Unitised Insurance Policies	305	305	0
41	41	0	Equities - ACS/Unit Trust	95	95	0
781	781	0	Equities - Managed Fund	457	457	0
378	378	0	Fixed Income - ACS/Unit Trust	396	396	0
1,709	1,709	0	Multi Asset Credit - ACS/Unit Trust	1,834	1,834	0
1,200	1,200	0	Absolute Return - ACS/Unit Trust	797	797	0
1,546	1,546	0	Property Unit Trusts	2,091	1,890	201
1,218	1,218	0	Private Equity	1,941	1,941	0
2,541	2,424	117	Private Credit	3,093	2,742	351
8,802	7,845	957	Infrastructure	10,666	8,632	2,034
347	347	0	Climate Opportunities	442	442	0
1,542	1,542	0	Pool Charges	1,183	1,088	95
152	152	0	Custody Fees	136	136	0
4	4	0	Other	8	8	0
20,474	**19,400**	**1,074**		**23,444**	**20,763**	**2,681**

12) Investment Income

2023/2024 £000	Investment Income	2024/2025 £000
30,770	Income from pooled investment vehicles	37,381
3,648	Interest on cash deposits	6,391
34,418		**43,772**

13) Investments

13a Investments 2024/2025

2023/2024 £000	Investments	2024/2025 £000	Note
	Long Term Investments		
1,182	Pool Share Capital	1,182	
1,182	**Total Long Term Investments**	**1,182**	
	Pooled Investment Funds		
937,878	Equities – Unitised Insurance Policies	994,578	
694,324	Equities- ACS/Unit Trust	726,706	
265,089	Equities – Managed Fund	277,048	
170,567	Fixed Income – ACS/Unit Trust	184,395	
357,316	Multi Asset Credit – ACS/Unit Trust	380,988	
149,785	Absolute Return – ACS/Unit Trust	154,340	
169,962	Property Unit Trusts	177,618	
60,584	Private Equity	79,542	
100,330	Private Credit	122,729	
323,897	Infrastructure	409,999	
10,439	Climate Opportunities	15,926	
3,240,171	**Total Managed and Unitised Funds**	**3,523,869**	
	Cash Deposits & Other Investment Assets		
122,254	Cash deposits	40,809	
850	Amount receivable for sales of investments	491	
123,104	**Total Cash and Other Investment Assets**	**41,300**	
	Investment Liabilities		
(4,158)	Payable for Purchases	(16,398)	
(4,158)	**Total Other Liabilities**	**(16,398)**	
3,360,299	**Total**	**3,549,953**	

13b - Value of Investments 2024/2025

2024/2025	Market Value at 31 March 2024 £000	Purchases at cost & derivative payments £000	Sale proceeds & derivative receipts £000	Change in Market Value £000	Market Value at 31 March 2025 £000
Long-Term Investments					
Pool Share Capital	1,182	0	0	0	1,182
Total Long-Term Investments	**1,182**	**0**	**0**	**0**	**1,182**
Pooled Investment Funds					
Equities – Unitised Insurance Policies	937,878	0	0	56,700	994,578
Equities – ACS/Unit Trust	694,324	0	0	32,382	726,706
Equities – Managed Fund	265,089	0	(457)	12,416	277,048
Fixed Income – ACS/Unit Trust	170,567	0	(710)	14,538	184,395
Multi Asset Credit – ACS/Unit Trust	357,316	8,841	(1,834)	16,665	380,988
Absolute Return – ACS/Unit Trust	149,785	0	(796)	5,351	154,340
Property Unit Trusts	169,962	7,606	(3,723)	3,773	177,618
Private Equity	60,584	26,581	(13,550)	5,927	79,542
Private Credit	100,330	28,989	(6,443)	(147)	122,729
Infrastructure	323,897	93,650	(17,444)	9,896	409,999
Climate Opportunities	10,439	7,730	(2,366)	123	15,926
Total Pooled Investment Funds	**3,240,171**	**173,397**	**(47,323)**	**157,625**	**3,523,869**
Derivative Contracts	**0**	**13**	**23**	**(36)**	**0**
Total	**3,241,353**	**173,410**	**(47,300)**	**157,588**	**3,525,051**
Other Investment Balances					
Cash Deposits	122,254			(191)	40,809
Amount receivable for sales of investments	850				491
Payable for Purchases	(4,158)				(16,398)
Total Net Investments	**3,360,299**				**3,549,953**

13c Investments Analysed by Fund Manager

2023/2024 £000	2023/2024 %	Fund Manager	2024/2025 £000	2024/2025 %
		Investments Managed by BCPP		
10,439	0.31%	BCPP – Climate Opportunities	15,926	0.45%
265,089	7.89%	BCPP – Global Equities	277,048	7.80%
255,184	7.59%	BCPP – Infrastructure	300,960	8.48%
209,210	6.23%	BCPP – Multi Asset Credit	224,785	6.33%
100,330	2.99%	BCPP – Private Credit	122,729	3.46%
8,698	0.26%	BCPP – Private Equity	28,214	0.80%
1,334	0.04%	BCPP – Real Estate	8,169	0.23%
850,284	**25.30%**	**BCPP Total**	**977,831**	**27.55%**
		Investments Managed Outside of BCPP		
684,535	20.37%	Legal & General – Global Equities	720,648	20.30%
71,652	2.13%	Legal & General – UK Equities FTSE 250	72,341	2.04%
181,691	5.41%	Legal & General – UK Equities Future World	201,589	5.68%
599,329	17.84%	BlackRock – Global Equities	625,617	17.62%
94,995	2.83%	BlackRock – Emerging Markets Equities	101,089	2.85%
168,628	5.02%	CBRE – Indirect Property	169,449	4.77%
170,567	5.08%	Insight – Responsible Horizons Credit Fund	184,395	5.19%
149,785	4.46%	Newton – Absolute Return Multi-Asset	154,340	4.35%
51,886	1.54%	Patria (was abrdn) – Private Equity	51,328	1.45%
20,248	0.60%	Pantheon – Real Assets	17,788	0.50%
148,106	4.41%	PIMCO – Diversified Income Fund	156,203	4.40%
48,466	1.44%	Gresham House – Infrastructure	91,251	2.57%
1,182	0.04%	Pool Share Capital – Equities	1,182	0.03%
2,391,070	**71.16%**	**Unpooled Total**	**2,547,220**	**71.75%**
7,096	0.21%	Cash held with Fund Managers	1,978	0.06%
850	0.02%	Debtors due from Fund Managers	491	0.01%
(4,158)	(0.12%)	Creditors due to Fund Managers	(16,398)	(0.46%)
3,788	**0.11%**	**Due to / (from) Fund Managers Total**	**(13,929)**	**(0.39%)**
115,158	**3.43%**	**Cash held with Fund Custodian**	**38,831**	**1.09%**
3,360,299	**100.00%**	**Total Net Investments**	**3,549,953**	**100.00%**

13d Investments exceeding 5% of net assets (excluding UK Government Securities)

2023/2024 £000	% of Total Market Value	Managed and Unitised Investment	2024/2025 £000	% of Total Market Value
684,535	19.74%	LGIM Future World Global Equity	720,648	19.72%
599,329	17.28%	BlackRock ACS World Low Carbon Equity Fund	625,617	17.12%
255,184	7.36%	Border to Coast Infrastructure	300,960	8.24%
265,089	7.64%	Border to Coast Global Equity Alpha	277,048	7.58%
209,210	6.03%	Border to Coast Multi Asset Credit	224,785	6.15%
181,691	5.24%	LGIM UK Future World Equity Index	201,589	5.52%
*	*	Insight Responsible Horizons	184,395	5.05%

* This fund was less than 5% of the net assets in 2023 2024 therefore comparatives have not been included.

13.e Stock Lending

The Fund did not undertake any stock lending during 2024/2025.

14) Fair Value – Basis of Valuation

The basis of the valuation of each class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value.

Asset Type	Level	Valuation Basis	Observable and Unobservable Inputs	Key Sensitivities
Market quoted Investments	1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Cash balances, money market funds and investment income due but not yet paid	1	Expected maturity date of less than two months, therefore, Fair Value is the carrying value of these assets and liabilities	Not required	Not required
Non-investment current assets and current liabilities (carried at amortised cost)	1	Short-term transactions and high degree of certainty of settlement value. Fair Value is carrying value at the year-end date	Not required	Not required

Asset Type	Level	Valuation Basis	Observable and Unobservable Inputs	Key Sensitivities
Pooled investments - overseas unit trusts	2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV - based principal set on a forward pricing basis	Not required
Pooled investments - property funds quoted	2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV - based principal set on a forward pricing basis	Not required
Pooled investments - property funds unquoted	3	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV - based principal set on a forward pricing basis	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts
Alternative Assets (Private Equity, Private Credit and Infrastructure)	3	Comparable valuation of similar companies e.g. in accordance with *International Private Equity and Venture Capital Valuation Guidelines (2018)*	EBITDA multiple revenue multiple discount for lack of marketability control premium	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts

Sensitivity of Assets Valued at Level 3

Based on an analysis of historical data, current market trends, information supplied by the investment managers and the Pension Fund policy documents, the Fund has determined that the valuation methods described below are likely to be accurate to within the following range, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2025.

14a Level 3 Assets

Assets*	Valuation Range +/-	Value at 31 March 2025 £000	Valuation Increase £000	Valuation Decrease £000
Private Equity	15	79,542	91,473	67,611
Infrastructure	15	409,999	471,499	348,499
Property	10	80,813	88,894	72,732
Private Credit	15	122,729	141,138	104,320
Climate Opportunities	15	15,926	18,315	13,537
		709,009	**811,320**	**606,698**

**Note this table excludes equity holdings in Border to Coast as there is no market for these shares.*

Fair Value Hierarchy

Asset and liability valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

Level 1

Assets and liabilities at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Investments classified as level 1 comprise of quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.

Level 2

Assets and liabilities at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value.

Level 3

Assets and liabilities at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

The following table provides the analysis of the financial assets and liabilities of the Pension Fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

Table 14b(i) - Analysis of Asset Levels at 31 March 2025

	Quoted Market Price Level 1 £000	Using Observable Inputs Level 2 £000	With Significant Unobservable Inputs Level 3 £000	Total £000
Financial Assets				
Financial assets at fair value through profit and loss	0	2,814,860	710,191	**3,525,051**
Financial assets at amortised cost	41,300	0	0	**41,300**
Total Financial Assets	**41,300**	**2,814,860**	**710,191**	**3,566,351**
Financial Liabilities				
Financial liabilities at fair value through profit and loss	0	0	0	0
Financial liabilities at amortised costs	(16,398)	0	0	**(16,398)**
Total financial liabilities	**(16,398)**	**0**	**0**	**(16,398)**
Net financial assets	**24,902**	**2,814,860**	**710,191**	**3,549,953**

Table 14b(ii) - Analysis of Asset Levels at 31 March 2024

	Quoted Market Price Level 1 £000	Using Observable Inputs Level 2 £000	With Significant Unobservable Inputs Level 3 £000	Total £000
Financial Assets				
Financial assets at fair value through profit and loss	0	2,669,542	571,812	**3,241,353**
Financial assets at amortised cost	123,104	0	0	**123,104**
Total Financial Assets	**123,104**	**2,669,542**	**571,812**	**3,364,458**
Financial Liabilities				
Financial liabilities at fair value through profit and loss	0	0	0	0
Financial liabilities at amortised costs	(4,158)	0	0	**(4,158)**
Total financial liabilities	**(4,158)**	**0**	**0**	**(4,158)**
Net financial assets	**118,946**	**2,669,542**	**571,812**	**3,360,299**

The following assets have been carried at cost (£1,182,000 in 2023/2024):

Table 14c - Share Capital

Values at 31 March 2025	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Share Capital in Border to Coast Pool	0	0	1,182	1,182
Investments held at cost	**0**	**0**	**1,182**	**1,182**

Table 14d - Reconciliation of Fair Value Measurement within Level 3

	1 Apr 2024 £000	Tsf Into Level 3 £000	Tsf Out of Level 3 £000	Purchases £000	Sales £000	Unrealised Gains/Losses £000	Realised Gains/Losses £000	31 Mar 2025 £000
Private Equity	60,584	0	0	26,582	(11,771)	348	3,799	**79,542**
Infrastructure	323,897	0	0	93,649	(10,096)	963	1,586	**409,999**
Property	75,379	0	0	7,585	(2,213)	80	(18)	**80,813**
Private Credit	100,330	0	0	28,989	(4,016)	(2,979)	405	**122,729**
Climate Opportunities	10,439	0	0	7,729	(1,957)	(259)	(26)	**15,926**
	570,630	**0**	**0**	**164,534**	**(30,053)**	**(1,847)**	**5,746**	**709,009**

15) Financial Instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading.

2023/2024				2024/2025		
Fair value through profit & loss £000	Financial assets at amortised cost £000	Financial liabilities at amortised cost £000		Fair value through profit & loss £000	Financial assets at amortised cost £000	Financial liabilities at amortised cost £000
			Financial Assets			
937,878	0	0	Equities – Unitised Insurance Policies	994,578	0	0
694,324	0	0	Equities – ACS/Unit Trust	726,706	0	0
265,089	0	0	Equities- Managed Fund	277,048	0	0
170,567	0	0	Fixed Income – ACS/Unit Trust	184,395	0	0
357,316	0	0	Multi Asset Credit – ACS/Unit Trust	380,988	0	0
149,785	0	0	Absolute Return – ACS/Unit Trust	154,340	0	0
169,962	0	0	Property Unit Trusts	177,618	0	0
60,584	0	0	Private Equity	79,542	0	0
100,330	0	0	Private Credit	122,729	0	0
323,897	0	0	Infrastructure	409,999	0	0
10,439	0	0	Climate Opportunities	15,926	0	0
1,182	0	0	Pool Share Capital	1,182	0	0
0	122,254	0	Cash held for investment	0	40,809	0
0	850	0	Receivable for sales	0	491	0
0	97,280	0	Cash – current assets	0	94,871	0
3,241,353	**220,384**	**0**		**3,525,051**	**136,171**	**0**
			Financial Liabilities			
0	0	0	Other liabilities	0	0	(964)
0	0	(4,158)	Other investment liabilities	0	0	(16,398)
0	**0**	**(4,158)**		**0**	**0**	**(17,362)**
3,241,353	**220,384**	**(4,158)**		**3,525,051**	**136,171**	**(17,362)**

Net Gains and Losses on Net Gains and Losses on Financial Instruments

2023/2024 £000		2024/2025 £000
	Financial Assets	
357,341	Designated at fair value through profit and loss	157,397

The Fund has not entered into any financial guarantees that are required to be accounted for as financial instruments.

16) Nature of Extent of Risks Arising from Financial Instruments

The Pension Fund's assets are predominantly managed by external investment managers appointed by the Pension Fund Committee. Each fund manager is required to invest the assets in accordance with the terms of a written Investment Management Agreement (IMA) or fund prospectus. The Pension Fund Committee has determined that the appointment of these managers is appropriate for the Fund and is in accordance with the Funds' Investment Strategy. The Committee receives regular reports from each of the managers on the nature of the investments made on the Fund's behalf and the associated risks.

The allocation of assets between various types of financial instruments is determined by the Committee, in line with the Investment Strategy Statement (ISS). Divergence from benchmark asset allocations and the composition of each portfolio is monitored by the Pension Fund Committee.

The Fund's investment activities expose it to the following risks from the use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

The nature and extent of the financial instruments employed by the Fund and the associated risks are discussed below. This note presents information on the Fund's exposure to each of the above risks and the Fund's policies and processes for managing those risks.

The Fund's ISS is formulated to identify the risks managed by investment managers, to set appropriate risk limits and to monitor adherence to those limits. The ISS is reviewed regularly to reflect changes in market conditions and the Fund's activities.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Fund's income or the value of its assets. The objective of market risk management is to control market risk exposures within acceptable parameters while optimising returns. The Fund has used manager and adviser information to help it identify market risks.

Interest Rate Risk

Interest rate risk is the risk that interest rate fluctuations will cause the value of fixed interest securities to deviate from expectations. The Fund manages interest rate risk by:

- The use of specialist external investment managers to manage the Fund's cash and fixed interest assets.
- Ensuring asset allocations include a diversity of fixed interest investments with appropriate durations.

The Fund's direct exposure to interest rate risk, as at the period end, is shown in the table following. The table also shows the effect in the year on the net assets available to pay benefits of a +/- 100 basis points (bps) change in interest rates. Comparatives for the previous year are shown in the table below.

Table 16a - Exposure to Interest Rate Risk

Carrying value at 31/03/2024	Change in year in net assets available to pay benefits		Asset type	Carrying value at 31/03/2025	Change in year in net assets available to pay benefits	
£000	+100 bps £000	-100 bps £000		£000	+100 bps £000	-100 bps £000
527,883	5,279	(5,279)	Fixed interest securities	565,383	5,654	(5,654)
219,534	2,195	(2,195)	Cash & cash equivalents	135,680	1,357	(1,357)
747,417	**7,474**	**(7,474)**	**Total**	**701,063**	**7,011**	**(7,011)**

NB. The Fund's direct exposure includes managed fund assets.

Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund manages currency risk by instructing investment managers to use hedging techniques with foreign currencies.

The following table summarises the Fund's currency exposure as at 31 March 2025 and also shows the increase/decrease in the value of net assets available to pay benefits arising.

Using information available from investment advisers, investment managers, the Custodian and the Fund's policy documents, the Fund believes the following are reasonable.

Currency Risk by Asset Class

Currency Risk by Asset Class 2024/2025

Asset Type	Value £000	Change %	Value on Increase £000	Value on Decrease £000
Overseas Equities	1,724,402	6.00%	1,827,866	1,620,938
Overseas Fixed Income	184,395	6.00%	195,459	173,331
Overseas Multi Asset Credit	380,988	6.00%	403,847	358,129
Overseas Absolute Return	154,339	6.00%	163,599	145,079
Overseas Alternatives	536,946	6.00%	569,163	504,729
Overseas Cash	11,235	6.00%	11,909	10,561
Total	**2,992,305**		**3,171,843**	**2,812,767**

Currency Risk by Asset Class 2023/2024

Asset Type	Value £000	Change %	Value on Increase £000	Value on Decrease £000
Overseas Equities	1,643,948	6.00%	1,742,585	1,545,311
Overseas Fixed Income	170,567	6.00%	180,800	160,333
Overseas Multi Asset Credit	357,316	6.00%	378,755	335,877
Overseas Absolute Return	149,785	6.00%	158,772	140,798
Overseas Alternatives	446,785	6.00%	473,592	419,977
Total	**2,768,400**	**6.00%**	**2,934,504**	**2,602,296**

Market Price Risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether from factors specific to individual assets or those applying to the market as a whole.

As the Fund's assets are valued at market value, with changes to that value reflected in the Fund account, all changes in market conditions will directly affect the Fund's income.

- The Fund manages market risk by the application of the following principles:
- Ensuring a diversity of exposures to different financial markets and market sectors

By ensuring that investments have the sufficient liquidity to enable the appropriate response to changing market conditions.

Sensitivity analysis

Following analysis of historical data and expected investment return movement during the financial year, and using information available from investment advisers, investment managers, the Custodian, and the Fund's policy documents, the Fund believes the following is reasonable for the 2024/2025 reporting period.

Asset Type	% Change
UK Equities	14.0%
Overseas Equities	14.0%
Property	15.0%
Absolute Return Bonds	10.0%
Diversified Growth Funds	12.0%
Gilts	10.0%
Private Equity	25.0%
Private Credit	15.0%
Infrastructure	25.0%
Cash	1.0%

If the market price of the Fund's investments increased/decreased in line with the above, the change in the net assets available to pay benefits would have been as shown in the following table. Comparatives for the previous year are also shown.

Table 16c(i) - Exposure to market fluctuations 2024/2025

Asset Type	Value £000	Change %	Value on Increase £000	Value on Decrease £000
Equities	1,998,332	14.0	2,278,098	1,718,566
Fixed income	184,395	12.0	206,522	162,268
Multi Asset Credit	380,988	12.0	426,707	335,269
Absolute Return	154,340	10.0	169,774	138,906
Property	177,618	15.0	204,261	150,975
Private Equity	79,542	25.0	99,428	59,657
Private Credit	122,729	15.0	141,138	104,320
Infrastructure	409,999	25.0	512,499	307,499
Climate Opportunities	15,926	25.0	19,908	11,945
Cash	40,809	1.0	41,217	40,401
Total	**3,564,678**		**4,099,552**	**3,029,806**

Table 16c(ii) - Exposure to market fluctuations 2023/2024

Asset Type	Value £000	Change %	Value on Increase £000	Value on Decrease £000
Equities	1,897,291	14.0	2,162,912	1,631,670
Fixed income	170,567	12.0	191,034	150,099
Multi Asset Credit	357,316	12.0	400,194	314,438
Absolute Return	149,785	10.0	164,763	134,806
Property	169,962	15.0	195,457	144,468
Private Equity	60,584	25.0	75,731	45,438
Private Credit	100,330	15.0	115,380	85,281
Infrastructure	323,897	25.0	404,871	242,923
Climate Opportunities	10,439	25.0	13,048	7,829
Cash	122,254	1.0	123,477	121,032
Total	**3,362,426**		**3,846,868**	**2,877,984**

The % change for Total Assets includes the impact of correlation across asset classes.

Credit Risk

Credit risk is the risk that a counterparty to a transaction involving a financial instrument will fail to discharge an obligation or commitment it has entered into with the Fund.

The net market value of the Fund's assets, as shown in the Net Assets Statement, represents the Fund's maximum exposure to credit risk in relation to those assets. The Fund does not have any significant exposure to

any individual counter-party or industry. Credit risk is monitored through ongoing reviews of the investment managers' activity.

Apart from a small number of outstanding tax reclaims represented by the provision for tax reclaims over 1 year in the Net Assets Statement, the Fund has no assets that are past due or impaired.

Liquidity Risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations when they fall due. The Fund's liquidity is monitored on a daily basis and the Fund seeks to ensure that it will always have sufficient liquid funds to pay benefits to members and liabilities when due, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund manages liquidity risk by:

- giving careful consideration to the anticipated income and expenditure required for the administration of the Fund and the payment of benefits and by maintaining in-house managed cash balances sufficient to meet day-to-day cash flows.
- maintaining a significant proportion of the Fund held in highly liquid investments such as actively traded equities and unit trusts. The level 1 highly liquid funds total £123 million representing 3.3% of the Fund.

17) Funding Arrangements – Actuary Statement

The Fund's Actuary has provided the following updated Statement on the valuation of the retirement benefits as at 31 March 2025 and the assumptions made in the valuation.

Actuary Statement

Introduction

The last full triennial valuation of the Bedfordshire Pension Fund (the Fund) was carried out as at 31 March 2022 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (the Regulations) and in accordance with the Funding Strategy Statement of the Fund. The results were published in the triennial valuation report dated 31 March 2023.

Asset value and funding level

The results for the Fund at 31 March 2022 were as follows:

- The smoothed value of the Fund's assets for funding purposes as at 31 March 2022 was £2.95 billion.
- The Fund had a funding level of 92% i.e. the value of assets for funding purposes was 92% of the value that they would have needed to be to pay for the benefits accrued to that date, based on the assumptions used. This corresponded to a deficit of £273 million.

Contribution rates

The employer contributions rates, in addition to those paid by the members of the Fund, are set to be sufficient to meet:

- the annual accrual of benefits allowing for future pay increases and increases to pensions in payment when these fall due.
- plus an amount to reflect each participating employer's notional share of the Fund's assets compared with 100% of their liabilities in the Fund, in respect of service to the valuation date.

The primary rate of contribution on a whole Fund level was 19.6% of payroll p.a. The primary rate as defined by Regulation 62(5) is the employer's share of the cost of benefits accruing in each of the three years beginning 1 April 2023.

In addition each employer pays a secondary contribution as required under Regulation 62(7) that when combined with the primary rate results in the minimum total contributions. This secondary rate is based on their particular circumstances and so individual adjustments are made for each employer.

Details of each employer's contribution rate are contained in the Rates and Adjustments Certificate in the triennial valuation report.

Assumptions

The key assumptions used to value the liabilities at 31 March 2022 are summarised below:

Assumptions	Assumptions used for the 2022 valuation
Financial assumptions	
Market date	31 March 2022
CPI inflation	2.9% p.a.
Long-term salary increases	3.9% p.a.
Discount rate	4.6% p.a.
Demographic assumptions	
Post-retirement mortality	
Base tables	Based on Club Vita analysis
Projection model	CMI 2021
Long-term rate of improvement	1.25% p.a.
Smoothing parameter	7.0
Initial addition to improvements	0.5% p.a.
2020/21 weighting parameter	5%

Full details of the demographic and other assumptions adopted as well as details of the derivation of the financial assumptions used can be found in the 2022 valuation report.

Updated position since the 2022 valuation

Assets

Investment returns on the whole Fund assets over the year to 31 March 2025 have been good, estimated to be approximately 5%. The Fund also has a positive cash flow, and so, the market value of assets at 31 March 2025 has increased since the 2022 valuation.

Liabilities

Inflation over the three years to 31 March 2025 has been higher than the long-term average assumed at the 2022 valuation which would have increased the liabilities. However the change in liabilities over the period will largely be driven by the change in financial assumptions underlying the valuation funding model and future expectations of inflation and investment returns. The next triennial valuation of the Fund will take place as at 31 March 2025 and therefore the assumptions to be used are currently under review.

Overall position

The 31 March 2025 valuation is currently underway, and the results will not be finalised until 31 March 2026. However, early indications suggest that there will be an improvement in the funding level compared to the last formal valuation in 2022.

The 2025 valuation of the Fund will set revised contributions for all employers due over the period from 1 April 2026 to 31 March 2029.

Melanie Durrant FIA
Partner, Barnett Waddingham LLP

17a) Actuarial Present Value of promised Retirement Benefits

In addition to the triennial funding valuation, the fund's actuary also undertakes a valuation of the pension fund liabilities on an IAS 19 basis every year using the same base data as the funding valuation rolled forward to the current financial year but taking account of changes in membership numbers and updating assumptions to the current year.

The actuarial (IAS19) present value of promised retirement benefits of the Pension Fund are set out in the following table. This reflects the underlying commitment of the Pension Fund in the long term to pay retirement benefits to its active (employee members), deferred and pensioner members. The value of the Fund's Assets in the table below is the net assets as per the pension fund's Net Asset Statement.

31 March 2024 £000		31 March 2025 £000
(3,318,503)	Present Value of the defined benefit obligation	(3,001,158)
3,468,273	Fair Value of Fund Assets (bid value)	3,654,497
149,770	**Net (Liability) / Asset**	**653,339**

In order to assess the value of the benefits on this basis, the actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see note 17), in particular IAS19 stipulates a discount rate rather than a rate that reflects market rates. The actuary has also used valued ill health and death benefits in line with IAS19.

2023/2024 % pa		2024/2025 % pa
4.95	Discount Rate	5.85
2.85	Pension Increases	2.95
3.85	Salary Increases	3.95

The sensitivity of the assumptions on the present value of the defined benefit obligation of £3,002,955 have been calculated in the table below:

Sensitivity to:	£000 +0.1%	£000 -0.1%
Discount Rate	(2,957,234)	(3,049,836)
Long Term Salary Increases	(3,005,713)	(3,000,219)
Pension Increases and deferred revaluation	(3,048,368)	(2,958,654)
	+1 year	**-1 year**
Life Expectancy Assumptions	(3,099,278)	(2,909,860)

18) Long Term Debtors

As at 31 March 2025 the Fund had no long term debtors (2023/2024 nil).

19) Current Assets

2023/2024 £000	Current Assets	2024/2025 £000
1,679	Contributions due from Administering Authority	1,837
8,629	Contributions due from other scheme employers	10,498
0	Bulk Transfer due from other Local Authorities	0
2,107	Other	1,285
12,415		**13,620**
97,280	Cash	94,871
109,695	Current Assets	**108,491**

The cash balance of £94.871 million is held in the Fund's own bank accounts. Cash held by the Fund's managers is included in cash deposits in Note 13.2 above.

20) Current Liabilities

2023/2024 £000	Current Liabilities	2024/2025 £000
403	Administration costs etc. due to Administering Authority	547
336	Investment managers' fees	304
188	Other professional fees	109
0	Amounts due to HMRC	1,699
793	Other	1,288
1,720		**3,947**
0	Provision for Tax Reclaims over 1 Year	0
1,720	Current liabilities	**3,947**

21) Additional Voluntary Contributions

Scheme members have the option to make additional voluntary contributions to enhance their pension benefits. These contributions are invested separately from the Fund's assets with Prudential and the Standard Life Assurance Company.

2023/2024 £000	Additional Voluntary Contributions	2024/2025 £000
6,173	Value at 1 April	**6,880**
	Income	
1,368	Contributions received	1,822
34	Transfers received	115
	Expenditure	
(1,035)	Retirements	(1,203)
(24)	Transfers values paid	(3)
343	**Net Income and Expenditure**	**731**
364	Change in market value	206
6,880	**Value at 31 March**	**7,817**

In accordance with Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, additional voluntary contributions are excluded from the Fund Account and Net Assets Statement.

Breakdown of AVC providers

	Prudential £000	Standard Life £000	Total £000
Value at 1 April 2024	**6,353**	**527**	**6,880**
Income			
Contributions received	1,820	2	1,822
Transfers received	115	0	115
Expenditure			
Retirements	(1,140)	(63)	(1,203)
Transfers values paid	0	(3)	(3)
Net Income and Expenditure	**795**	**(64)**	**731**
Change in market value	178	28	206
Value at 31 March 2025	**7,326**	**491**	**7,817**

22) Related Party Transactions

Pension Fund Committee members and relevant senior officers are required to declare any interests in related party transactions and relationships between themselves, and their related parties, and the Pension Fund. Some of the Committee members also act as councillors or board members of the Fund's scheduled or admitted bodies, who maintain a conventional employer relationship with the Fund. Committee Members are also

required to declare any company directorships. These are listed below but do not include representation of their respective bodies as Committee members:

- Councillor McMurdo is a member of the Bedfordshire & River Ivel Drainage Board.
- Councillor Sawyer is a Director at Bedford Consulting Limited.
- Councillor Wenham is a Director at Raynsford Church of England Academy, Henlow Pavilion Management Limited and Rasear Limited.
- Councillor Shelvey is a Director at Henlow Pavilion Management Limited. There were no material transactions between members and officers and the Fund during 2024/2025.

The only material related party transactions during 2024/2025 were in respect of contributions paid by the employing bodies into the Fund. See Note 7.

Amounts owed to and from the administering authority can be seen in Notes 19 and 20.

The disclosures required by the above legislation can be found in the main accounts of Bedford Borough Council.

Administration and investment management costs include charges by Bedford Borough Council for providing services in its role as administering authority. For 2024/2025 these amounted to £1.9 million (2023/2024 £1.4 million).

The Administration team provide the legacy payroll for Teachers pension added years.

The Fund pays compensatory added years benefits on behalf of some of its employers. The costs of these are invoiced to the employer. In 2024/2025, £3.1 million (2023/2024 £3.1 million) was paid and recovered from employers.

Key Management Personnel

There are three senior officers of Bedford Borough Council involved in the financial management of Bedfordshire Pension Fund. They are the Executive Director for Resources, the Fund Administrator and the Service Director for Bedfordshire Pension Fund. These officers charge a proportion of their time to the Pension Fund as part of Bedford Borough Council's role as administering authority. In 2024/2025, their remuneration was as follows:

2023/2024 £000		2024/2025 £000
139	Short-term benefits	153
24	Post-employment benefits	19
162		**172**

23) Contingent Liabilities and Contractual Commitments

There were no material contingent liabilities as at 31 March 2025. But there were outstanding capital commitments to investment vehicles of up to £712.0 million (31 March 2024: £719.2 million). These commitments relate to outstanding call payments (including recallable distributions) due on unquoted

investments in infrastructure, private equity, real assets, private debt and climate opportunities. The amounts drawn down by the managers are irregular in both size and timing over typical periods of up to 6 years from the date of the original commitments.

The outstanding capital commitments are shown below:

Contingent Liabilities and Contractual Commitments

Estimates at 31 March 2025	GBP Commitments £000
Border to Coast	
Climate Opportunities	19,055
Infrastructure	187,042
Private Credit	188,788
Private Equity	131,467
Global Real Estate	110,612
Pantheon	3,131
Abrdn	55,573
Gresham House BSIF	16,315
Total	**711,983**

Estimates at 31 March 2024	GBP Commitments £000
Border to Coast	
Climate Opportunities	28,178
Infrastructure	239,167
Private Credit	173,347
Private Equity	113,292
Global Real Estate	120,000
Pantheon	3,312
Abrdn	28,312
Gresham House BSIF II	13,603
Total	**719,211**

Section 5: Investments and Funding

Investment Management

The Fund's investment strategy is set out within the Investment Strategy Statement (ISS), the contents of which are prescribed by the LGPS (Management and Investment of Funds) Regulations 2016. The ISS sets out the overarching asset allocation and target returns of the various assets held by the Fund to meet the Fund's objectives of:

- Managing employers' liabilities effectively;
- Ensuring sufficient resources are available to meet all liabilities as they fall due;
- Enable primary contribution rates to be kept as nearly constant as possible (subject to risk review); and
- Seek returns on investment within reasonable risk parameters.

The Committee, having taken advice from its investment consultant, Hymans Robertson, and independent advisor, has translated these objectives into a suitable strategic asset allocation benchmark. This benchmark is consistent with the Committee's views on the appropriate balance between generating a satisfactory long-term return on investments, whilst taking account of market volatility and various risks as well as the nature of the Fund's liabilities.

The investment strategy is reviewed on an annual basis, with a full refresh following each actuarial valuation of the Fund. This approach helps to ensure that the investment strategy remains consistent with the funding strategy as set out in the Funding Strategy Statement (FSS) and takes account of the maturity profile of the Fund, together with the level of disclosed surplus or deficit. The current ISS was agreed by the Pensions Committee in November 2023 and was last reviewed in November 2024. Both the ISS and FSS are fully compliant with relevant legislation and guidance.

The Pension Fund Committee is responsible for the strategic management of the Fund including setting the Investment Strategy Statement and monitoring performance of the Fund's investments. Operational investment management is delegated to the Fund's asset pool, Border to Coast Pension Partnership (BCPP), and several external investment managers who manage those assets not yet transitioned to the pool. CACEIS provides global custody services to the Fund across all asset classes. A full breakdown of the Fund's investment and other service providers is set out in Section 1, "Overall Fund Management".

Investment Performance

Investment performance reporting is provided by CACEIS, the Fund's global custodian. Total performance is measured against a custom benchmark set out in the Investment Strategy Statement.

The Fund returned 5.2% over the year to 31 March 2025, underperforming the benchmark (6.8%) by 1.5%. The Fund has also underperformed its benchmark over a 5 year period, returning 9.3% compared to the

benchmark return of 9.9%.

The returns of the underlying mandates and asset classes over the year to 31 March 2025 are summarised in the table below:

Asset Class	Fund Manager	Return %	Benchmark Return %	Benchmark
Equities				
BlackRock ACS World Low Carbon Fund	BlackRock	4.4	3.7	MSCI World (BlackRock)
BlackRock iShares Emerging Markets Index Fund	BlackRock	6.4	5.8	MSCI Emerging Markets
LGIM Future World Global Equity	Legal & General Investment Management	5.3	5.0	Solactive L&G ESG Global Markets Index (LGIM)
LGIM UK FTSE 250 Index Fund	Legal & General Investment Management	1.0	1.1	FTSE All Share
LGIM UK Future World Index Fund	Legal & General Investment Management	11.0	11.0	FTSE All Share
BCPP Global Equity Alpha	Border to Coast	4.5	4.9	MSCI All Country World
Private Equity				
Patria Private Equity	Patria	6.8	10.0	Absolute 10%
BCPP Private Equity	Border to Coast	3.5	10.0	Absolute 10%
Property				
CBRE UK Property	CBRE	5.5	5.4	MSCI UK QPFI All Balanced Property Fund Index
BCPP Value Add Property	Border to Coast	-20.9	5.4	10% p.a. over rolling 10yrs
Infrastructure				
BCPP Infrastructure	Border to Coast	2.8	8.0	Absolute 8%
Pantheon Infrastructure	Pantheon	-2.6	8.0	Absolute 8%
Gresham House Infrastructure Fund II	Gresham House	8.9	8.0	Absolute 8%
Gresham House Infrastructure Fund III	Gresham House	N/A	N/A	Absolute 8%
BCPP Climate Opportunities	Border to Coast	4.4	8.0	Absolute 8%
Private Credit				

Asset Class	Fund Manager	Return %	Benchmark Return %	Benchmark
BCPP Private Debt	Border to Coast	5.9	6.0	Absolute 6%
Multi-Asset Credit				
BCPP Multi-Asset Credit	Border to Coast	7.4	8.5	SONIA + 3-4%
Absolute Return Multi-Asset				
Newton Absolute Return	Newton	3.0	9.0	SONIA 30 Day Compounded + 4%
Liquid Credit				
Insight Responsible Credit Fund	Insight	8.1	9.0	SONIA + 4%
PIMCO - Diversified Income Fund	PIMCO	5.5	4.1	1/3 Bloomberg Barclays Global Aggregate Credit ex-Emerging Markets; 1/3 Bank of America Merrill Lynch BB-B Rated Developed Markets High Yield Constrained; and 1/3 JP Morgan EMBI Global
Total		**5.2**	**6.8**	

Source: Hymans Robertson

Please note that for new investments in year there is no return information for the 12 month period; return for these investments is listed as N/A

Responsible Investment & Stewardship

Bedfordshire Pension Fund is committed to a policy of Responsible Investment. This means considering environmental, social and governance (ESG) issues when making decisions about investments which in turn helps the pension fund to manage risk and generate long-term investment returns.

Examples of when ESG issues play a role in the pension fund's investment decisions:

- Environmental – thinking about a company's approach to climate and also whether the company is reliant on fossil fuels and what their plans are for addressing this issue.
- Social – considering whether the company pays their staff the real living wage in the UK or sets standards for staff working in their company and supply chains.
- Governance – finding out how many women are on the Board of the company, whether the workforce is well-represented and what policies are in place in respect of paying bonuses to senior staff.

The Pension Fund believes these matters make a difference, and those companies with good ESG credentials are better managed companies and are more sustainable in the long-term to deliver profits.

The Pension Fund Committee has agreed a set of Responsible Investment Beliefs that are considered when making new investments and managing day to day investments.

The Fund has also worked with the 11 other partner funds within BCPP to develop a common approach to Responsible Investment. BCPP has a Responsible Investment Policy, Corporate Governance and Voting Guidelines and a Climate Change Policy; these are aligned with Bedfordshire Pension Fund's values and were last updated in January 2025.

The Pension Fund believes in acting as a long term steward of the capital it manages. Investment stewardship includes active ownership, using voting rights, engaging with investee companies, influencing regulators and policy makers, and collaborating with other investors to improve long-term performance. The Fund has a Stewardship Policy which was approved in June 2024 and has also been a signatory to the Financial Reporting Council's (FRC) Stewardship Code since February 2023. The FRC confirmed in February 2025 that the Fund has remained a successful signatory for 2023/24.

The fund is also an active member of the Local Authority Pension Fund Forum (LAPFF). LAPFF consists of members from the majority of the LGPS in the UK and seeks to promote the highest standards of corporate governance to protect the long-term value of local authority pension funds. The Chair of Bedfordshire Pension Fund is also the LAPFF Chairman.

The Pension Fund has adopted a pro-active approach to lobby companies and governments on climate change, working through supporting LAPFF, as mentioned above, the Institutional Investor Group on Climate Change (IIGCC) and the Carbon Disclosure Project (CDP).

Fees and Costs

Investment management expenses incurred by the fund during the year are set out below:

	2024/25 Current Budget £000	2024/25 Outturn £000	2024/25 Variance £000
Investment Management Fees			
Invoiced ad valorem fees	5,997	6,263	266
Underlying Property Fees	2,110	1,364	-746
Custody Fees	0	136	136
Total Budgeted Investment Management Fees	**8,107**	**7,763**	**-344**
Non-invoiced ad valorem fees	N/A	13,000	N/A
Performance Related Fees	N/A	2,681	N/A
Total Non-budgeted Investment Management Fees	**N/A**	**15,681**	**N/A**
Total Investment Management Fees	**8,107**	**23,444**	**15,337**

The Pension Fund expects its investment managers to provide cost information in a format compliant with the Scheme Advisory Board's Code of Transparency. Managers therefore use the Cost Transparency Initiative (CTI) template submitted via Byhiras to provide a breakdown of fees charged, including basic ad-valorem fees, custody fees, performance fees and any other applicable charges. Some of the Fund's managers require payment via invoice; others charge their costs directly to the underlying fund. The Fund currently makes an estimate in its operational budget for invoiced fees; no budget is currently set for non-invoiced and performance fees given the challenges of making a reliable estimate before the year end.

The Pension Fund has seen significant increases in management fees in recent years (£7.4m in 2022/23, £20.5m in 2023/24), which has been driven by both shifts in investment strategy and improved disclosure. The Fund previously invested largely in less complex, listed assets with very little private markets exposure. Asset pooling and ongoing shifts in the relative performance of different asset classes has seen the Fund increase its exposure to private markets, which are significantly more complex and incur higher management costs. Whilst the higher fees associated with private market assets do impact on returns, the Pensions Committee has made the decision to invest in these asset classes having taken full account of their risk return profile, including potential performance and diversification benefits as well as increased fees. It should be noted that UK Government policy is strongly supportive of LGPS investment in private markets.

The other key driver of the apparent increase in management costs has been improvements in disclosure since the introduction of the Code of Transparency. The Code has led to an increase in the quality and consistency of data provided by managers, thus allowing more complete disclosure of underlying costs, in

particular non-invoiced fees.

Strategic Asset Allocation

The table below shows the actual distribution of assets compared to the long-term strategic allocation set out in the ISS. The table includes both cash balances held with investment managers and that held with Goldman Sachs, the latter of which is used to manage the Fund's operational cash flow requirements and which is included within Current Assets in the Net Asset Statement.

Asset Class	Strategic Allocation		Actual Assets	
	Target %	Allocation Range	Value £000	%
Listed Equities	50.0%	40% - 60%	1,998,332	55.2%
Private Equity	4.5%	0% - 5%	79,542	2.2%
Growth Assets Sub-Total	**54.5%**		**2,077,874**	**57.4%**
Property	10.0%	5% - 15%	177,618	4.9%
Infrastructure	10.0%	0% - 15%	425,925	11.8%
Private Credit	5.0%	0% - 10%	122,729	3.4%
Multi Asset credit	7.5%	5% - 12.5%	224,785	6.2%
Absolute Return Multi Asset	3.0%	0% - 3%	154,340	4.3%
Income Sub-Total	**35.5%**		**1,105,397**	**30.5%**
Liquid Credit	10.0%	5% - 15%	340,598	9.4%
Cash and other net assets	<1.0%	0% - 2%	94,132	2.6%
Volatility and Treasury Management Sub-Total	**10.0%**		**434,730**	**12.0%**
Pool Share Capital	0.0%		**1,182**	**0.0%**
Total	**100.0%**		**3,619,183**	**100.0%**

Property, Absolute Return Multi Asset and Cash are currently outside of their allocation ranges. At 4.9%, the Property allocation is just below its strategic range of 5 – 15%. This has resulted from the planned transition of assets to BCPP (agreed by the Pension Fund Committee) as income and sales proceeds have been returned to the Fund in preparation for transition. The Pension Fund Committee has agreed to maintain the underweight given the Fund's commitment to pooling its property assets through BCPP, which will involve significant transition activity in the near future.

The Absolute Return Multi Asset allocation (4.3%) is slightly above its strategic range of 0-3%. This allocation has been used to help meet capital calls for the Fund's private market investments; this allocation is therefore expected to fall back within its target range as the private market investments deploy capital. The Fund is also overweight cash, with an actual allocation of 2.6% relative to the strategic range of 0-2%. This overweight is

being maintained to help meet upcoming capital calls and manage market volatility risks as the Fund transitions assets to the pool.

Pooling

Introduction

To satisfy the requirements of the LGPS Investment Reform and Guidance issued by the then Department for Communities and Local Government (DCLG) in November 2015, the Administering Authority elected to become a shareholder in Border to Coast Pension Partnership Limited (BCPP). Bedfordshire Pension Fund is a founding member of BCPP along with 10 other Pension Funds namely:

Cumbria Pension Fund	South Yorkshire Pension Fund
Durham Pension Fund	Surrey Pension Fund
East Riding Pension Fund	Teesside Pension Fund
Lincolnshire Pension Fund	Tyne and Wear Pension Fund
North Yorkshire Pension Fund	Warwickshire Pension Fund

The Pension Fund invests its assets via BCPP Ltd as and when suitable sub-funds become available. Currently the Fund has made commitments to the following funds:

- Global Equities
- Infrastructure
- Climate Opportunities
- Private Credit
- Private Equity
- Multi Asset Credit
- Global Real Estate

Pooling costs

Bedfordshire Pension Fund owns £1 Type A Shares and Regulatory Capital Type B Shares of £1,182,000 in Border to Coast.

The table below details the net savings achieved to date for Bedfordshire Pension Fund through the operation of the Border to Coast Pool.

Border to Coast Costs and Savings	Cumulative to 2023/24 £ million	2024/25 £ million	Total Actual £ million
Implementation Costs - pre-incorporation	0.19	0.00	0.19
Implementation Costs - post incorporation	0.24	0.00	0.24
Share Purchase/Subscription Costs	1.18	0.00	1.18
Share Purchase/Subscription Costs (adj)	(1.18)	0.00	(1.18)
Governance Costs	1.54	0.30	1.84
Development Costs	0.30	0.09	0.39
Project Costs	0.61	0.02	0.63
Total Set up and Operating Costs	**2.87**	**0.41**	**3.29**
Transition Costs	**0.17**	**0.00**	**0.17**
Fee savings due to pooling	7.03	1.40	8.43
Fee savings - Private markets	4.94	3.16	8.10
Fee savings - Public markets	1.86	0.71	2.57
Total Fee Savings	**13.83**	**5.49**	**19.33**
Net Position	**10.78**	**5.08**	**15.86**
Cumulative Net Position	**10.78**	**15.86**	**15.86**

Source: Border to Coast

Asset Table

The table below sets out the investment asset allocation at the 31 March 2025 and includes the investments held with Goldman Sachs which are included in Current Assets in the Fund Account.

Asset values as at 31 March 2025	Pooled £m	Under pool management £m	Not pooled £m	Total £m
Equities (including convertible shares)	277	995	727	**1,998**
Bonds (Multi Asset Credit & Liquid Credit)	225	0	341	**565**
Property	8	0	169	**178**
Diversified growth funds (including multi-asset funds)	0	0	154	**154**

Asset values as at 31 March 2025	Pooled £m	Under pool management £m	Not pooled £m	Total £m
Private equity	28	0	51	**80**
Private debt	123	0	0	**123**
Infrastructure	317	0	109	**426**
Cash and net current assets	0	0	94	**94**
Total ex Pool Share capital	**978**	**995**	**1,646**	**3,618**
Pool Share Capital	**N/A**	**N/A**	**N/A**	**1**
Total				**3,619**

A further analysis of UK investments is shown in the table below.

Asset values as at 31 March 2025	Pooled £m	Under pool management £m	Not pooled £m	Total £m
UK Listed Equities	13.9	299.4	39.1	**352.4**
UK Government Bonds	0.0	0.0	9.7	**9.7**
UK Infrastructure	66.5	0.0	91.3	**157.7**
UK Private Equity	2.8	0.0	0.0	**2.8**
Total	**83.2**	**299.4**	**140.1**	**522.6**

Unpooled Assets

The asset table above shows that 27.0% of the fund's assets are pooled (an increase from 24.8%), 27.5% are under pool management and the remainder 45.5% are not pooled. The 'not pooled' category includes the Fund's cash holdings, a proportion of which will be used to fund allocations to pooled arrangements, including the BCPP private market funds.

Equities

At 31 March 2025, the Fund held £726.7 million in equity assets categorised as 'not pooled'. These were managed by Blackrock and were sold and transitioned to the pool in Q1 2025/26, as the Fund has invested in BCPP's new Multi Factor Equity strategy. The remaining assets outside the pool are invested in low cost passive products through Legal and General; there are currently no plans to transition these assets, however a review by BCPP and Partner Fund Officers of equity propositions inside and outside the pool is planned for 2025/2026.

Bonds

Development of propositions by Border to Coast e.g. Green and Social Sustainable Bonds (GSS Bonds) will be considered for transition to the pool in the future.

Property

The Fund committed £120 million (4%) to the Border to Coast Global Real Estate Fund during 2023/2024, £8.1 million of which has now been drawn down. The Fund has a strategic underweight to UK Property which is to be met by the Border to Coast UK Real Estate Main Fund, which was launched in October 2024. Transition over to the new BCPP fund will take place over several years.

Diversified Growth Funds

The Fund's investment in the Newton Absolute Return Fund was redeemed in Q2 2025/26, with c£100 million of the proceeds allocated to the BCPP Multi Factor Equity Fund with the balance split between bonds and cash.

Alternatives (Private Equity, Private Debt and Infrastructure)

During 2024/2025 the Fund agreed commitments to the first vintage year of the Border to Coast Alternatives Series 3 Programme of £105 million and plans to continue making commitments to the second and third vintage year which will be launched in 2026 and 2027. The Fund has made investment directly, where strategies are subscale for consideration by the pool or where the pool does not cover the particular requirements for the Pension Fund.

Cash and Net Current Assets

The Fund has operational cash flow needs which are met by Money Market Fund providers outside the pool. Cash balances held are used to fund net capital drawdowns in relation to private market commitments, the majority of which are pooled.

Section 6: Administration

Summary of activity

The administration function concentrates on the end of year data returns during the spring and summer to ensure the annual benefit statements can be issued before the statutory deadline of 31 August each year. Annual benefit statements were issued to deferred members on 8 July 2024 and active members on 23 August 2024.

Implementation of i-Connect

The implementation of i-Connect will improve end of year reconciliation processes. The i-Connect implementation project continued during 2024.

i-Connect is an online portal used by employers to submit monthly pensions data. Data submitted through the portal includes pensionable pay amounts, employee and employer contribution amounts and notifications of people joining and leaving the scheme. The portal allows for members' pension records to be updated with information supplied by the scheme employer, without the involvement pension administrators, which improves efficiency and reduces the chances of human error affecting updates. The system can also be configured to remind employers when data is due, or overdue, again improving efficiency and reducing the administrative burden. By 31 March 2025, 65% of employers were using the i-Connect facility with a project plan in place for the remainder of employers to onboard in the next 18 months.

The McCloud Remedy

The Local Government Pension Scheme rules were changed on 1 October 2023. When public service pension schemes changed from final salary schemes to career average schemes in 2014 and 2015, older members were protected from the changes.

In 2018, the Courts found that younger members had been discriminated against because the protections did not apply to them. The 2023 changes are called the McCloud remedy. They remove the age discrimination found in the McCloud court case. Not all LGPS members are affected by the changes.

The administration team continued work on the 'McCloud remedy' throughout 2024/2025. The administration function has worked with an external provider to collate data provided by employers and payroll providers and reconcile the data onto the pension administration system in preparation for assessment as to whether the McCloud remedy applies to members. This piece of work will continue until 2026.

Pensions Dashboards

Preparation is underway for the implementation of Pensions Dashboards, with public sector pension schemes being given a deadline of 31 October 2025 for connecting to the Dashboards ecosystem. In 2024/2025 the Pension Fund determined its method of connecting, secured an Integrated Service Provider for facilitating connection and established a project plan for meeting the connection deadline.

Key performance indicators

The Pension Administration performance is measured by an agreed set of performance indicators, which are reported quarterly to the Pension Fund Committee. The tables below provide a summary of the performance for the year.

Table A - Total numbers of casework

Ref	Casework KPI	Open Cases at 31 March 2024	Total no. of new cases created in the year	Total no. of cases completed in the year	Total % of cases completed in the year	Total no. of cases completed in previous year
A1	Deaths recorded of active, deferred, pensioner and dependent members	125	798	786	85%	785 (86%)
A2	New dependent member benefits	5	226	224	97%	243 (98%)
A3	Deferred member retirements	73	1,175	1,156	93%	928 (93%)
A4	Active member retirements	73	505	526	91%	426 (85%)
A5	Deferred benefits	377	2,185	2,180	85%	2,325 (86%)
A6	Transfers in (including interfunds in, club transfers)	174	509	583	85%	533 (75%)
A7	Transfers out (including interfunds out, club transfers)	51	403	417	92%	465 (90%)
A8	Refunds	7	376	363	95%	520 (99%)
A9	Divorce quotations issued	14	186	194	97%	139 (91%)
A10	Actual divorce cases	0	7	5	71%	2 (100%)
A11	Member estimates requested either by scheme member or employer	98	1,801	1,791	94%	1,395 (93%)
A12	New joiner notifications	195	5,139	5,273	99%	5,571 (97%)
A13	Aggregation cases *	360	1,135	979	66%	1,202 (77%)
A14	Optants out received after 3 months membership	Information will be available from 25/26	Information will be available from 25/26	Information will be available from 25/26	Information will be available from 25/26	Information will be available from 25/26

Table B - Time taken to process casework

Ref	Casework KPI	Bedfordshire Pension Fund Target	% completed within fund target 24/25	% completed in 23/24
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	10 days	95%	80%
B2	Communication issued confirming the amount of dependents pension	10 days	98%	97%
B3	Communication issued to deferred member with pension and lump sum options (quotation)	10 days	96%	90%
B4	Communication issued to active member with pension and lump sum options (quotation)	10 days	90%	71%
B5	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	10 days	93%	88%
B6	Communication issued to active member with confirmation of pension and lump sum options (actual)	10 days	90%	76%
B7	Payment of lump sum (both actives and deferreds)	10 days	92%	84%
B8	Communication issued with deferred benefit options	30 days	Information will be available from 25/26	Information will be available from 25/26
B9	Communication issued to scheme member with completion of transfer in	35 days	97%	95%
B10	Communication issued to scheme member with completion of transfer out	10 days	94%	98%
B11	Payment of refund	10 days	44%	74%
B12	Divorce quotation	15 days	97%	98%
B13	Communication issued following actual divorce proceedings i.e application of a Pension Sharing Order	35 days	100%	100%
B14	Communication issued to new starters	10 days	74%	78%
B15	Member estimates requested by scheme member and employer	10 days	93%	72%

Table C - Communications and Engagement

Ref	Engagement with online portals	Percentage at 31 March 2025
C1	% of active members registered	39%
C2	% of deferred members registered	31%
C3	% of pensioner and survivor members	25%
C4	% total of all scheme members registered for self-service	30%
C5	Number of registered users by age	
	Age 30 and under	1,461
	Age 40 and under	3,385
	Age 50 and under	5,069
	Age 60 and under	7,953
	Age 70 and under	7,916
	Age 80 and under	693
	Age 90 and under	67
	Age 91+	13
C6	% of all registered users that have logged onto the service in the last 12 months	17%

Ref	Communication	Number
C7	Total number of telephone calls received in year	7,237
C8	Total number of email and online channel queries received	Not available for 24/25
C9	Number of scheme member events held in year (total of in-person and online)	2
C10	Number of employer engagement events held in year (in-person and online)	4
C11	Number of active members who received a one-to-one (in-person and online)	Not available for 24/25
C12	Number of times a communication (i.e newsletter) issued to:	
	a) Active members	1
	b) Deferred members	1
	c) Pensioners	1

Table D - Resources

Ref	Resources	Number
D1	Total number of all administration staff (FTE)	27.0
D2	Average service length of all administration staff (years)	13.1
D3	Staff vacancy rate as % (31 March 2024, agency cover)	19%
D4	Ratio of all administration staff to total number of scheme members (all staff including management)	3,081
D5	Ratio of administration staff (excluding management) to total number of scheme members	3,199

Table E - Data Quality

Ref	Annual Benefit Statements	Percentage
E1	Percentage of annual benefit statements issued as at 31 August	100%
E2	Give commentary if < 100%	N/A
Ref	**Data Category**	**Percentage**
E3	Common data score	95%
E4	Scheme specific data score	97.3%
E5	Percentage of active, deferred and pensioner members recorded as 'gone away' with no home address held, or address is known to be out of date	6.52%
E6	Percentage of active, deferred and pensioner members with an email address held on file	55%
Ref	**Employer Performance**	**Percentage**
E7	Percentage of employers set up to make monthly data submissions	65%
E8	Percentage of employers who submitted monthly data on time during the reporting year	100%

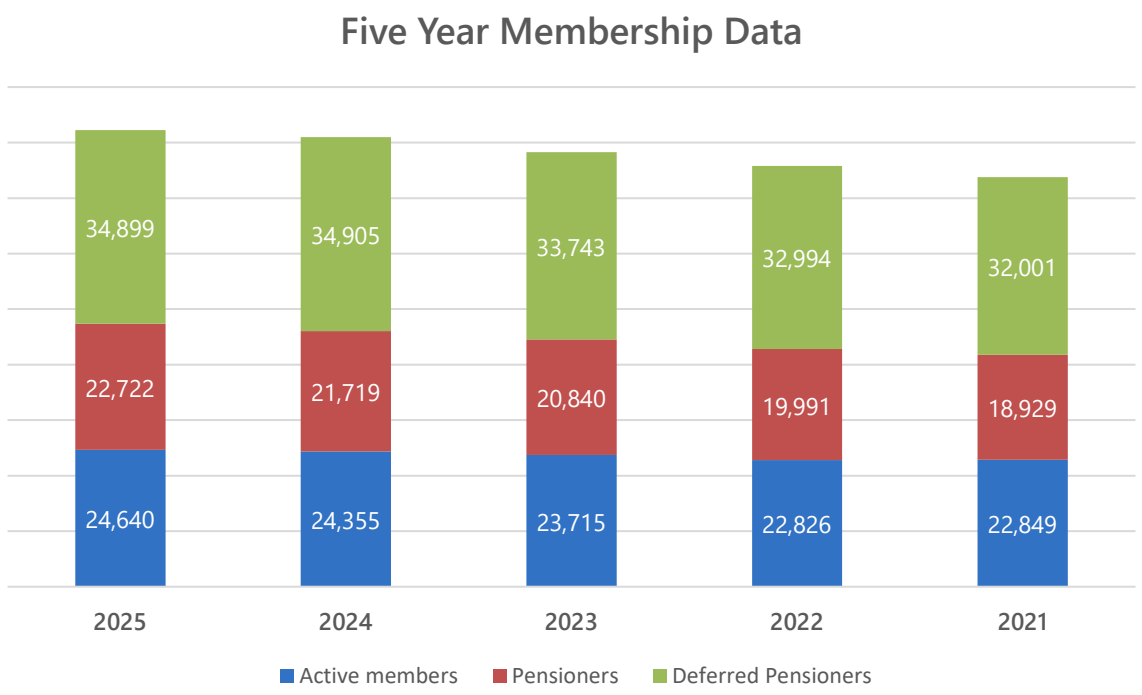
Fund members and employers

During 2024/2025 the number of pensioners increased from 21,719 at 31 March 2024 to 22,722 at 31 March 2025; the number of contributors within the fund increased from 24,355 to 24,640. The active members have remained at around 30% over the five year period.

The majority of contributors are employed in local authorities but the higher education sector and civilian employment in the emergency services also account for a significant proportion of the membership. Schools which are awarded academy status become employers in their own right (scheduled bodies) within the LGPS and an increasing share of the Pension Fund membership is made up of academy employees.

Five Year Membership Summary as at 31 March

Membership category	2025	2024	2023	2022	2021
Active members	24,640	24,355	23,715	22,826	22,849
Pensioners	22,722	21,719	20,840	19,991	18,929
Deferred Pensioners	34,899	34,905	33,743	32,994	32,001
Total	**82,261**	**80,981**	**78,298**	**75,811**	**73,779**
Undecided Leavers	927	876	704	841	584



The following is a summary of the number of employers in the Fund further analysed by Scheduled bodies and Admitted bodies, showing active and ceased where there are still outstanding liabilities.

Employer type	Active	Ceased
Scheduled Body	174	6
Admitted Body	45	11
Administering Authority	1	0
Total	**220**	**17**

Below is a table showing the number of active employers, by Scheduled body and Admitted body over a five-year period.

Employer type	2024/2025	2023/2024	2022/2023	2021/2022	2020/2021
Scheduled Body	175	168	167	164	159
Admitted Body	45	44	58	44	48
Total	**220**	**212**	**225**	**208**	**207**

Contributions are made by active Employees' and are a percentage of their pay. The LGPS regulations set out nine contribution rates ranging from 5.5% to 12.5%. The rate that an employee pays is determined by the employee's actual annual pensionable pay. The Employer contributions are based on the triennial valuation and set at a level so as to bring the Fund to 100% funding over a period of fourteen years. However, some employers may opt to fund the deficit by making additional annual monetary payments and hence have a lower contribution rate.

Appendix A sets out the employers who participated in the Bedfordshire Pension Fund during the year ended 31 March 2025. The contribution rates shown are the percentage of the employees' pensionable pay that each employer paid into the Fund during 2024/2025. The additional payments made in 2024/2025 are also included.

Pension Increases

Deferred benefits and pensions in payment are increased each year in line with cost-of-living increases. The increases are made in accordance with annual Statutory Pensions Increase (Review) Orders. The pension increase is effective from April each year and is determined by the rise in the Consumer Price Index (CPI). The rate is measured by the Office for National Statistics (ONS) in the twelve months to September of each year. The pension accounts of employees contributing to the scheme are revalued at the end of each scheme year. The rate of revaluation is also determined by CPI.

Communications Policy

The communications policy sets out how the fund will communicate with scheme members, prospective members, scheme employers, representatives of members and other interested parties. It details the frequency of the provision of the communications and in what form the communication takes place.

The key information provided to active and deferred members is the annual benefit statement which is sent by post by the 31 August each year.

Pensioner members receive a guide for new pensioners in paper format at the point of retirement and an annual pensions increase letter.

The My Pension Online website is always available to all scheme members.

Scheme employers are able to attend a face-to-face annual general meeting and they always have forms and guides which are available online or can be emailed on request.

Promotion of the scheme is via the scheme employers who are given a brief guide to the LGPS which they can share with employees as appropriate.

Value for money statement

Bedfordshire Pension Fund has a business plan covering 2025-2029 which also outlines the Fund's aims, objectives and actions over the longer term in order to provide a high-quality value for money service. One of the aims of pooling investments within BCPP is to reduce investment management costs.

Benchmarking

The Fund benchmarks its administrative costs against the SF3 data collected annually by the Office of National Statistics for the 87 Local Government Pension Schemes. The most recent data is that for the financial year 2023/2024 and is summarised in the following table:

Cost per member 2023 / 2024	Position	Bedfordshire Pension Fund	LGPS Lowest	LGPS Highest	LGPS Average
Investment Cost	43rd	252.83	4.60	1,118.80	287.73
Administration	33rd	29.29	7.81	132.96	39.23
Oversight and Governance	18th	9.05	0.00	112.65	18.43
Total Cost per Member	**40th**	**291.17**	**44.67**	**1,190.97**	**345.38**

Source: SF3 2023/2024

The cost per member from the 2024/2025 financial statements is set out below:

Cost per member 2024 / 2025	Bedfordshire Pension Fund
Investment Cost	£285.00
Administration	£28.30
Oversight and Governance	£18.60
Total Cost per Member	**£331.89**

There has been re-analysis of some costs which has resulted in an increase in investment costs and a decrease in oversight and governance costs. In addition, an improvement to the transparency of investment costs has resulted in more accurate disclosure in 2023/2024.

Dispute resolution

The Internal Disputes Resolution Procedure (IDRP) is a formal two stage procedure for settling complaints and disputes under the LGPS. The IDRP is set out within the LGPS regulations with first instance decisions (Stage One) generally made by either the employer or the administering authority; depending on the nature of that decision. The summary below shows some of the different decisions that the employer and the administering authority make.

Employer:

Any question concerning:

- An employee's eligibility for membership
- An employee's pensionable pay to be used to calculate benefits
- An employee's final pay to be used to calculate benefits
- An employee's contribution rate
- Any entitlement to benefit on termination of membership
- Any entitlement to early release of pension benefits including ill health early retirement

Administering Authority:

Any question concerning:

- The amount of any benefit, or return of contributions, a member is entitled to under the LGPS regulations
- The person's previous service or employment
- Counting additional periods as membership or crediting additional pension
- The payment of death grants

If the member is unhappy with the decision at Stage One, the decision can be appealed under Stage Two of the IDRP by applying to the administering authority. No person involved in the Stage One decision can be

involved in the Stage Two consideration.

A requirement from The Pensions Regulator is to publish the number of cases under the Internal Disputes Resolution Procedure (IDRP) and these cases are reported to the Pension Fund Committee and Local Pension Board on a quarterly basis. During 2024/2025 there were 2 cases under Stage One of the process and none under Stage Two.

Section 7: Actuarial report on funds

Actuaries statement

The Fund's Actuary has provided the following updated Statement on the valuation of the retirement benefits as at 31 March 2025 and the assumptions made in the valuation.

Introduction

The last full triennial valuation of the Bedfordshire Pension Fund (the Fund) was carried out as at 31 March 2022 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (the Regulations) and in accordance with the Funding Strategy Statement of the Fund. The results were published in the triennial valuation report dated 31 March 2023.

Asset value and funding level

The results for the Fund at 31 March 2022 were as follows:

- The smoothed value of the Fund's assets for funding purposes as at 31 March 2022 was £2.95 billion.
- The Fund had a funding level of 92% i.e. the value of assets for funding purposes was 92% of the value that they would have needed to be to pay for the benefits accrued to that date, based on the assumptions used. This corresponded to a deficit of £273 million.

Contribution rates

The employer contributions rates, in addition to those paid by the members of the Fund, are set to be sufficient to meet:

- the annual accrual of benefits allowing for future pay increases and increases to pensions in payment when these fall due.
- plus an amount to reflect each participating employer's notional share of the Fund's assets compared with 100% of their liabilities in the Fund, in respect of service to the valuation date.

The primary rate of contribution on a whole Fund level was 19.6% of payroll p.a. The primary rate as defined by Regulation 62(5) is the employer's share of the cost of benefits accruing in each of the three years beginning 1 April 2023.

In addition each employer pays a secondary contribution as required under Regulation 62(7) that when combined with the primary rate results in the minimum total contributions. This secondary rate is based on their particular circumstances and so individual adjustments are made for each employer.

Details of each employer's contribution rate are contained in the Rates and Adjustments Certificate in the triennial valuation report.

Assumptions

The key assumptions used to value the liabilities at 31 March 2022 are summarised below:

Assumptions	Assumptions used for the 2022 valuation
Financial assumptions	
Market date	31 March 2022
CPI inflation	2.9% p.a.
Long-term salary increases	3.9% p.a.
Discount rate	4.6% p.a.
Demographic assumptions	
Post-retirement mortality	
Base tables	Based on Club Vita analysis
Projection model	CMI 2021
Long-term rate of improvement	1.25% p.a.
Smoothing parameter	7.0
Initial addition to improvements	0.5% p.a.
2020/21 weighting parameter	5%

Full details of the demographic and other assumptions adopted as well as details of the derivation of the financial assumptions used can be found in the 2022 valuation report 2022 Valuation Report

Updated position since the 2022 valuation

Assets

Investment returns on the whole Fund assets over the year to 31 March 2025 have been good, estimated to be approximately 5%. The Fund also has a positive cash flow, and so, the market value of assets at 31 March 2025 has increased since the 2022 valuation.

Liabilities

Inflation over the three years to 31 March 2025 has been higher than the long-term average assumed at the 2022 valuation which would have increased the liabilities. However the change in liabilities over the period will largely be driven by the change in financial assumptions underlying the valuation funding model and future expectations of inflation and investment returns. The next triennial valuation of the Fund will take place as at 31 March 2025 and therefore the assumptions to be used are currently under review.

Overall position

The 31 March 2025 valuation is currently underway, and the results will not be finalised until 31 March 2026. However, early indications suggest that there will be an improvement in the funding level compared to the last formal valuation in 2022.

The 2025 valuation of the Fund will set revised contributions for all employers due over the period from 1 April 2026 to 31 March 2029.

Melanie Durrant FIA
Partner, Barnett Waddingham LLP

Section 8: External Audit Opinion

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEDFORD BOROUGH COUNCIL ON THE PENSION FUND FINANCIAL STATEMENTS INCLUDED IN THE BEDFORDSHIRE PENSION FUND ANNUAL REPORT & ACCOUNTS

Opinion

We have examined the Pension Fund Financial Statements of Bedfordshire Pension Fund ("the Pension Fund") for the year ended 31 March 2025 included in the Bedfordshire Pension Fund Annual Report & Accounts, which comprise the Fund Account, the Net Assets Statement and the notes to the financial statements, including the significant accounting policies in note 3. In our opinion, the Pension Fund Financial Statements included in the Pension Fund Annual Report are consistent, in all material respects, with the Pension Fund financial statements included in the annual statement of accounts of Bedford Borough Council ("the Council") for the year ended 31 March 2025 that were approved on 27 February 2026.

Chief Finance Officer's responsibilities

As explained more fully in the Statement of the Chief Finance Officer's Responsibilities, the Chief Finance Officer is responsible for the preparation of the Pension Fund Financial Statements in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Auditor's responsibilities

Our responsibility is to report to you our opinion on the consistency of the Pension Fund Financial Statements included in the Pension Fund Annual Report with the Pension Fund financial statements included in the annual statement of accounts of the Authority. In addition, we read the other information contained in the Pension Fund Annual Report and, if we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report. We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office in June 2025. Our audit report on the Authority's annual published statement of accounts that we issued on 27 February 2026 describes the basis of our opinion on those financial statements.

The purpose of our work and to whom we owe our responsibilities

This auditor's statement is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our work has been undertaken so that we might state to the members of the Authority those matters we are required to state to them in such a statement and for no other purpose. To the fullest extent permitted by law, we do not

accept or assume responsibility to anyone other than the Authority and the members of the Authority, as a body, for our work, for this statement, or for the opinions we have formed.

Richard Walton

for and on behalf of KPMG LLP
Chartered Accountants
EastWest
Tollhouse Hill
Nottingham
NG1 5FS
27 February 2026

Section 9: Additional Information

Supporting policies and documents

The following policies, which were in place at 31 March 2025, can be found on the Pension Fund website:

- Investment Strategy Statement
- Funding Strategy Statement
- Communications Policy Statement
- Pensions Administration Strategy

Contact Points

Further information regarding the Pension Fund or the report and accounts may be obtained from the following contacts:

Accounts, Investments and Contributions

Mike Batty
Service Director for Bedfordshire Pension Fund
Telephone: 01234 718396

Benefits

Joanne Kent
Pensions Administration Manager
Telephone: 01234 718365

The Pensions Ombudsman

10 South Colonnade
Canary Wharf
London E14 4PU
www.pensions-ombudsman.org.uk
Telephone: 0800 917 4487

The Money and Pensions Service

www.maps.org.uk
Telephone: 0800 111 3797

Appendix A

Contribution rates and amounts for the year ended 31 March 2025 – Scheduled bodies

Scheduled Bodies:	Contribution Rate %	Employee £000	Employer £000	Additional Employer £000	Total £000
Local Authorities and Other Bodies					
Bedford Borough Council	19.9%	5,223	15,959	0	21,182
Bedfordshire & River Ivel Drainage Board	26.8%	61	227	0	288
Bedfordshire Fire And Rescue Service	20.6%	521	1,519	153	2,193
Central Bedfordshire Council	19.3%	8,813	29,061	0	37,874
Chief Constable	18.3%	3,416	9,014	607	13,037
Kempston Burial Joint Board	26.8%	5	21	0	26
Luton Borough Council	20.2%	8,209	26,225	0	34,434
Police and Crime Commissioner	18.3%	71	171	0	242
Colleges and Universities					
Bedford College	19.9%	448	1,333	0	1,781
Cranfield University	19.5%	858	2,667	1,327	4,852
Luton Sixth Form College	19.8%	160	494	76	730
University of Bedfordshire	18.7%	1,356	3,755	892	6,003
Academies and Trusts					
Academy Of Central Bedfordshire	20.8%	50	172	0	222
Active Education Academy Trust - River Bank Primary	19.5%	70	232	0	302
Advantage Multi Academy Trust (Schools with standard rate)	22.1%	373	1,349	0	1,722
Advantage Multi Academy Trust – Elstow	32.6%	29	165	0	194
Alameda Academy	22.1%	47	181	0	228
All Saints Academy (Dunstable)	22.1%	62	216	0	278
All Saints Academy Clifton	22.1%	21	84	0	105
Bedfordshire Inclusive Learning and Training Trust - BILTT (All schools)	22.1%	220	833	0	1,053
Beecroft Academy (a)	22.1%	34	133	0	167
Bedfordshire Schools Trust - BEST (All schools)	22.1%	487	1,861	0	2,348
Biggleswade Academy Trust	22.1%	106	415	0	521
Brooklands Academy (a)	22.1%	42	161	0	203
Chiltern Learning Trust (Schools with standard rate)	23.0%	890	3,422	0	4,312
Chiltern Learning Trust - Wootton Lower (e)	22.1%	23	90	0	113
Cranfield Church of England Academy	22.1%	54	213	0	267
Diocese of St Albans Multi-Academy Trust (DSAMAT) (Schools with standard rate)	28.2%	252	1,216	0	1,468
Diocese of St Albans Multi-Academy Trust (DSAMAT) - Great Barford (d)	22.1%	9	37	0	46

Scheduled Bodies: Academies and Trusts	Contribution Rate %	Employee £000	Employer £000	Additional Employer £000	Total £000
Eaton Bray Academy	22.1%	19	72	0	91
Eversholt Academy	23.2%	8	34	0	42
Everton Heath Primary	27.3%	10	48	0	58
Farley Junior Academy	28.8%	33	164	0	197
Ferrars Academy	22.1%	41	157	0	198
Fullbrook Academy (c)	22.1%	13	48	0	61
Gilbert Inglefield Academy	22.1%	70	266	0	336
Goldington Academy	25.4%	71	288	0	359
Goldington Green Academy	22.1%	71	274	0	345
Greenfield & Pulloxhill Academy	22.1%	12	47	0	59
Hadrian Academy	22.1%	36	141	0	177
HEART Academies Trust (All schools)	22.1%	321	1,175	0	1,496
Holywell Academy	22.1%	49	183	0	232
Icknield Academy	22.1%	93	337	0	430
Kingsbridge Educational Trust (All schools)	22.1%	31	116	0	147
Knowledge Schools Trust (All schools)	22.1%	146	554	0	700
Mark Rutherford School Trust	22.1%	102	380	0	482
Middx Learning Trust - Stopsley High	29.4%	84	420	0	504
Oak Bank Special School Academy	20.3%	86	284	0	370
Our Lady Immaculate Catholic Academies Trust	22.1%	112	432	0	544
Pioneer Learning Trust (Schools with standard rate)	22.1%	138	525	0	663
Pioneer Learning Trust - Southfield	23.2%	41	171	0	212
Pioneer Larning Trust - Whitefield	29.4%	53	275	0	328
Poppy Hill Multi Academy Trust - Henlow	22.1%	63	241	0	304
Poppy Hill Multi Academy Trust – Meppershall	30.8%	13	71	0	84
Putnoe Academy	22.1%	57	214	0	271
Pyramid School Trust (Schools with standard rate)	22.1%	137	512	0	649
Pyramid School Trust - Harlington & Sundon	26.1%	15	75	0	90
Pyramid School Trust - Parkfields	33.5%	24	140	0	164
Pyramid School Trust - Ramsey Manor	34.0%	27	161	0	188
Pyramid School Trust - Westoning	32.4%	6	33	0	39
Queensbury Academy	22.7%	74	276	0	350
Raynsford Church Of England Academy	22.1%	29	113	0	142
Redborne Academy	22.8%	116	436	0	552
St Thomas Catholic Academies Trust (Schools with standard rate)	26.9%	280	1,241	0	1,521
St Thomas Catholic Academies Trust - Sacred Heart	22.1%	15	58	0	73
Scholars' Education Trust - Dunstable Icknield Lower (e)	22.1%	13	51	0	64

Academies and Trusts	Contribution Rate %	Employee £000	Employer £000	Additional Employer £000	Total £000
Scholars' Education Trust - Priory	26.1%	43	193	0	236
Shared Learning Trust (b)	22.1%	137	490	0	627
Sharnbrook Academy Federation	25.6%	191	829	0	1,020
Sharnbrook Primary (formerly John Gibbard Academy)	22.1%	19	78	0	97
St Augustine's Academy	22.1%	21	78	0	99
St Mary's School (Stotfold)	22.1%	39	151	0	190
Stratton Education Trust	25.5%	56	252	0	308
Tennyson - Lime Tree Primary	35.9%	31	194	0	225
Tennyson Road Primary School	22.7%	67	267	0	334
The Firs Academy	22.1%	35	139	0	174
The Hills Academy	22.1%	39	152	0	191
The Rushmere Park Academy (b)	22.1%	10	38	0	48
Toddington St George Church Of England School	22.1%	26	101	0	127
UNITY CofE MAT - Great Barford (d)	28.4%	6	33	0	39
Vandyke Upper School	22.1%	124	464	0	588
Weatherfield Academy	22.1%	53	201	0	254
Whipperley Infant Academy	22.1%	39	149	0	188
Windmill Hill School	22.1%	34	131	0	165
Woodland Academy	22.1%	51	192	0	243
Wootton Academy Trust	22.1%	97	349	0	446
Town and Parish Councils					
Aley Green Parish Council	26.8%	0	1	0	1
Ampthill Town Council	26.8%	20	63	0	83
Arlesey Town Council	26.8%	6	27	0	33
Aspley Guise Parish Council	26.8%	1	5	0	6
Biddenham Parish Council	26.8%	2	7	0	9
Biggleswade Town Council	26.8%	40	170	0	210
Blunham Parish Council	26.8%	1	3	0	4
Bolnhurst Parish Council	26.8%	0	2	0	2
Brickhill Parish Council	26.8%	2	10	0	12
Bromham Parish Council	26.8%	3	11	0	14
Caddington Parish Council	26.8%	2	9	0	11
Campton and Chicksands Parish Council	26.8%	1	2	0	3
Dunstable Town Council	26.8%	97	403	0	500
Flitwick Town Council	26.8%	29	118	0	147
Great Barford Parish Council	26.8%	2	9	0	11
Harlington Parish Council	26.8%	3	11	0	14
Houghton Conquest Parish Council	26.8%	1	3	0	4

Town and Parish Councils	Contribution	Employee £000	Employer £000	Additional Employer £000	Total £000
Houghton Regis Town Council	26.8%	38	161	0	199
Kempston Rural Parish Council	26.8%	0	2	0	2
Kempston Town Council	26.8%	6	26	0	32
Kensworth Parish Council	26.8%	2	7	0	9
Leighton Linslade Town Council	26.8%	72	294	0	366
Marston Moretaine Parish Council	26.8%	4	17	0	21
Maulden Parish Council	26.8%	1	5	0	6
Northill Parish Council	26.8%	1	6	0	7
Oakley Parish Council	26.8%	1	6	0	7
Potton Town Council	26.8%	9	35	0	44
Sandy Town Council	26.8%	14	61	0	75
Sharnbrook Parish Council	26.8%	1	5	0	6
Shefford Town Council	26.8%	4	19	0	23
Shortstown Parish Council	26.8%	1	5	0	6
Stanbridge Parish Council	26.8%	0	2	0	2
Staploe Parish Council	26.8%	0	1	0	1
Stotfold Town Council	26.8%	7	29	0	36
Streatley Parish Council	26.8%	0	2	0	2
Toddington Parish Council	26.8%	6	26	0	32
Turvey Parish Council	26.8%	0	2	0	2
Wootton Parish Council	26.8%	3	13	0	16

(a) Joined Pyramid School Trust during the year
(b) Joined Advantage Multi Academy Trust during the year
(c) Joined Kingsbridge Educational Trust during the year
(d) Joined Diocese of St Albans Multi-Academy Trust (DSAMAT) during the year
(e) New in year

Contribution rates and amounts for the year ended 31 March 2025 – Admitted bodies

Admitted Bodies	Contribution Rate %	Employee £000	Employer £000	Additional Employer £000	Total £000
ABM Catering Ltd (Bushmead)	24.3%	1	3	0	4
ABM Catering Ltd (Luton Primary cluster)	19.6%	4	14	0	18
ABM Catering Ltd (Stopsley)	29.9%	0	2	0	2
ABM Catering Ltd (Surrey Street)	22.7%	3	10	0	13
ABM Catering Ltd (William Austin Infant)	18.6%	0	2	0	2
Active Luton Trust	17.5%	158	440	0	598
Active Luton Trust (Library Service)	15.0%	39	98	0	137
AiP Ltd (Derwent Southill)	20.5%	1	6	0	7

Admitted Bodies	Contribution Rate %	Employee £000	Employer £000	Additional Employer £000	Total £000
AiP Ltd (Marston Church End) **	26.7%	10	52	0	62
AiP Ltd (Marston Forest End) ** *	24.1%	3	16	0	19
AiP Ltd (Ramridge) *	28.4%	0	0	7	7
AiP Ltd (Southcott) **	26.2%	5	22	0	27
AiP Ltd (St Joseph's Primary - LBC)	24.8%	4	16	0	20
Amplius Living **	23.6%	43	133	0	176
Aragon Housing Association *	23.6%	59	196	0	255
Aramark Ltd	16.0%	4	11	0	15
Aspens Services (Arnold Academy) **	29.9%	2	11	0	13
Aspens Services (CLT)	25.0%	17	76	0	93
Aspens Services (Dovery KST) **	19.5%	1	3	0	4
Aspens Services (DSAMAT)	19.3%	1	3	0	4
Aspens Services (Foxdell)	32.1%	2	12	0	14
Aspens Services (Hillborough)	26.9%	2	8	0	10
Aspens Services (Sharnbrook) *	20.4%	1	4	30	35
Aspens Services (Tennyson Rd) *	25.7%	1	3	-4	0
Avalon Cleaning (Tennyson)	21.1%	1	3	0	4
Busy Bee Catering (SLT) ** *		0	0	2	2
Caterlink (Meridian Trust) **	26.1%	4	18	0	22
Churchill (Luton Culture Property)	38.5%	0	3	0	3
Civica UK Limited *	10.0%	18	27	0	45
Compass - STCAT	19.3%	1	4	0	5
Compass - (Shared Learning Trust)	21.3%	4	16	0	20
Coombs Catering (OLICAT) **	23.5%	4	15	0	19
Easy Clean - OLICAT	21.9%	1	6	0	7
ELFT Bedfordshire - East London NHS Foundation Trust Bedfordshire	10.9%	44	55	0	99
ELFT Luton - East London NHS Foundation Trust Luton	10.0%	5	8	0	13
Grand Union Housing *	23.6%	72	213	170	455
Greenwich Leisure Ltd **	23.7%	7	29	0	36
Kindred - Kempston (CLT) *	38.0%	1	5	0	6
Kindred - (M&D)	22.1%	3	10	0	13
Kindred - Cedars/Linslade/Larkrise	18.8%	1	3	0	4
Kindred - SLT-Chalk Hill	29.4%	2	10	0	12
Milestone Infrastructure (CBC)	26.8%	8	31	0	39
Mitie	10.0%	1	1	0	2
Partnership Education - CLT	18.6%	12	37	0	49
Partnership Education - Icknield **	18.1%	3	9	0	12

Admitted Bodies	Contribution Rate %	Employee £000	Employer £000	Additional Employer £000	Total £000
Partnership Education - Pyramid	27.2%	2	9	0	11
Pathfinder Legal Services Ltd	17.8%	154	388	0	542
PCS Group (STCAT)	20.8%	1	5	0	6
Schools Catering Support (Relish)	15.5%	2	5	0	7
Sports & Leisure Management (CBC) **	22.6%	19	68	0	87
Taylor Shaw (Etonbury) *	21.1%	0	0	2	2
Taylor Shaw (Stratton) *	28.5%	1	4	0	5
The Culture Trust Luton	10.0%	94	133	0	227
turn IT on (SLT)	17.3%	7	19	0	26

* Ceased membership during the year ** New member during the year

Glossary

Absolute Return

This is an approach to active investment management that focuses on an absolute return rather than a traditional index-based benchmark. Absolute return refers to the total return (gain or loss) on an investment over a specific period, expressed as a percentage of the initial investment, without reference to a benchmark or market index. Freed from following an index, absolute return managers have the flexibility to pursue a range of strategies and are not pushed into holding certain assets just because they are in the benchmark.

Actuarial valuation

Every three years the Fund undergoes an actuarial valuation. An actuary assesses whether the Fund has enough money to pay scheme members' pensions, and how much will need to be paid into the Fund in future to make sure all the benefits can be paid.

Actuary

An actuary is a business professional who analyses the financial consequences of risk. Actuaries use mathematics, statistics and financial theory to study uncertain future events, especially those relating to pensions and insurance.

Annual allowance

The annual allowance is set by HM Revenue and Customs (HMRC) and is the amount that an individual's pensions savings can increase in any one year before the individual must pay a tax charge. If the value of pension benefits increases by more than the annual allowance in one year, then the excess growth may be taxed. There is 'carry forward' which allows allowance from the three previous years to be offset against any excess in the current year. The annual allowance was set at £60,000 for 2024/2025.

Assets

The Fund's investments.

Bonds

Governments issue bonds to borrow money. The purchaser gets a fixed annual interest payment as well as eventual repayment of the purchase price.

The Fund has some bonds from many of the largest governments, as well as "company bonds", which are similar but are issued by companies not governments.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

Consumer Price Index (CPI)

The Consumer Price Index measures the change in the cost of living by assessing the changes in prices of a cross-section of goods and services over time.

Public service pensions increase by the rise in the Consumer Price Index (CPI). The rate is measured by

the Office for National Statistics (ONS) in the twelve months to September of each year. The rate is then confirmed by the Treasury, and the increase to pensions applies from the following April, effective from the first Monday in the new tax year.

Deficit

If assets are less than liabilities, the Fund is said to be in deficit - there isn't enough money in the Fund to pay all future pension payments, so contributions may need to increase.

Equities

Equities are shares in companies. The owner shares the profits (or losses) and growth (or fall) in the value of the company. The Fund owns shares in all the major markets in the world as well as some smaller, emerging markets.

ESG

'ESG' stands for Environmental, Social and Governance, which refers to the three main areas of concern that have developed as central factors in measuring the sustainability and ethical impact of an investment in a company or business. There is growing evidence that suggests that ESG factors, when integrated into investment analysis and decision making, may offer investors potential long-term performance advantages.

Final salary

This figure is used to calculate LGPS pension benefits built up before 1 April 2014. It's normally the pensionable pay that the employee received over the last year before leaving the scheme or retiring. If the employee's pay decreased in the last year, it could be the pay from one of the two previous years.

Funding level

The percentage of the Fund's liabilities which can be paid out of the Fund. If the funding level falls below 100%, more will need to be paid into the Fund.

Global equity

Investors in global equity can invest in equities (see definition above) from anywhere in the world, although they are limited by other aspects of their mandate. They are expected to give better returns than standard indices like the FTSE 100 or the local equivalent.

IAS 19

An International Accounting Standard (number 19) concerning "employee benefits", which specifies how organisations should account for and disclose employee benefits.

Index-linked bonds

A type of bond where the annual interest payment varies with inflation.

Liabilities

The total expected value of future pension payments from the Fund to its members.

Lifetime Allowance

The lifetime allowance used to limit the amount of pension that people could build up in UK pension schemes before having to pay extra tax. The lifetime allowance in 2023/2024 was £1.073 million. The charge for breaching the LTA was removed from 6 April 2023 and from April 2024, the lifetime

allowance is no longer in force.

Managed Funds

Managed Funds are defined as Insurance Managed Funds. A managed fund is a pool of money managed by a fund manager and spread in investments across a range of assets.

Multi-asset passive investment

Multi-asset passive investors can invest in global markets and need only match the returns given by indices like the FTSE 100 (or the local equivalent).

Net Asset Value

The value of the Fund's assets minus the value of its liabilities

Overseas Unit Trusts

Overseas Unit Trusts are categorised as all unitised funds that are not included within the Managed Fund category. A unitised fund is an investment fund divided into units, where the value of each unit fluctuates based on the performance of the underlying assets.

Pension Account

Employees contributing to the LGPS on or after 1 April 2014 have a pension account. Each scheme year the amount of pension the employee has built up during the year is worked out and this amount is added into the employee's active pension account.

Pensionable pay

This is an employee's salary or wages plus shift allowance, bonuses, contractual and non-contractual overtime, maternity pay, paternity pay, adoption pay and any other taxable benefit specified in a contract as pensionable. An employee's pension contributions are deducted as a percentage of pensionable pay.

Pensionable pay doesn't include expenses, payment in lieu of notice, pay in lieu of lost holidays, any payment as inducement not to leave ("golden handcuffs") or for company cars or payment in lieu of a company car.

Property

In investment, property can refer to offices, shops, shopping centres, retail parks and warehouses. Returns from property can include rental income and growth in value (capital growth).

Surplus

If assets are greater than liabilities, the Fund is said to have a surplus - there's enough to pay all future pensions to fund members, with some to spare. This is the ideal situation to be in.

Finding out more

If you would like further copies, a large-print copy or information about us and our services, please telephone or write to us at our address below.

Për Informacion

معلومات کے لئی

للمعلومات

Informacja

ਜਾਣਕਾਰੀ ਲਈ

Za Informacije

برای اطلاع

তথ্যের জন্য

Per Informazione

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MK42 9AP

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