



Business Plan 2025 – 2029

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Introduction

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

Management of Bedfordshire Pension Fund has been delegated to the Pension Fund Committee by Bedford Borough 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 Pension Fund Committee to the Executive Director of Resources, the Service Director for Bedfordshire Pension Fund and the Manager for Pensions Administration. The Bedfordshire Pension Fund team has responsibility for all operational aspects of the Fund including governance, administration, and investments and accounting.

The Fund is a member of Border to Coast Pensions Partnership Limited (BCPP). BCPP 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 the Fund 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 2025 - 2029 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. The plan is reviewed on an annual basis.

Objectives

The purpose of Bedfordshire Pension Fund is to pay the right people the right pension at the right time. In support of this purpose, the Fund has set the following high-level objectives:

- 1) deliver a high-quality and friendly service to all beneficiaries, potential beneficiaries and employers;
- 2) maintain accurate records and make sure that data is held securely, with robust measures in place to prevent any unauthorised access;
- 3) engage in clear, appropriate and timely communication with all stakeholders;
- 4) act with integrity and be accountable to stakeholders for decisions;
- 5) ensure that decisions are sound, well-based, supported by effective governance and undertaken by people who have the appropriate knowledge and expertise;
- 6) work with employers to recognise and manage pension liabilities (addressing the individual characteristics of employers in a way that is practical and cost effective);
- 7) optimise the return on investments consistent with a prudent level of risk over the long term.

Review of 2024/2025

The tables below show the objectives set for 2024/2025 and the progress update; where projects will be continuing into 2025/2026 these objectives have been included in the workplan later in this report.

Table 1: Pensions Administration workplan – review of 2024/2025

Area of Work	Comments
Annual submission of data by employers	Achieved
Guaranteed Minimum Pension Review	Ongoing. To carry forward to 2025/2026
Administration Performance Review	Achieved
Annual Benefit Statements	Achieved
Policy Review	Achieved
I-Connect system implementation	Ongoing – over 120 employers onboarded in 2024/2025. Project carried forward to 2025/2026
McCloud remedy	Ongoing. Work on rectification of records is continuing. Carried forward to 2025/2026
Pensions Dashboard	Ongoing. The “connect by” date for the Fund is 31 October 2025.

Table 2: Pensions investment and accounting workplan – review of 2024/2025

Area of work	Comments
Investment Strategy review	Achieved
Investment Performance review	Achieved
Pooling – asset transfers	Ongoing We await the outcome from the Fit for the Future consultation.
Manager meetings by rotation	Achieved
Employer accounting reports	Achieved
Investment Benchmarking	Achieved. Further work required to better understand Cost and Net Value Add over Quarter 2 of 2025

Table 3: Governance workplan – review of 2024/2025

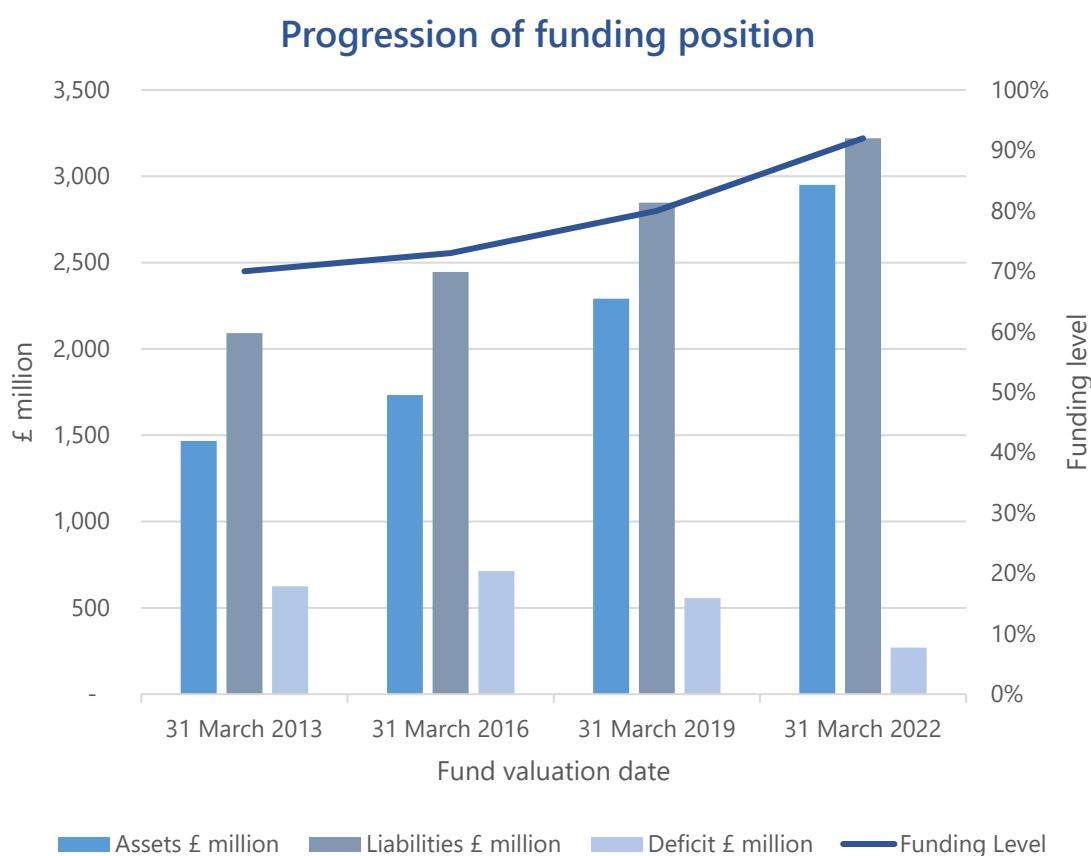
Area of work	Comments
Annual report and accounts	Achieved. The audit was complete by the statutory backstop date. Ambitions have been set to achieve the audit for 2024/2025 in the Autumn of 2025, significantly earlier than the statutory deadline of 28 Feb 2026
Local Pension Board meetings	Achieved
Employer annual meeting	Achieved – November 2024
Review risk register	Achieved
Responsible Investment	Achieved
Stewardship Code	Achieved
Member training programme	Achieved
Investment Consultant contract	Achieved – 1 year extension
tPR General Code of Practice	Achieved – gap analysis carried out Summer 2024
Effectiveness Review	Achieved – overall the Committee and Board are reported as operating effectively
Good Governance	Carried forward to 2025/2026 – awaiting outcome of Fit for the Future consultation.

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 due to be paid to scheme members) and calculate a funding level. The last valuation was carried out as of 31 March 2022, with the next one due as of 31 March 2025. The chart below shows the results of the last four valuations.

Chart 1: Assets and Liabilities



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

At each valuation the Fund sets employer contribution rates which will adequately cover the cost of LGPS benefits which may build up in the future, and the cost of any benefits already built up. The primary contribution rate is the employer's contribution towards the cost of the benefits that build up in the future. The table below shows the average primary contribution rate for the Fund at the last four valuations.

Table 4: Contribution rates

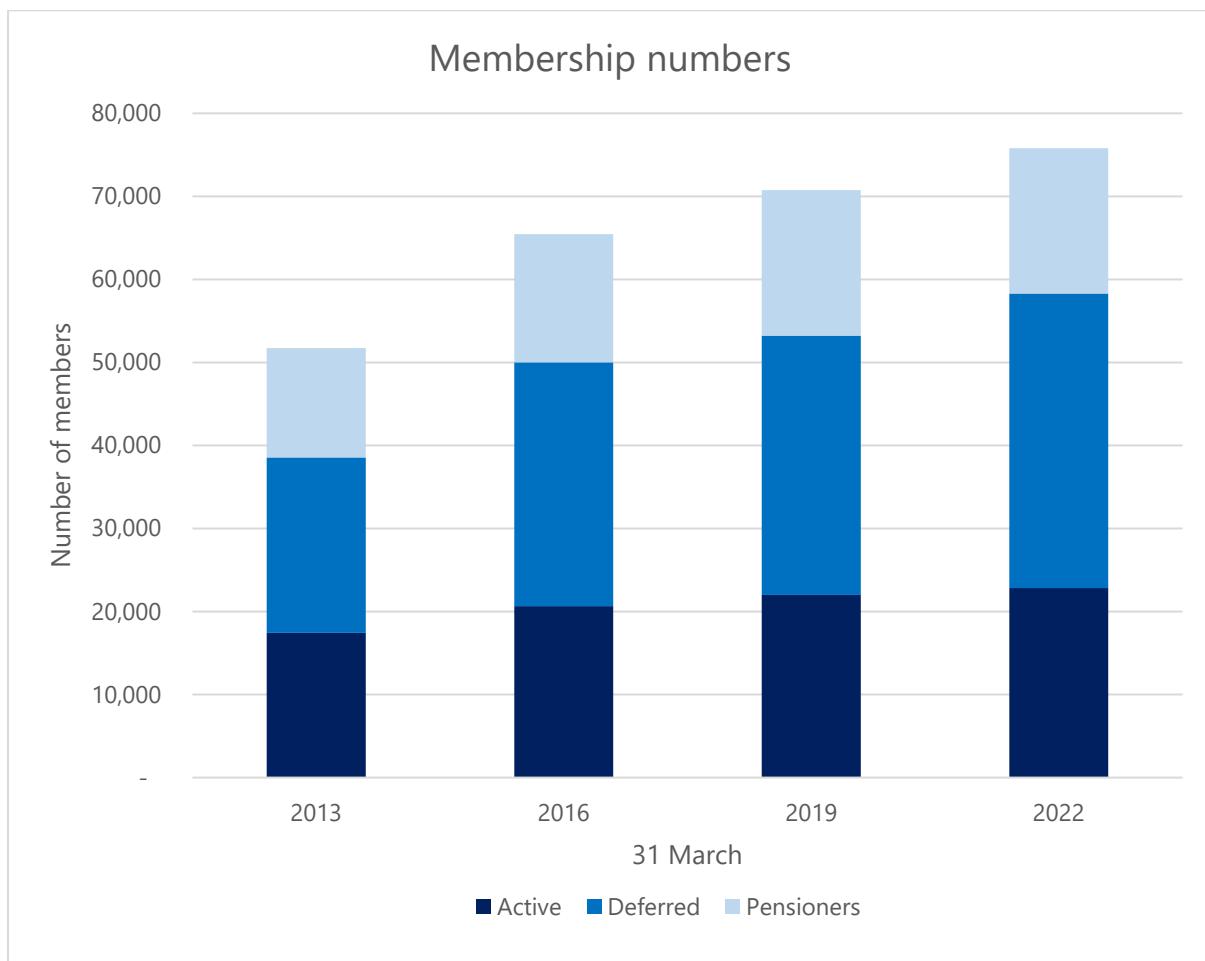
Valuation date	Contribution rate
31 March 2022	19.6%
31 March 2019	19.2%
31 March 2016	17.8%
31 March 2013	17.6%

Membership

Membership of Bedfordshire Pension Fund has been increasing steadily in recent years. Chart 2 on page 9 shows membership numbers at the last four valuations. The membership is broken down into different types:

- **Active members** are people who 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



Administration performance

The Fund has an agreed set of local indicators to monitor the administration of the Fund and interactions with scheme members. These targets are set with the needs of scheme members in mind, and fall within the standards set out in legislation, and guidance from the Pensions Regulator (TPR). The table below sets out the targets and performance for 2024/2025.

Table 5: Pensions Administration performance

Task	Number of tasks in 2024/25	Local target number of days to complete task	Disclosure regulations & TPR standard days to complete	2024/25 tasks completed within local target	2024/25 tasks completed within regulatory timeframes
Creation of member records	5,271	10	60	74%	100%
Payment of refunds	363	10	60	44%	100%
<i>Process retirement: Early and Normal</i>	431	10	30	90%	100%
<i>Process retirement: Ill health</i>	40	10	30	90%	100%
<i>Process retirement: Flexible</i>	23	10	30	91%	100%
<i>Process retirement: Redundancy or efficiency</i>	32	10	30	96%	100%
<i>Process preserved benefit into payment</i>	1154	10	30	94%	100%
Total retirements	1,680	--	--	92%	100%
<i>Retirement estimate: Early and Normal</i>	961	10	60	89%	100%
<i>Retirement estimate: Long-term forecasts</i>	386	20	60	93%	100%
<i>Retirement estimate: Ill health</i>	47	10	60	85%	100%
<i>Retirement estimate: redundancy or efficiency</i>	320	10	60	92%	100%
Total retirement estimates	1,714	--	--	89%	100%
Transfers in	216	35	60	99%	100%
Transfers in (Local Government)	367	35	60	97%	100%
Transfers out	74	10	90	72%	100%
Transfers out (Local Government)	343	60	90	99%	100%
Preserved Benefits	5,616	60	60	94%	100%
Death entitlement	788	10	60	94%	100%

Investments

The Fund aims to hold sufficient assets to cover all accrued benefits due to scheme members, taking account of future salary increases and inflation. The Pension Fund Committee sets an investment strategy to achieve this objective, factoring in an acceptable level of risk.

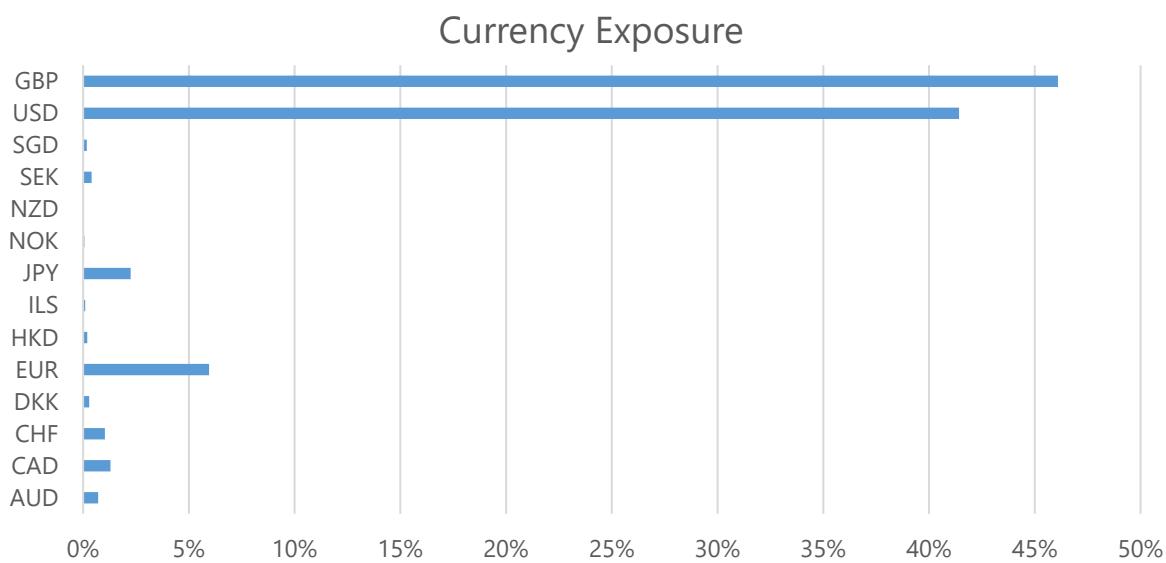
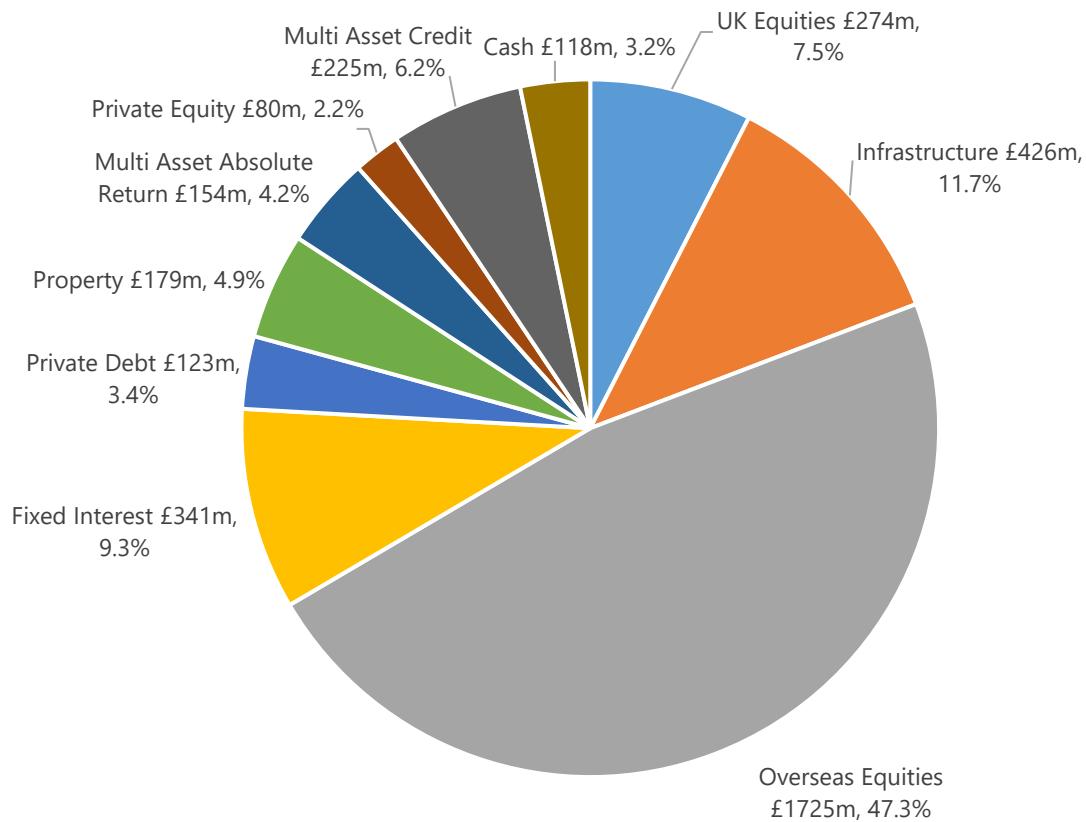
The Investment Strategy Statement sets out the Fund's asset allocation. The Investment Strategy Statement can be found on the [Bedfordshire Pension Fund website](#).

Table 6: Strategic asset allocation re-affirmed on 19 November 2024

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%	---
Total	100%	---

As at 31 March 2025 Bedfordshire Pension Fund was valued at £3,643.6 million (£3,458.3 million at 31 March 2024). The Fund was affected by market volatility and adverse foreign exchange impacts towards the end of the year as markets took views on new administration in the United States including the impact of potential tariffs.

Chart 3: Assets held



2025/2026 budget

Table 7: 2025/2026 budget

ITEM	2025/2026 £000	ORIGINAL 2024/2025 £000	CHANGE £000	CHANGE %
Investment management: basic fees	9,692	5,997	3,695	61.6
Investment management: fees for pooled funds	1,019	2,110	-1,091	-51.7
Investment management: performance related fees	0	0	0	0.0
Total Investment Management	10,711	8,108	2,603	32.1
Oversight and Governance	1,742	1,907	-165	-8.7
Administration: net running costs	206	198	8	4.0
Administration: computer costs	547	535	12	2.2
Fund Administration – Administering Authority Recharge	1,698	1,651	47	2.8
Total Administration	2,451	2,383	68	2.9
Grand Total	14,904	12,398	2,506	20.2

Investment management fees are expected to be higher as they reflect the known asset transition costs for assets that have been agreed to transfer to the pool and the implementation of the currency management solution. The reduction in Oversight and Governance costs reflect the reallocation of charges to Investment Management, partially offset by increases in professional fees and staffing in the team.

Workplan

Pensions Administration

We aim to provide a high-quality, value-for-money service. Pension administration is carried out in-house by a team of professional staff.

In 2025/2026 the team will be working on major projects brought about by recent legislative changes, namely the continuation of the McCloud remedy implementation, and preparation for connection to Pensions Dashboards. These projects will run alongside business-as-usual tasks and the collection of data for the 2025 fund valuation.

Table 8: Pensions Administration workplan

Area of Work	2025/26	2026/27	2027/28	2028/29
Valuation – collection of data	Apr to Jul	--	--	Apr to Jul
Valuation results to Employers	Nov to Dec	--	--	Nov to Dec
Annual submission of data by 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 implementation	Ongoing	--	--	--
McCloud remedy	Ongoing	--	--	--
Pensions Dashboard	October	--	--	--
My Pension Online Upgrade	Oct to Dec	--	--	--
Address Tracing	Apr to Sept	--	--	--

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	2025/26	2026/27	2027/28	2028/29
Investment Strategy review	Sept	Jun	Jun	Jun
Investment Performance review	Quarterly	Quarterly	Quarterly	Quarterly
Pooling – asset transfers	Ongoing	Ongoing	Ongoing	Ongoing
Manager meetings by rotation	Quarterly	Quarterly	Quarterly	Quarterly
Valuation	Sept to Mar	--	--	Sept - Mar
Employer accounting reports	Jul, Aug and Mar			
Investment Benchmarking	Jun to Sept	Jun to Sept	Jun to Sept	Jun to Sept
Climate Transition Action Plan	Apr to Jun			Apr to Jun
Taskforce for Climate related Financial Disclosures (TCFD)	Jun to Sept	Jun to Sept	Jun to Sept	Jun to Sept

Governance

The table below sets out the Governance workplan for the next four years. This workplan may be affected by the outcome of the Government's 'Fit for the Future' consultation which ran from 14 November 2024 to 16 January 2025 and included proposals on the governance of LGPS funds and pools. The proposals were based on recommendations from the Scheme Advisory Board's Good Governance project. Legislation and guidance to implement the proposals is expected in 2025/2026 and 2026/2027.

Table 10: Governance workplan

Area of work	2025/26	2026/27	2027/28	2028/29
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	Nov/Dec	Nov/Dec	Nov/Dec	Nov/Dec
Review risk register	Monthly	Monthly	Monthly	Monthly
Responsible Investment review	Nov/Dec	Nov/Dec	Nov/Dec	Nov/Dec
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	--	--	Apr to Jun
Investment Consultant contract dependent on review of advisory support in line with outcome of Fit for the Future consultation and Border to Coast's advisory model.	Oct to March	--	--	Oct to March

Area of work	2025/26	2026/27	2027/28	2028/29
tPR General Code of Practice annual review	October	October	October	October
Implementation of Good Governance recommendations	Delayed - TBC	--	--	--

Pension Fund Committee meeting plan

Forward Plan – 2025/2026 Pension Fund Committee Meetings

Meeting	Agenda Item
June 2025	Pensions Administration performance update Investment Performance report Draft statement of accounts Risk register review Training plan review Governance Policy review Business Plan 2025 - 2029 Regulation update LGPS Pooling update Climate Transition Action Plan
September 2025	Pensions Administration performance update Investment Performance report Annual Report Internal Audit review External Audit review Budget and cashflow monitoring to June 2025 Risk register review Regulation update LGPS Pooling update Stewardship Report 2024/2025 Valuation update and Funding Strategy Statement
November 2025	Pensions Administration performance update Investment Performance report Budget and cashflow monitoring to September 2025 Regulation update Myners Principles review LGPS Pooling update RI Policy and Corporate Voting Guidelines Investment Strategy Risk Register review Valuation update and Funding Strategy Statement Business Plan update

Meeting	Agenda Item
	Review of Investment Consultant & Independent Advisor objectives Contracts register General Code of Practice annual review
January 2026	Investment Performance Report Budget and cashflow monitoring to December 2025
March 2026	Proposed Budget for 2026/2027 Investment Strategy Statement review Business Plan 2026 - 2030 Pension Fund Strategies and Policies Regulation update LGPS Pooling update

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 to the Pension Fund 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 2025	Board Chairman's update from Pension Fund Committee Pensions Administration performance update Risk Register review Regulation update Pension Board Annual Report Business Plan 2025 to 2029 Budget and cashflow 2025/2026 Work Programme review Training Plan review Governance Policy review
July 2025	Board Chairman's update from Pension Fund Committee Pensions Administration performance update Pension Fund Annual Report and Accounts Risk Register review Regulation update Work Programme review Pooling update Pensions Board self-assessment Terms of Reference review
October 2025	Board Chairman's update from Pension Fund Committee Pensions Administration performance update Risk Register review Regulation update tPR General Code of Practice Review

Meeting	Agenda Item
	Work Programme review Myners Principles review Valuation update and Funding Strategy Statement Internal Audit review
February 2026	Board Chairman's update from Pension Fund Committee Pensions Administration Performance update Regulation update Risk Register review Work Programme review Pooling update Investment strategy and investment principles Business Plan 2026-2030 Pension Fund Strategies and Policies

Staff Resources

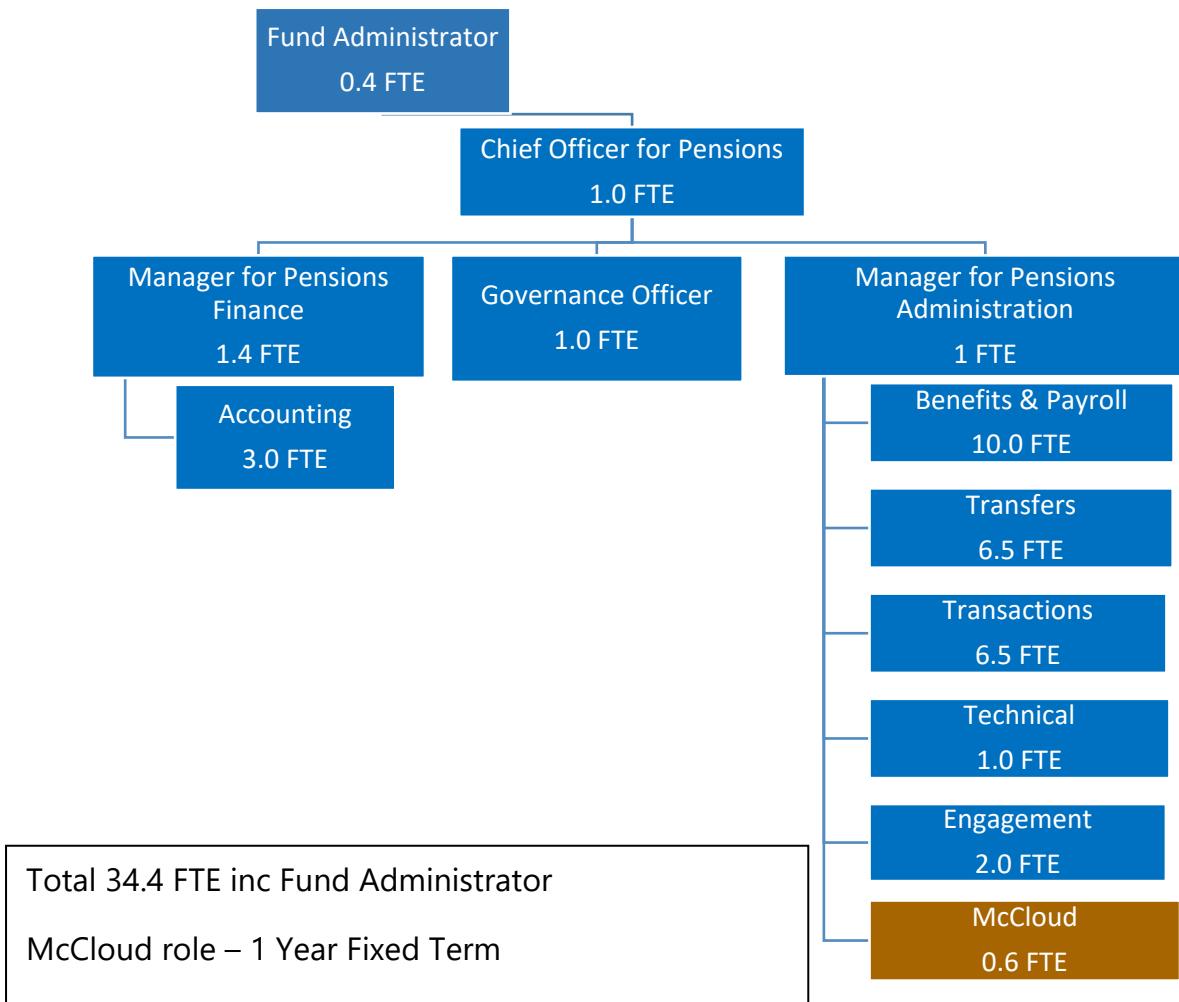
Bedford Borough Council as the administering authority for Bedfordshire Pension Fund provides the staffing establishment for the Pension Fund. Responsibility for the day-to-day operation of the Fund is delegated to the Council's Section 151 Officer.

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 a tailored service to employers and scheme members.

The structure and resources for each team is set out below, as approved by the Pension Fund 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 Local Pension Board and the Pension Fund Committee on a quarterly basis. The full risk register can be found in quarterly meeting papers, which are available on the [Bedford Borough Council website](#).

There are 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 challenges, due to the complexity of the implementation and increased costs of benefits and administration.
- Knowledge and skills – it is essential that the knowledge and skills of Pension Fund Committee and Pension Board members and of Fund Officers are maintained at a level that enables effective decision-making. If knowledge and skills are not maintained, there is a risk of ineffective governance and potential loss of the Fund's MiFiD II status as a professional investor.
- In the digital age, the availability and security of systems is essential. Cyber security and resilience against data breaches are critical. The Fund has robust systems in place but there is always a risk of system failure and cyber-attacks.
- Poor investment performance would have an impact on the Fund's funding position. The Fund has an investment strategy designed to achieve sufficient risk-adjusted, long-term investment returns. The investment strategy is reviewed regularly.
- Changes in legislation requiring an increased focus on Environmental, Social and Governance (ESG) factors.
- Increased workload resulting from regulatory changes and initiatives from government and advisory bodies; recent examples being the expected implementation of recommendations from the Scheme Advisory Board's Good Governance project and the application of the Pensions Regulator's General code of practice.