



Business Plan 2024 – 2028

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Introduction

Bedford Borough Council is the Administering Authority of the Bedfordshire Local Government Pension Scheme (LGPS). The Fund is open to local government employees and employees of a wide range of other employers providing services in the Bedfordshire area.

Management of the Pension Fund has been delegated to the Pensions Committee by Council, and acts in the role of 'trustee' of the Pension Fund. The day-to-day running of the Fund has been delegated by the Pensions Committee to the Assistant Chief Executive (Finance), Chief Officer for Bedfordshire Pension Fund and the Manager for Pensions Administration. The Pensions Team has responsibility for all operational aspects of the Fund including governance, administration, and, investments and accounting.

The Fund is a member of the Border to Coast Pensions Partnership Limited (BCPP) which was established in 2017 with the aim of pooling investments with other like-minded Funds to reduce investment management costs. The transition of assets from Bedfordshire to Border to Coast is ongoing.

The purpose of this document is to set out a business plan for Bedfordshire Pension Fund for the period 2024-2028 and to outline the Fund's aims, objectives and actions over the longer term. The plan has been prepared in compliance with statutory requirements and current codes of practice and best practice. The plan is reviewed on an annual basis.

Objectives

The Fund has set the following high level objectives:

- 1) Deliver a high quality and friendly information service to all beneficiaries, potential beneficiaries and employers;
- 2) Clear, appropriate and timely communication with all Stakeholders;
- 3) To act with integrity and be accountable to stakeholders for decisions, ensuring that they are robust, well based and undertaken by people who have the appropriate knowledge and expertise;
- 4) To help employers recognise and manage Pension liabilities as they accrue (addressing the different characteristics of disparate employers to the extent that is practical and cost effective);
- 5) Optimising the return on investment consistent with a prudent level of risk over the long term.

Review of 2023/2024

The tables below show the objectives set for 2023/2024 and the progress update; where projects will be continuing into 2024/2025 these objectives have been included in the workplan later in this report.

Table 1: Pensions Administration workplan 2023/2024

Area of Work	Comments
Annual submission of data for Employers	Achieved
Guaranteed Minimum Pension Review	Ongoing. To carry forward to 2024/2025
Administration Performance Review	Achieved
Annual Benefit Statements	Achieved
Policy Review	Achieved
I-Connect system implementation	Implementation started October 2023
McCloud remedy	Legislation in force October 2023. Started uploading hours and service breaks in the remedy period
Legal Services Contract Retender	Using National Framework 'call off' as and when required.
Pensions Dashboard	Implementation to start 2024/2025

Table 2: Pensions investment and accounting workplan 2023/2024

Area of Work	Comments
Investment Strategy Review	Achieved
Investment Performance Review	Achieved
Pooling – Asset Transfers	Continuation with Alternatives programme and participation in Global Real Estate fund launches
Manager meetings by Rotation	Achieved
Employer Accounting Reports	Achieved
Investment Benchmarking	Achieved
Investment Pooling Consultation responses	Achieved

Table 3: Governance workplan 2023/2024

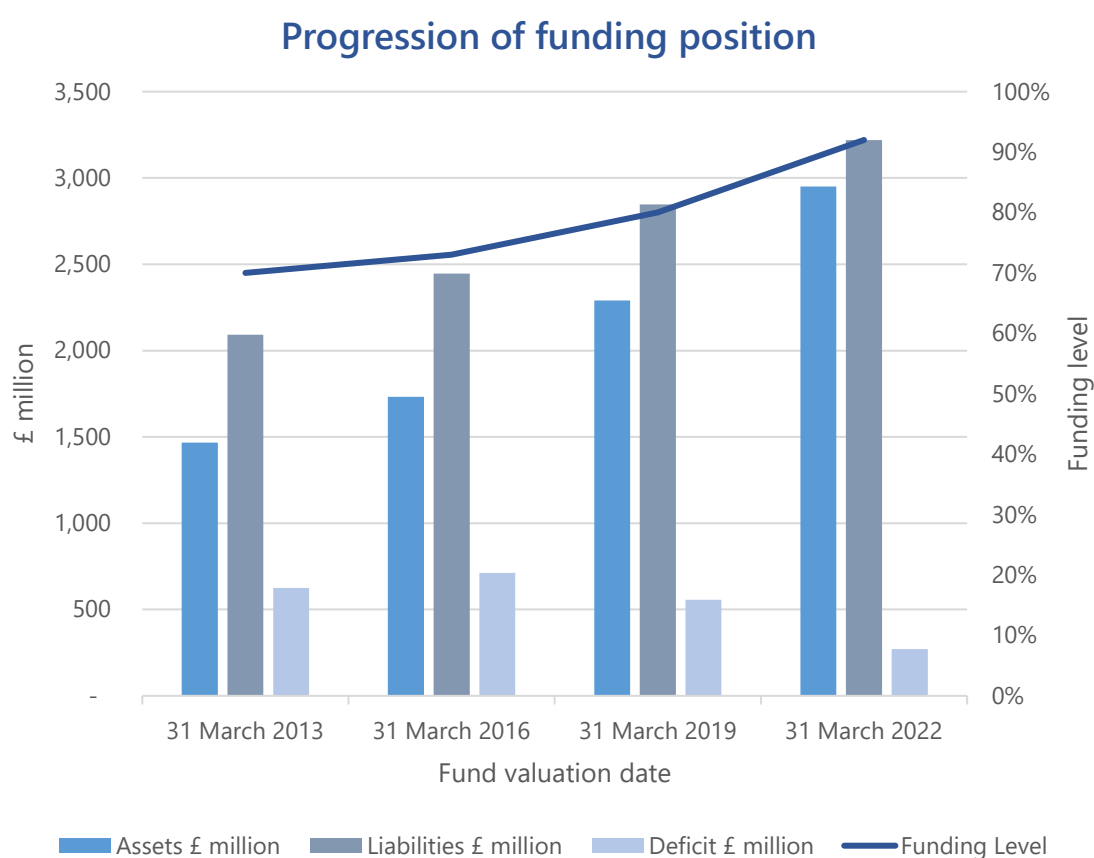
Area of Work	Comments
Annual Report and Accounts	Partially achieved – final audit results report still to be issued.
Local Pension Board Meeting	Achieved. May 2023 meeting cancelled because of local elections
Employer Annual Meeting	Achieved. Held in January 2024
Review Risk Register	Achieved
Responsible Investment	Achieved
Stewardship Code	Achieved
Member Training Programme	Achieved
Investment Consultant contract	Achieved. Extension agreed
tPR Single Code of Practice	The General Code came into force on 28 March 2024. Gap analysis to be undertaken in first half of 2024/2025.
Good Governance	Delayed. Carried forward to 2024/2025

Fund Information

Funding Level

The Fund is required to carry out an Actuarial Valuation every three years to estimate the market value of assets compared to the liabilities (i.e. the benefits payable to Members) and calculate a Funding Level. The last valuation was carried out at 31 March 2022, with the next one due 31 March 2025. The charts below show the results of the last four valuations.

Chart 1: Assets and Liabilities



At 31 March 2022, the Actuary, Barnet Waddingham estimated that the funding level stood at 92%.

Table 4: Contribution rates

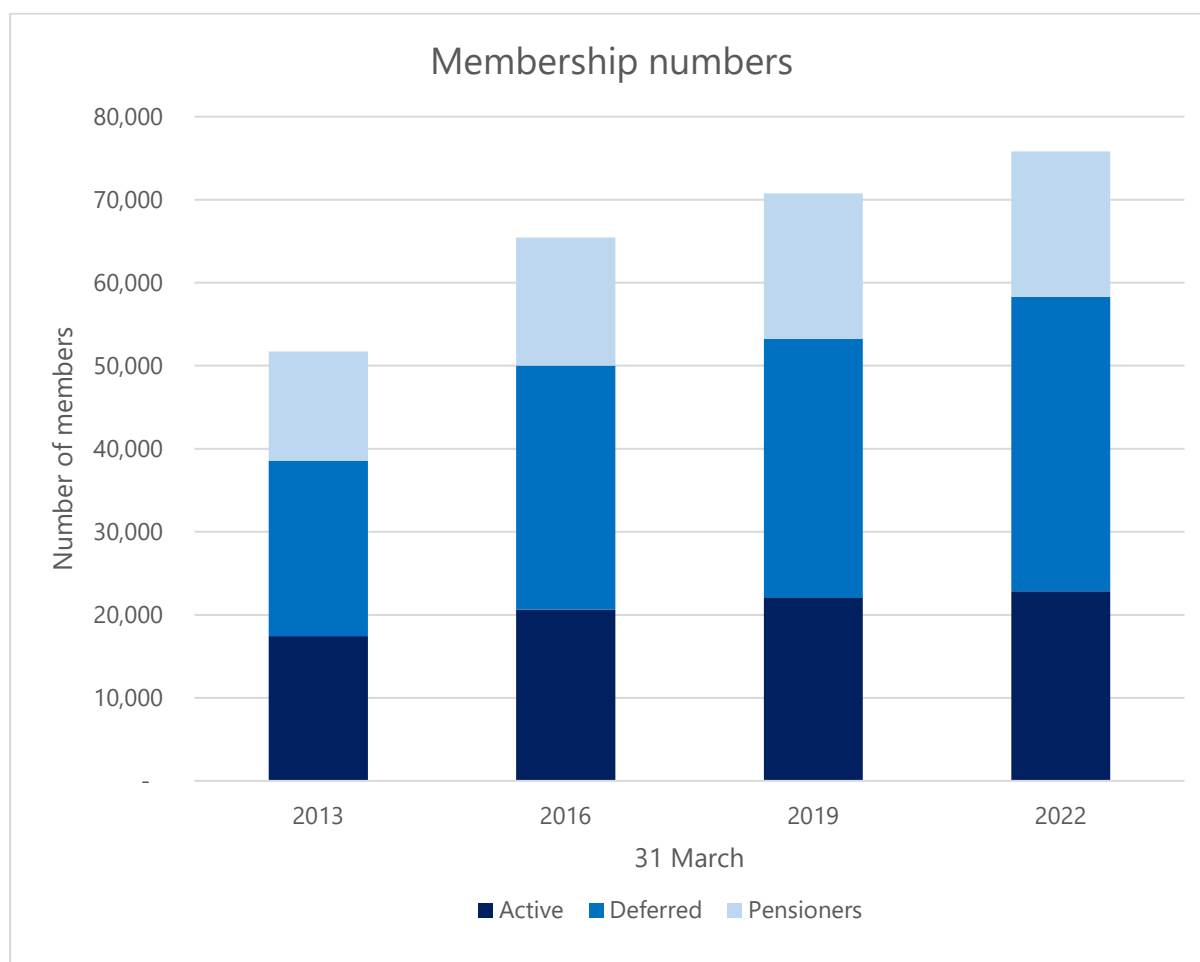
Valuation date	Contribution rate
31 March 2022	19.6%
31 March 2019	19.2%
31 March 2016	17.8%

Membership

The Fund has an increasing number of members. The membership can be broken down into different types:

- **Active Members** are people who are currently paying into the LGPS through their employment with one of Bedfordshire Pension Fund's employers.
- **Deferred Members** are people who have previously paid into the LGPS for long enough to be entitled to pension benefits and have now stopped paying into the scheme but are not old enough to claim their pension benefits. The payment of their pension benefits is 'deferred' until the person reaches retirement age.
- **Pensioners** are people who have previously paid into the LGPS and their LGPS pension benefits are now being paid to them. This category also includes the dependants (e.g. spouses and children) of former LGPS members who are entitled to receive a pension.

Chart 2: Membership numbers



Performance

The Fund has an agreed set of Local Indicators with which it monitors the administration of the Fund and its dealings with Members. These targets are set with the needs of the Members in mind, and as a minimum in line with legislation, and guidance from the Pensions Regulator.

The table below sets out the performance and targets for 2023/2024.

Table 5: Pensions Administration Performance

Task	Number of tasks in 2023/24	Target number of days to complete task	Disclosure regulations & tPR standard days to complete	2023/2024 performance (completed within target)
Creation of member records	5,547	10	60	78%
Payment of refunds	573	10	60	76%
<i>Process retirement: Early and Normal</i>	344	10	30	76%
<i>Process retirement: Ill health</i>	42	10	30	93%
<i>Process retirement: Flexible</i>	22	10	30	91%
<i>Process retirement: Redundancy or efficiency</i>	18	10	30	78%
<i>Process preserved benefit into payment</i>	928	10	30	89%
Total retirements	1,354	--	--	85%
<i>Retirement estimate: Early and Normal</i>	855	10	60	70%
<i>Retirement estimate: Long-term forecasts</i>	264	20	60	75%
<i>Retirement estimate: Ill health</i>	48	10	60	79%
<i>Retirement estimate: redundancy or efficiency</i>	160	10	60	79%
Total retirement estimates	1,327	--	--	76%
Transfers in	234	35	60	99%
Transfers in (Local Government)	299	35	60	92%
Transfers out	64	10	90	61%
Transfers out (Local Government)	401	60	90	93%
Preserved Benefits	5,138	60	60	90%
Death entitlement	784	10	60	81%

Investments

The aim of the Fund is to hold sufficient assets to cover for all accrued benefits due to Members taking account of future salary increases and inflation. The Pension Committee sets the Investment Strategy to achieve this objective taking into account an acceptable level of risk.

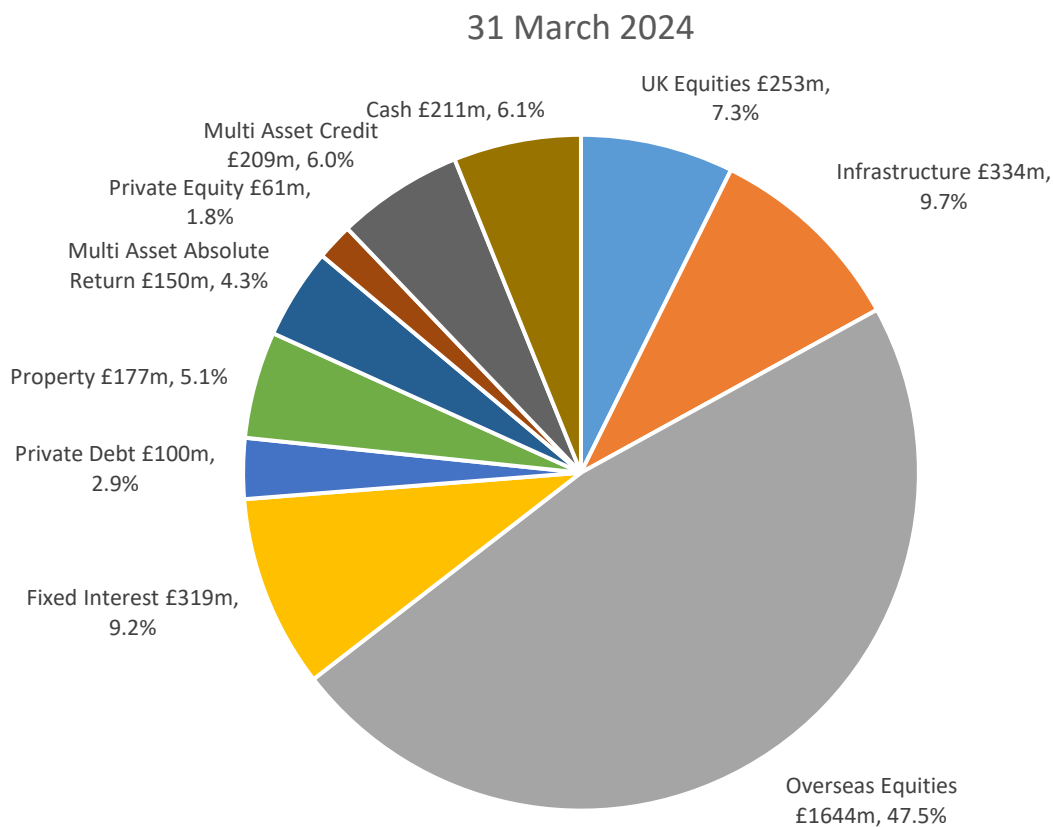
The Investment Strategy Statement sets out the Fund's Asset Allocation.

Table 6: Strategic Asset Allocation as agreed on 14 November 2023

Asset class	Long-term Target Allocation %	Allocation Range %
Listed Equities	50%	40%-60%
"Opportunities"	4.5%	0%-5%
Sub-total Growth	54.5%	---
Property	10%	5%-15%
Infrastructure (equity)	10%	5%-15%
Private Credit	5.0%	0%-10%
Multi-asset credit	7.5%	5%-12.5%
Absolute Return Multi Asset	3.0%	0%-3%
Sub-total Income	35.5%	---
Liquid Credit	10%	5%-15%
Cash	<1%	0%-2%
Sub-total Volatility and treasury management	10%	---
Grand total	100%	---

As at 31 March 2024 Bedfordshire Pension Fund was valued at £3,458.3 million (£3,006.8 million at 31 March 2023). The Fund was affected by market volatility during the year as markets took views on the recovery, inflation and geo-political events including the impact of the invasion of Ukraine and conflict in the middle east.

Chart 3: Assets held



2023/2024 Budget

Table 7: 2023/2024 budget

ITEM	2024/2025 £000	ORIGINAL 2023/2024 £000	CHANG E £000	CHANGE %
Investment management: basic fees	5,997	6,319	188	3.1
Investment management: fees for pooled funds	2,110	2,110	--	--
Investment management: performance related fees	0	0	--	--
Total Investment Management	8,108	8,429	(321)	(3.8)
Oversight and Governance	1,907	1,839	68	3.7
Administration: net running costs	198	193	5	2.6
Administration: computer costs	535	577	(42)	(7.3)
Fund Administration – Administering Authority Recharge	1,651	1,530	121	7.9
Total Administration	2,383	2,300	83	3.6
Grand Total	12,398	12,568	(170)	(1.4)

Investment management fees are expected to be lower as assumptions for new investment products have been removed. Other key changes to the budget relate to reduction in ICT system costs as one-off implementation costs have dropped out, an increase in the administration costs which includes implementation of the McCloud remedy.

Workplan

Pensions Administration

We are aiming to provide high quality value-for-money service. Pension administration is carried out in-house by a team of professional staff. There are a number of recent legislative changes which the team will be working on in the coming year, not least progression on the McCloud remedy.

Table 8: Pensions Administration workplan

Area of Work	2024/25	2025/26	2026/27	2027/28
Valuation – collection of data	--	Apr to Jul	--	--
Valuation Results to Employers	--	Nov to Dec	--	--
Annual submission of data for Employers	Apr to Jul	Apr to Jul	Apr to Jul	Apr to Jul
Guaranteed Minimum Pension Review	Ongoing	--	--	--
Administration Performance Review	Quarterly	Quarterly	Quarterly	Quarterly
Annual Benefit Statements	May to Aug	May to Aug	May to Aug	May to Aug
Policy Review	Mar	Mar	Mar	Mar
I-Connect system implementation	Ongoing	--	--	--
McCloud remedy	Ongoing	--	--	--
Pensions Dashboard	Ongoing	October 2025	--	--

Investments and Accounting

The focus of the Investment Team is on the transition of the assets under the revised Asset Allocation agreed by the Pensions Committee in February 2020; including pooling of assets to Border to Coast and integration of ESG (economic, social and governance) into our investment decisions and monitoring.

Table 9: Investment and accounting workplan

Area of work	2024/25	2025/26	2026/27	2027/28
Investment Strategy Review	Jun	Jun	Jun	Jun
Investment Performance Review	Monthly	Monthly	Monthly	Monthly
Pooling – Asset Transfers	On-going	On-going	On-going	On-going
Manager meetings by Rotation*	Quarterly	Quarterly	Quarterly	Quarterly
Valuation	--	Sept - March	--	--
Employer Accounting Reports	Jul, Aug and Mar	Jul, Aug and Mar	Jul, Aug and Mar	Jul, Aug and Mar
Investment Benchmarking	Jun to Sept	Jun to Sept	Jun to Sept	Jun to Sept

Governance

Table 10: Governance workplan

Area of work	2024/25	2025/26	2026/27	2027/28
Annual Report and Accounts	Apr to May	Apr to May	Apr to May	Apr to May
Local Pension Board Meeting	Quarterly	Quarterly	Quarterly	Quarterly
Employer Annual Meeting	Dec	Dec	Dec	Dec
Review Risk Register	Monthly	Monthly	Monthly	Monthly
Responsible Investment	December	December	December	December
Stewardship Code	Apr to Sept	Apr to Sept	Apr to Sept	Apr to Sept
Member Training Programme	June	June	June	June
Independent Investment Adviser contract (CC)	--	Apr to Jun	--	--
Investment Consultant contract	Oct to Mar	--	--	--
tPR Single Code of Practice	Apr - Sept	--	--	--
Effectiveness Review	Apr - Sept			
Good Governance	Delayed. TBC	--	--	--

Committee Meeting Plan

Forward Plan – 2024/2025 Committee Meetings

Meeting	Agenda Item
June 2024	Pensions Administration Performance Update Investment Performance Report Investment Strategy Draft Statement of Accounts Risk Register Pension Fund Training Plan Governance Policy Review Regulation Update LGPS Pooling Update
September 2024	Pensions Administration Performance Update Investment Performance Report Annual Report Internal Audit Review External Audit Review Budget and Cash Flow Monitoring to June 2024 Risk Register Regulation Update LGPS Pooling Update Stewardship Report 2023/2024 Effectiveness Review
November 2024	Pensions Administration Performance Update Investment Performance Report Budget and Cash Flow Monitoring to September 2024 Regulation Update Myners Principles LGPS Pooling RI Policy and Corporate Voting Guidelines Risk Register Business Plan Update Review Investment Consultant & Independent Advisor Objectives

Meeting	Agenda Item
January 2024	Pensions Administration – Performance Update Investment Performance Report Budget and Cash Flow Monitoring to December 2024
March 2025	Proposed Budget for 2025/2026 Investment Strategy Statement Review Business Plan 2025 - 2029 Pension Fund Strategies and Policies Regulation Update LGPS Pooling

Local Pension Board

The Local Pension Board was established in 2015 to secure compliance with the Local Government Pension Scheme (LGPS) Regulations and the requirements of the Pensions Regulator to assist in the effective and efficient governance and administration of the LGPS.

The Pension Board provides assurance the Pensions Committee on matters of governance and administration. The Board meets quarterly between Committee meetings, and reports to the Committee on recommendations and assurances gained after each meeting. The Board workplan is set out below:

Meeting	Agenda Item
May 2024	Board Chairman's Update to Pensions Committee Pensions Administration Performance Update Risk Register Regulation Update Pension Board Annual Report Work Programme Review Appointment of chair contract
July 2024	Board Chairman's Update to Pensions Committee Pensions Administration Performance Update Pension Fund Annual Report and Accounts Risk Register Review Regulation Update Work Programme Review Pooling Update Training Plan review Terms of Reference Review Pensions Board Self Assessment
October 2024	Board Chairman's Update to Pensions Committee Pensions Administration Performance Update Risk Register Regulation Update Training Plan tPR General Code of Practice Review Work Programme Review

Meeting	Agenda Item
January 2025	Board Chairman's Update to Pensions Committee Pensions Administration Performance Update Regulation Update Risk Register Review Work Programme Review Pooling Update

Staff Resources

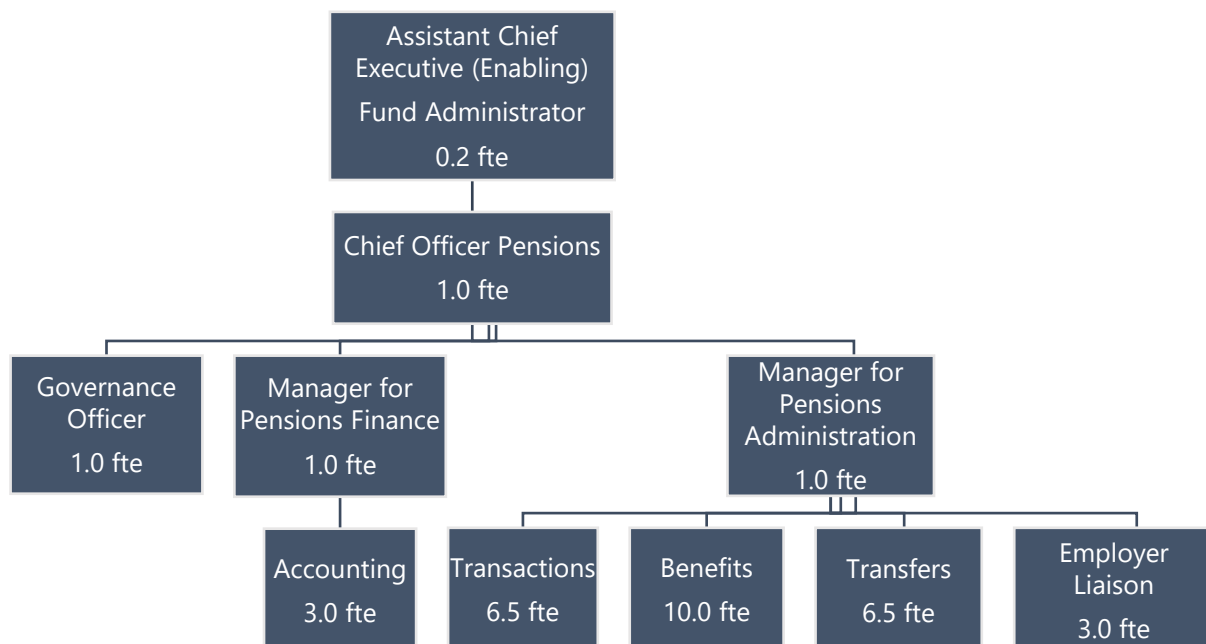
Bedford Borough Council as the administering authority for Bedfordshire Pension Fund provides the staffing establishment for the Pension Fund. Responsibility for the day-to-day operation of the Fund is delegated to the Council's Section 151 Officer.

The staffing structure to deliver the workplan is managed through three key teams:

- Administration Team
- Investments and Accounting
- Governance

In-house pension and investment administration provides a high degree of control over the investment arrangement and delivery of tailored service to employers and scheme members.

The structure and resources for each team is set out below, as approved by the Pensions Committee. Elements of this structure are still subject to restructuring and recruitment:



Risks and Issues

The Fund has a Risk Register which is reviewed by the Pensions Board and Pensions Committee on a quarterly basis. The key risk identified in the Register relates to maintaining the skills and knowledge of the Pension Fund in order to maintain its MIFID II status as a professional investor. The full Risk Register is available on the Fund's website www.bedspensionfund.org

There are also issues (political, economic, social and technical) facing the LGPS that may impact on the delivery of this business plan. Some of the key risks are set out below:

- The remedy for McCloud case is likely to cause administrative challenge to implement and increase costs of benefits and administration.
- System availability and security. In the new digital age, cyber security and data breaches are critical. The Fund has robust systems in place however, there is always a risk of system failure and cyber-attacks.
- Long term investment returns, and the ability of the Fund to achieve sufficient risk adjusted returns in light of the current inflationary environment which will improve the Fund's funding position.
- Changes in legislation requiring an increased focus on Environmental, Social and Governance (ESG) factors.
- Increased workload resulting from the number of initiatives (SAB, CIPFA, tPR, FRC, DLUHC) for example Good Governance and Single Code of Practice.