



# PENSION COMMITTEE

TUESDAY, 18 NOVEMBER 2025

10.00 AM COUNCIL CHAMBER, COUNTY HALL, LEWES

MEMBERSHIP - Councillor Gerard Fox (Chair)  
Councillors Ian Hollidge, Paul Redstone, Georgia Taylor and David Tutt

## A G E N D A

1. Minutes of the meeting held on 25 September 2025 *(Pages 3 - 16)*
2. Apologies for absence
3. Disclosure of Interests  
Disclosures by all Members present of personal interests in matters on the agenda, the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct.
4. Urgent items  
Notification of items which the Chair considers to be urgent and proposes to take at the appropriate part of the agenda.
5. Pension Board Minutes *(Pages 17 - 30)*
6. Pension Reform Agenda - proposed move to Border to Coast Pension Partnership Pool  
*(Pages 31 - 34)*
7. Governance Report *(Pages 35 - 154)*
8. Pensions Administration - updates *(Pages 155 - 168)*
9. Communications Report *(Pages 169 - 182)*
10. East Sussex Pension Fund Quarterly Budget Report *(Pages 183 - 186)*
11. Draft Annual Report and Accounts 2024/25 *(Pages 187 - 348)*
12. Pension Fund Risk Register *(Pages 349 - 360)*
13. Investment Report *(Pages 361 - 388)*
14. Work programme *(Pages 389 - 406)*
15. Any non-exempt items previously notified under agenda item 4
16. Exclusion of the public and press  
To consider excluding the public and press from the meeting for the remaining agenda item on the grounds that if the public and press were present there would be disclosure to them of exempt information as specified in paragraph 3 of Part 1 of the Local

Government Act 1972 (as amended), namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

17. Pension Reform Agenda - Exempt Information (*Pages 407 - 520*)
18. Investment Report - Exempt Information (*Pages 521 - 534*)
19. Governance Report - Exempt Information (*Pages 535 - 538*)
20. Pension Fund Breaches Log and Internal Dispute Resolution Procedure case report (*Pages 539 - 542*)
21. Employer Admissions and Cessations (*Pages 543 - 580*)
22. Any other exempt items previously notified under agenda item 4

PHILIP BAKER  
Deputy Chief Executive  
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10 November 2025

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NOTE: *As part of the County Council's drive to increase accessibility to its public meetings, this meeting will be broadcast live on its website and the record archived. The live broadcast is accessible at: <https://www.eastsussex.gov.uk/your-council/videos-of-council-meetings/webcasts>*

## PENSION COMMITTEE

MINUTES of a meeting of the Pension Committee held at Council Chamber, County Hall, Lewes on 25 September 2025.

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PRESENT                      Councillors Gerard Fox (Chair) Councillors Ian Hollidge,  
Paul Redstone, Georgia Taylor and David Tutt

ALSO PRESENT            Ian Gutsell, Chief Finance Officer  
Susan Greenwood, Head of Pensions  
Paul Punter, Head of Pensions Administration  
Danny Simpson, Principal Auditor  
Russell Wood, Pensions Manager: Investments and Accounting  
Sophie Webb, Governance and Democracy Manager

Iain Campbell, Head of LGPS Investment, Hymans Robertson  
William Bourne, Independent Investment Adviser  
David Moreton, Partner and Head of LGPS Investment - Barnett  
Waddingham  
Barry McKay, Partner and Head of Public Sector Consulting -  
Barnett Waddingham  
Karen Jamieson, Actuarial Consultant - Barnett Waddingham

Paul Linfield, Pensions Communications Manager  
Mya Khine, Pensions Accountant  
Julie Pelham, Pensions Administration Manager  
Hayley Deeley, Employer Engagement Officer  
Brendan O'Brien, Pensions Support Officer  
Dillon Piggott, CIPFA Trainee / Apprentice  
Harry Philip, CIPFA Accounts and Investments Apprentice

Ray Martin, Independent Chair of the Pension Board  
Philippa Buckingham, Pension Board Employer Representative  
Neil Simpson, Pension Board Scheme Member Representative  
Councillor Andrew Wilson, Pension Board Employer Representative

Councillor Nick Bennett, Lead Member for Resources and Climate  
Change

### 31.    MINUTES OF THE LAST MEETING HELD ON 24 JULY 2025

31.1    The Committee RESOLVED to agree the minutes of the meeting held on 24 July 2025 as a correct record.

### 32.    APOLOGIES FOR ABSENCE

32.1    There were no apologies for absence.

33. DISCLOSURE OF INTERESTS

33.1 There were no disclosures of interests.

34. URGENT ITEMS

34.1 There were no urgent items.

35. REPORTS

35.1 Reports referred to in the minutes below are contained in the minute book.

36. PENSION BOARD MINUTES

36.1 The Committee considered the minutes of the Pension Board meeting held on 11 September 2025.

36.2 The Committee RESOLVED to note the minutes of the Pension Board meeting held on 11 September 2025.

37. PENSION REFORM AGENDA

37.1 The Committee considered a report by the Chief Finance Officer introduced by Susan Greenwood, Head of Pensions.

37.2 The following points were highlighted to the Committee:

- 1) Due diligence work was focussed on Border to Coast Pension Partnership following the July Pension Committee meeting.
- 2) The decision to focus due diligence on Border to Coast Pension Partnership was communicated to the Government, other pools and other Funds.
- 3) ACCESS will fragment following the confirmation that 7 Funds have expressed a preference for Border to Coast Pension Partnership and 4 Funds have expressed a preference for LGPS Central.
- 4) The due diligence has been undertaken by advisors Barnett Waddingham on behalf of East Sussex and West Sussex and is detailed in the exempt report later in the agenda.

37.3 The Committee RESOLVED to exclude the public and press from the meeting to consider agenda item 17 on the grounds that if the public and press were present there would be disclosure to them of exempt information as specified in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended), namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and that the public interest in withholding the exempt information outweighs the public interest in disclosing it.

37.4 The Committee considered the report at agenda item 17 which set out exempt information in support of the pension reform agenda report.

37.5 The meeting resumed public session following discussion and resolutions (see minute 47).



37.6 The Committee RESOLVED to:

- 1) note the updates in relation to next steps for the East Sussex Pension Fund in terms of pension fund pooling as set out in the report;
- 2) Agree to undertake further due diligence work in relation to the Fund joining the Border to Coast Pension Partnership Pool, prior to final decision to joining the Pool and transferring assets, as detailed in an exempt report later in the agenda; and
- 3) Delegate to the Chief Finance Officer, in consultation with the Monitoring Officer, authority to review the Governance arrangements necessary to facilitate any transfer of the Fund by April 2026.

### 38. GOVERNANCE REPORT

38.1 The Committee considered a report by the Chief Finance Officer introduced by Susan Greenwood, Head of Pensions.

38.2 The following points were highlighted to the Committee:

- 1) Further guidance and detail are anticipated regarding governance changes required to comply with the Government's 'Fit for the Future' consultation and future regulations.
- 2) In consultation with the Pension Board and Pension Committee, officers have submitted the Fund's response to the Government's Access and Fairness consultation.
- 3) The Governance and Compliance statement at Appendix 2 of the report includes minor updates following review and comments from the Pension Board.

38.3 The Committee discussed the primary governance reforms including a requirement to take part in an independent governance review every 3 years and appointing an independent adviser (non-voting) to the Pension Committee and noted that the role of 'Senior LGPS Officer' is likely to be fulfilled by either the current Section 151 officer or Head of Pensions.

38.4 The Committee discussed the proposed changes to inheritance tax and how that may affect workload for the pension administration team.

38.5 The Committee RESOLVED to:

- 1) Note the legal and regulatory changes together as set out in the report; and
- 2) Approve the updated Governance and Compliance Statement as set out in Appendix 2 of the report.

### 39. PENSION ADMINISTRATION - UPDATES

39.1 The Committee considered a report by the Chief Finance Officer introduced by Paul Punter, Head of Pensions Administration.

39.2 The following points were highlighted to the Committee:

- 1) The performance for quarter 2 showed an improvement from quarter 1 with June showing as the first green rated month and the July and August performance figures also showing improvement.

- 2) There will be an influx in administrative tasks following the backdated local government pay award which is likely to affect the performance of the administration team.
- 3) There are still some red and amber items in the June performance report at Appendix 3 of the report. These tasks mostly relate to transfers.
- 4) The Helpdesk performance has been affected by resourcing however is now rated gold and there has been progress in implementing a digital assistant.
- 5) The Annual Benefit Statements were run in August and a review of how the underpin had affected the statements was conducted looking at any underpin greater than £1,000 and greater than 20% change due to the underpin.
- 6) Annual Benefit Statements had to include the McCloud data which was broken down into 4 McCloud categories.
- 7) For active and deferred, 99.13% of Annual Benefit Statements were issued and the remaining will be issued over the next month.
- 8) McCloud Category 3 tells the member that they are in scope however they have not been assessed to determine if their pension is protected by the underpin. There are 400 active members and 233 deferred members in that position. The Pension Board resolved to report this detail as a breach to the Pensions Regulator.
- 9) Backdated calculations for deaths and retirements in scope regarding the underpin are being undertaken following training of the team and will be completed by the statutory deadline of 31 August 2026.
- 10) The Fund onboarded to the Pension Dashboards eco-system on 24 September 2025, well ahead of the LGPS statutory deadline of 31 October 2025. Work is ongoing with Barnett Waddingham to draft communications for all Additional Voluntary Contributions (AVC) investors to explain the forthcoming fund changes with effect from 31 October 2025.

39.3 The Committee discussed the 'chat bot' digital assistant and the expectations in terms of the support it can provide to members and its anticipated impact on the number of email and phone call enquiries that the Helpdesk receive and respond to.

39.4 The Committee commended the pensions administration team for the work on the Annual Benefit Statements to include the McCloud Remedy recognising the success in terms of issuing 99.13% of Annual Benefit Statements.

39.5 The Committee discussed the administration resource available to mitigate the impact of spikes in administrative tasks and noted that no additional resource is anticipated to be required.

39.6 The Committee RESOLVED to note the report.

#### 40. COMMUNICATIONS REPORT

40.1 The Committee considered a report by the Chief Finance Officer.

40.2 The Committee RESOLVED to note the report.

#### 41. INTERNAL AUDIT REPORT

41.1 The Committee considered a report by the Chief Internal Auditor introduced by Danny Simpson, Principal Auditor.

41.2 The following points were highlighted to the Committee:

- 1) Substantial assurance opinion was provided for Pension Fund Governance Arrangements.
- 2) Following a request from the Pension Board, the implementation date of the agreed action from the audit finding regarding Risk Appetite has been brought forward to 1 April 2026 from 31 August 2026.

41.3 The Committee requested that a session on risk appetite similar to the recent session on the risk register be considered for delivery to Pension Committee members in response to the audit finding regarding risk appetite for the Fund.

41.4 The Committee RESOLVED to note the Pension Fund Governance Arrangements audit report as set out in Appendix 1 of the report.

#### 42. EXTERNAL AUDIT DRAFT AUDIT FINDINGS REPORT

42.1 The Committee considered a report by the Chief Finance Officer introduced by Ian Gutsell, the Chief Finance Officer.

42.2 The following points were highlighted to the Committee:

- 1) External Auditor's Grant Thornton LLP attended the Audit Committee meeting earlier in September to present the draft external audit findings on the East Sussex Pension Fund accounts.
- 2) There are no outstanding matters for modification of the audit opinion.

42.3 The Committee RESOLVED to note the draft External Auditor's report.

#### 43. PENSION FUND RISK REGISTER

43.1 The Committee considered a report by the Chief Finance Officer.

43.2 The Committee RESOLVED to note the Pension Fund Risk Register.

#### 44. INVESTMENT REPORT

44.1 The Committee considered a report by the Chief Finance Officer introduced by Russell Wood, Pensions Manager: Investments and Accounting and Iain Campbell, Head of Local Government Pension Scheme Investment (Hymans Robertson) together with exempt information set out in a later agenda item.

44.2 The following points were highlighted to the Committee:

- 1) There is uncertainty around the agency of the Pension Committee going forward in terms of pension reform.
- 2) There are projects currently being developed by ACCESS and Border to Coast Pension Partnership focussing on the changes that are required to be implemented.
- 3) The Fund continues to have below benchmark performance despite the positive absolute return over the quarter.

- 4) During the quarter, the Fund's asset value increased to give a Fund Value of over £5 billion.
- 5) Asset allocation remains overweight for growth and protection and underweight for income and actions are being undertaken to address this.
- 6) Over the last three years, despite volatility and uncertainty, global markets have produced a 13.2% return led by North America.
- 7) Higher energy and food prices have impacted the market in terms of inflation seeing a greater-than-expected rise.
- 8) The Bank of England cut interest rates over the last quarter and there has been volatility in UK government bond yields.
- 9) North America and the Technology sector were the areas driving returns during the quarter and equity markets are up approximately 9% this quarter.
- 10) Investment Manager WHEB Active Impact Equity underperformed their benchmark due to investment in pharmaceuticals and funding cuts to scientific research.

44.3 The Committee discussed the potential risks going forward noting possible complacency in the market and impacts of potential North American tariffs.

44.4 The Committee discussed the increase in gold prices and Fund's current investment in the gold market noting that it is generally seen a safe asset when there are challenging market conditions.

44.5 The Committee discussed the future of investment decision-making following the move to 100% pooling with a new pool and noted that there a review of the Fund's investments will need to be undertaken in light of pooling changes and the strategic position of the Fund.

44.6 The Committee requested that a report is considered at the November meeting of the Pension Committee in relation to the investment strategy statement following the publication of new pension regulations.

44.7 The Committee RESOLVED to:

- 1) note the report;
- 2) approve the amended asset allocation set out in paragraph 4.11 of the report; and
- 3) approve the Investment Strategy Statement as set out in Appendix 4 of the report.

#### 45. WORK PROGRAMME

45.1 The Committee considered a report by the Chief Finance Officer.

45.2 The Committee RESOLVED to note the work programme.

#### 46. EXCLUSION OF THE PUBLIC AND PRESS

46.1 The Committee RESOLVED to exclude the public and press from the meeting for the remaining agenda items on the grounds that if the public and press were present there would be disclosure to them of exempt information as specified in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended), namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and

that the public interest in withholding the exempt information outweighs the public interest in disclosing it.

47. PENSION REFORM AGENDA - EXEMPT INFORMATION

47.1 The Committee considered a report by the Chief Finance Officer introduced by Susan Greenwood, Head of Pensions.

47.2 A summary of the discussion is set out in an exempt minute.

47.3 The Committee RESOLVED to agree the recommendations set out in the exempt report.

48. ACTUARIAL VALUATION REPORT

48.1 The Committee considered a report by the Chief Finance Officer introduced by Susan Greenwood, Head of Pensions, Barry McKay, Partner and Head of Public Sector Consulting – Barnett Waddingham and Karen Jamieson, Actuarial Consultant – Barnett Waddingham.

48.2 A summary of the discussion is set out in an exempt minute.

48.3 The Committee RESOLVED to agree the recommendations set out in the exempt report.

49. ILL-HEALTH BENEFITS

49.1 The Committee considered a report by the Chief Finance Officer introduced by Susan Greenwood, Head of Pensions, Karen Jamison, Actuarial Consultant – Barnett Waddingham and Barry McKay, Partner and Head of Public Sector Consulting – Barnett Waddingham.

49.2 A summary of the discussion is set out in an exempt minute.

49.3 The Committee RESOLVED to agree the recommendation set out in the exempt report.

50. INVESTMENT REPORT - EXEMPT INFORMATION

50.1 The Committee considered a report by the Chief Finance Officer introduced by Russell Wood, Pensions Manager: Investments and Accounting and Iain Campbell, Head of Local Government Pension Scheme Investment (Hymans Robertson) which contained exempt information in relation to an earlier item on the agenda.

50.2 A summary of the discussion is set out in an exempt minute.

50.3 The Committee RESOLVED to note the report.

51. GOVERNANCE REPORT - EXEMPT INFORMATION

51.1 The Committee considered a report by the Chief Finance Officer introduced by Susan Greenwood, Head of Pensions which contained exempt information in relation to an earlier item on the agenda.

51.2 A summary of the discussion is set out in an exempt minute.

51.3 The Committee RESOLVED to note the report.

52. PENSION FUND BREACHES LOG AND INTERNAL DISPUTE RESOLUTION  
PROCEDURE CASE REPORT

52.1 The Committee considered a report by the Chief Finance Officer introduced by Susan Greenwood, Head of Pensions.

52.2 A summary of the discussion is set out in an exempt minute.

52.3 The Committee RESOLVED to agree the recommendations set out in the exempt report.

53. EMPLOYER ADMISSIONS AND CESSATIONS

53.1 The Committee considered a report by the Chief Finance.

53.2 The Committee RESOLVED to agree the recommendations set out in the exempt report.

The meeting ended at 1.19 pm.

Councillor Gerard Fox (Chair)

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## PENSION BOARD

MINUTES of a meeting of the Pension Board held at Council Chamber, County Hall, Lewes on 4 November 2025.

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PRESENT Ray Martin (Chair), Zoe O'Sullivan, Neil Simpson, Linda Hughes, Councillor Andrew Wilson and Philippa Buckingham

ALSO PRESENT Ian Gutsell, Chief Finance Officer  
Susan Greenwood, Head of Pensions  
Dave Kellond, Head of Governance and Compliance  
Russell Wood, Head of Pension Investments and Accounting  
Paul Linfield, Pensions Communications Manager  
Paul Punter, Head of Pensions Administration  
Sophie Webb, Governance and Democracy Manager

Barry McKay, Partner and Head of Public Sector Consulting – Barnett Waddingham  
Alison Murray, Principal and Head of LGPS Governance – Barnett Waddingham  
Karen Jamieson, Actuarial Consultant - Barnett Waddingham

Dillon Piggot, CIPFA Trainee / Apprentice  
James Sweeney, Pensions Investment Officer  
Joshua Baker, Pension Support Officer  
Mariana Obetzanova, Pensions Training Coordinator  
Michael Gillingham, CIPFA Accounts and Investments Apprentice  
Mya Khine, Pensions Accountant

Councillor Gerard Fox, Chair of the Pension Committee

### 37. MINUTES OF THE MEETING HELD ON 11 SEPTEMBER 2025

37.1 The Board approved the minutes of the meeting held on 11 September 2025 as a correct record.

38. APOLOGIES FOR ABSENCE

38.1 Apologies for absence were received from Trevor Redmond.

38.2 It was noted that Zoe O'Sullivan sent apologies for the beginning of the meeting and was present from 10:05 at item 6 (minute 43).

38.3 Linda Hughes was present from 10:03 at item 4 (minute 40).

39. DISCLOSURE OF INTERESTS

39.1 There were no disclosures of interests.

40. URGENT ITEMS

40.1 There were no urgent items.

41. REPORTS

41.1 Reports referred to in the minutes below are contained in the minute book.

42. PENSION COMMITTEE AGENDA AND SUMMARY OF PREVIOUS MINUTES

42.1 The Board considered a report by the Chief Finance Officer introduced by Susan Greenwood, Head of Pensions.

42.2 The report provided an opportunity for the Board to comment on the draft agenda for the Pension Committee meeting due to be held on 18 November 2025 together with a summary of the minutes of the previous Pension Committee meeting held on 25 September 2025.

42.3 The Board noted that in addition to the reports considered by the Pension Board, the Pension Committee will receive an Investment report.

42.4 The Board RESOLVED to note the draft agenda for the next Pension Committee meeting and the summary of the minutes for the previous Pension Committee meeting.

#### 43. PENSION REFORM AGENDA

43.1 The Board considered a report by the Chief Finance Officer introduced by Susan Greenwood, Head of Pensions.

43.2 The following points were highlighted to the Board:

- 1) In relation to the governance process for the Fund to join Border to Coast Pension Partnership (BCPP) and leave the ACCESS pool, a review of the Pension Committee's terms and reference has been completed, and officers are satisfied that there is suitable delegation for the Pension Committee to take decisions in relation to the transition.
- 2) There remains a focus on governance and a number of documents which are required to be signed on behalf of East Sussex County Council in order for the Fund to become a member. These documents have been reviewed by external legal advisors and include The Shareholder Agreement, Inter-Authority Agreement and the Articles of Association of BCPP.
- 3) The Pension Committee will consider a recommendation that seeks approval to sign the documentation that will allow the Fund to become a member of BCPP at its meeting on 18 November 2025.
- 4) There is more work for officers to complete in terms of movement of assets.
- 5) In terms of the dissolution of ACCESS, a Memorandum of Understanding (MOU) has been drafted while the Inter-Authority Agreement is revised. The MOU has been reviewed by partner Funds and sets out terms and protocols to move towards the dissolving of ACCESS while ensuring equity and fairness.
- 6) Work is moving forward within expected timeframes and it is expected that the 1 April deadline will be met.

43.3 The Board discussed the Fund's legal position in relation to the move from ACCESS to BCPP including the MOU in place with the six other funds moving in the same direction and the Inter-Authority Agreement with all ACCESS funds.

43.4 The Board noted that the Fund remains a sovereign fund meaning legal advice can be sought by the Fund on behalf of the Fund, if required, however a successful partnership approach is in place allowing positive engagement between section 151 officers, monitoring officers, the Chief Executive of BCPP.

43.5 The Board acknowledged that there is a level of risk associated with the changes in terms of governance and asset transfer and were assured that the risks will be mitigated through regular monitoring and collaboration.

43.6 The Board discussed how the transition from ACCESS to BCPP can be achieved in terms of being cost-effective and in the best interests of the scheme members and acknowledged that the costs involved are not yet known however will be reported to the Board and Pension Committee as the transition evolves.

43.7 The Board **RESOLVED** to note the updates in relation to next steps for the East Sussex Pension Fund in terms of pension fund pooling as set out in the report.

#### 44. GOVERNANCE REPORT

44.1 The Board considered a report by the Chief Finance Officer introduced by Dave Kellond, Head of Governance and Compliance together with exempt information contained in a later agenda item.

44.2 The following points were highlighted to the Board:

- 1) A new consultation launched 13 October on access and protections following the consultation on access and fairness which took place in May 2025.
- 2) This new consultation focuses four key areas: changes to normal minimum pension age increasing from 55 to 57 and the protections available for members who joined the scheme before 4 November 2021; Local Government Pension Scheme (LGPS) access for councillors, mayors and deputy mayors; multi-academy trusts which have academies within 2 or more LGPS being able to apply to consolidate their participation into a single fund where they can evidence that it would provide value for money; and, the New Fair Deal which includes the removal of the option to offer a broadly comparable scheme for eligible members transferred to a new employer and a deemed employer approach for contractors.
- 3) A Ministerial Statement on the previous consultation in May has been published stating that full responses to the access and fairness consultation will be published later this year.
- 4) The ongoing consultation on access and protections closes on 22 December 2025 and full responses on behalf of the Fund will be shared with the chairs of the Pension Board and Pension Committee prior to submitting.
- 5) In line with the regulations, the Pension Administration Statement has been reviewed and proposed updates are set out in Appendix 2 and Appendix 3 of the report for consideration ahead of consultation with employers.
- 6) The Pension Administration Strategy was last agreed in 2023 and the key areas of change involve communications referencing the Communications Strategy, legal deadlines for processing casework, reporting that takes place for Pension Board and Pension Committee around casework targets.
- 7) The Pension Administration Strategy will need to be reviewed again following regulatory changes and it is anticipated that a further review will take place in 12 months' time.

44.3 The Board discussed how the New Fair Deal's deemed employer approach and how that would affect contractors and scheme members and noted that this approach is not dissimilar to the current approach and could allow for new employees joining a contractor to become a member of the scheme.

44.4 The Board requested that the wording within the draft Pension Administration Strategy is updated to strengthen the position of i-Connect being the default means for the transfer of employee information from employers to the Fund.

44.5 The Board discussed the importance of Pension Board and Pension Committee Member engagement with training and development and the Chair requested that strong effort is made by all Board Members to return the self-assessment to the Fund's training coordinator.

44.6 The Independent Chair informed the Board that it is his intention to retire following the November 2026 meeting of the Pension Board.

44.7 The Board RESOLVED to:

- 1) Note the legal and regulatory changes as set out in the report;
- 2) Note the updated Pension Administration Strategy as set out in Appendix 2 of the report and request the update detailed at minute 44.4 prior to the launch of consultation with employers;
- 3) Note the updates in relation to Pension Board Member training; and
- 4) Note that Officers will be initiating a process to replace the Independent Chair in the context of any Governance changes that may be required from the “Fit for the Future” consultation.

#### 45. EAST SUSSEX PENSION FUND QUARTERLY BUDGET REPORT

45.1 The Board considered a report by the Chief Finance Officer introduced by Russell Wood, Head of Pension Investments and Accounting.

45.2 The following points were highlighted to the Board:

- 1) The budget was approved at £4.645m and the forecast outturn at the end of quarter 2 is £4.755m giving a variance of £110,000 overspend and is primarily due to costs linked to the ‘Fit for the Future’ consultation.
- 2) The investment advice line has been increased by £97,000 reflecting the investment advice sought by Barnett Waddingham to assist in the process of assessing the viable pooling options for East and West Sussex Pension Funds in determining the most appropriate pooling partner and revised costs from ACCESS in managing the wind down until the end of March 2026.
- 3) £50,000 has been added to the actuarial fund line in anticipation of the work required in line with Local Government reorganisation.
- 4) There is an additional £50,000 added to the consultancy line due to unforeseen work regarding the Guaranteed Minimum Pension rectification project however these costs have been offset by a reduction to staff costs due to the senior management restructure.
- 5) There will be further costs around pooling which have not yet been included including costs regarding reviewing of documentation to join Border to Coast Pension Partnership.

45.3 The Committee RESOLVED to note the second quarter projected 2025/26 outturn position.

#### 46. EMPLOYER ENGAGEMENT AND COMMUNICATIONS REPORT

46.1 The Board considered a report by the Chief Finance Officer introduced by Paul Linfield, Pensions Communications Manager.

46.2 The following points were highlighted to the Board:

- 1) There have been 24 late payments of employer contributions from October 2024 to September 2025 and 3 late payments occurred in September which was primarily due to the fact that the 19th of the month fell on weekend and employers did not leave enough time for payments to clear. Officers will address this issue going forward via additional reminders.
- 2) The Employer Engagement team continue to assist the accounts team in relation to FRS102 and IAS19 accounting reports.
- 3) All 18 scheme member training session have been delivered meaning that training has been provided to 1,115 contributing scheme members. Feedback for each session was received and a total of 94% of attendees rated the training excellent or good. 42% said their knowledge improved a lot and 54% said their knowledge improved a little.
- 4) The Employer Forums is due to take place on Thursday, 13 November which has approximately 60 registrations. The main focus of the Employer Forum will be the valuation and with an opportunity for employers to ask questions to Barnett Waddingham regarding the valuation and contribution rates.
- 5) Registrations to 'My Pension' are increasing steadily and is ahead of the previous system in all categories apart from deferred.
- 6) Communications were sent out to anyone with an existing Additional Voluntary Contribution to inform them of the change of default fund.

46.3 The Board discussed member engagement with 'My Pension' together with engagement with member training and enquired after engagement statistics by employer to determine which employers may need additional support to promote engagement from their employees.

46.4 The Board RESOLVED to note employer engagement and communications updates detailed in the report.

#### 47. PENSIONS ADMINISTRATION - UPDATES

47.1 The Board considered a report by the Chief Finance Officer introduced by Paul Punter, Head of Pensions Administration.

47.2 The following points were highlighted to the Board:

- 1) The performance of Pension Administration Team in this quarter is rated green across all areas and in terms of overall target which first time this has been achieved since the performance measures were introduced.

- 2) The Helpdesk has lost a member of staff however it is not intended to replace them since the number of calls has decreased as self-service is improving.
- 3) The Helpdesk is still awaiting updated call-centre technology.
- 4) There are currently 3 vacancies (including one temporary vacancy due to maternity leave) within the Pension Administration Team. While it is planned to recruit for an i-Connect administrator, the other vacancies will be covered by the existing team.
- 5) Project work in relation to the Pension Dashboards and Annual Allowance is complete and the digital assistant project is progressing in terms of assessing the findings of work around questions ahead of the next phase of development.

47.3 The Board acknowledged the progress with the digital assistant noting that the results of testing will be submitted to the provider ahead of launching phase 3 of the project.

47.4 The Board acknowledged the increasing performance of the administration team since administration was brought in-house and highlighted the importance of succession planning for the in-house team.

47.5 The Board RESOLVED to note the Administration Update Report.

#### 48. DRAFT ANNUAL REPORT AND ACCOUNTS 2024/25

48.1 The Board considered a report by the Chief Finance Officer introduced by Ian Gutsell, Chief Finance Officer.

48.2 The following points were highlighted to the Board:

- 1) The draft findings report from external auditors Grant Thornton on the audit of accounts for the East Sussex Pension Fund anticipates an unqualified audit opinion.
- 2) The audit will be concluded in February 2025 together with the audit of the County Council's accounts.
- 3) The draft Annual Report and Accounts will be considered by the Pension Committee ahead of publication on 1 December 2025.

48.3 The Board requested that wording in relation to the proposal for the Fund to move from the ACCESS pool to Border to Coast Pension Partnership is considered for inclusion within the Annual Report and Accounts 2024/25.

48.4 The Board RESOLVED to:

- 1) note the draft Pension Fund Annual Report and Accounts 2024/25; and
- 2) note the East Sussex Pension Fund Audit Findings Report provided by Grant Thornton.

#### 49. PENSION FUND RISK REGISTER

49.1 The Board considered a report by the Chief Finance Officer introduced by Susan Greenwood, Head of Pensions.

49.2 The following points were highlighted to the Board:

- 1) The Key Person risk (G1) has a reduced post-mitigation score following a senior team restructure including the decision to not replace the Deputy Head of Pensions role and recruiting an officer who has previously worked for the Fund bringing prior knowledge and experience into the team.
- 2) The risk scores have not changed for the Cybersecurity risk however work in this area is moving forward having identified an advisor to provide support regarding training and business continuity planning.
- 3) Pooling remains the dominant risk to the Fund.

49.3 The Board discussed Key Person risk G1 and noted that the new structure in place for senior officers working for the Fund provides for suitable deputisation and oversight of the Fund.

49.4 The Board discussed the potential risks associated with investment performance as the Fund transitions from the ACCESS pool to a new pooling partner and were provided assurance that minimising the cost of transition is a priority for all involved and that any movement is likely to be phased.

49.5 The Board RESOLVED to note the Pension Fund Risk Register.

#### 50. WORK PROGRAMME

50.1 The Board considered a report by the Chief Finance Officer introduced by Susan Greenwood, Head of Pensions.

50.2 The following points were highlighted to the Board:

- 1) Opportunities for training are listed within the Work Programme for members of the Pension Board and Pension Committee.
- 2) There may be a higher level of training commitment required of members as part of the legislative changes anticipated in the near future.

50.3 The Board noted that the training offer includes both generic and specific courses and workshops available for both Pension Board and Pension Committee Members to attend.

50.4 The Board RESOLVED to note the work programme.



51. EXCLUSION OF THE PUBLIC AND PRESS

51.1 It was RESOLVED to exclude the public and press for the remaining agenda items on the grounds that if the public and press were present there would be disclosure to them of exempt information as specified in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended), namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

52. ACTUARIAL VALUATION REPORT

52.1 The Board considered a report by the Chief Finance Officer introduced by Susan Greenwood and Head of Pensions, Barry McKay, Partner and Head of Public Sector Consulting – Barnett Waddingham.

52.2 A summary of the discussion is set out in an exempt minute.

52.3 The Board RESOLVED to note the report.

53. ILL HEALTH BENEFITS

53.1 The Board considered a report by the Chief Finance Officer introduced by Susan Greenwood, Head of Pensions and Alison Murray, Principal and Head of LGPS Governance – Barnett Waddingham.

53.2 A summary of the discussion is set out in an exempt minute.

53.3 The Board RESOLVED to note the report.

54. GOVERNANCE REPORT - EXEMPT INFORMATION

54.1 The Board considered a report by the Chief Finance Officer introduced by Dave Kellond, Head of Governance and Compliance which contained exempt information in relation to an earlier item on the agenda.

54.2 The Board RESOLVED to note the report.

55. PENSION FUND BREACHES LOG AND INTERNAL DISPUTE RESOLUTION  
PROCEDURE CASE REPORT

55.1 The Board considered a report by the Chief Finance Officer introduced by Dave Kellond, Head of Governance and Compliance.

55.2 The Board RESOLVED to note the report.

56. EMPLOYER ADMISSIONS AND CESSATIONS REPORT

56.1 The Board considered a report by the Chief Finance Officer introduced by Susan Greenwood, Head of Pensions.

56.2 A summary of the discussion is set out in an exempt minute.

56.3 The Board RESOLVED to note the report.

(The meeting ended at 12.33 pm)

CHAIRMAN

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**Report to:** Pension Committee

**Date of meeting:** 18 November 2025

**By:** Chief Finance Officer

**Title:** Pension Reform Agenda – proposed move to Border to Coast Pension Partnership Pool

**Purpose:** To provide an update on changes affecting Local Government Pension Schemes and seek agreement to join the Border to Coast Pension Partnership Pool.

---

## **RECOMMENDATION:**

**The Pension Committee is recommended to:**

- 1) note the updates in relation to next steps for the East Sussex Pension Fund in terms of pension fund pooling;**
  - 2) approve, subject to the completion of the Inter Authority Agreement, the move to the Border to Coast Pension Partnership Pool; and**
  - 3) delegate authority to the Chief Finance Officer authority to take any action they consider necessary to give effect to the above recommendations, including, but not limited to, agreeing the terms of and entering the agreements set out in this report.**
- 

## **1. Background**

- 1.1 This report has been prepared to update the Pension Committee on the government's proposed changes to pension fund pooling, highlighting the key proposals and seek the Committee's agreement to join the Border to Coast Pension Partnership Pool.
- 1.2 Officers have extensively covered the background to the 'Fit for the Future' consultation and the requirements the Fund must comply with by 31 March 2026. Full details can be found in [previous reports at agenda item 6](#).
- 1.3 Committee members will be aware that, following the decision by government not to support the proposal put forward by the ACCESS pool to comply with the requirements of the 'Fit for the Future' consultation, officers worked with advisors and officers from the West Sussex Pension Fund (recognising the impact of proposed devolution and new Mayoral Combined County Authority for Sussex and Brighton) to identify a new pooling partner for the Fund.
- 1.4 At the meeting on 25 September 2025 the Pension Committee agreed to undertake further due diligence work in relation to joining the Border to Coast Pension Partnership Pool, prior to a final decision to joining the Pool and transferring assets from 1 April 2026, subject to the completion of governance processes. Since September, work has continued extensively with the other ACCESS authorities looking to move to the Border to Coast Pension Partnership Pool and with the Border to Coast Pension Partnership Pool to understand further the offering and processes involved to complete the move. No material issues have been identified that will impact on the move to the Border to Coast Pension Partnership Pool.
- 1.5 Government and the Border to Coast Pension Partnership Pool have been informed of this decision.

## **2. Moving Forward to join Border to Coast Pension Partnership Pool**

- 2.1 A review of Pension Committee delegations has been undertaken to ensure the required delegations are in place to approve the actions required to both join the Border to Coast Pension Partnership Pool and exit the ACCESS investment pool. It was concluded that the Terms of Reference of the Pension Committee provide it with sufficient authority to take decisions in relation to exiting ACCESS and joining the Border to Coast Pension Partnership.
- 2.2 There are 3 key documents from a governance perspective that are required to be entered into by the Council in order for the Fund to become a member of the Border to Coast Pension Partnership Pool that we are now in receipt of: The Shareholder Agreement, Inter-Authority Agreement and the Articles of Association.
- 2.3 A review of these documents has been undertaken by Squire Patten Boggs (SPB) on behalf of the 7 ACCESS funds looking to join Border to Coast Pension Partnership Pool, these documents, containing comments from SPB, can be found in the exempt section of the agenda. The ambition is for all key governance documentation to be agreed and signed by well ahead of the 1 April 2026 deadline.
- 2.4 Officers attend weekly meetings with the 6 other ACCESS funds and Border to Coast Pension Partnership Pool to review progress. The Head of Pensions, the Chief Finance Officer and the Monitoring Officer also meet regularly to oversee progress.
- 2.5 It will take some time post 1 April 2026 to reorganise the Fund's assets and the Fund will remain invested in ACCESS pooled investment funds beyond 1 April 2026. The priority is to carry out any reorganisation in the most efficient manner possible to protect the members of the Fund.
- 2.6 With continued focus on due diligence and governance, the Pension Committee is requested to approve the decision for the East Sussex Pension Fund to join the Border to Coast Pension Partnership Pool and delegate to the Chief Finance Officer authority to carry out the actions necessary to facilitate this ahead of the 1 April 2026 deadline. This will include agreeing the terms of and entering into:
  - Shareholders' Agreement
  - Supplemental Shareholders' Agreement
  - Articles of Association
  - Inter-Authority Agreement
  - Pension Cost Recharge Agreement
  - Pension Guarantee

## **3. Dissolution of the ACCESS Partnership**

- 3.1 With 7 ACCESS partner funds moving to Border to Coast Pension Partnership and 4 ACCESS partner funds moving to the LGPS Central Pool, ACCESS will dissolve and fragment between 2 destination pools.
- 3.2 As it will take some time to revise the current Inter-Authority Agreement (IAA) to deal with all the consequences of the current circumstance, a Memorandum of Understanding has been drafted to act as a bridge between the current and new IAA and provide an agreed protocol for partner funds to move forward and work on the dissolution of ACCESS.
- 3.3 There are ongoing discussions between ACCESS, Border to Coast Pension Partnership, LGPS Central, Northern Trust (Custodian to ACCESS) and Waystone (Operator for ACCESS) to establish a protocol for the transfer of investment. The aim is to develop an

approach to safely dissolve and reorganise the assets of the partner funds in ACCESS. This is complex and challenging process for which there is no precedent.

#### **4. Conclusion**

- 4.1 This report should be read in conjunction with the previous reports on this matter which sets out the rationale and reasons for joining the Border to Coast Pension Partnership Pool and provides the Pension Committee with an update on the work completed and the forthcoming work ahead in relation to Pension Reform and the future of the Fund in terms of pooling, and seeks the Committee's agreement to move to the Border to Coast Pension Partnership Pool. As there will be a number of administrative actions required to facilitate this ahead of the April 2026 deadline, it is recommended that the Chief Finance Officer be delegated authority to take the actions necessary to give effect to the Committee's decision.

**IAN GUTSELL**  
**Chief Finance Officer**

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**Report to:** Pension Committee

**Date of meeting:** 18 November 2025

**By:** Chief Finance Officer

**Title:** Governance Report

**Purpose:** To provide an update on governance workstreams and changes affecting Local Government Pension Schemes and the East Sussex Pension Fund.

---

## RECOMMENDATIONS:

The Pension Committee is recommended to:

- 1) Note the legal and regulatory changes as set out in this report;
  - 2) Approve the updated Pension Administration Strategy as set out in Appendix 2 of this report prior to the launch of consultation with employers; and
  - 3) Note the updates in relation to Pension Board Member training.
- 

## 1 Background

1.1 This report is presented to the Pension Committee to provide an update on the steps being taken to adopt good practice and ensure compliance with regulatory requirements for the East Sussex Pension Fund (the Fund or ESPF).

## 2 Legal and regulatory changes

2.1 On 13 October 2025, the Government launched a consultation titled '[Local Government Pension Scheme in England and Wales: Scheme improvements \(access and protections\)](#)'. This consultation relates to 4 key areas:

- Normal Minimum Pension Age (NMPA): The Finance Act 2022 provides for an increase in NMPA from 55 to the age of 57, with effect from 6 April 2028. However, it is the intention of Government that certain members of the scheme may benefit from protections, subject to meeting prescribed criteria. The proposals permit those in the scheme prior to 4 November 2021 to retain a Protected Pension Age (PPA) of 55. Members who joined the scheme after this date and transferred benefits into the Local Government Pension Scheme (LGPS) will not be protected.
- Pension access for councillors and mayors: On 28 September 2025, the Secretary of State for Housing, Communities and Local Government announced the Government's intention to again permit councillors in England to join the LGPS. The proposals within the consultation would allow councillors, mayors and deputy mayors to accrue pension benefits within the LGPS, but would exclude such members from auto-enrolment, redundancy early retirement, awards of additional pension, shared-cost Additional Voluntary Contributions, flexible retirement and the ability to aggregate with other LGPS membership periods.
- Academies in the LGPS: Multi-Academy Trusts often have academies in 2 or more LGPS funds, and are therefore required to deal with more than one administering authority. The status quo currently allows LGPS employers to apply for a direction from the Secretary of State to consolidate their participation into a single fund. The proposals seek to establish

clearer criteria including a requirement for evidence regarding greater value for money as a result of the consolidation, while at the same time making clear that it is not an opportunity for employers to indulge in an exercise to seek the lowest contribution rate. Where all parties are in agreement, Secretary of State approval may not be required.

- **New Fair Deal:** Proposed changes to New Fair Deal include the removal of the option to offer a broadly comparable scheme for eligible members transferred to a new employer, but for exceptional circumstances. In addition, rather than contractors becoming admission bodies, protected transferees will be treated as employees of their current employer for LGPS purposes, via a deemed employer approach. The intention is to reduce the administrative burden of trying to finalise admission agreements and avoid the risk of exit payments or credits at the end of a contract.

2.2 The Minister of State for Local Government and Homelessness, issued a written ministerial statement alongside the consultation as set out at Appendix 1. This statement confirms that a Government response to the consultation launched earlier this year (May 2025) '[Local Government Pension Scheme in England and Wales: Access and fairness](#)' will be published later in the year.

2.3 The consultation will remain open for 10 weeks, closing on 22 December 2025. Officers will prepare a draft response and circulate to the Chairs of the Pension Board and Pension Committee, allowing an opportunity for comment, prior to submitting a final response.

### **3 Pension Administration Strategy**

3.1 Officers are preparing an update to the existing Pension Administration Strategy document, approved by the Pension Committee on 16 June 2023. Regulation 59 of The Local Government Pension Scheme Regulations 2013 requires the administering authority to consult with scheme employers in preparing, reviewing or revising its administration strategy. This is an opportunity for the Pension Committee to provide any feedback on the updated draft of the strategy as set out at Appendix 2 and Appendix 3, prior to the launch of consultation with employers.

### **4 Pension Board Member Training**

4.1 Members of the Pension Board have a legal duty to develop and maintain appropriate knowledge and understanding of pension matters to fulfil their role. Whilst this duty does not extend to members of the Pension Committee, in their role as decision makers, Pension Committee members should have an equivalent level of knowledge. This is in line with Section 248A of the Pensions Act 2004 and inserts to the Pensions Act 2013.

4.2 In August 2025, members of the Pension Board and Pension Committee were invited to complete a self-assessment questionnaire as set out at Appendix 4, which tested their knowledge and understanding of pension matters - based on guidance provided by Chartered Institute of Public Finance and Accountancy (CIPFA) and The Pensions Regulator.

4.3 At the time of writing this report (20 October 2025), only 4 responses have been received (3 from members of the Pension Board and one response from a member of the Pension Committee).

4.4 The completed questionnaires allow Officers to assess the training needs of the Pension Board and Committee as a whole and members individually. It is instrumental in helping define subjects that should be covered by bespoke training (outside of those made available through third party organisations). Where responses are not received, this leads to training needs not being identified. This in turn could mean that members of the Pension Board and Pension Committee do

not meet their obligations to have the required level of knowledge and understanding deemed essential to fulfil their role.

4.5 Owing to changes in Pension Board members, it has been more difficult to compare year-on-year trends in overall knowledge. Where it has been possible to do so, there appears to have been marginal increases in some areas and a reduction in others. Consequently, areas identified as key for further training include:

- Legislative and/or benefit uncertainty and the impact of this on the funding strategy
- How the fund interacts with the taxation system in relation to benefits administration
- Best practice in pension administration, e.g. performance and cost measures

4.6 Over the last 12 months, training provided has included:

- In-house training, such as the Additional Voluntary Contributions (AVC) and Additional Pension Contributions (APC), Pension Dashboard data and member experience;
- Guest presentations, such as sessions on Actuarial Valuation from Barnett Waddingham and another on Private Equity;
- External events, for example the Local Government Association (LGA)'s LGPS Governance Conference, Hymans' Local Government devolution and reorganisation webinar, Pensions for Purpose's Evolving Environmental, Social and Governance (ESG) practices in UK Fiduciary Management, and more;
- Other training has been provided on the ESPF Risk Register and Business Continuity Plan;

Participation has been lower than that achieved in previous years.

4.7 In the forthcoming year, officers intend facilitate training in the following areas:

- LGPS discretions and how the formulation of the discretionary policies impacts on the fund, employers and scheme members. This is carried forward from last year, to be rescheduled for the next year;
- Introduction to 'Border to Coast Pension Partnership' pool;
- Best practice in pension administration, e.g. performance and cost measures;
- Legislative and/or benefit uncertainty and the impact of this on the funding strategy;
- How the fund interacts with the taxation system in relation to benefits administration;
- Any new areas where a training need is specified by the Pension Board and Committee (Pension Board and Committee members are reminded that if they have a particular training need, they should contact the Training Co-Ordinator).

4.8 In addition to the above, external training opportunities remain available from both CIPFA and The LGA, who offer training specifically designed for Board members and LGPS Fundamentals training respectively.

4.9 Officers will monitor the market for pertinent training opportunities and notify members of both the Pension Board and Committee on a monthly basis.

4.10 Where members of the Pension Board undertake training, officers encourage feedback on both content and delivery. This helps to improve the training offer and ensure both Pension Board and Committee members get value from the time invested.

## **5 Conclusion**

5.1 This report provides an update on legal and regulatory changes together with Pension Board member training. The Committee is recommended to note these updates. The report also presents proposed updates to the Pension Administration strategy. The Pension Committee is

recommended to approve the draft Pension Administration strategy to allow officers to move forward and consult with employers on the updated strategy.

**IAN GUTSELL**  
**Chief Finance Officer**

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Written questions, answers and statements

UK Parliament > Business > Written questions, answers and statements > Find written statements > HCWS952

# Local Government Pension Scheme in England and Wales – Scheme Improvements (Access and Protections)

Statement made on 13 October 2025

Statement UIN HCWS952

## Statement made by



**Alison McGovern**

Minister of State for Local Government and Homelessness

Labour

Birkenhead

Commons



## Statement

I am today launching a consultation on proposed improvements to the Local Government Pension Scheme in England and Wales.

With 6.7 million members and £400bn of assets under management, this government sees the vital importance of its role as steward of the Local Government Pension Scheme. We know the impact that changes to the scheme have, not only on individual members but also the country as a whole. Investing in the members that make up the scheme – those who collect waste, serve school lunches, manage libraries and tend to parks and green spaces – rightly rewards the hard work that they put in to making our communities thrive.

As a first step, in May 2025, we launched a consultation on enhancing member benefits, with a focus on:

- equalising the entitlement to survivor benefits of all eligible survivors of Local Government Pension Scheme members, remedying historic discrimination in the scheme;
- taking concrete steps to addressing the gender pension gap;
- mandating reporting on opting out from the scheme;
- closing loopholes on current pension forfeiture rules.

This work sat alongside important reforms to investment and pooling, which unlock the investment might of the scheme, due to reach £1tn by 2030. These reforms will harness the potential of the scheme as a catalyst of growth while ensuring that it delivers on its primary duty to provide a retirement income for members.

Building on these, the consultation we are launching today covers four areas:

1. We are proposing to update the normal minimum pension age in the LGPS age to 57, following the Finance Act 2022, and confirm that we will protect members who had scheme membership before 4 November 2021. This gives clarity to millions of members who want to know when they can retire.
2. We are proposing to recognise the geographical spread of our schools across Multi-Academy Trusts, and simplify the process of applying for a direction to bring together staff into a single Local Government Pension Scheme fund. We are also proposing that the criteria applications are assessed against is put into legislation to provide transparency to employers.
3. We are proposing to implement long-awaited Fair Deal protections for workers outsourced from local government, ensuring they have seamless and continued access to the Local Government Pension Scheme. This will in part be achieved by removing the use of “broadly comparable” schemes, which see workers receiving downgraded pensions when they are outsourced.

4. Finally, we are proposing to restore access to the scheme for councillors in England and extend it to mayors, bringing England into alignment with the schemes in Scotland, Northern Ireland and Wales. As reorganisation and devolution continue to reshape local government, the responsibilities placed on mayors and councillors are expanding significantly, and access to the pension scheme is key to encouraging talented individuals into those roles.

For fourteen years, the Conservatives decimated local government and working people paid the price. The last government’s ‘Westminster-knows-best’ attitude saw power centralised in the Whitehall with local budgets cut to the bone. Communities lost their sense of pride and control. Neighbourhoods changed beyond recognition and local champions were locked out of government. This government is putting power back in the hands of communities and their local champions. We are rebuilding and streamlining local government so working people can once again rely on the regular, high quality local services they deserve.

Efficient and reliable local services are built on a foundation of hard-working, professional and talented local councillors. While the Tories saw councillors as a volunteer, part-time role, Labour will treat councillors with the respect they deserve as dedicated public servants, handing them the rights at work they deserve. The result will be a streamlined, efficient and more effective local government, with fewer more empowered local councillors. These councillors will be given the proper terms and conditions they deserve – the certainty of financial stability in older age should be a minimum.

I am grateful to the Local Government Association, the Local Government Pension Scheme Advisory Board, the Government Actuary’s Department, and many others for their support.

The next phase in this continued effort to improve the scheme will include the publication, later this year, of the full government response to the May 2025 consultation.

## Statement from

Ministry of Housing, Communities and Local Government



## Linked statements

This statement has also been made in the House of Lords

Ministry of Housing, Communities and Local Government



Local Government Pension Scheme in England and Wales – Scheme Improvements (Access and Protections)



[Baroness Taylor of Stevenage](#)

Parliamentary Under Secretary of State

Labour, Life peer

Statement made 13 October 2025

HLWS950

Lords



# Pension Administration Strategy 2025



## Introduction

East Sussex County Council is the Administering Authority for the Local Government Pension Scheme (LGPS) on behalf of the Scheme Members and Scheme Employers participating in the LGPS through the East Sussex Pension Fund (the Fund). The LGPS is governed by statutory regulations.

This is the Pension Administration Strategy (the Strategy) of the Fund in relation to the LGPS. The Strategy is kept under review and revised to reflect changes to LGPS regulations and Fund policies. Scheme Employers of the Fund are consulted when any substantial changes are proposed to this Strategy.

The aims of this Strategy are to set out the quality and performance standards expected of the Fund as Administering Authority and Administrator and its Scheme Employers and to further ensure that both the Administering Authority and the Scheme Employers are fully aware of their responsibilities under the LGPS, and to outline the key performance standards they are expected to meet to ensure the delivery of a high-quality, timely and professional administration service.

As at 31 March 2025 the Fund comprised 149 Scheme Employers with 86,784 scheme members in relation to the LGPS; the Fund value was assessed with a value of over £4.9bn

Setting out the expectations of the Administering Authorities and Scheme Employers will help to ensure that:

- Administration standards improve and are maintained at a high standard;
- Set out the quality and performance standards expected of the Administering Authority and the Scheme Employers in relation to each other; and,
- Promote good working relationships and improve efficiency between the Administering Authority and the Scheme Employers for the benefit of Fund members.

This document therefore sets out a framework by way of outlining the policies and performance standards to be achieved when providing a cost-effective inclusive and high-quality pensions administration.

Delivery of a high standard of administration is not the responsibility of one person or organisation, but rather of a number of different parties, who between them are responsible for meeting the diverse needs of the membership. In recognition of these principles, this Strategy sets out:

- The roles and responsibilities of both the Fund and the Scheme Employers;
- The level of service the Fund and Scheme Employers will provide to each other; and
- The performance measures used to evaluate the level of service.

This Strategy is an agreement between the Fund and its Scheme Employers and is effective from TBC. The Strategy applies to all existing Scheme Employers and all new Scheme Employers joining the Fund after the effective date.



## Legislative Framework

The LGPS is a statutory scheme, principally governed by The Local Government Pension Scheme Regulations 2013 (the Regulations). The Strategy has been created pursuant to Regulation 59 of the Regulations and shall be formally reviewed at least every three years.

In carrying out their roles and responsibilities in relation to the administration of the LGPS the Administering Authority and Scheme Employers must have regard to this administration strategy, relevant guidance and overriding legislation. This includes but is not limited to:

- Local Government Pension Scheme Regulations
- The Occupational Pension Schemes (Disclosure of Information) Regulations 2015
- The Pensions Act 1995, 2004 and 2014
- The Pension Schemes Act 2021
- The Public Service Pensions Act 2015
- The Freedom of Information Act 2000
- The Equality Act 2010
- Data Protection Act 2018
- The Finance Act 2004, 2006 and 2014
- All Relevant Health and Safety legislation
- The Pension Regulator's General Code of Practice
- Any other relevant legislation that may apply

The Pensions Regulator has responsibility for oversight of a number of elements of the governance and administration of Public Service pension schemes including the LGPS. The Regulator has the power to issue sanctions and fines in respect of failings of the Administering Authority, and also where employers in the Fund fail to provide correct or timely information to the Administering Authority. Where this occurs as a result of the actions or inactions of Fund employers, the Administering Authority may seek to recharge any costs back to the employer as set out later in this strategy.

## Our Aims and Objectives

The purpose of this Strategy is to set out the quality and performance standards expected of East Sussex County Council in its role of Administering Authority and Scheme Employer's within the Fund, and the Pension Administration Team. The Fund has a number of specific administration objectives, these are to:

- provide a high quality, professional, proactive, timely and customer focused administration service to the Fund's stakeholders;
- administer the Fund in a cost effective and efficient manner utilising technology appropriately to obtain value for money;
- ensure the Fund's Scheme Employers are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of their administration obligations;
- ensure the correct benefits are paid to, and the correct income collected from, the correct members at the correct time;

- have a culture of risk awareness, governance and compliance and work effectively with partners and stakeholders
- maintain accurate records and ensure data is protected and has authorised use only; and,
- ensure the roles and responsibilities for all stakeholders are clearly set out and understood so that they work seamlessly together in the delivery of the Fund's administration.

## Administration of the East Sussex Pension Fund

East Sussex County Council as Administering Authority, has delegated responsibility for the management of the Pension Fund to the East Sussex Pension Committee, taking into consideration advice from the Pensions Board and specialist advisers, and administered and implemented by Officers of the Fund. The Pension Committee and Pension Board monitors the implementation of this Strategy through quarterly service reports and through the Fund's breaches log.

This Strategy will ensure that Scheme Employers have a common understanding of their obligations under the Local Government Pension Scheme and that administrative processes are designed to maximise efficiency and manage risk.

The success of the Fund largely depends on the strength of the relationship between the Administering Authority and the employers that participate in it. Employers have a range of responsibilities within the LGPS and have an obligation to ensure that these duties are effectively delivered. The Fund will provide guidance and support as well as free training where relevant for Scheme Employers to build up and maintain a level of professional expertise which will enable employers to deliver information required by the Fund to efficiently manage the scheme. Guidance for Scheme Employers on a range of topics of responsibility, as well as forms to enact responsibilities are published on the Funds website for ongoing access. This will ensure employers have a sound understanding of:

- Employer discretion policies;
- The role of the appointed person and the Internal dispute resolution procedure;
- Their responsibilities for starters, leavers and changes to membership as set out in the Fund's administration strategy;
- Their responsibilities for collecting and remitting contributions (and, additional contributions);
- The reasons for leaving under the LGPS Regulations;
- Providing information requested by the Fund through monthly data uploads and at year end, or as required for other responsibilities; and,
- Their responsibilities with respect to outsourcing, staff transfers and re-organisations.

The Fund will look for opportunities to work collaboratively with other Administering Authorities to reduce development costs and enhance the quality of information. This might include working with our investment pool colleagues, attending the Southern Area Pension Officer Group, and/or use of the LGPS procurement frameworks.

## Communications

The Fund published an updated Communication Strategy Statement in June 2025 which describes the way the Fund communicates with its Scheme Members, Scheme Employers and other stakeholders and interested parties. The latest version of the Communication Strategy Statement can be obtained from the Fund's website:

<https://www.eastsussexpensionfund.org/media/lzrj0hat/communication-strategy-2025-east-sussex-pension-fund.pdf>

The Fund aims to communicate with Scheme Employers on an ongoing basis in respect of developments relating to the LGPS including training opportunities, as well as ensuring that employers are notified of changes to either professional practice, administration procedures, legislation, notifications from the Pension Regulator, and/or changes to pension scheme regulations as these arise.

The Fund holds an Employer Forum annually in November, to provide opportunities for networking, meet and greet opportunities, as well as to provide information on developments in progress which may affect all Scheme Employers and Scheme Members.

The Fund has established i-Connect as the default means for the transfer of employee information from employers to the Fund. i-Connect is a cloud-based platform that allows employers to provide employee details in a secure method and negates the need to provide end of year reporting. Monthly data uploads from employers inform the Fund of any changes to members details, new Joiners and also allows for the upload of leaver forms. The Fund continues to work to onboard all scheme employers, having done so with more than 95% of Fund employers.

## Performance Standards

The Administering Authority and Scheme Employers have statutory obligations, functions and tasks in respect of the rights and entitlements of individual Scheme Members. These define a standard of performance and service delivery to individual Scheme Members, which constitute the agreed statutory minimum standards to which Scheme Employers must comply. In instances where Scheme Employers use external service providers for functions relating to the administration of the LGPS, it is incumbent on all employers to ensure that their suppliers and service providers comply with applicable legislation and regulations which apply to the administration of the East Sussex LGPS Fund.

## Roles and Responsibilities

### Scheme Manager

The East Sussex County Council as Administering Authority, has delegated responsibility for the management of the Pension Fund to the East Sussex Pension Committee, to oversee the management of the Pension Fund. The Pension Board provides assistance to the Administering Authority in ensuring compliance with the regulations. As the Funds Pensions Administration Strategy affects the administration of the Pension Fund, the Pension Board will review the effectiveness of the Fund's Pension Administration Strategy on a regular basis while considering the Funds Administration activity and Performance and activity that could result in Breaches of the law. Details of roles and responsibilities of the Scheme Manager is set out in Appendix A.

### Pension Administrator

Pension Administration is delivered as an in-house service and the performance standards that scheme employers and scheme members should expect is outlined in Appendix B for Service Standards. These Service Standards are focused on the key activities which Scheme Employers and Scheme Members are involved in and should not be viewed as a complete list of all activities. It includes key performance indicators that the Administering Authority has agreed for reporting.

## Scheme Employer Responsibilities

The roles and responsibilities of Scheme Employers are set out in Appendix C. The appendix defines the main responsibilities of Scheme Employers, to ensure an efficient, accurate and high-quality pension service to Scheme Members when working in partnership with the Pension Administration Team.

## Improving Performance

The Fund's Pension Administration Team provide the administrative support to ensure that the administration functions are delivered in compliance with the requirements of the law. If Scheme Employers do not provide the requested data correctly, in the correct format and within the timescales requested by the Administrator, there is a risk the Fund cannot meet its legal obligations and may be liable to penalty fines imposed by The Pension Regulator.

This Strategy is therefore focused on good partnership working between Administrator and the Fund's Scheme Employers. The Fund's Employer Engagement team assume the responsibility to help support Scheme Employers directly with training and general support in carrying out their responsibilities while providing a clear route for contact. However, it is recognised there may be circumstances where employers are unable to meet the required standards. The Administering Authority will seek, at the earliest opportunity, to work closely with employers in identifying any areas of poor performance or misunderstanding, provide opportunities for necessary training and development and put in place appropriate processes to improve the level of service delivery in the future. It is expected that it will be extremely rare for there to be ongoing problems but, where persistent and ongoing failure occurs and no improvement is demonstrated by an employer, and/or unwillingness is shown by the employer to resolve the identified issue, we set out below the steps the Fund will take in dealing with the situation in the first instance:

- The Administering Authority will issue a formal written notice to the person nominated by the employer as their key point of contact, setting out the area(s) of poor performance.
- The Administering Authority will record the breach, consistent with the Fund's Breaches Policy. Consideration will be given to whether the breach should also be reported to The Pensions Regulator.
- The employer will be requested to create and propose a data improvement plan to the Administering Authority.
- The Administering Authority will request a meeting with the employer to discuss the area(s) of poor performance, how they can be addressed, the timescales in which they will be addressed and how the proposed improvement plan will be implemented and monitored.
- The Administering Authority will issue a formal written notice to the person nominated by the employer, setting out what was agreed at that meeting in relation to how the area(s) of poor performance will be addressed the timescales in which they will be addressed.
- A copy of this communication will be shared with:
  - The Head of Pensions at East Sussex County Council

- The Director of Finance or other senior officer at the relevant employer.
- The Pension Board and Pensions Committee of East Sussex County Council
- The Administering Authority will monitor whether the improvement plan is being adhered to and provide written updates at agreed periods to the person nominated by the employer, with copies being provided to the Head of Pensions and the Director of Finance (or alternative senior officer) at that employer.
- Where the improvement plan is not being delivered to the standards and/or timescales agreed, the matter will be escalated the Head of Pensions who will determine the next steps that should be taken. This may include (but is not limited to):
- Meetings with more senior officers at the employer.
- Escalating to the Pension Committee and/or Pension Board, including as part of the Fund's Procedure for Recording and Reporting Breaches of the Law.
- Costs and Charges

The Fund will work closely with all employers to assist them in understanding all requirements, whether they are specifically referenced in the LGPS Regulations, in overriding legislation, or in this Strategy. The Fund will work with each employer to ensure that overall quality and timeliness is continually improved. The 2013 LGPS Regulations provide that an administering authority may recover from an employer, any additional costs including interest associated with the administration of the scheme, incurred as a result of the unsatisfactory level of performance of that employer.

Where an administering authority wishes to recover any such additional costs they must give written notice stating:

- The reasons in their opinion that the employer's level of performance contributed to the additional cost.
- The amount the Administering Authority has determined the employer should pay.
- The basis on which this amount was calculated.
- The provisions of the Strategy relevant to the decision to give notice.

The Administering Authority will recharge to an employer any additional costs incurred by the Fund in the administration of the LGPS as a direct result of such unsatisfactory performance and where it is reasonable to do so. In instances where the performance of the employer results in:

- fines being levied against the Administering Authority by The Pensions Regulator, Pensions Ombudsman or other regulatory body, an amount no greater than the amount of that fine will be recharged to that employer.
- the improvement plan as outlined elsewhere in this strategy is not being adhered to, the Pension Committee may determine that additional costs may be recharged. In these circumstances, the Pension Committee will determine the amount to be recharged and how this is to be calculated. The employer in question will be provided with a copy of that report and will be entitled to attend the Pension Committee when this matter is being considered.

Employers may also be required to pay for additional work that is outside of business as usual, including but not limited to:

- Requesting the Fund undertake non-standard work
- Requesting work to be completed earlier than the normal service standards.
- Requiring the use of external providers (such as the Fund actuary) to complete non-standard work

Where possible the employer's agreement to the charge will be obtained prior to the work being carried out.

All additional costs relating to this Strategy are met directly by the Fund unless mentioned otherwise.

### Charges for additional administration

The table below sets out the fees which the Fund will levy on a Scheme Employer whose performance falls short of the standards set out in this document. Charging is a last resort and the approach outlined in the section above will be followed before a fee is levied.

Charges will be reviewed on an annual basis, and increased in line with the Consumer Price Index (CPI).

Description	Occurrence in a 12-month period	Administrative charge
<b>1. Multiple payments/FormsLGPS31</b>  Multiple payments are made and/or multiple LGPS31 forms are submitted for a single employer in a single month.	Each instance	£20.00 administration charge per additional payment
<b>2. LGPS31 Forms</b>  Failure to provide the LGPS31 Form by the 18 <sup>th</sup> of the following month contributions are due or failure for the form to be signed and authorized correctly by section 151 or delegated power by the 18 <sup>th</sup> of the following month its due.	1 <sup>st</sup> instance  2 <sup>nd</sup> instance	Warning  Administrative charge of £150
<b>3. Employer/ Employee Contributions</b>  Failure of Scheme Employers to pay over contributions to the Fund by the 19 <sup>th</sup> of the month following the deduction in line with the legal duty.	1 <sup>st</sup> instance  2 <sup>nd</sup> instance	Warning  Administrative charge of £150
<b>4. Multiple retirement estimate requests in relation to a single member.</b>  Where an employer requests more than one retirement quotation within a 12 month period. This includes all retirement categories, such as ill health, redundancy, efficiency etc.	1 <sup>st</sup> and second in rolling 12-month period  Each additional request	No charge  £50.00 administration charge per request
<b>5. Change Notifications</b>  Failure to notify the administrators of any change to a member's - working hours - leave of absence with permission (maternity, paternity, career break) or - leave of absence without permission (strike, absent without permission) - within 20 days/the next i-Connect upload of the change in circumstance	1 <sup>st</sup> instance  2 <sup>nd</sup> instance	Warning  Administrative charge of £150

<p><b>6. Year End Data</b> <b>For employers not using i-Connect.</b></p> <p>Failure to provide year end data by 30th April following the year end or the non-provision of year end information or the accuracy/quality of the year end data is poor requiring additional data cleansing. This applies where Year End Data is required.</p>		<p>Late receipt - initial fee of £300 then a fee of £150 for every month the information remains outstanding</p> <p>Quality/format of data – fee of £150 should data provided not be in the correct format and/or the quality is poor</p>
<p><b>7. New Starter(s)</b></p> <p>For employers not using i-Connect - Failure to notify the administrators of new starter(s) and the late or non- provision of starter form(s) – within 15 days of employee joining the scheme/in the next I-Connect upload</p>	<p>1st instance</p> <p>2nd instance</p>	<p>Warning</p> <p>£50 fee per member</p>
<p><b>8.Leaver(s)/ retirements</b></p> <p>For employers not using i-Connect -Failure to notify the administrators of any leaver(s)/retirements and the late or non-provision of leaver form(s) including an accurate assessment of final pay – within 15 days of employee leaving the scheme or employment/in the next I-Connect upload</p>	<p>1st instance</p> <p>2nd instance</p>	<p>Warning</p> <p>£50 fee per member</p>
<p><b>9. Further notification of leaver/ death/ retirement leading to recalculation of benefit</b></p> <p><b>This relates to instances where no mitigating factors apply. Such factors may include retrospective agreement of a pay award.</b></p>	<p>Each instance</p>	<p>£50</p>
<p><b>10. I-Connect Data</b></p> <p>Failure to provide data through the I-Connect system by the required deadline.</p>	<p>1st instance</p> <p>2nd instance</p>	<p>Warning</p> <p>Administrative charge of £150</p>
<p><b>11. Project data</b></p> <p>Failure to provide data requested as part of projects being run by the Fund to ensure changes in legislation are being adhered to, best practice is being followed or previous errors are rectified. This includes, but is not limited to responses to queries relating to data received.</p>	<p>1st instance</p> <p>2nd instance</p>	<p>Warning</p> <p>Administrative charge of £150</p>
<p><b>12 Other non-standard work</b></p> <p>A request that work be carried out that would not normally be expected of the administrators</p>		<p>The cost of such work to be agreed on a case by case basis in advance of action being taken by the administrator.</p>

Warnings for non-compliance will operate on a rolling 12-month basis, for example, should a warning have been issued and 10 months later there is a 2nd instance, a fee/administrative charge will apply. However, if it is 13 months later, another warning will be issued.

If an issue has not been resolved within 10 working days of a warning being issued, a fee will apply and the Fund may take further action as appropriate regarding the failure to comply with the statutory requirements.

In addition to the above and consistent with regulation 71 of The Local Government Pension Scheme Regulations 2013, interest may be charged at 1% above base rate on any sum remaining unpaid for more than one month beyond the date on which it became due.

Where delays in providing information result in the Fund being liable to pay interest in accordance with Reg 81 LGPS Regulations 2013, or any superseding legislation, this will be recharged to the Employer.

The Administering Authority does also apply charges for non-standard work requested by members. These are covered outside of this document and subject to periodic review. Such charges include requesting more than one Cash Equivalent Transfer Value and non-standard work relating to divorces.

### **Audit queries – charges for additional work**

The Fund regularly receives queries from employers in relation to their own audits. Whilst the Fund does not object to providing information about it to help employers understand how the Fund operates and how it is constituted, such queries can take a significant amount of time to answer and take resource away from the day-to-day operation of the Fund.

The Fund is audited annually and publishes the annual report and accounts and audit certificate on the website. The Fund publishes a significant amount of information about the Fund, its activities and investments; and actuarial information is provided directly to employers.

Scheme Employers are urged to review the information on the Fund's website:

<https://www.eastsussexpensionfund.org>, and, to consider the information published by the Local Government Association.

Where auditor queries still need to be referred to the Fund, we would ask that a single request with all queries is made. Work carried out to answer these queries will be recharged at a cost of £50 per hour for Officer time along with any costs incurred by the Fund. Such costs include, but are not limited to, Actuary fees.

## **Key Risks**

The key risks to the delivery of this Strategy are outlined below. The Head of Pensions and other officers will work with the Pension Committee and the Pension Board in monitoring these and other key risks and consider how to respond to them in line with the Fund's Risk Management Policy.

- Lack or reduction of skilled resources due to difficulty retaining and recruiting staff members and staff absence due to sickness. This may include both the Administering Authority and Fund employers.
- Significant increase in the number of employing bodies causes strain on day-to-day delivery.



- Inadequate performance against service standards by the Administering Authority and/or Fund employers.
- Significant external factors, such as national change, impacting on workload.
- Incorrect calculation of members' benefits, resulting in inaccurate costs.
- Employer's failure to provide accurate and timely information resulting in incomplete and inaccurate records. This leads to incorrect valuation results and incorrect benefit payment.
- Failure to administer the scheme in line with regulations as listed under 'Regulatory Basis' in this Statement. This may relate to delays in enhancement to software or regulation guidance.
- Failure to maintain records adequately resulting in inaccurate data.
- Unable to deliver an efficient service to pension members due to system unavailability or failure.
- Failure to maintain employer contact database leading to information being sent to incorrect person.

## Consultation and review process

This Strategy was approved on **TBC** by the East Sussex Pension Committee. It is effective from **TBC**. It will be reviewed annually by both Officers and the Pension Board and updated at least every three years or less if required, taking account of any changes to the LGPS or other relevant Regulations or Guidance.

In preparing this updated Strategy, the Fund has consulted with its scheme employers; the scheme member and employer representatives on the East Sussex Pension Board; and other persons considered appropriate. Further consultation will be undertaken should any substantial changes be proposed to this Strategy following its approval by the Pensions Committee.

The latest version of this Strategy will always be available on the Fund website:

<https://www.eastsussexpensionfund.org/forms-and-publications/>

## Contact details

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Pensions Administration Team

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## Appendix A - Scheme Manager Responsibilities

### Governance

Administering Authority responsibilities	Timeframes/deadlines
Review the Fund's pension administration strategy and consult with all scheme employers.	The Pensions Administration Strategy will be formally reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.
Review the Fund's funding strategy statement at each triennial valuation, following consultation with scheme employers and the Fund actuary.	Every three years in line with Fund valuation cycle.
Review the Fund's Communications Strategy	The Communications Strategy will be formally reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.
Review the Fund's governance compliance statement.	The Governance Policy Statement will be formally reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.
Draft, maintain and publish all the policies and strategies that govern the pension fund, liaising with Employing Authorities as required.	Policies will be reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.
Publish the Fund's annual report and financial statement.	To be published annually.
Draft, maintain and publish all the policies and strategies that govern the pension fund, liaising with Employing Authorities and the Administrator as required.	Policies will be reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.

## Transfers – transfers in and transfers out

Administering Authority responsibilities	Timeframes/deadlines
For transfers in, ensure that the Administering Authority has in place an appropriate discretionary policy setting out their policy on whether they choose to extend the 12-month time limit for accepting transfers in, where the decision falls to them.	This is contained within the Discretionary Policy of the Administering Authority.
For transfers out, to determine necessary action on how to proceed with transfer cases that have been flagged as at risk of being a pension liberation/fraud case. This may include, but not be restricted to, indicating whether the transfer is to be paid or whether legal advice is sought.	Any transfer cases referred to the Head of Pensions Administration by scheme administrators for suspected pension fraud will be thoroughly investigated and where appropriate secondary assurance sought from the scheme member. This should include all transfers to Qualifying Recognised Overseas Pension Scheme's (QROPS). The Administering Authority will then take appropriate action, which may include proceeding with the transfer, refusal to transfer or referral to Money and Pensions Service. While at the same time abiding by the deadlines set out in the relevant legislation.

## Transfers – Bulk transfers (ordinarily considered to be cases of at least 10 members)

Administering Authority responsibilities	Timeframes/deadlines
Share information as appropriate with the Employing Authority regarding the timescales, negotiations, and where material, the financial consequences, and where possible, reach agreement with the Employing Authority on the stance adopted on any negotiations with the receiving Fund.	The Administering Authority will in these cases engage with all parties as early as possible. The Fund will look treat each case on its own merits and consider in line with the principals detailed in the Fund's Funding Strategy Statement.
Ensure the provision of the Regulations are met, including the rights of the transferring members	The Administering Authority will comply with the deadlines set out in legislation as applies at the time.

## Complaints and breaches

Administering Authority responsibilities	Timeframes/deadlines
Appoint a nominated person to consider disputes under stage 1 of the IDR process for disputes for any decisions/lack of decisions which need to be made by the administering authority.	Stage 1 complaints to be determined by the Administering Authority will be considered by the Head of Governance & Compliance.

Administering Authority responsibilities	Timeframes/deadlines
Appoint a nominated person to consider disputes under stage 2 of the IDRP process.	Stage 2 complaints to be determined by the Administering Authority will be considered by the Solicitor and Monitoring Officer.
Consider and respond to disputes made under stage 1 and/or stage 2 of the IDRP within statutory timeframes as set out in the LGPS Regulations 2013.	Response to disputes under stage 1 and 2 of the IDRP will be provided within the statutory deadline of two months and monitored by the Head of Governance & Compliance.
Prepare and maintain a Policy showing how to identify, record and report breaches of the Law.	The Fund Breaches Policy will be formally reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.
Maintain a Breaches Log detailing all known breaches of the law, whether these are considered immaterial and hence only recordable or whether they are considered material and reported to the Pensions Regulator.	This will be maintained on an ongoing basis by the Administering Authority.
Present the Breaches Log to the Pension Committee and the Pension Board at each meeting	To be presented at each meeting of the Board and Committee.

## Finance, accounting and reporting

Administering Authority responsibilities	Timeframes/deadlines
Consult with employing authorities on the outcomes of the triennial valuation.	To be carried out every three years in line with the Fund valuation timetable.
Carry out termination valuations on admitted bodies or employing authorities who cease their participation in the Fund.	To be carried out as and when required.
Carry out accounting and financial reporting on behalf of the administering authority, including liaison with any third-parties, including: <ul style="list-style-type: none"> <li>- Management, preparation and presentation of the Fund's annual report and accounts.</li> <li>- Further accounting and cash-flow reporting throughout the scheme year.</li> <li>- Cashflow forecasting.</li> <li>- Liaising with internal and external auditors.</li> <li>- Quarterly management accounts.</li> <li>- Raising invoices on behalf of the Fund.</li> <li>- Recording and maintaining all accounting records in line with record retention policies.</li> </ul>	To be carried out as and when required.

## Contributions

Administering Authority responsibilities	Timeframes/deadlines
Notify employing authorities of their contribution requirements for three years effective from the April following each actuarial valuation.	To be carried out every three years in line with the Fund valuation timetable.
Notify new employing authorities of their contribution requirements.	To be carried out as and when required.

## Employer services and monitoring

Administering Authority responsibilities	Timeframes/deadlines
Provide support to employing authorities through a dedicated employer area of the pension fund website, technical notes, employer bulletins and day to day contact.	Web content available to employers will be reviewed on no less than an annual basis. Employer newsletters will be issued in line with the Communications Strategy.
Provide training sessions on employing authorities' roles and responsibilities.	To be delivered as and when required.
Monitoring of employers, including reporting of key metrics. This may include monitoring employers who have a very small number of active members remaining and may therefore cease participation or highlighting significant changes in membership numbers indicating a restructuring exercise or other event that requires the attention of the administering authority.	Ongoing basis
Monitor the existence of indemnity bond cover for employers, including highlighting to the administering authority where bond cover is either outdated, soon to expire or needs to be reviewed in line with administering authority policies. This may involve further communication with the Fund actuary or other party to obtain updated levels of recommended bond cover where appropriate.	Bonds in place for admission body employers will be reviewed in line with the individual agreements and the Funding Strategy Statement.
Maintain an updated record of further information relating to employers, for example, whether another employer has agreed to act as a guarantor for that employer, or any other information determined by the administering authority to be relevant.	Ongoing basis

Administering Authority responsibilities	Timeframes/deadlines
Review the IRMPs appointed and used by Employing Authorities meet legislative requirements to advise on ill health retirement applications	To collect a complete list prior 31 March 2026, and repeat no less than every three years.

### New and ceasing employers

Administering Authority responsibilities	Timeframes/deadlines
Assist in the preparation and communication of admission agreements to new employers in the Fund, including liaising with the relevant employers, procurement departments, legal and the Fund actuary, as required, to prepare the necessary documentation.	Potential new employers in the Fund should engage with the administering authority at the earliest opportunity to allow adequate time for an assessment of the employer contribution rate and bond (where necessary). Where this is a result of an outsourcing of employees under TUPE from an existing scheme employer, engagement with the Administering Authority should be sufficiently early to allow pensions information to be included in the tender documentation.
Obtain a signed agreement and/or keep these on record on behalf of the administering authority.	The Admission Agreement should be completed with the commercial contract and no later the date of admission. However, where this is not achieved, complete as soon as possible.
Provide technical advice, guidance or support in relation to new or existing admission agreements and the operation of these with employers.	To be provided as and when required.
Assist in managing the cessation of an employer, including liaising with them in relation to any cessation debt due to the Fund or surplus to be returned to the scheme employer.	Any deficit or surplus due at the point an employer exists the Fund will be communicated to the former scheme employer in line with the requirements of regulation 64 of The Local Government Pension Scheme Regulations 2013.

### Additional Voluntary Contributions

Administering Authority responsibilities	Timeframes/deadlines
Ensure a process is in place to periodically review AVC providers/fund options.	A full formal review of the AVC provider to the Fund will take place no less than every 5 years. Informal reviews may also take place on an annual basis in conjunction with the Fund actuary.

Administering Authority responsibilities	Timeframes/deadlines
Ensure that the member receives an annual statement, and that this statement meets statutory requirements.	Annual statements are distributed directly to individuals by the AVC provider on an annual basis.

### Additional Pension Contributions

Administering Authority responsibilities	Timeframes/deadlines
Agree that any requests to pay additional contributions satisfy the administering authorities' discretionary policy in respect of additional contributions (e.g. whether a member is required to undertake a medical before entering into an additional contributions contract and determining whether the request is impractical)	To be agreed with the scheme administrator.

### Retirements

Administering Authority responsibilities	Timeframes/deadlines
<p>Where a deferred member requesting early payment of their pension benefits and requesting that their Rule of 85 is to be applied and/or whether their reductions are to be waived, whose former employer no longer contributes within the East Sussex Pension Fund:</p> <ul style="list-style-type: none"> <li>- Consider the application and confirm to the decision to the member. Notify the administrator whether the Ro85 is to apply/reductions are to be waived or not.</li> </ul>	Applications will be considered by the Section 151 Officer on behalf of the Administering Authority and confirmed to the scheme administrator.
<p>Where a deferred member requesting early payment of their pension benefits due to ill health, whose former employer no longer contributes within the East Sussex Pension Fund:</p> <ul style="list-style-type: none"> <li>- arrange for the member to be assessed by an IRMP, provide confirmation to the administrator that the employee meets all the conditions for ill-health retirement, as defined by the relevant LGPS regulations, and confirm the retirement date and a complete and correct ill-health certificate completed by the IRMP</li> </ul>	Applications will be considered by the Section 151 Officer on behalf of the Administering Authority and confirmed to the scheme administrator.

Administering Authority responsibilities	Timeframes/deadlines
Where the member is in receipt of an ill health pension made under Tier 3, and the former employer has subsequently ceased to be a contributing employer within East Sussex Pension Fund, arrange for the member to be reassessed by an IRMP after 18 months and determine whether the pension should continue, or be subject to an uplift.	Arrangements for reassessment will be made by the Section 151 Officer on behalf of the Administering Authority.

## Deaths

Administering Authority responsibilities	Timeframes/deadlines
Review where necessary information provided by the administrator in relation to potential death grant lump sums and dependant pensions and provide written agreement for payments to be made, where necessary.	The determination of death grant beneficiaries will be in line with the Fund policy. The decision is delegated to the scheme administrator but for more complicated cases that will be referred to the Administering Authority for determination on a case by case basis.
Review the Administrator's policy annually in relation to the payment of death grant lump sums and ensure this is regularly reviewed and updated if necessary.	The policy on payment of death grant lump sums will be reviewed no less than every three years.

## Communications

Administering Authority responsibilities	Timeframes/deadlines
Liaise with Officers to agree on newsletter (and other communication) content	This will be done and timetabled in line with the Communications Strategy of the Fund.
Liaise with Officers to agree on content of surveys	This will be done and timetabled in line with the Communications Strategy of the Fund.
Liaise with Officers to agree on structure / content of presentations / workshops	This will be done and timetabled in line with the Communications Strategy of the Fund.

**The Fund's communication strategy outlines how the East Sussex Pension Fund will engage, educate, and fulfil the needs of its stakeholders including members and employers in line with Regulation 61 of the Local Government Pension Scheme (LGPS) Regulations 2013. Methods we use to communicate with Scheme employers are set out on pages 11-12. Link to Communications Strategy: [Communication Strategy \(2025\) - East Sussex Pension Fund](#) REFERENCE MADE WITH LINK TO THE COMMS STRAT IN ORDER THAT WE CAN SATISFY 59(D) WHICH SAYS WE SHOULD DETAIL PROCEDURES FOR IMPROVING THE COMMUNICATION BY THE ADMINISTERING AUTHORITY AND ITS SCHEME EMPLOYERS TO EACH OTHER OF INFORMATION RELATING TO THOSE FUNCTIONS**



## Appendix B - Service Standards for Pension Administration

### Overview and purpose

Under the Local Government Pension Scheme (LGPS) (Administration) Regulations 2013, East Sussex County Council has a statutory responsibility to administer and manage the East Sussex Pension Fund (the Fund, ESPF) on behalf of all employers participating in the Fund and all past and present members, including their dependants.

The Fund will ensure that it meets its statutory responsibilities and that members and employers receive a cost-effective and high-quality service by delivering to these service standards. A report is presented at Pension Board and Pension Committee quarterly to provide oversight and governance of administration activity and projects including performance against an approved service level agreement. The Fund also publish performance against prescribed Key Performance Indicator in its Annual Report.

### General administration overview

The main services provided include maintenance of Scheme Members' records, calculation and payment of retirement benefits including premature retirement compensation, transfers of pension rights, calculation of annual pension increases and the provision of information to scheme members, employers, the Fund's actuary and other relevant third parties.

- Pensions Administration
- Projects
- Technical & Compliance
- System Support
- Training & Development
- Help Desk

### Legal timescales

The table below contains a list of key processes and the legal timescales in which they must be met.

Process	Legal requirement
To process new member information – i.e. create a new pension record and provide basic scheme information to the member.	Within one month of the date of receiving jobholder information from the scheme employer, extended to two months where correct jobholder information has not been received.
Notify members and beneficiaries of material alteration to basic scheme information	Within 3 months

Process	Legal requirement
Provide a Cash Equivalent Transfer Value (CETV) to the member, including for divorce purposes.	Within three months of the date that the request is made by the member. Or, in divorce cases, such shorter deadline as specified in a valid court order where reasonable.
Pay a CETV following a member's election to transfer.	Within six months of the guarantee date, or within six months of the member's request if CETV not guaranteed. This is subject to "red flags" which prevent the transfer under current legislation.
Inform member or prospective member whether they are entitled to acquire transfer credits in exchange for a cash equivalent or any transfer payment provided from another Scheme	Within two months of the request being made unless such a request has been made in the last twelve months
Notify HMRC when a transfer payment is made to a QROPS.	Within 60 days of the date the transfer payment is made.
Notify members who re-join the scheme and have previous LGPS benefits of their rights and options.	In sufficient time to allow the member to make an election within 12 months of re-joining.
Aggregation of deferred benefit with active pension account	Within 12 months of the active account being opened unless the member makes an election to retain separate accounts
Notify members of the transfer credits available in respect of a CETV or transfer payment from a previous pension arrangement (TV-in).	Within two months of the date of the member's request, unless already provided within the previous 12 months. This includes obtaining the transfer value from the previous provider and informing member of transfer options.
Provide information for divorce purposes which does not include a CETV.	Within one month of the date the request is made by the member, their spouse/partner, or the Court.
Implement a Pension Sharing Order.	Within four months of the effective date of the Order, or the date on which all the relevant information is received.
Inform members who leave the scheme before their normal pension age of their rights and options.	Within two months of the date of initial notification from the scheme employer, or the request from the member.
Provide refund of contributions where a member leaves without meeting the vesting period (currently two years)	Within two months of the request being made.

Process	Legal requirement
Notify the member of the amount of retirement benefits.	<p>Within one month of the date of retirement, if retiring on or after normal pension age.</p> <p>Within two months of the date of retirement, if retiring before normal pension age.</p>
Notify member of change in the amount of benefit when already in payment	Before the date on which the decision to alter the benefit takes effect or within one month of that date
Notify the dependent(s) of the amount of death benefits payable.	Within two months of the date of becoming aware of the member's death, or of the date of request for information from a third party.
Make payment of any death grant.	Within two years of the date of becoming aware of the member's death.
Provide annual benefit statements to all active, deferred, pension credit and deferred pensioner members.	By 31 <sup>st</sup> August of each year.
Provide pensions savings statements to all members who exceed the annual allowance.	By 6 October following the end of each tax year.
Notify members (or dependents) of the lump sum allowance used up by a Benefit Crystallisation Event (BCE).	Within three months of the BCE date and on an annual basis for Fund pensioners
Submit the annual event report to HMRC.	By 31 January following the end of each tax year.
Submit quarterly accounting for tax returns to HMRC, including details of all: <ul style="list-style-type: none"> <li>• Short service refund lump sum charges</li> <li>• Lifetime allowance charges</li> <li>• Special lump sum death benefit charges</li> <li>• Serious ill-health lump sum charges</li> <li>• Authorised surplus</li> </ul>	By 15 May, 14 August, 14 November and 14 February each year.

Process	Legal requirement
payments charges <ul style="list-style-type: none"> <li>• Annual allowance charges</li> <li>• <b>Overseas transfer charges</b></li> </ul>	
Issue P60s to all pensioner members.	By 31 May following the end of each tax year.
Issue P14/P35 to HMRC.	By 19 May following the end of each tax year.
Submit full payment submission (FPS) to HMRC.	On or before each monthly pay date.
Pay tax owed to HMRC.	By the 22 <sup>nd</sup> of each month.
Respond to an IDRP Complaint.	Within two months of receiving the Stage One complaint or Stage Two appeal.
Provide copy of Scheme Documents including Annual Report	Within two months of request

## Administration Service Level Agreement

The table below contains a list of pensions administration processes, and the target timeframe for each. The Fund monitors and reports its performance against these targets in a quarterly administration performance report to both the Pension Board and Committee.

Task	Target timeframe (working days)
Aggregation- Payment	10 days
Aggregation- Quote	15 days
APC/AVC's	10 days
Deaths – initial letter acknowledging death of member	2 days
Deaths- With Benefits	5 days
Deaths-No Further Benefits	5 days
Deferred Benefits	15 days
Divorce Quotes	15 days
Divorce - Proceeding	25 days
General Enquiries	10 days

Interfund in- Payment	25 days
Interfund In- Quote*	10/15 days
Interfund Out- Payment	25 days
Interfund Out- Quote	15 days
Recalculations	20 days
Refunds- Frozen	10 days
Refunds- Payment	5 days
Retirements – letter notifying actual retirement benefits	7 days
Retirements – letter notifying estimate of retirement benefits	15 days
Retirements – process and pay pension benefits on time	5 days
Transfer In- Payment	10 days
Transfer In- Quote	10 days
Transfer Out- Payment	10 days
Transfer Out- Quote	10 days
Trivial Commutation	10 days

The tasks detailed above are categorised into 5 priorities, where one is the highest priority casework and 5 the lowest. These are reflected with the following colours:

Priority 1
Priority 2
Priority 3
Priority 4
Priority 5

The performance against these target, as explained above, is reported to the Pension Board and Pensions Committee on a quarterly basis, with a separate report for the performance each month. Performance is summarised on a traffic light basis for each task listed:

Traffic Light Rating	Percentage processed within the target timeframe
Green	Over 92%
Amber	Over 87% but less than 92%
Red	Less than 87%

## Annual Report – Key Performance Indicators (KPI's)

Regulation 57 of The Local Government Pension Scheme Regulations 2013 requires Administering Authorities to prepare a report in relation to each financial year. The pension fund annual report must be published no later than 1<sup>st</sup> December following the end of the relevant year, and must contain:

- a report about the management and financial performance during the year of each of the pension funds maintained by the authority;
- a report explaining the authority's investment policy for each of those funds and reviewing the performance during the year of the investments of each fund;
- a report of the arrangements made during the year for the administration of each of those funds;
- for each of those funds, a statement by the actuary who carried out the most recent valuation of the assets and liabilities of the fund in accordance with regulation 62 (actuarial valuations of pension funds), of the level of funding disclosed by that valuation;
- the current version of the statement under regulation 55 (governance compliance statement);
- for each of the funds, the fund account and net asset statement with supporting notes and disclosures prepared in accordance with proper practices;
- an annual report dealing with-
- the extent to which the authority and the Scheme employers in relation to which it is the administering authority have achieved any levels of performance set out in a pension administration strategy in accordance with regulation 59 (pension administration strategy), and
- such other matters arising from a pension administration strategy as it considers appropriate;
- the current version of the statement referred to in regulation 58 (funding strategy statement);
- the current version of the investment strategy under regulation 7 (investment strategy statement) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016;
- the current version of the statement under regulation 61 (statements of policy concerning communications with members and Scheme employers); and
- any other material which the authority considers appropriate.

In preparing and publishing the pension fund annual report, East Sussex Pension Fund must have regard to guidance given by the Secretary of State. With effect from the year 2024/2025, the guidance requires the Fund to report on a prescribed list of KPI's. These are:

**Table A – Total number of casework**

REF	Casework KPI	Number
A1	Deaths recorded of active, deferred, pensioner and dependent members	
A2	New dependent member benefits	
A3	Deferred member retirements	
A4	Active member retirements	
A5	Deferred benefits	
A6	Transfers in (including interfunds in and club transfers)	
A7	Transfers out (including interfunds in and club transfers)	
A8	Refunds	
A9	Divorce quotations issued	
A10	Actual divorce cases	
A11	Member estimates requested by scheme member or employer	
A12	New joiner notifications	
A13	Aggregation cases	
A14	Optants out received after 3 months membership	

For the casework detailed in table A, the Fund must confirm:

- The total number of cases open as at 31st March (the starting position)
- The total number of new cases created in the year 1st April to 31st March
- The total number of cases completed in the year
- The total percentage of cases completed in the year
- The total number of cases completed in the previous year
- The total percentage of cases completed in the previous year

**Table B – Time taken to process casework**

REF	Casework KPI	Suggested fund target*
<b>B1</b>	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days
<b>B2</b>	Communication issued confirming the amount of dependents pension	10 days
<b>B3</b>	Communication issued to deferred member with pension and lump sum options (quotation)	15 days
<b>B4</b>	Communication issued to active member with pension and lump sum options (quotation)	15 days
<b>B5</b>	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 days
<b>B6</b>	Communication issued to active member with confirmation of pension and lump sum options (actual)	15 days
<b>B7</b>	Payment of lump sum (both actives and deferreds)	15 days
<b>B8</b>	Communication issued with deferred benefit options	30 days
<b>B9</b>	Communication issued to scheme member with completion of transfer in	15 days

REF	Casework KPI	Suggested fund target*
<b>B10</b>	Communication issued to scheme member with completion of transfer out	15 days
<b>B11</b>	Payment of refund	10 days
<b>B12</b>	Divorce quotation	45 days
<b>B13</b>	Communication issued following actual divorce proceedings i.e application of a Pension Sharing Order	15 days
<b>B14</b>	Communication issued to new starters	40 days
<b>B15</b>	Member estimates requested by scheme member and employer	15 days

(\*) Days in this column are a suggested fund target for completion and not the statutory timescale.

For the casework detailed in table B, the Fund must confirm:

- The percentage completed within the fund target in year
- The percentage completed within the fund target in the previous year

### Table C – Communications and Engagement

REF	Engagement with online portals	Number / %
C1	Percentage of active members registered	
C2	Percentage of deferred members registered	
C3	Percentage of pensioner and survivor members registered	
C4	Total percentage of all scheme members registered for self-service	
C5	Number of registered users by age	
C6	Percentage of all registered users who have logged on in the last 12 months	

REF	Communication	Number
C7	Total number of telephone calls received in year	
C8	Total number of email and online channel queries received	
C9	Number of scheme member events held in year (total of in-person and online)	
C10	Number of employer engagement events held in year (in-person and online)	
C11	Number of active members who received a one-to-one (in-person and online)	
C12	Number of times a communication (i.e newsletter) issued to: <ul style="list-style-type: none"> <li>a) Active members</li> <li>b) Deferred members</li> <li>c) Pensioners</li> </ul>	



**Table D – Administration Resources**

REF	Resources	Number / %
D1	Total number of all administration staff (FTE)	
D2	Average service length of all administration staff	
D3	Staff vacancy rate as a percentage	
D4	Ratio of all administration staff to total number of scheme members (all staff including management)	
D5	Ratio of administration staff (excluding management) to total number of scheme members	

**Table E – Data Quality**

REF	Annual Benefit Statements	%
E1	Percentage of annual benefit statements issued as at 31 August	

E2      Short commentary if less than 100%

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REF	Data Category	Number / %
E3	Common data score	
E4	Scheme specific data score	
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	
E6	Percentage of active, deferred and pensioner members with an email address held on file	

REF	Employer Performance	
E7	Percentage of employers set up to make monthly data submissions	
E8	Percentage of employers who submitted monthly data on time during the reporting year	

## Breaches and complaints

The management of breaches are in full compliance with the Funds Breaches Policy which is published on the Fund website.

The Fund will maintain a record of all complaints received (verbally and in writing) and operate a local complaints resolution procedure that all staff will be aware of. The number of complaints received will be included in the administration report.

The Fund maintain and publish an Internal Dispute Resolution Procedure (IDRP) in accordance with LGPS regulations and will pass any stage 1 and stage 2 cases to the relevant nominated person as soon as possible. All IDRP cases received will be included in the quarterly reporting to Pension Board and Pension Committee.

Process	Administration standards
Breaches	Logged within 1 working day and reported to Head of Pension Fund within 2 working days of breach occurring.
Complaint	Logged within 2 working days
Error & Omission	Logged within 2 working days
IDRP cases	Logged within 1 working day and reported to Head of Governance & Compliance within 1 working day of receipt of IDRP case

## Communications

The table below shows a list of communications not covered by legal timescales that the Fund will produce and distribute and the timescales in which this will be done. The Fund has a detailed Communications Strategy published on the Fund website.

Communication	Administration standards
Notify all pensioner and dependent members of the annual increase to their pension.	By 30th April following the end of each tax year.
Employer survey Issue an annual survey to all employers in the Fund.	Issued annually to employers at the employer Forum held at in November each year.
Member surveys Issue an annual survey to Fund members.	Survey issued bi-annually to active, deferred and pensioner members.
Pensioner newsletter Produce and distribute a newsletter to all members in receipt of a pension.	Issued annually to all pensioners.
Active and deferred member newsletter Produce and distribute a newsletter to all active and deferred members.	Active - Issued twice per year to all active members.  Deferred – Issued annually to all deferred members.
Annual Benefits Statements	By 31 <sup>st</sup> August each year.
Website	Reviewed regularly. Update carried out by Communications Manager.
Valuation or data extract(s) for the Fund's Actuary	Data is provided to the Fund Actuary through the secure data portal in line with agreed valuation plans and timelines.



## Appendix C

### Scheme Employer Responsibilities

**Table I: Governance**

Employer responsibility	Timeframe
Designate a named individual as Pensions Liaison Officer, to be the main point of contact for the administrator or administering authority.	Within 30 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 30 days from date of request by the Scheme Administrator or
Complete authorised signatory forms to provide the administrator and administering authority with contact information for officers authorised to perform key administrative roles.	Within 30 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 30 days from date of request by the Scheme Administrator or
Appoint an independent registered medical practitioner (IRMP) qualified in occupational health medicine to consider all ill-health retirement applications and agree the appointment with the administering authority. Confirmation must be provided to the Administering Authority that the requirements to be an IRMP have been met. This information can be found in the Ill Health Early Retirement Guide produced by the Administering Authority and published on its website.	Within 90 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 90 days from date of request by the Scheme Administrator or Administering Authority.
Designate an appropriate person to make decisions on ill health early retirements and inform the Administering Authority of their identity, providing a specimen signature.	Within 30 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 30 days from date of request by the Scheme Administrator or Administering Authority.
Formulate, publish and keep under review policies in relation to all areas where the employer may exercise discretion within the scheme regulations.	Within 90 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 90 days from date of request by the Scheme Administrator or Administering Authority.

Employer responsibility	Timeframe
To provide the Fund with the details of the employer's s.151 Officer (or equivalent) or person with delegated authority, including a specimen signature, for the purposes of allowing the Administering Authority to check LGPS31 forms are authorized by the appropriate person.	Within 30 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 30 days from date of request by the Scheme Administrator or Administering Authority.
Notify the administering authority of any contracting out of services that will involve a TUPE transfer of employees to another organisation before the procurement exercise takes place.	Employers should inform the Administering Authority as soon as possible, enabling pension information to form part of the tender documentation. Notification should be in line with the published procurement guide.
Provide the administering authority with contact details for lead decision-making and operational officers where a prospective new employer or admitted body may request to join the Fund as a result of re-organisation or TUPE transfer.	Employers should inform the Administering Authority as soon as possible within the tender process, enabling pension information to form part of the tender documentation. Notification should be in line with the published procurement guide.
Work with the administering authority to establish an admission agreement.	Potential Admission Body Employer's, together with the letting employer should work closely with the Administering Authority, to ensure that Admission Agreements are completed alongside the commercial contract and no later than the contract start date.
Notify the administering authority where the employer ceases to admit new members or is considering ceasing participation in the Fund.	This should be done at the earliest opportunity, allowing the Administering Authority to liaise with the Fund actuary in order to achieve a well-managed employer exit from the Fund.

**Table 2: New Starters and auto-enrolment**

Employer responsibility	Timeframe
Enrol all eligible new employees into the scheme in accordance with the relevant LGPS regulations.	From the first available pay period.
Determine and deduct the appropriate rate of employee contributions, based on the current contribution rate banding table.	Immediately upon commencing Scheme membership, in line with employer's policy and as a minimum in each April thereafter.
Notify the administrator of all new starters.	Provide the Pension Section with details of all new entrants to the LGPS via the i-Connect upload or by the 10th of the month following entry for employers not using i-Connect.
Provide all eligible new employees with details about the scheme in the form of a copy of the key facts leaflet and/or directing them to the Fund's website.	To be provided to the employee within six weeks of the date on which the employee became a scheme member.
Enrol and re-enrol all eligible employees into the scheme in accordance with the auto-enrolment requirements of the Pensions Act 2008 and the relevant LGPS regulations.	This should be done for each pay period ensuring all non-members without a valid exclusion from auto-enrolment are enrolled or re-enrolled into the LGPS.
Replicate the same process as above in New Starters section for those employees enrolled or re-enrolled into the scheme	N/A
When an election to move into or out of the 50/50 section is received from an employee, adjust the contribution rate accordingly and confirm to the member that this has been actioned.	Within one month of the date of change following receipt of a valid election to either move from the Main Section to 50/50 Section of the Scheme, or to move from the 50/50 Section to Main Section of the Scheme. This may be in the form of a pay advice notice.

Employer responsibility	Timeframe
Where an employee either goes onto nil pay due to sickness or injury or passes the automatic re-enrolment date, move the employee back into the main section of the scheme.	This should be done from the date of the relevant event detailed, and communicated to the employee within one month of the change.
Notify the administrator of all employees that move into and out of the 50/50 section via i-Connect or for employers not using i-Connect by spreadsheet on a monthly basis.	This should form part of the monthly submission to the Administering Authority.

**Table 3: Additional contributions**

Employer's responsibility	Timeframe
Distribute general information on the options available for paying additional contributions to employees, if requested to do so by the administrator or administering authority, both electronically and in paper format.	This should be distributed within one month of having received the instruction and documentation from the Scheme Administrator or Administering Authority.
Make the appropriate deduction of additional contributions on receipt of an election from a member, and confirm this has been actioned to both the member and Administrator	The deduction should take effect from the first available pay period (or date specified if later). The member and Scheme Administrator should then be informed within one month of the change.
Ensure and arrange for the correct deduction of APCs from pensionable pay throughout the length of the contract.	The deduction should take effect from the first available pay period (or date specified if later) and continue at the prescribed rate until the termination date or date active membership of the Scheme ceases if earlier.
Make payment of the APCs to the administering authority within the timescales agreed.	Scheme employers must pay over contributions to the Fund by the 19th of the month following the deduction.



Employer's responsibility	Timeframe
Provide a monthly breakdown of all APCs to the administrator/administering authority for reconciliation against payments received.	Submission of a LGPS3I should be made to the Fund prior to the payment and no later than 19th of the month following the deduction.
Ensure and arrange for the correct deduction of additional contributions from the member's pensionable pay.	The deduction should take effect from the first available pay period (or date specified if later) and continue at the prescribed rate until the termination date or date active membership of the Scheme ceases if earlier.
Ensure deductions of additional contributions commence and cease from the appropriate dates.	The deduction should take effect from the first available pay period (or date specified if later) and continue at the prescribed rate until the termination date or date active membership of the Scheme ceases if earlier.
Make payment of all additional contributions (excluding AVC's) to the administering authority within the timescales agreed.	Scheme employers must pay over contributions to the Fund by the 19th of the month following the deduction.
Provide a monthly breakdown of all other additional contributions to the administrator/administering authority for reconciliation	Submission of a LGPS3I should be made to the Fund prior to the payment and no later than 19th of the month following the

Employer's responsibility	Timeframe
<b>Absence contributions</b> The requirements below apply to all absences, including, but not limited to: <ul style="list-style-type: none"> <li>• Child-related leave (e.g. maternity, paternity, adoption, parental leave);</li> <li>• Authorised unpaid leave (e.g. unpaid child-related leave);</li> <li>• Reserve forces leave;</li> <li>• Industrial action;</li> <li>• Jury service.</li> </ul>	
Notify employees of the options available to pay additional contributions to cover benefits that have been reduced or lost due to periods of absence.	Member elections to purchase lost pension during a period of authorised unpaid leave must be made within 30 days of returning to employment (or a longer period as permitted by the employer). Employers must therefore provide details of the options available to employees, allowing sufficient time for an employee election to be made.
When an election to pay additional contributions to cover a period of absence has been received, arrange for the correct amounts to be deducted from the employee's pensionable pay.	Deduct the relevant contributions due within the first available pay period following receipt of a valid member election.
Make payment of all absence-related additional contributions to the administering authority within the timescales agreed.	Scheme employers must pay over contributions to the Fund by the 19th of the month following the deduction.
Provide a monthly breakdown of all absence-related additional contributions to the administrator/administering authority for reconciliation against payments received.	Submission of a LGPS31 should be made to the Fund prior to the payment and no later than 18th of the month following the deduction.

**Table 4: Award of additional pension**

Employer's responsibility	Timeframe
Ensure the appropriate additional pension decisions are communicated promptly to Administrator by one of the employing authority's authorised signatories.	Notification should be provided to the administrator within 5 working days of the resolution to award additional pension having been made.
Ensure the appropriate additional costs invoiced in relation to any award of additional pension are paid to the administering authority within the agreed timescale.	Payment of the invoice should be made within the stated terms.

**Table 5: Leavers not entitled to immediate payment of benefits**

Employer's responsibility	Timeframe
<p>Notify the administrator of all employees who leave the scheme before retirement, via i-Connect or for employers not using i-Connect providing a complete and correct pensions leaver form, signed by one of the employing authority's authorised signatories. This must include the member's personal details, date of leaving, reason for leaving, and pay details as outlined below.</p> <p>Provide details of the contributions made by the employee and employer during the final scheme year and the previous scheme year, including any additional contributions.</p> <p>Provide details of the member's pensionable pay, as defined by the LGPS Regulations 2013, for the scheme year up to the date of leaving and for the previous scheme year.</p>	<p>To be provided within one calendar month of the date of leaving, in a format approved by the Administering Authority.</p>

Employer's responsibility	Timeframe
<ul style="list-style-type: none"> <li>- Where required, provide details of the member's final pay as defined by the LGPS (Benefits, Membership and Contributions) Regulations 2007.</li> </ul> <p>Where the member is entitled under the LGPS regulations to use a final pay that relates to a previous year, provide the previous two year's final pay figures or the best of the last 10 years' final pay figure, as required.</p> <ul style="list-style-type: none"> <li>- Where required, provide details of the hours the member worked up until the date of leaving and, if required by the administrator, details of historical hours changes for the member.</li> </ul>	
Refund contributions through the payroll to any employee who opts out of the scheme with less than three months membership.	Within the first available pay period following receipt of a valid opt out. Provide the Scheme Administrator with details of all opt outs and a copy of the completed 'Opt out form' by the end of the calendar month following the last contribution deducted.
Provide additional information to assist in the accurate calculation of refunds of contributions, if required by the administrator.	To be provided within 10 working days from receipt of the request from the administrator.
Provide additional information to assist in the accurate calculation of deferred benefits, if required by the administrator.	To be provided within 10 working days from receipt of the request from the administrator.
Ensure an appropriate discretionary policy is in place setting out policy on whether they choose to extend the 12 month time limit for accepting transfers in.	This should form part of the discretionary policies made within 90 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 90 days from date of request by the Administering Authority.

Employer's responsibility	Timeframe
Work with the Administering Authority and the Fund Actuary in their negotiations to facilitate agreement on the terms for transfer.	By way of providing any additional information within 10 working days of receipt of the request.

Table 6: Retirements

Employer's responsibility	Timeframe
<p>Notify the administrator of all employees who leave the scheme at a point where they are entitled to receive payment of their retirement benefits, whether voluntarily or because of a decision by the employing authority, by providing a complete and correct pensions leaver form, signed by one of the employing authority's authorised signatories. This must include the member's personal details, date of leaving, reason for leaving, and pay details as outlined below.</p> <p>Provide details of the contributions made by the employee and employer</p> <p>during the final scheme year and the previous scheme year, including any additional contributions.</p> <p>Provide details of the member's pensionable pay, as defined by the LGPS Regulations 2013, for the scheme year up to the date of leaving and for the previous scheme year.</p> <p>- Where required, provide details of the member's final pay as defined by the</p> <p>LGPS (Benefits, Membership and Contributions) Regulations 2007.</p>	<p>Notify the administrator when a member is due to retire as soon as final earnings are known, typically 20 days prior to date of retirement and no later than 2 weeks after the date of leaving by the submission of a Leaver Notification.</p>

Employer's responsibility	Timeframe
<ul style="list-style-type: none"> <li>- Where required, provide details of the hours the member worked up until the date of leaving and, if required by the administrator, details of historical hours changes for the member.</li> <li>- Provide confirmation that the employing authority has received details of the potential retirement costs and wishes to proceed with the retirement.</li> <li>- Provide confirmation to the member about the employing authority's decision, with appropriate justification if required.</li> <li>- Understand, and pay where applicable, the associated costs to the Administering Authority that apply if a decision is made to retire a member on the grounds of redundancy, business efficiency or ill health.</li> </ul>	
<p>Where the reason for leaving is voluntary early retirement, provide confirmation of whether the Rule of 85 is to be applied, whether any reductions to protected benefits are to be waived, whether any reductions to unprotected benefits are to be waived, and the amount of the reductions that are to be waived (if any).</p>	<p>Confirmation should accompany the Leaver Notification if not previously submitted.</p>
<p>Where the reason for leaving is flexible retirement, provide confirmation of whether any reductions to protected benefits are to be waived, whether any reductions to unprotected benefits are to be waived, and the amount of the reductions that are to be waived (if any). Where the reason for leaving is redundancy or efficiency retirement, provide a copy of the employee's notice letter.</p>	<p>Confirmation should accompany the Leaver Notification if not previously submitted.</p>

Employer's responsibility	Timeframe
Where the reason for leaving is ill-health retirement, arrange for the member to be assessed by an IRMP that has been certified by the Administering authority, provide confirmation that the employee meets all the conditions for ill-health retirement, as defined by the relevant LGPS regulations, provide confirmation of which tier of benefits is to be awarded, and enclose a copy of the notice letter and a complete and correct ill-health certificate completed by the IRMP.	Confirmation should accompany the Leaver Notification if not previously submitted.
Where the member is in receipt of an ill health pension made under Tier 3, arrange for the member to be reassessed by an IRMP after 18 months and determine whether the pension should continue, or be subject to an uplift.	Scheme employers should notify the administrator of the outcome of a Tier 3 Ill Health Review as within 5 working days of the determination.

Table 7: Deaths

Employer's responsibility	Timeframe
<p>Notify the administrator of all employees who die while an active member of the scheme, by providing a complete and correct pensions leaver form, signed by one of the Employing Authority's authorised signatories. This must include the member's personal details, date of leaving, reason for leaving, and pay details as outlined below.</p> <p>Provide details of the contributions made by the employee and employer during the final scheme year and the previous scheme year, including any additional contributions.</p>	Notify the administrator as soon as possible of the death and provide a Leaver Notification within 5 workings days of the death.

Employer's responsibility	Timeframe
<p>Provide details of the member's pensionable pay, as defined by the LGPS Regulations 2013, for the scheme year up to the date of leaving and for the previous scheme year.</p> <ul style="list-style-type: none"> <li>- Provide details of the member's Assumed Pensionable Pay (APP), as defined by the LGPS Regulations 2013 as at the date of death.</li> <li>- Where required, provide details of the member's final pay as defined by the LGPS (Benefits, Membership and Contributions) Regulations 2007.</li> </ul> <p>Where required, provide details of the hours the member worked up until the date of death and, if required by the administrator, details of historical hours changes for the member.</p> <ul style="list-style-type: none"> <li>- Provide additional information to assist in the accurate calculation of death benefits, if required by the administrator.</li> </ul>	



**Table 8: Pension Sharing Orders**

Employer's responsibility	Timeframe
<p>Provide the administrator with information as requested to enable them to carry out the order. This may include, but is not restricted to:</p> <p>Providing details of the member's pensionable pay, as defined by the LGPS Regulations 2013, for the scheme year up to the date of leaving and for the previous scheme year.</p> <ul style="list-style-type: none"> <li>- Where required, provide details of the member's final pay as defined by the LGPS (Benefits, Membership and Contributions) Regulations 2007.</li> </ul>	<p>Details should be provided to the administrator within 10 working days of the request.</p>

**Table 9: Complaints, errors and breaches**

Employer's responsibility	Timeframe
<p>Appoint a nominated person to consider disputes under stage 1 of the IDR process and provide up to date contact details to the administering authority and administrator.</p>	<p>Within 90 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 90 days from date of request by the Administering Authority.</p>
<p>Notify the administering authority of the receipt of any complaint under the IDR process.</p>	<p>Within 5 working days of receipt of the complaint.</p>
<p>Consider and respond to disputes made under stage 1 of the IDR within statutory timeframes as set out in the LGPS Regulations 2013.</p>	<p>Where the complaint is in relation to an act or omission of the scheme employer, the appointed person to consider disputes under stage 1 of the IDR process by the employer, should respond within the statutory deadline of 2 months beginning with the date on which the IDR application was received.</p>

Employer's responsibility	Timeframe
Notify the administering authority when a stage 1 decision has been issued.	A copy of the response should be provided to both the complainant and the Administering Authority within the 2-month period.
Fully cooperate with all stages of any complaint investigation, including the provision of data, information or technical assistance to any relevant party (including external parties such as the Pensions Ombudsman) as required, to ensure the efficient resolution of any complaint.	By way of providing any additional information requested within 10 working days of receipt of the request.
Be aware of the Fund's Breaches Policy and Reporting Procedures, and of each party's responsibilities in relation to this.	The East Sussex Pension Fund Breaches Policy was agreed by the Pensions Committee and is published on the Fund website. Employers should take time to familiarise themselves with this
Liaise and cooperate appropriately with any investigation into any potential breaches, including with the Administering Authority and the Administrator, and provide such information as is requested.	By way of providing any additional information requested within 10 working days of receipt of the request.

**Table 10: Data quality and record keeping**

Employer's responsibility	Timeframe
Ensure that robust controls are in place for collecting good quality data and, where a data improvement plan has been implemented, liaise with the Administrator and the Administering Authority as appropriate to meet key milestones and to ensure and demonstrate progress against that plan.	N/A
Ensure that pension related information is archived in such a way as to ensure it is accessible for as long as it may be needed.	N/A
Ensure the year end return, (1 April to 31 March) is provided to the administrator in the prescribed format, a template of which will be issued in advance of the year end.	The return must be submitted no later than 30th April following the end of the preceding scheme year. A late or incorrect return will directly affect your employees, as until the year end data has been reconciled, an annual benefit statement may not be issued.
Where the employer has been onboarded onto the I-Connect system, ensure member data is uploaded each month in line with the instructions provided.	Data should be received no later than 19th day of the following month. A late or incorrect submission will affect your employees as the Fund will not hold accurate data about them and this may impact information provided about their benefit entitlements.
Provide a response to any queries raised in relation to the year end return.	Provided to the administrator / Administering Authority within 10 working days of receipt of the request.

**Table 11: Communications**

Employer's responsibility	Timeframe
Distribute any information provided by the administering authority or administrator to members or potential members (e.g. scheme guides and newsletters).	All material provided to scheme employers should be distributed to the relevant employees with 15 working days of receipt.
Ensure that the administrator is provided with requisite information to enable them to produce an ABS	Any additional data required by the administrator for the purpose of issuing an Annual Benefit Statement, should be provided within 10 working days of receipt of request.

**Table 12: Pensioner payroll services**

Employer's responsibility	Timeframe
Where the member is in receipt of an ill health pension made under Tier 3, arrange for the member to be reassessed by an IRMP after 18 months and determine whether the pension should continue, or be subject to an uplift.	Scheme employers should notify the administrator of the outcome of a Tier 3 Ill Health Review as within 5 working days of the determination.
To notify the administrator as soon as practically possible after identifying any irregularity that could contribute to the member being over or underpaid (e.g. an audit review of completed leaver forms may identify an incorrect pay value stated and issued to the administrator in respect of a pensioner)	Scheme employers should notify the administrator within 5 working days of having discovered the irregularity.

**Table 13: Finance and accounting**

Employer's responsibility	Timeframe
Make payment of additional fund strain costs in relation to early payment of benefits from flexible retirements, redundancy or efficiency retirements, or early retirements with employer consent, upon receipt of an invoice from the administrator or administering authority.	Payment of the invoice should be made within the stated terms.
Make payment of recharge amounts in respect of compensatory added years, where appropriate.	Payments to be made on a monthly basis and detailed on the LGPS31 Form submitted to the Administering Authority.
Make payments in respect of accounting work carried out on behalf of the employing authority by the Fund actuary or the administering authority's accounting team, upon receipt of an invoice from the administrator or administering authority.	Payment of the invoice should be made within the stated terms.
Make payments in respect of any other work carried out by the administrator, administering authority or Fund actuary on behalf of the employing authority, upon receipt of an invoice from the administrator or administering authority.	Payment of the invoice should be made within the stated terms.
Ensure the correct employee contribution rate is determined each scheme year in line with the appropriate contribution banding table.	An assessment should be made by all scheme employers every April to ensure all employee contribution deductions are made in line with the revised employee contribution bandings issued.
Ensure the correct deduction of contributions from employees' pensionable pay, including any period of child-related leave, trade dispute, or other absence.	N/A

Employer's responsibility	Timeframe
Apply changes to employer contribution rates as instructed by the administering authority at the date specified by the Fund actuary.	Apply from the first available pay period (retrospectively if required) or the date specified by the actuary if later, following receipt of an instruction from the Administering Authority.
Ensure employer and employee contributions are paid across in a timely manner and in the agreed format.	<p>Scheme employers must pay over contributions to the Fund by the 19th of the month following the deduction. Submission of a LGPS31 should also be made to the Fund prior to the payment and no later than 18th of the month following the deduction.</p> <p>Failure to pay contributions or submit the LGPS31 by the prescribed deadline may result in additional charges being levied against the employer. Where considered to be of material significance the Fund will consider a referral to The Pensions Regulator in line with their Code of Practice 14 or any future Code of Practice that comes into force.</p>

**Table 14: Employer services**

Employer's responsibility	Timeframe
Distribute all supporting material supplied by the administrator or administering authority to relevant staff and ensure attendance at employer training sessions.	All material provided to scheme employers should be distributed to the relevant employees with 15 working days of receipt.

**Table 15: Pensions Taxation**

Employer's responsibility	Timeframe
Ensure that the administrator is provided with any information required to enable them to calculate the Pension Input Amount and to produce a Pension Savings Statement within statutory timescales.	By way of providing any additional information requested within 10 working days of receipt of the request from the administrator or Administering Authority.

**Table 16: Administration performance reports and CIPFA benchmarking**

Employer's responsibility	Timeframe
Provide additional information to assist in the completion of the annual CIPFA benchmarking questionnaire, if required by the administrator or the administering authority.	Within 10 working days of receipt of the request from the administrator or Administering Authority.
Provide additional information to assist in the accurate calculation and payment of all benefits, if required by the administrator.	Within 10 working days of receipt of the request from the administrator or Administering Authority.

**Table 17: i-Connect employee data portal**

Employer's responsibility	Timeframe
Ensure monthly i-Connect submissions are loaded and processed in accordance to submission dates	By the agreed submission date and no later than the 18th of the following month due.
Ensure all i-Connect submissions are reviewed before uploading and data is accurate.	By the agreed submission date and no later than the 18th of the following month due.

Employer's responsibility	Timeframe
Any changes to employer i-Connect users and changes of staff are communicated to the i-Connect administration team.	AS soon as possible but within 2 weeks of a change taking place.
Changes to payroll providers are communicated to the i-Connect team and the management of i-Connect data is handed over with support from the i-Connect Administration team.	Notification of any changes 90 days prior to changing payroll provider to allow the transition and file build to be managed.
To engage with i-Connect administration team to resolve any errors or suppression and omitted members or any other queries that arise from the monthly submission	Within 10 days of request from the i-Connect administration team.
Ensure participation on any training or updates provided by the i-Connect administration team. Any changes to the i-Connect specifications need to be implemented.	As requested by i-Connect administration team.





# Pension Administration Strategy 20253



## Introduction

East Sussex County Council is the Administering Authority for the Local Government Pension Scheme (LGPS) on behalf of the Scheme Members and Scheme Employers participating in the LGPS through the East Sussex Pension Fund (the Fund). The LGPS is governed by statutory regulations.

This is the Pension Administration Strategy (the Strategy) of the Fund in relation to the LGPS. The Strategy is kept under review and revised to reflect changes to LGPS regulations and Fund policies. Scheme Employers of the Fund are consulted when any substantial changes are proposed to this Strategy.

The aims of this Strategy ~~is~~are to set out the quality and performance standards expected of the Fund as Administering Authority and Administrator and its Scheme Employers and to further ensure that both the Administering Authority and the Scheme Employers are fully aware of their responsibilities under the LGPS, and to outline the key performance standards they are expected to meet to ensure the delivery of a high-quality, timely and professional administration service.

As at 31 March 202~~2~~5 the Fund comprised ~~14934~~14934 Scheme Employers with ~~86,7841,291~~86,7841,291 scheme members in relation to the LGPS; the Fund value was assessed with a value of over ~~£4.96~~£4.96bn

Setting out the expectations of the Administering Authorities and Scheme Employers will help to ensure that:

- Administration standards improve and are maintained at a high standard;
- Set out the quality and performance standards expected of the Administering Authority and the Scheme Employers in relation to each other; and,
- Promote good working relationships and improve efficiency between the Administering Authority and the Scheme Employers for the benefit of Fund members.

This document therefore sets out a framework by way of outlining the policies and performance standards to be achieved when providing a cost-effective inclusive and high-quality pensions administration.

Delivery of a high standard of administration is not the responsibility of one person or organisation, but rather of a number of different parties, who between them are responsible for meeting the diverse needs of the membership. In recognition of these principles, this Strategy sets out:

- The roles and responsibilities of both the Fund and the Scheme Employers;
- The level of service the Fund and Scheme Employers will provide to each other; and
- The performance measures used to evaluate the level of service.

This Strategy is an agreement between the Fund and its Scheme Employers and is effective from ~~19 June 2023~~TBC. The Strategy applies to all existing Scheme Employers and all new Scheme Employers joining the Fund after the effective date.

## Regulatory Provisions ~~Legislative Framework~~

The LGPS is a statutory scheme, principally governed by The Local Government Pension Scheme Regulations 2013 (the Regulations). The Strategy has been created pursuant to Regulation 59 of the Regulations and shall be formally reviewed at least every three years.

In carrying out their roles and responsibilities in relation to the administration of the LGPS the Administering Authority and Scheme Employers ~~will must~~ have regard to this administration strategy, relevant guidance and as a minimum, comply with overriding legislation. This includes but is not limited to: ~~including:~~

- Local Government Pension Scheme Regulations
- The Occupational Pension Schemes (Disclosure of Information) Regulations 2015
- The Pensions Act ~~Pensions Acts~~ 1995, 2004 and 2014
- The Pension Schemes Act 2021 ~~and associated disclosure legislation~~
- The Public Service Pensions Act 2015 ~~and associated record keeping legislation~~
- The Freedom of Information Act 2000
- The Equality Act 2010
- Data Protection Act ~~2018~~ 2003
- The Finance Act ~~2004, 2006 and 2014~~ 2013
- All Relevant Health and Safety legislation
- The Pension Regulator's General Code of Practice
- Any other relevant legislation that may apply at the current time and
- ~~The Pension Regulator's Codes of Practice~~

~~As a result of the Public Service Pensions Act 2013,~~ The Pensions Regulator now has responsibility for oversight of a number of elements of the governance and administration of Public Service pension schemes including the LGPS. The Regulator has the power to issue sanctions and fines in respect of failings of the Administering Authority, and also where employers in the Fund fail to provide correct or timely information to the Administering Authority. Where this occurs as a result of the actions or inactions of Fund employers, Should this happen, the Administering Authority ~~would~~ may seek to recharge any costs back to the employers as set out later in this strategy.

## Our Aims and Objectives

The purpose of this Strategy is to set out the quality and performance standards expected of East Sussex County Council in its role of Administering Authority and Scheme Employer's within the Fund, and the Pension Administration Team. The Fund has a number of specific administration objectives, these are to:

- provide a high quality, professional, proactive, timely and customer focused administration service to the Fund's stakeholders;
- administer the Fund in a cost effective and efficient manner utilising technology appropriately to obtain value for money;
- ensure the Fund's Scheme Employers are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of their administration obligations;

- ensure the correct benefits are paid to, and the correct income collected from, the correct members at the correct time;
- have a culture of risk awareness, governance and compliance and work effectively with partners and stakeholders
- maintain accurate records and ensure data is protected and has authorised use only; and,
- ensure the roles and responsibilities for all stakeholders are clearly set out and understood so that they work seamlessly together in the delivery of the Fund's administration.

## Administration of the East Sussex Pension Fund

The East Sussex County Council as Administering Authority, has delegated responsibility for the management of the Pension Fund to the East Sussex Pension Committee, taking into consideration advice from the Pensions Board and specialist advisers, and administered and implemented by Officers of the Fund. – The Pension Committee and Pension Board monitors the implementation of this Strategy through quarterly service reports and through the Fund's breaches log.

This Strategy will ensure that Scheme Employers have a common understanding of their obligations under the Local Government Pension Scheme and that administrative processes are designed to maximise efficiency and manage risk.

The success of the Fund largely depends on the strength of the relationship between the Administering Authority and the employers that participate in it. Employers have a range of responsibilities within the LGPS and have an obligation to ensure that these duties are effectively delivered. The Fund will provide guidance and support as well as free training where relevant for Scheme Employers to build up and maintain a level of professional expertise which will enable employers to deliver information required by the Fund to efficiently manage the scheme. Guidance for Scheme Employers on a range of topics of responsibility, as well as forms to enact responsibilities are published on the Funds website for ongoing access. This will ensure employers have a sound understanding of:

- Employer discretion policies;
- The role of the appointed person and the Internal dispute resolution procedure;
- Their responsibilities for starters, leavers and changes to membership as set out in the Fund's administration strategy;
- Their responsibilities for collecting and remitting contributions (and, additional contributions);
- The reasons for leaving under the LGPS Regulations;
- Providing information requested by the Fund through monthly data uploads and at year end, or as required for other responsibilities; and,
- Their responsibilities with respect to outsourcing, staff transfers and re-organisations.

The Fund will look for opportunities to work collaboratively with other Administering Authorities to ~~de~~duce development costs and enhance the quality of information. This might include working with our ACCESS investment pool colleagues, attending the Southern Area Pension Officer Group, and/or use ~~and sponsor~~ of the LGPS procurement frameworks.

## Communications

The Fund published an updated Communication Strategy Statement in June 2022 which describes the way the Fund communicates with its Scheme Members, Scheme Employers and other stakeholders and interested parties. The latest version of the Communication Strategy Statement can ~~can~~ be obtained from the Fund's website:

~~<https://www.eastsussexpensionfund.org/media/lzri0hat/communication-strategy-2022-east-sussex-pension-fund.pdf>~~  
<https://www.eastsussexpensionfund.org/media/lzri0hat/communication-strategy-2025-east-sussex-pension-fund.pdf>

The Fund aims to communicate with Scheme Employers on an ongoing basis in respect of developments relating to the LGPS including training opportunities, as well as ensuring that employers are notified of changes to either professional practice, administration procedures, legislation, notifications from the Pension Regulator, and/or changes to pension scheme regulations as these arise.

The Fund holds an Employer Forum annually in November, to provide opportunities for networking, meet and greet opportunities, as well as to provide information on developments in progress which may affect all Scheme Employers and Scheme Members.

The Fund has established i-Connect as the default means for the transfer of employee information from employers to the Fund. i-Connect is a ~~cloud-based~~cloud-based platform that allows employers to provide employee details in a secure method and negates the need to provide end of year reporting. Monthly data uploads from employers inform the Fund of any changes to members details, nNew Joiners and also allows for the upload of leaver forms. The Fund continues to work to onboard all scheme employers, having done so with more than 95% of Fund employers.

## Performance Standards

The Administering Authority and Scheme Employers have statutory obligations, functions and ~~tasks~~ tasks in respect of the rights and entitlements of individual Scheme Members. These define a standard of performance and service delivery to individual Scheme Members, which constitute the agreed statutory minimum standards to which Scheme Employers must comply. In instances where Scheme Employers use external service providers for functions relating to the administration of the LGPS, it is incumbent on all employers to ensure that their suppliers and service providers comply with applicable legislation and regulations which apply to the administration of the East Sussex LGPS Fund.

## Roles and Responsibilities

### Scheme Manager

The East Sussex County Council as Administering Authority, has delegated responsibility for the management of the Pension Fund to the East Sussex Pension Committee, to oversee the management of the Pension Fund. The Pension Board provides assistance to the Administering Authority in ensuring compliance with the regulations. As the Funds Pensions Administration Strategy affects the administration of the Pension Fund, the Pension Board will review the effectiveness of the Fund's Pension Administration Strategy on a regular basis while considering the Funds Administration activity and Performance and activity that could result in Breaches of the law. Details of roles and responsibilities of the Scheme Manager is set out in Appendix A.

## Pension Administrator

Pension Administration is delivered as an in-house service and the performance standards that scheme employers and scheme members should expect is outlined in Appendix B for Service Standards. These Service Standards are focused on the key activities which Scheme Employers and Scheme Members are involved in and should not be viewed as a complete list of all activities. It includes key performance indicators that the Administering Authority has agreed for reporting.

## Scheme Employer Responsibilities

The roles and responsibilities of Scheme Employers are set out in Appendix C. The appendix defines the main responsibilities of Scheme Employers, to ensure an efficient, accurate and high-quality pension service to Scheme Members when working in partnership with the Pension Administration Team.

## Improving Performance

The Fund's Pension Administration Team provide the administrative support to ensure that the administration functions are delivered in compliance with the requirements of the law. If Scheme Employers do not provide the requested data correctly, in the correct format and within the timescales requested by the Administrator, there is a risk the Fund cannot meet its legal obligations and may be liable to penalty fines imposed by The Pension Regulator.

This Strategy is therefore focused on good partnership working between Administrator and the Fund's Scheme Employers. ~~The Fund's~~ ~~The Fund have introduced an~~ Employer Engagement team assume the responsibility to help support Scheme Employers ~~more~~ directly with training and general support in carrying out their responsibilities while providing a clear route for contact. However, it is recognised there may be circumstances where employers are unable to meet the required standards. The Administering Authority will seek, at the earliest opportunity, to work closely with employers in identifying any areas of poor performance or misunderstanding, provide opportunities for necessary training and development and put in place appropriate processes to improve the level of service delivery in the future. It is expected that it will be extremely rare for there to be ongoing problems but, where persistent and ongoing failure occurs and no improvement is demonstrated by an employer, and/or unwillingness is shown by the employer to resolve the identified issue, we set out below the steps the Fund will take in dealing with the situation in the first instance:

- The Administering Authority will issue a formal written notice to the person nominated by the employer as their key point of contact, setting out the area(s) of poor performance.
- The Administering Authority will record the breach, consistent with the Fund's Breaches Policy. Consideration will given to whether the breach should also be reported to The Pensions Regulator.
- The employer will be requested to create and propose a data improvement plan to the Administering Authority.
- The Administering Authority will request a meeting with the employer to discuss the area(s) of poor performance, how they can be addressed, the timescales in which they will be addressed and how the proposed improvement plan will be implemented and monitored.
- The Administering Authority will issue a formal written notice to the person nominated by the employer, setting out what was agreed at that meeting in relation to how the area(s) of poor performance will be addressed the timescales in which they will be addressed.



- A copy of this communication will be shared with:
  - The Head of Pensions at East Sussex County Council
  - The Director of Finance or other senior officer at the relevant employer.
  - The Pension Board and Pensions Committee of East Sussex County Council
- The Administering Authority will monitor whether the improvement plan is being adhered to and provide written updates at agreed periods to the person nominated by the employer, with copies being provided to the Head of Pensions and the Director of Finance (or alternative senior officer) at that employer.
- Where the improvement plan is not being delivered to the standards and/or timescales agreed, the matter will be escalated the Head of Pensions who will determine the next steps that should be taken. This may include (but is not limited to):~~the steps the Fund will take in dealing with the situation in the first instance:~~

- ~~The Administering Authority will issue a formal written notice to the person nominated by the employer as their key point of contact, setting out the area(s) of poor performance.~~
- ~~The Administering Authority will issue a formal written notice to the person nominated by the employer as their key point of contact, setting out the area(s) of poor performance. The Administering Authority will record the breach, consistent with the Fund's Breaches Policy. Consideration will given to whether the breach should also be reported to The Pensions Regulator.~~
- ~~The employer will be requested to create and propose a data improvement plan to the Administering Authority.~~
- ~~The Administering Authority will request a meeting with the employer to discuss the area(s) of poor performance, how they can be addressed, the timescales in which they will be addressed and how the proposed improvement plan will be implemented and monitored.~~
- ~~The Administering Authority will issue a formal written notice to the person nominated by the employer, setting out what was agreed at that meeting in relation to how the area(s) of poor performance will be addressed the timescales in which they will be addressed.~~
- ~~A copy of this communication will be sent to shared with:~~
  - ~~The Head of Pensions at East Sussex County Council~~
  - ~~The Director of Finance or other senior officer at the relevant employer.~~
  - ~~The Pension Board and Pensions Committee of East Sussex County Council~~
- ~~The Administering Authority will monitor whether the improvement plan is being adhered to and provide written updates at agreed periods to the person nominated by the employer, with copies being provided to the Head of Pensions and the Director of Finance (or alternative senior officer) at that employer.~~
- ~~Where the improvement plan is not being delivered to the standards and/or timescales agreed, the matter will be escalated the Head of Pensions who will determine the next steps that should be taken. This may include (but is not limited to):~~
  - ~~Meetings with more senior officers at the employer.~~
  - ~~Escalating to the Pension Committee and/or Pension Board, including as part of the Fund's Procedure for Recording and Reporting Breaches of the Law.~~
  - ~~Escalating to the Pension Committee and/or Pension Board, including as part of the Fund's Procedure for Recording and Reporting Breaches of the Law~~
  - ~~Reporting to the Pensions Regulator or Scheme Advisory Board, as part of the Fund's Procedure for Recording and Reporting Breaches of the Law.~~

## • Costs and Charges

The Fund will work closely with all employers to assist them in understanding all statutory requirements, whether they are specifically referenced in the LGPS Regulations, in overriding legislation, or in this Strategy. The Fund will work with each employer to ensure that overall quality and timeliness is continually improved. The 2013 LGPS Regulations provide that an administering authority may recover from an employer, any additional costs including interest associated with the administration of the scheme, incurred as a result of the unsatisfactory level of performance of that employer.

Where an administering authority wishes to recover any such additional costs they must give written notice stating:

- The reasons in their opinion that the employer's level of performance contributed to the additional cost.
- The amount the Administering Authority has determined the employer should pay.
- The basis on which this amount was calculated.
- The provisions of the Strategy relevant to the decision to give notice.

The Administering Authority will recharge to an employer any additional costs incurred by the Fund in the administration of the LGPS as a direct result of such unsatisfactory performance and where it is reasonable to do so. In instances where the performance of the employer results in:

- fines being levied against the Administering Authority by The Pensions Regulator, Pensions Ombudsman or other regulatory body, an amount no greater than the amount of that fine will be recharged to that employer.
- the improvement plan as outlined later elsewhere in this strategy statement is not being adhered to, the Pension Committee may determine that any other additional costs will may be recharged. In these circumstances, the Pension Committee will determine the amount to be recharged and how this is to be calculated. The employer in question will be provided with a copy of that report and will be entitled to attend the Pension Committee when this matter is being considered.

Employers may also be required to pay for additional work that is outside of business as usual, including but not limited to such as:

- Requesting the Fund undertake non-standard work
- Requesting work to be completed earlier than the normal service standards.
- Requiring the use of external providers (such as the Fund actuary) to complete non-standard work

Where possible ~~T~~the employer's agreement to the charge will be obtained prior to the work being carried out.

All additional costs relating to this Strategy are met directly by the Fund unless mentioned otherwise.

### Charges for additional administration

The table below sets out the fees which the Fund will levy on a Scheme Employer whose performance falls short of the standards set out in this document. Charging is a last resort and the approach outlined in the section above will be followed before a fee is levied.

Charges will be reviewed on an annual basis, and increased in line with the Consumer Price Index (CPI).



Description	Occurrence in a 12- month period	Administrative charge
<p><del>1. 1. Multiple payments/Forms</del> <b>LGPS31</b></p> <p><u>Multiple payments are made and/or multiple LGPS31 forms are submitted for a single employer in a single month.</u></p> <p><del>1- forms</del> <b>received for a single employer, per month</b></p>	Each instance	£200.00 administration charge per additional payment
<p><del>2. 2. LGPS31 Forms</del></p> <p>Failure to provide the LGPS31 Form by the 18<sup>th</sup> of the following month contributions are due or failure for the form to be signed and authorized correctly by section 151 or delegated power by the 18<sup>th</sup> of the following month its due.</p>	<p><del>1<sup>st</sup></del> instance</p> <p>-2<sup>nd</sup> instance</p>	<p>Warning</p> <p>Administrative charge of £150</p>
<p><del>3. 3. Employer/ Employee Contributions</del></p> <p>Failure of Scheme Employers to pay over contributions to the Fund by the 19<sup>th</sup> of the month following the deduction in line with the legal duty.</p>	<p><del>1<sup>st</sup></del> instance</p> <p>-2<sup>nd</sup> instance</p>	<p>Warning</p> <p>Administrative charge of £150</p>
<p><del>4. 4. Multiple retirement estimate requests in relation to the same a single member.</del></p> <p><u>4. Where an employer requests more than one retirement quotation within a 12 month period. This includes all retirement categories, such as ill health, redundancy, efficiency etc.</u></p>	<p>1<sup>st</sup> and second in rolling 12-month period</p> <p>Each additional request</p>	<p>No charge</p> <p>£50.00 administration charge per request</p>
<p><del>5. 5. Change Notifications</del></p> <p>Failure to notify the administrators of any change to a member's</p> <ul style="list-style-type: none"> <li>- working hours</li> <li>- leave of absence with permission (maternity, paternity, career break) or -</li> <li>- leave of absence without permission (strike, absent without permission) - within 20 days/the next <del>li</del>-Connect upload of the change in circumstance</li> </ul>	<p><del>1<sup>st</sup></del> instance</p> <p><del>2<sup>nd</sup></del> instance</p> <p><del>1<sup>st</sup></del> instance</p> <p><del>2<sup>nd</sup></del> instance</p>	<p><del>Warning</del></p> <p><u>Administrative charge of £150</u></p> <p><del>Warning</del></p> <p><u>£50 administration charge per member</u></p>

<p><b>6. Year End Data</b>  <u>For employers not using i-Connect.</u>  <del>6.</del> Failure to provide year end data by 30th April following the year end or the non-provision of year end information or the accuracy/quality of the year end data is poor requiring additional data cleansing. This applies where Year End Data is required.</p>		<p>Late receipt - initial fee of £300 then a fee of £150 for every month the information remains outstanding</p> <p>Quality/format of data – fee of £150 should data provided not be in the correct format and/or the quality is poor</p>
<p><b>7.7. New Starter(s)</b>  <u>For employers not using i-Connect -</u>  Failure to notify the administrators of new starter(s) and the late or non-provision of starter form(s) – within 15 days of employee joining the scheme/in the next I-Connect upload</p>	<p>1st instance</p> <p>2nd instance</p>	<p>Warning</p> <p>£50 fee per member</p>
<p><b>8.8. Leaver(s)/ retirements</b>  <u>For employers not using i-Connect -</u> Failure to notify the administrators of any leaver(s)/retirements and the late or non-provision of leaver form(s) including an accurate assessment of final pay – within 15 days of employee leaving the scheme or employment/in the next I-Connect upload</p>	<p>1st instance</p> <p>2nd instance</p>	<p>Warning</p> <p>£50 fee per member</p>
<p><b>9. Further notification of leaver/ death/ retirement leading to recalculation of benefit</b>  <u>This relates to instances where no mitigating factors apply. Such factors may include retrospective agreement of a pay award.</u></p>	<p>Each instance</p>	<p>£50</p>
<p><b>10. 10. I-Connect Data</b>  Failure to provide data through the I-Connect system by the <u>required</u> <del>required</del> deadline.</p>	<p>1st instance</p> <p>2nd instance</p>	<p>Warning</p> <p>Administrative charge of £150</p>
<p><b>11. 11. Project data</b>  Failure to provide data requested as part of projects being run by the Fund to ensure changes in legislation are being adhered to, best practice is being followed or previous errors are rectified. This includes, but is not limited to responses to queries relating to data received.</p>	<p>1st instance</p> <p>2nd instance</p>	<p>Warning</p> <p>Administrative charge of £150</p>
<p><b>12 Other non-standard work</b>  A request that work be carried out that would not normally be expected of the administrators</p>		<p>The cost of such work to be agreed on a case by case basis in advance of action being taken by the administrator.</p>

Warnings for non-compliance will operate on a rolling 12-month basis, for example, should a warning have been issued and 10 months later there is a 2nd instance, a fee/administrative charge will apply. However, if it is 13 months later, another warning will be issued.

If an issue has not been resolved within 10 working days of a warning being issued, a fee will apply and the Fund may take further action as appropriate regarding the failure to comply with the statutory requirements.

In addition to the above and consistent with regulation 71 of The Local Government Pension Scheme Regulations 2013, interest may be charged at 1% above base rate on any sum remaining unpaid for more than one month beyond the date on which it became due.

Where delays in providing information result in the Fund being liable to pay interest in accordance with Reg 81 LGPS Regulations 2013, or any superseding legislation, this will be recharged to the Employer.

The Administering Authority does also apply charges for non-standard work requested by members. These are covered outside of this document and subject to periodic review. Such charges include requesting more than one Cash Equivalent Transfer Value and non-standard work relating to divorces.

### Audit queries – charges for additional work

The Fund regularly receives queries from employers in relation to their own audits. Whilst the Fund does not object to providing information about it to help employers understand how the Fund operates and how it is constituted, such queries can take a significant amount of time to answer and take resource away from the day-to-day operation of the Fund.

The Fund is audited annually and publishes the annual report and accounts and audit certificate on the website. The Fund publishes a significant amount of information about the Fund, its activities and investments; and actuarial information is provided directly to employers.

Scheme ~~Employers~~Employers are urged to review the information ~~on~~ the Fund's website: <https://www.eastsussexpensionfund.org>, and to consider the information published by the Local Government Association.

Where auditor queries still need to be referred to the Fund, we would ask that a single request with all queries is made. Work carried out to answer these queries will be recharged at a cost of £50 per hour for Officer time along with any costs incurred by the Fund. Such costs include, but are not limited to, Actuary fees.

## Key Risks

The key risks to the delivery of this Strategy are outlined below. The Head of Pensions and other officers will work with the Pension Committee and the Pension Board in monitoring these and other key risks and consider how to respond to them in line with the Fund's Risk Management Policy.

- Lack or reduction of skilled resources due to difficulty retaining and recruiting staff members and staff absence due to sickness. This may include both the Administering Authority and Fund employers.
- Significant increase in the number of employing bodies causes strain on ~~day-to-day~~ day-to-day delivery.

- Inadequate performance against service standards by the Administering Authority and/or Fund employers.
- Significant external factors, such as national change, impacting on workload.
- Incorrect calculation of members' benefits, resulting in inaccurate costs.
- Employer's failure to provide accurate and timely information resulting in incomplete and inaccurate records. This leads to incorrect valuation results and incorrect benefit payment.
- Failure to administer the scheme in line with regulations as listed under 'Regulatory Basis' in this Statement. This may relate to delays in enhancement to software or regulation guidance.
- Failure to maintain records adequately resulting in inaccurate data.
- ~~Use of external printers/distributors resulting in possible data mismatch errors~~
- Unable to deliver an efficient service to pension members due to system unavailability or failure.
- Failure to maintain employer contact database leading to information being sent to incorrect person.

## Consultation and review process

This Strategy was approved on 16 June 2023 TBC by the East Sussex Pension Committee. It is effective from 19 June 2023 TBC. It will be ~~formally~~ reviewed annually by both Officers and the Pension Board and updated at least every three years or less if required, if there are taking account of any changes to the LGPS or other relevant Regulations or Guidance ~~which need to be taken into account.~~

In preparing ~~the original~~ this updated Strategy, the Fund has consulted with its scheme employers; the scheme member and employer representatives on the East Sussex Pension Board; and other persons considered appropriate. Further consultation will be undertaken ~~The employers of the Fund will also be consulted~~ should any substantial changes be proposed to this Strategy following its approval ~~consultation by the Pensions Committee.~~

The latest version of this Strategy will always be available on the Fund website:  
<https://www.eastsussexpensionfund.org/forms-and-publications/>

## Contact details

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# Appendix A - Scheme Manager Responsibilities

## Governance

Administering Authority responsibilities	Timeframes/deadlines
Review the Fund's pension administration strategy and consult with all scheme employers.	The Pensions Administration Strategy will be formally reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.
Review the Fund's funding strategy statement at each triennial valuation, following consultation with scheme employers and the Fund actuary.	Every three years in line with Fund valuation cycle.
Review the Fund's Communications Strategy	The Communications Strategy will be formally reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.
Review the Fund's governance compliance statement.	The Governance Policy Statement will be formally reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.
Draft, maintain and publish all the policies and strategies that govern the pension fund, liaising with Employing Authorities <del>and the Administrator</del> as required.	Policies will be reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.
Publish the Fund's annual report and financial statement.	To be published annually.
<u>Draft, maintain and publish all the policies and strategies that govern the pension fund, liaising with Employing Authorities and the Administrator as required.</u>	<u>Policies will be reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.</u>

## Transfers – transfers in and transfers out

Administering Authority responsibilities	Timeframes/deadlines
For transfers in, ensure that the Administering Authority has in place an appropriate discretionary policy setting out their policy on whether they choose to extend the 12-month time limit for accepting transfers in, where the decision falls to them.	This is contained within the Discretionary Policy of the Administering Authority.
For transfers out, to determine necessary action on how to proceed with transfer cases that have been flagged as at risk of being a pension liberation/fraud case. This may include, but not be restricted to, indicating whether the transfer is to be paid or whether legal advice is sought.	Any transfer cases referred to the <u>Head of Pensions Administration Administering Authority</u> by the scheme administrators for suspected pension fraud will be thoroughly investigated and <u>where appropriate</u> secondary assurance sought from the scheme member. This should include all transfers to Qualifying Recognised Overseas Pension Scheme's (QROPS). The <u>Administering Authority Administrator</u> will then take appropriate action, which may include proceeding with the transfer, refusal to transfer or referral to Money and Pensions Service. While at the same time abiding by the deadlines set out in <u>appropriate the relevant</u> legislation.

## Transfers – bulk transfers (ordinarily considered to be cases of at least 10 members)

Administering Authority responsibilities	Timeframes/deadlines
Share information as appropriate with the Employing Authority regarding the timescales, negotiations, and where material, the financial consequences, and where possible, reach agreement with the Employing Authority on the stance adopted on any negotiations with the receiving Fund.	The Administering Authority will in these cases engage with all parties as early as possible. The Fund will look treat each case on its own merits and consider in line with the principals detailed in the Fund's Funding Strategy Statement.
Ensure the provision of the Regulations are met, including the rights of the transferring members	The Administering Authority will comply with the deadlines set out in legislation as applies at the time.

## Complaints and breaches

Administering Authority responsibilities	Timeframes/deadlines
Appoint a nominated person to consider disputes under stage I of the IDR process for disputes for any decisions/lack of	Stage I complaints to be determined by the Administering Authority will be considered by the Head of <u>Governance &amp; CompliancePensions</u> .

Administering Authority responsibilities	Timeframes/deadlines
decisions which need to be made by the administering authority.	
Appoint a nominated person to consider disputes under stage 2 of the IDR process.	Stage 2 complaints to be determined by the Administering Authority will be considered by the Solicitor and Monitoring Officer.
Consider and respond to disputes made under stage 1 and/or stage 2 of the IDR within statutory timeframes as set out in the LGPS Regulations 2013.	Response to disputes under stage 1 and 2 of the IDR will be provided within the statutory deadline of two months and monitored by the Head of <a href="#">Governance &amp; CompliancePensions</a> .
Prepare and maintain a Policy showing how to identify, record and report breaches of the Law.	The Fund Breaches Policy will be formally reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.
Maintain a Breaches Log detailing all known breaches of the law, whether these are considered immaterial and hence only recordable or whether they are considered material and reported to the Pensions Regulator.	This will be maintained on an ongoing basis <a href="#">by the Administering Authority</a> .
Present the Breaches Log to the Pension Committee and the Pension Board at each meeting	To be presented at each meeting of the Board and Committee.

## Finance, accounting and reporting

Administering Authority responsibilities	Timeframes/deadlines
Consult with employing authorities on the outcomes of the triennial valuation.	To be carried out every three years in line with the Fund valuation timetable.
Carry out termination valuations on admitted bodies or employing authorities who cease their participation in the Fund.	To be carried out as and when required.
Carry out accounting and financial reporting on behalf of the administering authority, including liaison with any third-parties, including: <ul style="list-style-type: none"> <li>- Management, preparation and presentation of the Fund's annual report and accounts.</li> <li>- Further accounting and cash-flow reporting throughout the scheme year.</li> <li>- <a href="#">Cashflow forecasting and reporting</a>.</li> <li>- Liaising with internal and external auditors.</li> <li>- Quarterly management accounts.</li> <li>- Raising invoices on behalf of the Fund.</li> </ul>	To be carried out as and when required.

- Recording and maintaining all accounting records in line with record retention policies.	
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## Contributions

Administering Authority responsibilities	Timeframes/deadlines
Notify employing authorities of their contribution requirements for three years effective from the April following each actuarial valuation.	To be carried out every three years in line with the Fund valuation timetable.
Notify new employing authorities of their contribution requirements.	To be carried out as and when required.

## Employer services and monitoring

Administering Authority responsibilities	Timeframes/deadlines
Provide support to employing authorities through a dedicated employer <a href="#">area of the pension fund</a> website, technical notes, employer bulletins and day to day contact.	Web content available to employers will be reviewed on no less than an annual basis. Employer newsletters will be issued in line with the Communications Strategy.
Provide training sessions on employing authorities' roles and responsibilities.	To be delivered as and when required.
Monitoring of employers, including reporting of key metrics. This may include monitoring employers who have a very small number of active members remaining and may therefore cease participation or highlighting significant changes in membership numbers indicating a restructuring exercise or other event that requires the attention of the administering authority.	Ongoing basis
Monitor the existence of indemnity bond cover for employers, including highlighting to the administering authority where bond cover is either outdated, soon to expire or needs to be reviewed in line with administering authority policies. This may involve further communication with the Fund actuary or	Bonds in place for admission body employers will be reviewed in line with the individual agreements and the Funding Strategy Statement.



Administering Authority responsibilities	Timeframes/deadlines
other party to obtain updated levels of recommended bond cover where appropriate.	
Maintain an updated record of further information relating to employers, for example, whether another employer has agreed to act as a guarantor for that employer, or any other information determined by the administering authority to be relevant.	Ongoing basis
Review the IRMPs appointed and used by Employing Authorities meet legislative requirements to advise on ill health retirement applications	To <u>collect a complete list prior 31 March 2026, and repeat</u> <del>be reviewed</del> no less than every three years.

### New and ceasing employers

Administering Authority responsibilities	Timeframes/deadlines
Assist in the preparation and communication of admission agreements to new employers in the Fund, including liaising with the relevant employers, procurement departments, legal and the Fund actuary, as required, to prepare the necessary documentation.	Potential new employers in the Fund should engage with the administering authority at the earliest opportunity to allow adequate time for an assessment of the employer contribution rate and bond (where necessary). Where this is a result of an outsourcing of employees under TUPE from an existing scheme employer, engagement with the Administering Authority should be sufficiently early to allow pensions information to be included in the tender documentation.
Obtain a signed agreement and/or keep these on record on behalf of the administering authority.	The Admission Agreement should be completed with the commercial contract and no later the date of admission. <u>However, where this is not achieved, complete as soon as possible.</u>
Provide technical advice, guidance or support in relation to new or existing admission agreements and the operation of these with employers.	To be provided as and when required.
Assist in managing the cessation of an employer, including liaising with them in relation to any cessation debt due to the Fund or surplus to be returned to the scheme employer.	Any deficit or surplus due at the point an employer exists the Fund will be communicated to the former scheme employer in line with the requirements of regulation 64 of The Local Government Pension Scheme Regulations 2013.

## Additional Voluntary Contributions

Administering Authority responsibilities	Timeframes/deadlines
Ensure a process is in place to periodically review AVC providers/fund options.	A <u>full formal</u> review of the AVC provider to the Fund will take place no less than every 5 years. <u>Informal reviews may also take place on an annual basis in conjunction with the Fund actuary.</u>
Ensure that the member receives an annual statement, and that this statement meets statutory requirements.	Annual statements <del>received</del> <u>are distributed directly to individuals by the</u> <del>from the</del> AVC provider <del>are redistributed to individual contributors</del> on an annual basis.

## Additional Pension Contributions

Administering Authority responsibilities	Timeframes/deadlines
Agree that any requests to pay additional contributions satisfy the administering authorities' discretionary policy in respect of additional contributions (e.g. whether a member is required to undertake a medical before entering into an additional contributions contract and determining whether the request is impractical)	To be agreed with the scheme administrator.

## Retirements

Administering Authority responsibilities	Timeframes/deadlines
Where a deferred member requesting early payment of their pension benefits and requesting that their Rule of 85 is to be applied and/or whether their reductions are to be waived, whose former employer no longer contributes within the East Sussex Pension Fund: <ul style="list-style-type: none"> <li>- Consider the application and confirm to the decision to the member. Notify the administrator whether the Ro85 is to apply/reductions are to be waived or not.</li> </ul>	Applications will be considered by the Section 151 Officer on behalf of the Administering Authority and confirmed to the scheme administrator.
Where a deferred member requesting early payment of their pension benefits due to ill health, whose former employer no longer contributes within the East Sussex Pension Fund:	Applications will be considered by the Section 151 Officer on behalf of the Administering Authority and confirmed to the scheme administrator.

Administering Authority responsibilities	Timeframes/deadlines
<ul style="list-style-type: none"> <li>- arrange for the member to be assessed by an IRMP, provide confirmation to the administrator that the employee meets all the conditions for ill-health retirement, as defined by the relevant LGPS regulations, and confirm the retirement date and a complete and correct ill-health certificate completed by the IRMP</li> </ul>	
Where the member is in receipt of an ill health pension made under Tier 3, and the former employer has subsequently ceased to be a contributing employer within East Sussex Pension Fund, arrange for the member to be reassessed by an IRMP after 18 months and determine whether the pension should continue, or be subject to an uplift.	Arrangements for reassessment will be made by the Section 151 Officer on behalf of the Administering Authority.

## Deaths

Administering Authority responsibilities	Timeframes/deadlines
Review where necessary information provided by the administrator in relation to potential death grant lump sums and dependant pensions and provide written agreement for payments to be made, where necessary.	The determination of death grant beneficiaries will be in line with the Fund policy. The decision is delegated to the scheme administrator but for more complicated cases that will be referred to the Administering Authority for determination on a case by case basis.
Review the Administrator's policy annually in relation to the payment of death grant lump sums and ensure this is regularly reviewed and updated if necessary.	The policy on payment of death grant lump sums will be reviewed <del>on</del> <u>no less than every three years</u> <del>an annual basis</del> .

## Communications

Administering Authority responsibilities	Timeframes/deadlines
Liaise with Officers to agree on newsletter (and other communication) content	This will be done and timetabled in line with the Communications Strategy of the Fund.
Liaise with Officers to agree on content of surveys	This will be done and timetabled in line with the Communications Strategy of the Fund.
Liaise with Officers to agree on structure / content of presentations / workshops	This will be done and timetabled in line with the Communications Strategy of the Fund.

**The Fund's communication strategy outlines how the East Sussex Pension Fund will engage, educate, and fulfil the needs of its stakeholders including members and employers in line with Regulation 61 of the Local Government Pension Scheme (LGPS) Regulations 2013. Methods we use to communicate with Scheme employers are set out on pages 11-12. Link to Communications Strategy: Communication Strategy (2025) - East Sussex Pension**

**Fund** REFERENCE MADE WITH LINK TO THE COMMS STRAT IN ORDER THAT WE CAN SATISFY 59(D) WHICH SAYS WE SHOULD DETAIL PROCEDURES FOR IMPROVING THE COMMUNICATION BY THE ADMINISTERING AUTHORITY AND ITS SCHEME EMPLOYERS TO EACH OTHER OF INFORMATION RELATING TO THOSE FUNCTIONS

## Appendix B - Service Standards for Pension Administration

### Overview and purpose

Under the Local Government Pension Scheme (LGPS) (Administration) Regulations 2013, East Sussex County Council has a statutory responsibility to administer and manage the East Sussex Pension Fund (the Fund, ESPF) on behalf of all employers participating in the Fund and all past and present members, including their dependants.

The Fund will ensure that it meets its statutory responsibilities and that members and employers receive a cost-effective and high-quality service by delivering to these service standards. A report is presented at Pension Board and Pension Committee quarterly to provide oversight and governance of administration activity and projects including performance against an approved service level agreement. The Fund also publish performance against prescribed -Key Performance Indicator in its Annual Reporting.

### General administration overview

The main services provided include maintenance of Scheme Members' records, calculation and payment of retirement benefits including premature retirement compensation, transfers of pension rights, calculation of annual pension increases and the provision of information to scheme members, employers, ~~and~~ the Fund's actuary and other relevant third parties.

- Pensions Administration
- Projects
- Technical & Compliance
- System Support
- Training & Development
- Help Desk

### Legal timescales

The table below contains a list of key processes and the legal timescales in which they must be met. ~~The Fund will monitor its performance against these timescales, which are subject to an achievement target and include the results in the quarterly administration performance report.~~

Process	Legal requirement
To process new member information – i.e. create a new pension record and provide basic scheme information to the member.	Within one month of the date of receiving jobholder information from the scheme employer, extended to two months where correct jobholder information has not been received.
Notify members and beneficiaries of material alteration to basic scheme information	Within 3 months

Process	Legal requirement
Provide a Cash Equivalent Transfer Value (CETV) to the member, including for divorce purposes.	Within three months of the date that the request is made by the member. Or, in divorce cases, such shorter deadline as specified in a valid court order where reasonable.
Pay a CETV following a member's election to transfer.	Within six months of the guarantee date, or within six months of the member's request if CETV not guaranteed. This is subject to "red flags" which prevent the transfer under current legislation.
Inform member or prospective member whether they are entitled to acquire transfer credits in exchange for a cash equivalent or any transfer payment provided from another Scheme	Within two months of the request being made unless such a request has been made in the last twelve months
Notify HMRC when a transfer payment is made to a QROPS.	Within 60 days of the date the transfer payment is made.
Notify members who re-join the scheme and have previous LGPS benefits of their rights and options.	In sufficient time to allow the member to make an election within 12 months of re-joining.
Aggregation of deferred benefit with active pension account	Within 12 months of the active account being opened unless the member makes an election to retain separate accounts
Notify members of the transfer credits available in respect of a CETV or transfer payment from a previous pension arrangement (TV-in).	Within two months of the date of the member's request, unless already provided within the previous 12 months. This includes obtaining the transfer value from the previous provider and informing member of transfer options.
Provide information for divorce purposes which does not include a CETV.	Within one month of the date the request is made by the member, their spouse/partner, or the Court.
Implement a Pension Sharing Order.	Within four months of the effective date of the Order, or the date on which all the relevant information is received.
Inform members who leave the scheme before their normal pension age of their rights and options.	Within two months of the date of initial notification from the scheme employer, or the request from the member.
Provide refund of contributions where a member leaves without meeting the vesting period (currently two years)	Within two months of the request being made.

Process	Legal requirement
Notify the member of the amount of retirement benefits.	<p>Within one month of the date of retirement, if retiring on or after normal pension age.</p> <p>Within two months of the date of retirement, if retiring before normal pension age.</p>
Notify member of change in the amount of benefit when already in payment	Before the date on which the decision to alter the benefit takes effect or within one month of that date
Notify the dependent(s) of the amount of death benefits payable.	Within two months of the date of becoming aware of the member's death, or of the date of request for information from a third party.
Make payment of any death grant.	Within two years of the date of becoming aware of the member's death.
Provide annual benefit statements to all active, deferred, pension credit and deferred pensioner members.	By 31 <sup>st</sup> August of each year.
Provide pensions savings statements to all members who exceed the annual allowance.	By 6 October following the end of each tax year.
Notify members (or dependents) of the <del>percentage of the standard lifetime lump sum</del> allowance used up by a Benefit Crystallisation Event (BCE).	Within three months of the BCE date <u>and on an annual basis for Fund pensioners:</u>
Submit the annual event report to HMRC.	By 31 January following the end of each tax year.
Submit quarterly accounting for tax returns to HMRC, including details of all: <ul style="list-style-type: none"> <li>• Short service refund lump sum charges</li> <li>• Lifetime allowance charges</li> <li>• Special lump sum death benefit charges</li> <li>• Serious ill-health lump sum charges</li> </ul>	By 15 May, 14 August, 14 November and 14 February each year.

Process	Legal requirement
<ul style="list-style-type: none"> <li>• Authorised surplus payments charges</li> <li>• Annual allowance charges</li> <li>• <b>Overseas transfer charges</b></li> </ul>	
Issue P60s to all pensioner members.	By 31 May following the end of each tax year.
Issue P14/P35 to HMRC.	By 19 May following the end of each tax year.
Submit full payment submission (FPS) to HMRC.	On or before each monthly pay date.
Pay tax owed to HMRC.	By the 22 <sup>nd</sup> of each month.
Respond to an IDR P Complaint.	Within two months of receiving the Stage One complaint or Stage Two appeal.
Provide copy of Scheme Documents including Annual Report	Within two months of request

## Administration Key Performance Indicators (KPI's) Service Level Agreement

The table below contains a list of pensions administration processes, and the KPI target timeframe for each. The Fund will monitor and reports its performance against these targets stated in the table and include the results in the a quarterly administration performance report to both the Pension Board and Committee.

Task	Target timeframe (working days)
<u>Aggregation- Payment</u> <u>Death notification acknowledged, recorded and documentation sent</u>	<u>10 days</u> within <u>2 days</u>
<u>Aggregation- Quote</u> <u>Award dependent benefits (Death Grants)</u>	<u>15 days</u> within <u>5 days</u>
<u>APC/AVC's</u>	<u>10 days</u>
<u>Deaths – initial letter acknowledging death of member</u>	<u>2 days</u>



<u>Deaths- With Benefits</u>	<u>5 days</u>
<u>Deaths-No Further Benefits</u>	<u>5 days</u>
<u>Deferred Benefits</u>	<u>15 days</u>
<u>Divorce Quotes</u>	<u>15 days</u>
<u>Divorce - Proceeding</u>	<u>25 days</u>
<u>General Enquiries</u>	<u>10 days</u>
<u>Interfund in- Payment</u>	<u>25 days</u>
<u>Interfund In- Quote*</u>	<u>10/15 days</u>
<u>Interfund Out- Payment</u>	<u>25 days</u>
<u>Interfund Out- Quote</u>	<u>15 days</u>
<u>Recalculations</u>	<u>20 days</u>
<u>Refunds- Frozen</u>	<u>10 days</u>
<u>Refunds- Payment</u>	<u>5 days</u>
<u>Retirements – letter notifying actual retirement benefits</u>	<u>7 days</u>
<u>Retirements – letter notifying estimate of retirement benefits</u>	<u>15 days</u>
<u>Retirements – process and pay pension benefits on time</u> <del>Retirement notification acknowledged, recorded and documentation sent</del>	<u>5 days</u> <del>within 7 days</del>
<u>Transfer In- Payment</u> <del>Payment of lump sum made</del>	<u>10 days</u> <del>within 5 days</del>
<u>Transfer In- Quote</u> <del>Calculation of spouses' benefits</del>	<u>10 days</u> <del>within 5 days</del>
<u>Transfer Out- Payment</u> <del>Transfers In– Quote (Values)</del>	<u>10 days</u> <del>within 10 days, aggregation within 15 days</del>
<u>Transfer Out- Quote</u> <del>Transfers In– Payments</del>	<u>10 days</u> <del>within 5 days, aggregation within 25 days</del>
<u>Trivial Commutation</u> <del>Transfers Out –Quote</del>	<u>10 days</u> <del>within 10 days, aggregation within 15 days</del>

Transfers Out – Payments	within 15 days, aggregation within 25 days
Employer estimates provided	within 15 days
Employee projections provided	within 15 days
Refunds (inc frozen refunds)	Quotes within 10 days, settle within 5 days
Deferred benefit notifications	within 15 days

The tasks detailed above are categorised into 5 priorities, where one is the highest priority casework and 5 the lowest. These are reflected with the following colours:

Priority 1
Priority 2
Priority 3
Priority 4
Priority 5

The performance against these target, as explained above, is reported to the Pension Board and Pensions Committee on a quarterly basis, with a separate report for the performance each month. Performance is summarised on a traffic light basis for each task listed:

Traffic Light Rating	Percentage processed within the target timeframe
Green	Over 92%
Amber	Over 87% but less than 92%
Red	Less than 87%

## Administration operational targets

The information in the tables below reflects the target timeframes for the administration team when carrying out their daily tasks which underpin the KPIs. Performance against these timeframes is not reported but is included to help members and employers know anticipated turnaround times for completing tasks.

The following tables are only included for single tasks from employers or members during the month. These tables do not include bulk tasks received through i-Connect, where timeframes will be longer and scheduled. A revision to the tables will be made when i-Connect procedures are embedded.

Table 1: General member administration

Task	Target timeframe for single task
<b>New starter</b> Create a new pension record and provide basic scheme information to new members.	Within 20 working days of receiving details of the new member from the scheme employer.
<b>50/50 membership</b> Update administration software (Altair) when commences or finishes.	Within 20 working days of receiving confirmation from the scheme employer.
<b>Additional Pension Contributions or Additional Voluntary Contributions information</b> Provide information to the member on paying or amending additional contributions.	Within 10 working days of receiving the request from the member.
<b>Absence contributions</b> Provide information to the member and/or scheme employer on paying additional contributions to cover absence.	Within 10 working days of receiving confirmation from the scheme employer that the member has returned from absence.
<b>Payment of additional contributions in respect of absence, APC or AVC</b> Action any request to pay additional contributions.	Within 10 working days of receiving the request to pay additional contributions from the member.
<b>Estimate of benefits</b> Provide the member, employer or other stakeholder with an estimate of benefits in respect of increasing or reducing benefits, possibly through additional contributions.	Within 15 working days of receiving the request from the member, employer or other stakeholder.
<b>Annual Allowance and Lifetime Allowance</b> Provide the member with individual calculations, including projections, of benefits and possible tax charges in relation to the Annual Allowance and Lifetime Allowance	Within 10 working days of receiving the request from the member (excluding the annual project cycle relating to issuing Pensions Savings Statements by 6 October).
<b>General Enquiries</b> If not about a specific task, a catch-all other type task.	Within 10 working days of receiving the request from whomever.
<b>Data Amendments</b> Includes tasks like change of name, address or bank account.	Within 10 working days of receiving the request from the member or the scheme employer.

Table 2: Leavers not entitled to immediate payment of benefits

Task	Target timeframe for single task
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<b>Refund of contributions</b> Calculate refund of contributions and issue letter including reference to possible CETV to the member.	Within 10 working days of receiving a completed leaver form.
<b>Unclaimed refunds</b> Contact the member to arrange for payment of an unclaimed refund to be made, in line with regulations which require this to happen after a specific time.	Within 10 working days of the date that is two months prior to the date that payment must be made.
<b>Payment of refund of contributions</b> Make payment of refund of contributions and send notification letter to the member.	Within 5 working days of receiving a complete and correct payment form from the member.
<b>Deferred benefits</b> Calculate deferred benefit entitlement and send notification letter and statements to the member.	Within 15 working days of receiving all the required complete and accurate information from the scheme employer.

Table 3: Transfers and aggregation

Task	Target timeframe for single task
<b>Transfer-in – request for information</b> Request details of the estimated transfer payable from the member's previous pension provider.	Within 5 working days of receiving the member's initial request to investigate a transfer-in.
<b>Transfer-in – estimate</b> Calculate the estimated additional benefits that the transfer value would award and send a letter and all option forms to the member.	Within 10 working days of receiving the transfer value from the member or their previous pension provider.
<b>Transfer-in – request payment</b> Request payment of the transfer value from the member's previous pension provider.	Within 5 working days of receiving all complete and correct forms from the member.
<b>Transfer-in – actual</b> Calculate the additional benefits that the transfer value has awarded and send a confirmation letter to the member.	Within 10 working days of receiving confirmation of payment from the member's previous pension provider.
<b>Transfer-out – estimate</b> Calculate a transfer value and send an information pack and all option forms to the member.	Within 15 working days of receiving a complete and correct CETV request form from the member
<b>Transfer-out – actual</b> Calculate and make payment of the CETV or interfund transfer and send confirmation to the member and the receiving scheme.	Within 25 working days of receiving all the required information, including complete and correct forms from the member and the receiving scheme.
<b>Aggregation within ESPF (in fund transfer) – quotation</b>	Within 15 working days of receiving a complete and correct starter form from the scheme employer.

Notify the member of their rights and options, or confirm automatic aggregation, if appropriate.	
<b>Aggregation within ESPF – settlement</b> Update member record in accordance with the election made.	Within 10 working days of receiving a member's election (to aggregate or not to aggregate), or at the expiration of the 12 period in which a member may elect other than for automatic aggregation.
<b>Aggregation from another LGPS fund – request for information</b> Request details of estimated transfer payable from the member's previous pension provider.	Within 5 days of receiving confirmation of previous LGPS service with another Fund.
<b>Aggregation from another LGPS fund – estimate</b> Notify the member of their rights and options, or confirm automatic aggregation, if appropriate.	Within 10 working days of receiving all the required information from the previous fund.
<b>Aggregation from another LGPS fund – request payment</b> Request payment of the transfer value from the member's previous pension provider	Within 5 working days of receiving all complete and correct forms from the member.
<b>Aggregation from another LGPS fund – settlement</b> Update member record in accordance with the election made.	Within 10 working days of receiving all complete and correct forms from the member (request payment and pend until) payment from previous Administering Authority.
<b>Aggregation to another LGPS fund – quote</b> Send all the required information to the member's new fund.	Within 15 working days of receiving the request for information from the new fund.
<b>Aggregation to another LGPS fund – settlement</b> Calculate and make payment of the transfer value and send confirmation to the member and the receiving scheme.	Within 25 working days of receiving all the required information, including complete and correct forms from the member and the appropriate Administering Authority.

Table 4: Retirements

Task	Target timeframe for single task
<b>Active retirement (early, normal, late, incapacity or redundancy) – quote</b> Calculate the value of the standard retirement benefits and send a letter, statements and all option forms to the member.	Within 7 working days of receiving both a complete and correct leaver form.
<b>Payment of lump sum and notification</b>	Within 5 working days of the later of the date of retirement or receiving all complete

Calculate the final retirement benefits, make payment of any tax-free lump sum, and send notification to the member.	and correct retirement forms from the member.
<b>Strain payment</b> Issue an invoice for the strain payment to the scheme employer.	Within 30 working days of making payment of the lump sum or sending notification to the member.
<b>Trivial commutation upon retirement or from pensioner status – Quote</b> Calculate and inform the member of the trivial commutation sum together with the appropriate claim forms.	Within 10 working days of receiving a member request.
<b>Trivial commutation upon retirement or from pensioner status – Settlement</b> Calculate and make payment of the trivial commutation payment and send notification to the member.	Within 10 working days of receiving all the information required to make payment.

Table 5: Deaths

Task	Target timeframe for single task
<b>Death of an active, deferred or pensioner member – quote</b> Send a letter of condolence and claim forms to the member's next of kin or personal representatives.	Within 2 working days of having been informed of the member's death by next of kin, scheme employer or personal representative.
<b>Dependant's pension – settlement</b> Calculate and process the benefits due to the member's dependant(s) and send notification.	Within 5 working days of receiving all required information and documents from the dependant(s).
<b>Trivial commutation of dependant pension – Quote</b> Calculate and inform the dependant of the trivial commutation sum together with the appropriate claim forms.	Within 10 working days of receiving a member request.
<b>Trivial commutation of dependant pension – Settlement</b> Calculate and make payment of the trivial commutation payment and send notification to the dependant.	Within 10 working days of receiving all the information required to make payment.
<b>Balance of pension</b> Make payment of the balance of pension due to the estate.	Within 7 working days of receiving all the information required to make payment.
<b>Death grant – approval</b>	Within 5 working days of receiving all the information required to make recommendation.

Submit recommendation for payment of death grant to Administering Authority for decision.	
<b>Death grant – payment</b> Make payment of the death grant to the determined beneficiary(s).	Within 5 working days of receiving all the information required to make payment.

Table 6: Pension Sharing and Earmarking Orders

Task	Target timeframe for single task
<b>Schedule &amp; Invoice for charges</b> Provide the member and/or their solicitor or other representative with a schedule of charges that will apply and provide the required information including any invoice to the member for any charges that are due.	Within 5 working days of receiving a request for information from the member.
<b>Provide PSO information – quote</b> Calculate a transfer value and send an information pack and forms to the member and/or their solicitor	Within 15 working days of receiving a complete and correct CETV request form from the member
<b>Pension debit and credit – settlement</b> Calculate the final pension debit and credit amounts and send notification to the member and/or their solicitor	Within 25 working days of receiving a Pension Sharing or Earmarking Order and payment for implementation

## Annual Report – Key Performance Indicators (KPI's)

Regulation 57 of The Local Government Pension Scheme Regulations 2013 requires Administering Authorities to prepare a report in relation to each financial year. The pension fund annual report must be published no later than 1<sup>st</sup> December following the end of the relevant year, and must contain:

- a report about the management and financial performance during the year of each of the pension funds maintained by the authority;
- a report explaining the authority's investment policy for each of those funds and reviewing the performance during the year of the investments of each fund;
- a report of the arrangements made during the year for the administration of each of those funds;
- for each of those funds, a statement by the actuary who carried out the most recent valuation of the assets and liabilities of the fund in accordance with regulation 62 (actuarial valuations of pension funds), of the level of funding disclosed by that valuation;
- the current version of the statement under regulation 55 (governance compliance statement);
- for each of the funds, the fund account and net asset statement with supporting notes and disclosures prepared in accordance with proper practices;

- an annual report dealing with-
- the extent to which the authority and the Scheme employers in relation to which it is the administering authority have achieved any levels of performance set out in a pension administration strategy in accordance with regulation 59 (pension administration strategy), and
- such other matters arising from a pension administration strategy as it considers appropriate;
- the current version of the statement referred to in regulation 58 (funding strategy statement);
- the current version of the investment strategy under regulation 7 (investment strategy statement) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016;
- the current version of the statement under regulation 61 (statements of policy concerning communications with members and Scheme employers); and
- any other material which the authority considers appropriate.

In preparing and publishing the pension fund annual report, East Sussex Pension Fund must have regard to guidance given by the Secretary of State. With effect from the year 2024/2025, the guidance requires the Fund to report on a prescribed list of KPI's. These are:



**Table A – Total number of casework**

REF	Casework KPI	Number
A1	Deaths recorded of active, deferred, pensioner and dependent members	
A2	New dependent member benefits	
A3	Deferred member retirements	
A4	Active member retirements	
A5	Deferred benefits	
A6	Transfers in (including interfunds in and club transfers)	
A7	Transfers out (including interfunds in and club transfers)	
A8	Refunds	
A9	Divorce quotations issued	
A10	Actual divorce cases	
A11	Member estimates requested by scheme member or employer	
A12	New joiner notifications	
A13	Aggregation cases	
A14	Optants out received after 3 months membership	

For the casework detailed in table A, the Fund must confirm:

- The total number of cases open as at 31st March (the starting position)
- The total number of new cases created in the year 1st April to 31st March
- The total number of cases completed in the year
- The total percentage of cases completed in the year
- The total number of cases completed in the previous year
- The total percentage of cases completed in the previous year

**Table B – Time taken to process casework**

REF	Casework KPI	Suggested fund target*
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days
B2	Communication issued confirming the amount of dependents pension	10 days
B3	Communication issued to deferred member with pension and lump sum options (quotation)	15 days
B4	Communication issued to active member with pension and lump sum options (quotation)	15 days
B5	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 days
B6	Communication issued to active member with confirmation of pension and lump sum options (actual)	15 days
B7	Payment of lump sum (both actives and deferreds)	15 days
B8	Communication issued with deferred benefit options	30 days

REF	Casework KPI	Suggested fund target <sup>(*)</sup>
<b>B9</b>	<u>Communication issued to scheme member with completion of transfer in</u>	<u>15 days</u>
<b>B10</b>	<u>Communication issued to scheme member with completion of transfer out</u>	<u>15 days</u>
<b>B11</b>	<u>Payment of refund</u>	<u>10 days</u>
<b>B12</b>	<u>Divorce quotation</u>	<u>45 days</u>
<b>B13</b>	<u>Communication issued following actual divorce proceedings i.e application of a Pension Sharing Order</u>	<u>15 days</u>
<b>B14</b>	<u>Communication issued to new starters</u>	<u>40 days</u>
<b>B15</b>	<u>Member estimates requested by scheme member and employer</u>	<u>15 days</u>

(\*) Days in this column are a suggested fund target for completion and not the statutory timescale.

For the casework detailed in table B, the Fund must confirm:

- The percentage completed within the fund target in year
- The percentage completed within the fund target in the previous year

### **Table C – Communications and Engagement**

REF	Engagement with online portals	Number / %
<b>C1</b>	<u>Percentage of active members registered</u>	
<b>C2</b>	<u>Percentage of deferred members registered</u>	
<b>C3</b>	<u>Percentage of pensioner and survivor members registered</u>	
<b>C4</b>	<u>Total percentage of all scheme members registered for self-service</u>	
<b>C5</b>	<u>Number of registered users by age</u>	
<b>C6</b>	<u>Percentage of all registered users who have logged on in the last 12 months</u>	

REF	Communication	Number
<b>C7</b>	<u>Total number of telephone calls received in year</u>	
<b>C8</b>	<u>Total number of email and online channel queries received</u>	
<b>C9</b>	<u>Number of scheme member events held in year (total of in-person and online)</u>	
<b>C10</b>	<u>Number of employer engagement events held in year (in-person and online)</u>	
<b>C11</b>	<u>Number of active members who received a one-to-one (in-person and online)</u>	
<b>C12</b>	<u>Number of times a communication (i.e newsletter) issued to:</u> a) <u>Active members</u> b) <u>Deferred members</u> c) <u>Pensioners</u>	

**Table D – Administration Resources**

REF	Resources	Number / %
D1	Total number of all administration staff (FTE)	
D2	Average service length of all administration staff	
D3	Staff vacancy rate as a percentage	
D4	Ratio of all administration staff to total number of scheme members (all staff including management)	
D5	Ratio of administration staff (excluding management) to total number of scheme members	

**Table E – Data Quality**

REF	Annual Benefit Statements	%
E1	Percentage of annual benefit statements issued as at 31 August	
E2	<del>Short commentary if less than 100%</del>	

~~E2~~ Short commentary if less than 100%

--

REF	Data Category	Number / %
E3	Common data score	
E4	Scheme specific data score	
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	
E6	Percentage of active, deferred and pensioner members with an email address held on file	

REF	Employer Performance	
E7	Percentage of employers set up to make monthly data submissions	
E8	Percentage of employers who submitted monthly data on time during the reporting year	

## Breaches and complaints

The management of breaches are in full compliance with the Funds Breaches Policy which is published on the Fund website.

The Fund will maintain a record of all complaints received (verbally and in writing) and operate a local complaints resolution procedure that all staff will be aware of. The number of complaints received will be included in the administration report.

The Fund ~~will produce~~ maintain and ~~communicate~~ publish an Internal Dispute Resolution Procedure (IDRP) in accordance with LGPS regulations and will pass any stage 1 and stage 2 cases to the relevant nominated person as soon as possible. All IDRP cases received will be included in the quarterly reporting to Pension Board and Pension Committee.

Process	Administration standards
Breaches	<u>Logged within 1 working day and R</u> reported to Head of Pension Fund within 2 working days of breach occurring.
Complaint	<u>-Logged within 2 working days</u>
Error & Omission	<u>-Logged within 2 working days</u>
IDRP cases	<u>Logged within 1 working day and R</u> reported to Head of <del>Pension Fund</del> <u>Governance &amp; Compliance</u> within 1 working day of receipt of IDRP case

## Communications

The table below shows a list of communications not covered by legal timescales that the Fund will produce and distribute and the timescales in which this will be done. The Fund has a detailed Communications Strategy published on the Fund website.

Communication	Administration standards
Notify all pensioner and dependent members of the annual increase to their pension.	By 30th April following the end of each tax year.
Employer survey Issue an annual survey to all employers in the Fund.	Issued <del>bi-annually to employers by 30<sup>th</sup> June and a separate survey at the employer Forum held at the end of the November each year.</del>
Member surveys Issue an annual survey to Fund members.	<del>Survey issued bi-annually to a separate survey for active, deferred and pensioner members.</del>
Pensioner newsletter Produce and distribute a newsletter to all members in receipt of a pension.	<del>Issued annually to all pensioners. by 30<sup>th</sup> April after the year end of 31<sup>st</sup> March and accompanying the notification of annual pensions increase.</del>
Active and deferred member newsletter Produce and distribute a newsletter to all active and deferred members.	Active - Issued <del>twice per year to all active members. bi-annually by 30th June and 31<sup>st</sup> December.</del>  Deferred – Issued <del>annually by 31<sup>st</sup> December to all deferred members.</del>
Annual Benefits Statements	By 31 <sup>st</sup> August <u>each year.</u>
Website	Reviewed regularly. Update carried out by Communications Manager.
Valuation or data extract(s) for the Fund's Actuary	Data is provided to the Fund Actuary through the secure data portal in line with <del>the</del> agreed valuation plans <u>and timelines.</u>

## Quarterly Reporting

To demonstrate its performance against the targeted service standards, the administration team will produce an administration report on a quarterly basis, for review at Pension Board and Pension Committee meetings.

As well as demonstrating compliance with key performance indicators (KPIs) the administration report will provide an overview of the administration function, including work completed and work in hand, updates on projects, and future administration plans. The report will include a comparison of KPIs and workloads over the previous 12 months.

Reports covering the following material provided to the Pension Board and Pension Committee at their quarterly meetings. This information is provided across various reports created by the Funds management team.

### Quarterly Admin Reporting covers:

- Total number of KPI related cases completed during the period
- Total number and % of cases where the KPI has been met
- Total number of cases where the KPI has been missed
- Number of new starters set up in a month
- Complaints received
- Compliments received
- % of Helpdesk enquiries dealt with at first point of contact
- % of Helpdesk call answering times within 20 seconds
- Helpdesk call abandon rate
- % of email communications answered within 3 working days
- Top 5 reasons for calls to the Helpdesk

### Breaches and complaints Reporting covers:

- Number of breaches logged during the period.
- Number of breaches reported to TPR during the period.
- Number of member complaints received during the period.
- Number of IDRP cases logged during the period.
- Number of IDRP cases upheld/partially upheld during the period.

### Member Communications reported include:

- Annual Benefit Statements for active members
  - Legal timescale for issuing active ABSs.
  - Date that active ABSs were issued.
  - Number and percentage of active members who received an ABS.
- Annual Benefit Statements for deferred members
  - Legal timescale for issuing deferred ABSs.
  - Date that deferred ABSs were issued.
  - Number and percentage of deferred members who received an ABS.
- Employer Satisfaction Survey
- Member Satisfaction Survey
- Pensioner newsletter
- Member newsletter
- Employer meetings
- Annual Employer Forum

~~Data quality reported annually:~~

- ~~• Common data
  - ~~○ Last reported common data score.~~~~
- ~~• Scheme-specific data
  - ~~○ Last reported scheme-specific data score.~~~~
- ~~• Data improvement plan
  - ~~○ Summary of any actions taken to improve data quality~~~~

~~Scrutiny and audit reported as required during the year:~~

- ~~• Internal audit
  - ~~○ Audit report findings.~~
  - ~~○ Date of audit report.~~~~
- ~~• External audit
  - ~~○ Audit report findings.~~
  - ~~○ Date of audit report.~~~~
- ~~• TPR annual return
  - ~~○ Target for providing data for the TPR annual return.~~
  - ~~○ Date of completion.~~~~

~~Project reporting includes:~~

- ~~• A list of ongoing and new administration projects and plans.~~
- ~~• Targets for completing these projects.~~
- ~~• Performance against the project targets.~~
- ~~• Dates projects were completed, if appropriate.~~

## Appendix C

### Scheme Employer Responsibilities

**Table I: Governance**

Employer responsibility	Timeframe
Designate a named individual as Pensions Liaison Officer, to be the main point of contact for the administrator or administering authority.	Within 30 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 30 days from date of request by the Scheme Administrator or
Complete authorised signatory forms to provide the administrator and administering authority with contact information for officers authorised to perform key administrative roles.	Within 30 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 30 days from date of request by the Scheme Administrator or
Appoint an independent registered medical practitioner (IRMP) qualified in occupational health medicine to consider all ill-health retirement applications and agree the appointment with the administering authority. Confirmation must be provided to the Administering Authority that the requirements to be an IRMP have been met. This information can be found in the Ill Health Early Retirement Guide produced by the Administering Authority and published on its website.	Within 90 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 90 days from date of request by the Scheme Administrator or Administering Authority.
Designate an appropriate person to make decisions on ill health early retirements and inform the Administering Authority of their identity, providing a specimen signature.	Within 30 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 30 days from date of request by the Scheme Administrator or Administering Authority.
Formulate, publish and keep under review policies in relation to all areas where the employer may exercise discretion within the scheme regulations.	Within 90 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 90 days from date of request by the Scheme Administrator or Administering Authority.



Employer responsibility	Timeframe
To provide the Fund with the details of the employer's s.151 Officer (or equivalent) or person with delegated authority, including a specimen signature, for the purposes of allowing the Administering Authority to check LGPS31 forms are authorized by the appropriate person.	Within 30 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 30 days from date of request by the Scheme Administrator or Administering Authority.
Notify the administering authority of any contracting out of services that will involve a TUPE transfer of employees to another organisation before the procurement exercise takes place.	Employers should inform the Administering Authority as soon as possible, enabling pension information to form part of the tender documentation. Notification should be in line with the published procurement guide.
Provide the administering authority with contact details for lead decision-making and operational officers where a prospective new employer or admitted body may request to join the Fund as a result of re-organisation or TUPE transfer.	Employers should inform the Administering Authority as soon as possible within the tender process, enabling pension information to form part of the tender documentation. Notification should be in line with the published procurement guide.
Work with the administering authority to establish an admission agreement.	Potential Admission Body Employer's, together with the letting employer should work closely with the Administering Authority, to ensure that Admission Agreements are completed alongside the commercial contract and no later than the contract start date.
Notify the administering authority where the employer ceases to admit new members or is considering ceasing participation in the Fund.	This should be done at the earliest opportunity, allowing the Administering Authority to liaise with the Fund actuary in order to achieve a well-managed employer exit from the Fund.

**Table 2: New Starters and auto-enrolment**

Employer responsibility	Timeframe
Enrol all eligible new employees into the scheme in accordance with the relevant LGPS regulations.	From the first available pay period.
Determine and deduct the appropriate rate of employee contributions, based on the current contribution rate banding table.	Immediately upon commencing Scheme membership, in line with employer's policy and as a minimum in each April thereafter.
Notify the administrator of all new starters.	Provide the Pension Section with details of all new entrants to the LGPS <u>via the i-Connect upload or</u> , by the 10th of the month following entry <u>for employers not using i-Connect</u> .
Provide all eligible new employees with details about the scheme in the form of a copy of the key facts leaflet and/or directing them to the Fund's website.	To be provided to the employee within six weeks of the date on which the employee became a scheme member.
Enrol and re-enrol all eligible employees into the scheme in accordance with the auto-enrolment requirements of the Pensions Act 2008 and the relevant LGPS regulations.	This should be done for each pay period ensuring all non-members without a valid exclusion from auto-enrolment are enrolled or re-enrolled into the LGPS.
Replicate the same process as above in New Starters section for those employees enrolled or re-enrolled into the scheme	N/A
When an election to move into or out of the 50/50 section is received from an employee, adjust the contribution rate accordingly and confirm to the member that this has been actioned.	Within one month of the date of change following receipt of a valid election to either move from the Main Section to 50/50 Section of the Scheme, or to move from the 50/50 Section to Main Section of the Scheme. This may be in the form of a pay advice notice.

Employer responsibility	Timeframe
Where an employee either goes onto nil pay due to sickness or injury or passes the automatic re-enrolment date, move the employee back into the main section of the scheme.	This should be done from the date of the relevant event detailed, and communicated to the employee within one month of the change.
Notify the administrator of all employees that move into and out of the 50/50 section via <u>i-Connect or for employers not using i-Connect by spreadsheet or online portal, at least on a monthly basis.</u>	This should form part of the monthly submission to the Administering Authority.

**Table 3: Additional contributions**

Employer's responsibility	Timeframe
Distribute general information on the options available for paying additional contributions to employees, if requested to do so by the administrator or administering authority, both electronically and in paper format.	This should be distributed within one month of having received the instruction and documentation from the Scheme Administrator or Administering Authority.
Make the appropriate deduction of additional contributions on receipt of an election from a member, and confirm this has been actioned to both the member and Administrator	The deduction should take effect from the first available pay period (or date specified if later). The member and Scheme Administrator should then be informed within one month of the change.
Ensure and arrange for the correct deduction of APCs from pensionable pay throughout the length of the contract.	The deduction should take effect from the first available pay period (or date specified if later) and continue at the prescribed rate until the termination date or date active membership of the Scheme ceases if earlier.
Make payment of the APCs to the administering authority within the timescales agreed.	Scheme employers must pay over contributions to the Fund by the 19th of the month following the deduction.

Employer's responsibility	Timeframe
Provide a monthly breakdown of all APCs to the administrator/administering authority for reconciliation against payments received.	Submission of a LGPS3I should be made to the Fund prior to the payment and no later than 19th of the month following the deduction.
Ensure and arrange for the correct deduction of additional contributions from the member's pensionable pay.	The deduction should take effect from the first available pay period (or date specified if later) and continue at the prescribed rate until the termination date or date active membership of the Scheme ceases if earlier.
Ensure deductions of additional contributions commence and cease from the appropriate dates.	The deduction should take effect from the first available pay period (or date specified if later) and continue at the prescribed rate until the termination date or date active membership of the Scheme ceases if earlier.
Make payment of all additional contributions (excluding AVC's) to the administering authority within the timescales agreed.	Scheme employers must pay over contributions to the Fund by the 19th of the month following the deduction.
Provide a monthly breakdown of all other additional contributions to the administrator/administering authority for reconciliation	Submission of a LGPS3I should be made to the Fund prior to the payment and no later than 19th of the month following the

Employer's responsibility	Timeframe
<b>Absence contributions</b> The requirements below apply to all absences, including, but not limited to: <ul style="list-style-type: none"> <li>• Child-related leave (e.g. maternity, paternity, adoption, parental leave);</li> <li>• Authorised unpaid leave (e.g. unpaid child-related leave);</li> <li>• Reserve forces leave;</li> <li>• Industrial action;</li> <li>• Jury service.</li> </ul>	
Notify employees of the options available to pay additional contributions to cover benefits that have been reduced or lost due to periods of absence.	Member elections to purchase lost pension during a period of authorised unpaid leave must be made within 30 days of returning to employment (or a longer period as permitted by the employer). Employers must therefore provide details of the options available to employees, allowing sufficient time for an employee election to be made.
When an election to pay additional contributions to cover a period of absence has been received, arrange for the correct amounts to be deducted from the employee's pensionable pay.	Deduct the relevant contributions due within the first available pay period following receipt of a valid member election.
Make payment of all absence-related additional contributions to the administering authority within the timescales agreed.	Scheme employers must pay over contributions to the Fund by the 19th of the month following the deduction.
Provide a monthly breakdown of all absence-related additional contributions to the administrator/administering authority for reconciliation against payments received.	Submission of a LGPS31 should be made to the Fund prior to the payment and no later than 18th of the month following the deduction.

**Table 4: Award of additional pension**

Employer's responsibility	Timeframe
Ensure the appropriate additional pension decisions are communicated promptly to Administrator by one of the employing authority's authorised signatories.	Notification should be provided to the administrator within 5 working days of the resolution to award additional pension having been made.
Ensure the appropriate additional costs invoiced in relation to any award of additional pension are paid to the administering authority within the agreed timescale.	Payment of the invoice should be made within the stated terms.

**Table 5: Leavers not entitled to immediate payment of benefits**

Employer's responsibility	Timeframe
<p>Notify the administrator of all employees who leave the scheme before retirement, <a href="#">via i-Connect or for employers not using i-Connect</a> providing a complete and correct pensions leaver form, signed by one of the employing authority's authorised signatories. This must include the member's personal details, date of leaving, reason for leaving, and pay details as outlined below.</p> <p>Provide details of the contributions made by the employee and employer during the final scheme year and the previous scheme year, including any additional contributions.</p> <p>Provide details of the member's pensionable pay, as defined by the LGPS Regulations 2013, for the scheme year up to the date of leaving and for the previous scheme year.</p>	<p>To be provided within one calendar month of the date of leaving, in a format approved by the Administering Authority.</p>

Employer's responsibility	Timeframe
<ul style="list-style-type: none"> <li>- Where required, provide details of the member's final pay as defined by the LGPS (Benefits, Membership and Contributions) Regulations 2007.</li> </ul> <p>Where the member is entitled under the LGPS regulations to use a final pay that relates to a previous year, provide the previous two year's final pay figures or the best of the last 10 years' final pay figure, as required.</p> <ul style="list-style-type: none"> <li>- Where required, provide details of the hours the member worked up until the date of leaving and, if required by the administrator, details of historical hours changes for the member.</li> </ul>	
Refund contributions through the payroll to any employee who opts out of the scheme with less than three months membership.	Within the first available pay period following receipt of a valid opt out. Provide the Scheme Administrator with details of all opt outs and a copy of the completed 'Opt out form' by the end of the calendar month following the last contribution deducted.
Provide additional information to assist in the accurate calculation of refunds of contributions, if required by the administrator.	To be provided within 10 working days from receipt of the request from the administrator.
Provide additional information to assist in the accurate calculation of deferred benefits, if required by the administrator.	To be provided within 10 working days from receipt of the request from the administrator.
Ensure an appropriate discretionary policy is in place setting out policy on whether they choose to extend the 12 month time limit for accepting transfers in.	This should form part of the discretionary policies made within 90 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 90 days from date of request by the Administering Authority.

Employer's responsibility	Timeframe
Work with the Administering Authority and the Fund Actuary in their negotiations to facilitate agreement on the terms for transfer.	By way of providing any additional information within 10 working days of receipt of the request.

Table 6: Retirements

Employer's responsibility	Timeframe
<p>Notify the administrator of all employees who leave the scheme at a point where they are entitled to receive payment of their retirement benefits, whether voluntarily or because of a decision by the employing authority, by providing a complete and correct pensions leaver form, signed by one of the employing authority's authorised signatories. This must include the member's personal details, date of leaving, reason for leaving, and pay details as outlined below.</p> <p>Provide details of the contributions made by the employee and employer</p> <p>during the final scheme year and the previous scheme year, including any additional contributions.</p> <p>Provide details of the member's pensionable pay, as defined by the LGPS Regulations 2013, for the scheme year up to the date of leaving and for the previous scheme year.</p> <p>- Where required, provide details of the member's final pay as defined by the</p> <p>LGPS (Benefits, Membership and Contributions) Regulations 2007.</p>	<p>Notify the administrator when a member is due to retire as soon as final earnings are known, typically 20 days prior to date of retirement and no later than 2 weeks after the date of leaving by the submission of a Leaver Notification.</p>



Employer's responsibility	Timeframe
<ul style="list-style-type: none"> <li>- Where required, provide details of the hours the member worked up until the date of leaving and, if required by the administrator, details of historical hours changes for the member.</li> <li>- Provide confirmation that the employing authority has received details of the potential retirement costs and wishes to proceed with the retirement.</li> <li>- Provide confirmation to the member about the employing authority's decision, with appropriate justification if required.</li> <li>- Understand, and pay where applicable, the associated costs to the Administering Authority that apply if a decision is made to retire a member on the grounds of redundancy, business efficiency or ill health.</li> </ul>	
<p>Where the reason for leaving is voluntary early retirement, provide confirmation of whether the Rule of 85 is to be applied, whether any reductions to protected benefits are to be waived, whether any reductions to unprotected benefits are to be waived, and the amount of the reductions that are to be waived (if any).</p>	<p>Confirmation should accompany the Leaver Notification if not previously submitted.</p>
<p>Where the reason for leaving is flexible retirement, provide confirmation of whether any reductions to protected benefits are to be waived, whether any reductions to unprotected benefits are to be waived, and the amount of the reductions that are to be waived (if any). Where the reason for leaving is redundancy or efficiency retirement, provide a copy of the employee's notice letter.</p>	<p>Confirmation should accompany the Leaver Notification if not previously submitted.</p>

Employer's responsibility	Timeframe
Where the reason for leaving is ill-health retirement, arrange for the member to be assessed by an IRMP that has been certified by the Administering authority, provide confirmation that the employee meets all the conditions for ill-health retirement, as defined by the relevant LGPS regulations, provide confirmation of which tier of benefits is to be awarded, and enclose a copy of the notice letter and a complete and correct ill-health certificate completed by the IRMP.	Confirmation should accompany the Leaver Notification if not previously submitted.
Where the member is in receipt of an ill health pension made under Tier 3, arrange for the member to be reassessed by an IRMP after 18 months and determine whether the pension should continue, or be subject to an uplift.	Scheme employers should notify the administrator of the outcome of a Tier 3 Ill Health Review as within 5 working days of the determination.

Table 7: Deaths

Employer's responsibility	Timeframe
<p>Notify the administrator of all employees who die while an active member of the scheme, by providing a complete and correct pensions leaver form, signed by one of the Employing Authority's authorised signatories. This must include the member's personal details, date of leaving, reason for leaving, and pay details as outlined below.</p> <p>Provide details of the contributions made by the employee and employer during the final scheme year and the previous scheme year, including any additional contributions.</p>	Notify the administrator as soon as possible of the death and provide a Leaver Notification within 5 workings days of the death.

Employer's responsibility	Timeframe
<p>Provide details of the member's pensionable pay, as defined by the LGPS Regulations 2013, for the scheme year up to the date of leaving and for the previous scheme year.</p> <ul style="list-style-type: none"> <li>- Provide details of the member's Assumed Pensionable Pay (APP), as defined by the LGPS Regulations 2013 as at the date of death.</li> <li>- Where required, provide details of the member's final pay as defined by the LGPS (Benefits, Membership and Contributions) Regulations 2007.</li> </ul> <p>Where required, provide details of the hours the member worked up until the date of death and, if required by the administrator, details of historical hours changes for the member.</p> <ul style="list-style-type: none"> <li>- Provide additional information to assist in the accurate calculation of death benefits, if required by the administrator.</li> </ul>	

**Table 8: Pension Sharing Orders**

Employer's responsibility	Timeframe
<p>Provide the administrator with information as requested to enable them to carry out the order. This may include, but is not restricted to:</p> <p>Providing details of the member's pensionable pay, as defined by the LGPS Regulations 2013, for the scheme year up to the date of leaving and for the previous scheme year.</p> <ul style="list-style-type: none"><li>- Where required, provide details of the member's final pay as defined by the LGPS (Benefits, Membership and Contributions) Regulations 2007.</li></ul>	<p>Details should be provided to the administrator within 10 working days of the request.</p>

**Table 9: Complaints, errors and breaches**

Employer's responsibility	Timeframe
<p>Appoint a nominated person to consider disputes under stage 1 of the IDR process and provide up to date contact details to the administering authority and administrator.</p>	<p>Within 90 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 90 days from date of request by the Administering Authority.</p>
<p>Notify the administering authority of the receipt of any complaint under the IDR process.</p>	<p>Within 5 working days of receipt of the complaint.</p>
<p>Consider and respond to disputes made under stage 1 of the IDR within statutory timeframes as set out in the LGPS Regulations 2013.</p>	<p>Where the complaint is in relation to an act or omission of the scheme employer, the appointed person to consider disputes under stage 1 of the IDR process by the employer, should respond within the statutory deadline of 2 months beginning with the date on which the IDR application was received.</p>

Employer's responsibility	Timeframe
Notify the administering authority when a stage 1 decision has been issued.	A copy of the response should be provided to both the complainant and the Administering Authority within the 2-month period.
Fully cooperate with all stages of any complaint investigation, including the provision of data, information or technical assistance to any relevant party (including external parties such as the Pensions Ombudsman) as required, to ensure the efficient resolution of any complaint.	By way of providing any additional information requested within 10 working days of receipt of the request.
Be aware of the Fund's Breaches Policy and Reporting Procedures, and of each party's responsibilities in relation to this.	The East Sussex Pension Fund Breaches Policy was agreed by the Pensions Committee and is published on the Fund website. Employers should take time to familiarise themselves with this
Liaise and cooperate appropriately with any investigation into any potential breaches, including with the Administering Authority and the Administrator, and provide such information as is requested.	By way of providing any additional information requested within 10 working days of receipt of the request.

**Table 10: Data quality and record keeping**

Employer's responsibility	Timeframe
Ensure that robust controls are in place for collecting good quality data and, where a data improvement plan has been implemented, liaise with the Administrator and the Administering Authority as appropriate to meet key milestones and to ensure and demonstrate progress against that plan.	N/A
Ensure that pension related information is archived in such a way as to ensure it is accessible for as long as it may be needed.	N/A
Ensure the year end return, (1 April to 31 March) is provided to the administrator in the prescribed format, a template of which will be issued in advance of the year end.	The return must be submitted no later than 30th April following the end of the preceding scheme year. A late or incorrect return will directly affect your employees, as until the year end data has been reconciled, an annual benefit statement may not be issued.
Where the employer has been onboarded onto the I-Connect system, ensure member data is uploaded each month in line with the instructions provided.	Data should be received no later than 19th day of the following month. A late or incorrect submission will affect your employees as the Fund will not hold accurate data about them and this may impact information provided about their benefit entitlements.
Provide a response to any queries raised in relation to the year end return.	Provided to the administrator / Administering Authority within 10 working days of receipt of the request.

**Table 11: Communications**

Employer's responsibility	Timeframe
Distribute any information provided by the administering authority or administrator to members or potential members (e.g. scheme guides and newsletters).	All material provided to scheme employers should be distributed to the relevant employees with 15 working days of receipt.
Ensure that the administrator is provided with requisite information to enable them to produce an ABS	Any additional data required by the administrator for the purpose of issuing an Annual Benefit Statement, should be provided within 10 working days of receipt of request.

**Table 12: Pensioner payroll services**

Employer's responsibility	Timeframe
Where the member is in receipt of an ill health pension made under Tier 3, arrange for the member to be reassessed by an IRMP after 18 months and determine whether the pension should continue, or be subject to an uplift.	Scheme employers should notify the administrator of the outcome of a Tier 3 Ill Health Review as within 5 working days of the determination.
To notify the administrator as soon as practically possible after identifying any irregularity that could contribute to the member being over or underpaid (e.g. an audit review of completed leaver forms may identify an incorrect pay value stated and issued to the administrator in respect of a pensioner)	Scheme employers should notify the administrator within 5 working days of having discovered the irregularity.

**Table 13: Finance and accounting**

Employer's responsibility	Timeframe
Make payment of additional fund strain costs in relation to early payment of benefits from flexible retirements, redundancy or efficiency retirements, or early retirements with employer consent, upon receipt of an invoice from the administrator or administering authority.	Payment of the invoice should be made within the stated terms.
Make payment of recharge amounts in respect of compensatory added years, where appropriate.	Payments to be made on a monthly basis and detailed on the LGPS31 Form submitted to the Administering Authority.
Make payments in respect of accounting work carried out on behalf of the employing authority by the Fund actuary or the administering authority's accounting team, upon receipt of an invoice from the administrator or administering authority.	Payment of the invoice should be made within the stated terms.
Make payments in respect of any other work carried out by the administrator, administering authority or Fund actuary on behalf of the employing authority, upon receipt of an invoice from the administrator or administering authority.	Payment of the invoice should be made within the stated terms.
Ensure the correct employee contribution rate is determined each scheme year in line with the appropriate contribution banding table.	An assessment should be made by all scheme employers every April to ensure all employee contribution deductions are made in line with the revised employee contribution bandings issued.
Ensure the correct deduction of contributions from employees' pensionable pay, including any period of child-related leave, trade dispute, or other absence.	N/A



Employer's responsibility	Timeframe
Apply changes to employer contribution rates as instructed by the administering authority at the date specified by the Fund actuary.	Apply from the first available pay period (retrospectively if required) or the date specified by the actuary if later, following receipt of an instruction from the Administering Authority.
Ensure employer and employee contributions are paid across in a timely manner and in the agreed format.	<p>Scheme employers must pay over contributions to the Fund by the 19th of the month following the deduction. Submission of a LGPS31 should also be made to the Fund prior to the payment and no later than 18th of the month following the deduction.</p> <p>Failure to pay contributions or submit the LGPS31 by the prescribed deadline may result in additional charges being levied against the employer. Where considered to be of material significance the Fund will consider a referral to The Pensions Regulator in line with their Code of Practice 14 or any future Code of Practice that comes into force.</p>

Table 14: Employer services

Employer's responsibility	Timeframe
Distribute all supporting material supplied by the administrator or administering authority to relevant staff and ensure attendance at employer training sessions.	All material provided to scheme employers should be distributed to the relevant employees with 15 working days of receipt.

**Table 15: Pensions Taxation**

Employer's responsibility	Timeframe
Ensure that the administrator is provided with any information required to enable them to calculate the Pension Input Amount and to produce a Pension Savings Statement within statutory timescales.	By way of providing any additional information requested within 10 working days of receipt of the request from the administrator or Administering Authority.

**Table 16: Administration performance reports and CIPFA benchmarking**

Employer's responsibility	Timeframe
Provide additional information to assist in the completion of the annual CIPFA benchmarking questionnaire, if required by the administrator or the administering authority.	Within 10 working days of receipt of the request from the administrator or Administering Authority.
Provide additional information to assist in the accurate calculation and payment of all benefits, if required by the administrator.	Within 10 working days of receipt of the request from the administrator or Administering Authority.

**Table 17: i-Connect employee data portal**

Employer's responsibility	Timeframe
Ensure monthly i-Connect submissions are loaded and processed in accordance to submission dates	By the agreed submission date and no later than the 18th of the following month due.
Ensure all i-Connect submissions are reviewed before uploading and data is accurate.	By the agreed submission date and no later than the 18th of the following month due.

Employer's responsibility	Timeframe
Any changes to employer i-Connect users and changes of staff are communicated to the i-Connect administration team.	AS soon as possible but within 2 weeks of a change taking place.
Changes to payroll providers are communicated to the i-Connect team and the management of i-Connect data is handed over with support from the i-Connect Administration team.	Notification of any changes 90 days prior to changing payroll provider to allow the transition and file build to be managed.
To engage with i-Connect administration team to resolve any errors or suppression and omitted members or any other queries that arise from the monthly submission	Within 10 days of request from the i-Connect administration team.
Ensure participation on any training or updates provided by the i-Connect administration team. Any changes to the i-Connect specifications need to be implemented.	As requested by i-Connect administration team.

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KNOWLEDGE AND SKILLS FRAMEWORK FOR LGPS COMMITTEE MEMBERS AND LGPS OFFICERS

	Do I possess....?	Rate my skills 1-5 1 - no knowledge 5 - highly skilled	Links for information	More related information
Pensions legislations and guidance	<b>General pensions framework</b>			
	A general understanding of the pensions legislative framework in the UK.		<a href="https://education.thepensionsregulator.gov.uk/">The Pensions Regulator (lgpsregs.org); https://education.thepensionsregulator.gov.uk/</a>	
	A general understanding of other legislation that is relevant in managing an LGPS fund, e.g. freedom of information, General Data Protection Regulation (GDPR) and local authority legislation.		<a href="https://www.thepensionsregulator.gov.uk/tprr/toolkit/your-learning">TPR Toolkit : Your learning (thepensionsregulator.gov.uk)</a>	
	<b>Scheme-specific legislation</b>			
	A general understanding of the legislation and statutory guidance specific to the scheme and the main features relating to benefits, administration, funding, governance, communications and investment, including:		<a href="https://www.thepensionsregulator.gov.uk/welcome-to-the-trustee-toolkit">Welcome to The Trustee toolkit   Log in to the site (thepensionsregulator.gov.uk)</a>	
	• a general understanding of the LGPS Regulations 2013		<a href="https://www.lgpsregs.org/">LGPS Regulations 2013 (lgpsregs.org)</a>	
	• a general understanding of the LGPS (Management and Investment of Funds) Regulations 2016.		<a href="https://www.lgpsregs.org/">LGPS Investment Regulations 2016 (lgpsregs.org)</a>	
	An awareness of LGPS discretions and how the formulation of the discretionary policies impacts on the fund, employers and scheme members.		Discussed in a Board/Committee meeting	<a href="https://www.lgpslibrary.org/">STATEMENT OF POLICY (lgpslibrary.org)</a>
	A regularly updated awareness of the latest changes to the scheme rules and current proposals or potential changes to the scheme.		Attending training sessions from different sources (LGA, PLSA, LGC) as advised by the training coordinator. Also, Officers provide regular updates during Board and Committee meetings	
	<b>Guidance</b>			
Pensions governance	An understanding of how the roles and powers of DLUHC, The Pensions Regulator code of practice, the Scheme Advisory Board, and the Pensions Ombudsman relate to the workings of the scheme.		<a href="#">The Pensions Landscape and PF Accounts - (first part of the video)</a>	<a href="#">Pension landscape training.pdf</a> <a href="#">Rule making and the regulatory environment</a>
	An awareness of the requirements of guidance from the Scheme Advisory Board.		<a href="https://www.lgpsboard.org/">LGPS Scheme Advisory Board - Board Guidance (lgpsboard.org)</a>	
	<a href="#">An awareness of the requirements of guidance from GAD (Government Actuary Department).</a>		<a href="https://www.gov.uk/">Government Actuary's Department - GOV.UK (www.gov.uk)</a>	
			<a href="https://eastsussex.sharepoint.com/:f/r/sites/ESPF_Training/SharePoint/Training%20updates%20methodology">Funding updates, cessation methodology - https://eastsussex.sharepoint.com/:f/r/sites/ESPF_Training/SharePoint/Training%20updates%20methodology</a>	
	An awareness of other guidance relevant to the LGPS, such as from CIPFA.		<a href="#">Administration in the Local Government Pension Scheme (LGPS)   CIPFA</a>	<a href="#">2025 A Brief Guide to the Local Government Pension Scheme</a>
	An awareness of the LGPS regulations' main features, including any material developments and requirements relating to pension scheme governance.		<a href="https://www.lgpsregs.org/">LGPS Regulations and Guidance (lgpsregs.org)</a>	
	An awareness of statutory and other guidance in relation to pension scheme governance, including DLUHC statutory governance guidance, The Pensions Regulator code of practice, CIPFA/Solace, Scheme Advisory Board guidance and the Myners principles.		<a href="#">LGPS Regulations and Guidance (lgpsregs.org)</a>	<a href="https://www.nationalarchives.gov.uk/">[ARCHIVED CONTENT] (nationalarchives.gov.uk)</a>
	<b>Pension regulators, Scheme Advisory Board and other bodies</b>		<a href="#">TPR general (single) code of practice   The Pensions Regulator</a>	
	A general understanding of how the roles and powers of DLUHC, TPR, the Pensions Advisory Service and the Pensions Ombudsman relate to the workings of the scheme.		<a href="#">The Pensions Landscape - first part</a>	<a href="#">Pension landscape training.pdf</a>
	A general understanding of the role of the Scheme Advisory Board and how it interacts with other bodies.		<a href="#">Local Government Pension Scheme Advisory Board (The Board)</a>	
			<a href="https://www.lgpsboard.org/">LGPS Scheme Advisory Board - Board Updates (lgpsboard.org)</a>	
	<b>General constitutional framework</b>			
	A general understanding of the role of the administering authority in relation to the LGPS.		<a href="#">The Pensions Landscape - first part</a>	<a href="#">Pension landscape training.pdf</a>
	A general understanding of the role of pension committees in relation to the fund, administering authority, employing authorities, scheme members and taxpayers.		<a href="#">Part 3 - Table 5 - Other Committees and Panels</a>	<a href="#">CONSTITUTION – PART 3 – RESPONSIBILITY FOR FUNCTIONS</a>
	An awareness of the role and statutory responsibilities of the CFO and monitoring officer.		<a href="#">Article 12 of the Terms of Reference</a>	<a href="#">Article 12 - Officers - PART 2 – ARTICLES OF THE CONSTITUTION</a>
	<b>Fund-specific governance</b>		<a href="https://www.thepensionsregulator.gov.uk/welcome-to-the-trustee-toolkit">Welcome to The Trustee toolkit   Log in to the site (thepensionsregulator.gov.uk)</a>	
			<a href="https://www.lgpsmember.org/">How the LGPS is run : LGPS (lgpsmember.org)</a>	
	A strong understanding of the roles, terms of reference and delegated responsibilities of the pension committee (including any sub-committees), the pension board and any other delegated responsibilities to senior officers.		<a href="https://www.eastsussex.gov.uk/appendix-1-terms-of-reference-of-the-pension-board.pdf">Appendix 1 - Terms of reference of the Pension Board.pdf (eastsussex.gov.uk)</a>	
	A general understanding of how the asset pool was established, including the responsibilities of the joint governance committee (or equivalent).		<a href="#">Committee (Part 2, from section 9 to 11 of the Council's Constitution)</a>	
	A general understanding of the stakeholders of the fund and the nature of their interests.		<a href="#">An Introduction to LGPS Investment Pooling</a>	<a href="#">ACCESS East Sussex 2022 final.pdf</a>
	A general understanding of who the key officers responsible for the management of the fund are, how the pension team is structured and how services are delivered.			
	A general understanding of the fund's strategies, policies and other key documents.		<a href="https://www.eastsussexpensionfund.org/">Pensions Administration Strategy - 2023 (eastsussexpensionfund.org)</a>	
	A general understanding of best practice risk management, including how that supports a structured and focused approach to managing risks. This should include how risk is monitored and managed and the fund's current key risks.		<a href="#">Risk Management Policy - East Sussex Pension Fund</a>	
	A general understanding of how conflicts of interest are identified and managed.		<a href="#">Conflict of interest policy - East Sussex Pension Fund</a>	
	A strong understanding of how breaches in law are recorded and managed and, if necessary, reported to TPR, including each individual's personal responsibility in relation to breaches.		<a href="#">Procedure for Recording and Reporting Breaches of the Law - East Sussex Pension Fund</a>	
	A general understanding of the fund's knowledge and skills policy and associated training requirements.		<a href="#">Training Strategy 2024 - East Sussex Pension Fund</a>	
	An awareness of the fund's process for dealing with complaints, including its internal dispute resolution procedure.		<a href="#">Internal Dispute Resolution Procedure - East Sussex Pension Fund</a>	
	A general understanding of how the effectiveness of the fund's governance is reviewed.			

	<b>Service delivery</b>			
	A general understanding of the required budget and resources needed to manage and administer the fund.		<a href="#">The Pensions Landscape and PF Accounts - second part of the video</a>	<a href="#">ESPF - Accounts.pdf</a>
	A general understanding of the annual business planning cycle and budget setting.			
	A general understanding of the fund's key performance indicators and other performance measures.		Update is provided in every Board & Committee meeting	
<b>Funding Strategy and actuarial methods</b>	A general understanding of the fund's business continuity policy and cyber security policy across all areas of fund activity, including administration.			
	An awareness of the LGPS regulations' main features, including any key developments and requirements relating to funding strategy and the setting of employer contributions, including associated guidance.		<a href="#">LGPS Investment Regulations 2016 (lgsregs.org)</a>	
	A general understanding of the role of the fund actuary.		<a href="#">2025 Val - Board &amp; Committee training - valuation basics v2.pdf</a>	
	A general understanding of the funding strategy statement (including employer funding flexibilities) and the expected delivery of the funding objectives.		<a href="#">ES Pension Committee Induction - June 2021 - YouTube</a>	<a href="#">Legal - Powers, functions &amp; responsibilities</a>
	A general understanding of the key risks to the fund relating to the funding strategy.			
	<b>Valuations</b>		<a href="#">2025 Val - Board &amp; Committee training - valuation basics v2.pdf</a>	<a href="#">2025 Val - Board &amp; Committee training - valuation basics v2.p</a>
	A general understanding of the valuation process, including developing the funding strategy in conjunction with the fund actuary and inter-valuation monitoring.			
	An awareness of the costs to the employer, including employer contributions and early retirement strain costs.			
	An awareness of the different types of employers that participate in the fund			
	A general understanding of the importance of employer covenant, the relative strengths of the covenant across the fund's employers and how this impacts the funding strategy adopted.		<a href="#">Available slides only</a>	
	A general understanding of any legislative and/or benefit uncertainty and the impact of this on the funding strategy.			
	A general understanding of the scheme valuation and other work carried out by GAD and the impact this has on the valuation process (i.e., the cost management process/Section 13 report).			
	<b>New employer and exits</b>		<a href="#">Available slides</a>	<a href="#">Admissions and Cessations.pdf</a>
	A general understanding of the implications of including new employers in the fund and of the exit of existing employers.			
	A general understanding of the relevant considerations in relation to the different types of new employer, e.g. outsourcings, academies (if appropriate), alternative delivery models, and also the considerations in relation to bulk transfers.			
<b>Pensions administration and communications</b>	An awareness of the LGPS regulations' main features and requirements relating to:		<a href="#">Administration-of-LGPS-pensions.pdf</a>	<a href="#">ESPF Training - General Code and Tax System</a>
	• communications strategies		<a href="#">TPR general (single) code of practice   The Pensions Regulator</a>	
	• administration		<a href="#">TPR general (single) code of practice   The Pensions Regulator</a>	
	• entitlement to and calculation of pension benefits		<a href="#">TPR general (single) code of practice   The Pensions Regulator</a>	
	• transfers in and out of the scheme		<a href="#">TPR general (single) code of practice   The Pensions Regulator</a>	
	• employee contributions		<a href="#">TPR general (single) code of practice   The Pensions Regulator</a>	
	• the delivery of administration and communications (including associated guidance).		<a href="#">TPR general (single) code of practice   The Pensions Regulator</a>	
	A general understanding of the fund's pensions administration strategy, including how it is delivered (including, where applicable, the use of third-party suppliers and systems), performance measures and assurance processes.		<a href="#">Pensions Administration Strategy - 2023 (eastsussexpensionfund.org)</a>	
	A general understanding of the fund's communications policy, including how it is delivered (including, where applicable, the use of third-party suppliers and systems), performance measures and assurance processes.		<a href="#">Communication Strategy (2025) - East Sussex Pension Fund</a>	
	A general understanding of best practice in pensions administration, e.g. performance and cost measures.			
	A general understanding of the fund's processes and procedures relating to:		<a href="#">Pensions Administration Strategy - 2023 (eastsussexpensionfund.org)</a>	
	• member data maintenance and record keeping, including data improvement plans and relationships with employers for data transmission			
	• contributions collection.			
	An awareness of how the fund interacts with the taxation system in relation to benefits administration, including the annual and lifetime allowances.		<a href="#">General Code and Tax System</a>	
	A general understanding of additional voluntary contribution (AVC) arrangements, including:		<a href="#">Increase my pension   East Sussex Pension Fund</a>	
	• the AVC arrangements that exist			
	• the choice of investments to be offered to members			
	• the provider's investment and fund performance,			
	• the payment of contributions to the provider			
	• the benefits that can be received by scheme members			
	• how and when the AVC arrangements, including the investment choices, are reviewed.			
<b>Pensions financial strategy, management, accounting, report and audit standards</b>	A general understanding of the Accounts and Audit Regulations and legislative requirements relating to the role of the committee and individual members in considering and signing off the fund's accounts and annual report.		<a href="#">Pension Fund Accounts and The Pensions Landscape</a>	

	A general understanding of the various elements of income into and expenditure of the fund, including the operational budget.		<a href="#">Pension Fund Accounts and The Pensions Landscape</a>	
	A general understanding of the cash flows of the fund and how risks are managed to ensure appropriate cash is available to pay benefits and other outgoings.		<a href="#">Pension Fund Accounts and The Pensions Landscape</a>	
	A general understanding of the role of both internal and external audit in the governance and assurance process.		<a href="#">Pension Fund Accounts and The Pensions Landscape</a>	
Investment strategy, asset allocation, pooling, performance and risk management	An awareness of the LGPS regulations' main features and requirements relating to investment strategy, asset allocation, the pooling of investments and responsible investments, including associated guidance.		<a href="#">Preparing and maintaining an investment strategy statement</a>	
	<b>Investment strategy</b>		<a href="#">Investment   East Sussex Pension Fund</a>	
	A general understanding of the key risks that the fund is exposed to and how a fund's investment strategy should be considered in conjunction with these risks.			
	A general understanding of the risk and return characteristics of the main asset classes (equities, bonds, property) and the need to balance risk versus reward when determining the investment strategy.			
	A general understanding of the role of these asset classes in long-term pension fund investing.			
	A general understanding of the fund's cash flow requirements and how these impact on the types of investments considered.			
	<b>Investment pool (England and Wales)</b>		<a href="#">LGPS Pooling</a>	
	A general understanding of the structure, operation and purpose of the investment pooling arrangements, including the structure of the relationship with the other participants in the pool.			
	An awareness of the regulations, best practice and guidance relating to investment pooling and the delivery of the investment objectives of the administering authority/pension committee by their chosen investment pool.			
	An awareness of the boundaries of investment activities (e.g. strategy requiring advice from a suitably qualified person, in-house investment transactions) and which investment activities require FCA authorisation.			
	A general understanding of the interaction between the administering authority, the pension committee, the investment pool operator, investment pool oversight committee and other parties relating to the investment pooling arrangement – in particular, reporting requirements, influence and accountability.			
	A general understanding of the fund's investment strategy statement and the investment pool's interpretation and expected delivery of those investment objectives, including any objectives relating to environmental, social and governance factors.			
	<b>Total fund</b>			
	A general understanding of the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long-term risks.			
	<b>Performance of the committee</b>			
	An awareness of the Myners principles and the need to set targets for the committee and to report against them.			
	An awareness of the range of support services provided to the committee, who supplies them and the nature of the performance monitoring regime.		<a href="#">ES Pension Committee Induction - June 2021</a>	
	<b>Performance of the investment pool (England and Wales)</b>		<a href="#">LGPS Pooling</a>	
	An awareness of the investment regulations and the requirements for monitoring investments.			
	A general understanding of the requirements of the investment pool in relation to the administering authority and pension committee investment strategy and how to effectively monitor the implementation of the investment strategy within the pool.			
	<b>Responsible investment</b>			
	An awareness of the latest developments and requirements in the area of responsible investment.		Attending training sessions and reading up to date information, and regular updates from the Officers	
	An awareness of the UK Stewardship Code and the United Nations Principles of Responsible Investment (UNPRI) and whether the fund is a signatory of these.		<a href="#">UK Stewardship Code   Financial Reporting Council (frc.org.uk)</a> <a href="#">Investment tools   PRI</a>	
	A general understanding of the fund's approach to responsible investment, including how views on environmental, social and governance issues are incorporated into the fund's investment strategy.		<a href="#">UK Stewardship Report 2023 - East Sussex Pension Fund</a>	
	<b>Risk management</b>			
	A general understanding about how to manage and reduce risk and lessen the impact of risk on assets when it arises, including climate risk.		<a href="#">Fiduciary Duties and MIFID II</a>	
Financial markets and products	<b>Financial markets</b>			
	A general understanding of the primary importance of the investment strategy decision.			
	A general understanding of the workings of the financial markets, the investment vehicles available to the pension fund and the nature of the associated risks.		<a href="#">Private Credit</a> <a href="#">Fixed Income and Strategy</a> <a href="#">Infrastructure</a>	

			<a href="#">Affordable Housing</a>	
	An awareness of the restrictions placed by legislation on the investment activities of LGPS funds.		<a href="#">LGPS Pooling</a>	
	<a href="#">MIFID II (Markets in Financial Instruments Directive II (2014/65/EU))</a>			
	A general understanding of MIFID II requirements relating to the knowledge of decision makers.		<a href="#">Fiduciary Duties and MIFID II</a>	
			<a href="#">LGPS Scheme Advisory Board - MIFIDII (lgpsboard.org)</a>	
	<b>Investment pool (England and Wales)</b>		<a href="#">LGPS Pooling</a>	
	A general understanding of the investment pool operator's approach to pooling and delivering access to the different asset classes and/or investment funds.			
<b>Pension services procurement, management and relationship management</b>	A general understanding of which assets and investments may sit outside of the investment pool and why their nature and characteristics permit this.			
	An awareness of how the fund interacts with the taxation system in the UK and overseas in relation to investments.			
	<b>Understanding public procurement</b>			
	An awareness of the main public procurement requirements of UK and EU legislation and the use of national frameworks within the context of the LGPS.		<a href="#">Procurement Regulations and Admissions &amp; Cessations</a>	
	<b>Fund suppliers</b>		<a href="#">Procurement Regulations and Admissions &amp; Cessations</a>	
	Awareness of the key decision makers in relation to the fund's procurements.			
	A general understanding of the fund's suppliers and providers and their roles in the management of the fund.			
	An awareness of how the fund's suppliers are monitored, including:			
	• the Myners principles		<a href="#">[ARCHIVED CONTENT] (nationalarchives.gov.uk)</a>	
	• the need for strategic objectives for investment consultants.			
	<b>Supplier risk management</b>			
	A general understanding of the nature and scope of risks for the pension fund and of the importance of considering risk factors when selecting external suppliers and providers.		<a href="#">Procurement Regulations and Admissions &amp; Cessations</a>	
	A general understanding of how the pension fund monitors and manages the performance of their external suppliers and providers, including business continuity and cyber risk.		<a href="#">Procurement Regulations and Admissions &amp; Cessations</a>	
	<b>Investment pool (England and Wales)</b>		<a href="#">LGPS Pooling</a>	
	An awareness of the nature of the relationship with the investment pool parties and a general understanding of:			
	• the extent of influence over the investment pool operator and oversight committee			
	• the terms for terminating a pooling agreement			
	• guidance on the requirement to pool investments.			
<b>Roles and Responsibility and Decision Making</b>	<b>Awareness of the Role and Duties of the:</b>		<a href="#">ES Pension Committee Induction - June 2021 - YouTube</a>	<a href="#">Pension landscape training.pdf</a>
	• Committee		<a href="#">Part 3 - Table 4 - Regulatory Committee</a>	
	• Board		<a href="#">Constitution and terms of reference of the ESPE</a>	
	• Awareness of the Administering Authority Duties		<a href="#">Committee details - Pension Committee   East Sussex County Council</a>	<a href="#">Eversheds - New Member Training</a>
	<b>Decision Making</b>		<a href="#">TPR general (single) code of practice   The Pensions Regulator</a>	<a href="#">Decision Making Arrangements</a>
	• Committee		<a href="#">Fiduciary Duties and MIFID II</a>	
	• Board		<a href="#">ES Pension Committee Induction - June 2021 - YouTube</a>	
	• Awareness of the Administering Authority Duties		<a href="#">Fiduciary Duties and MIFID II</a>	



**Report to:** Pension Committee

**Date of meeting:** 18 November 2025

**By:** Chief Finance Officer

**Title:** Pension Administration - updates

**Purpose:** To provide an update to the Pension Committee on matters relating to Pension Administration activities.

---

## RECOMMENDATION:

The Pension Committee is recommended to note the update.

---

### 1. Background

1.1 The in-house Pension Administration Team (PAT) carries out the operational, day-to-day tasks on behalf of the members and employers of the East Sussex Pension Fund (the Fund, ESPF) and for the Administering Authority. They also lead on topical administration activities, projects and improvements that may have an impact on members of the Local Government Pension Scheme (LGPS).

### 2. Service Level Agreements (SLA)

2.1 The Performance Reports for the months of July, August and September 2025 can be found at Appendices 1 to 3. Each report includes all tasks performed by the PAT and is reported directly from the Altair Insights system. A summary is included in the table below:

Month	o/s* at start	Post received	Post completed	Completed in SLA	% within SLA	Outside SLA	Total o/s* at end	Open tasks at end
Apr 25	2,066	1,949	2,015	1,705	84.6%	310	1,979	470
May 25	1,828	1,772	1,803	1,647	91.3%	156	1,759	356
Jun 25	1,637	1,810	1,674	1,556	93.0%	118	1,729	351
<b>Q2, 25</b>		<b>5,531</b>	<b>5,492</b>	<b>4,908</b>	<b>89.4%</b>	<b>584</b>		
Jul 25	1,555	2,080	2,040	1,906	93.0%	134	1,561	206
Aug 25	1,460	1,742	1,504	1,444	96.0%	60	1,674	328
Sep 25	1,519	2,283	1,941	1,819	93.7%	122	1,833	570
<b>Q3,25</b>		<b>6,105</b>	<b>5,485</b>	<b>5,169</b>	<b>94.2%</b>	<b>316</b>		

\*o/s = outstanding

2.2 To aid visibility of the work being undertaken by the PAT team, Appendix 4 provides a high-level view of performance achieved (as previously presented to Pension Board and Pension Committee) over several years. The volume of tasks received being reported has increased – 9,629 in 2022, 15,411 in 2023 and 23,898 in 2024.

2.3 The Fund aims to achieve a gold standard service provision for the Pensions Helpdesk and the results for July to September 2025 are included in Appendix 5. From April 2024 the Helpdesk has been delivered by an in-house team within PAT. Due to the transition into an in-house team the reportable information relating to service delivery has reduced. The roll out of the East Sussex County Council (ESCC) telephony upgrade was completed mid-May 2025. As a result, the

Helpdesk was expecting access to call centre technology but that has yet to be installed. It is anticipated that call centre technology will be installed soon as an IT&D project manager has now been assigned to this task, so the PAT will again review the format and type of Management Information data available.

### **3. Pension Administration Staffing Update**

3.1 There have been one resignation on the pension helpdesk since the last meeting and the Operator left on 29 October 2025. A new Project Officer started on 20 October 2025. The PAT is carrying forward 2 vacancies and a temporary vacancy due to maternity leave.

### **4. Projects update**

#### **McCloud remedy**

4.1 Now the Annual Benefit Statements have been issued; the PAT can concentrate on finalising the review of the remaining errors and issue outstanding statements by the end of this year. In 2026 work will begin on the non-active member re-calculations where the McCloud underpin applied, ahead of the 31 August 2026 deadline.

#### **Pensions Dashboards**

4.2 A training session for Pension Board and Pension Committee members took place on 16 September 2025.

4.3 Work is underway on looking to create a new Prudential Additional Voluntary Contribution (AVC) data screen on Altair to hold the annual data that can be submitted to the Integrated Service Provider (ISP) via a single source. A Heywood contract variation for the single source AVC solution for the Pensions Dashboard Programme was completed on 14 October 2025.

4.4 Onboarding was completed on 24 September 2025 ahead of the deadline of 31 October 2025, but it is not yet known when the pension dashboards will go live to the public. The pensions website updated to let employers/members know. [Connection to Pension Dashboard | East Sussex Pension Fund](#)

#### **Annual Allowance (AA) for 2024/25**

4.5 A total of 300+ potential cases were in scope in August 2025. Given the AA limit increased from £40k to £60k in the previous year, fewer members were expected to be impacted. Further investigation showed 270 members could be descope from the data collection stage. Some additional salary data was required from a few employers for a small number of members.. All the necessary calculations and letters were issued in late September 2025 (8 members exceeded the allowance and 3 were required to pay additional tax) before the statutory deadline 6 October 2025.

#### **Additional Voluntary Contributions implementation of approved changes**

4.6 At the 27 February 2025 Pension Committee meeting, the following decisions were made:

- Change the default investment fund for new members from “With Profits” to the Lifestyle approach “Dynamic Growth Targeting Cash”.
- Retain the “With Profits” fund as the default for existing investors including their future contributions. The fund will also remain a self-select option for new members.
- Hard Close funds where no assets remain – “Fixed Interest” fund - and consider closing the “Index-Linked” fund that had one deferred member.
- Allow soft Close funds to be used by existing investors.
- Introduce a Sharia compliant equity option.
- not to look for a self-select Bond fund.

4.7 These decisions were implemented, in co-ordination with Barnett Waddingham (BW) and the Prudential (Pru). Emails or letters were issued to all AVC policy holders on 2 October 2025 announcing the effective date of the changes on 31 October 2025.

### **Digital Assistant (chatbot)**

4.8 The Digital Assistant is a Chatbot designed to sit on the ESPF website and answer frequently asked questions FAQ. Officers are working with an external provider ICS.AI who created a draft set of 298 questions and answers. A comprehensive review of the FAQ and prescribed answers have been finalised in June 2025, and 260 questions remain. The next phase is the user acceptance testing UAT and there are three workstreams:

- Very detailed core testing of 22 questions completed in September 2025 and results are being assessed.
- Exploratory testing where much less prescribed commencing in October 2025.
- Survey type testing which will include Pension Board members in November 2025.

## **5 Conclusion and reasons for recommendation**

5.1 The Pension Committee is recommended to note the report.

**IAN GUTSELL**  
**Chief Finance Officer**

Contact Officer: Paul Punter, Head of Pensions Administration  
Email: [paul.punter@eastsussex.gov.uk](mailto:paul.punter@eastsussex.gov.uk)

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# APPENDIX 1

## East Sussex Pensions Administration - Member Experience / Performance Indicators

Jul-25

Activity	Items outstanding at start of period	Post received	Post completed	Completed within KPI	% Complete within KPI	Completed outside KPI	Average No. days taken	Longest No. days taken	Items outstanding at end of period	open tasks at end of period
Aggregation- Payment	79	186	161	134	83.20%	27	5.2	125	104	33
Aggregation- Quote	77	132	151	104	83.20%	47	8.5	44	58	25
APC/AVC's	31	85	87	87	100.00%	0	0.5	N/A	29	5
Deaths – initial letter acknowledging death of member	0	14	14	14	100.00%	0	0	N/A	0	0
Deaths- With Benefits	95	43	57	52	91.20%	5	4.2	83	81	9
Deaths-No Further Benefits	27	35	36	36	100.00%	0	1.6	N/A	26	0
Deferred Benefits	174	167	173	159	91.90%	14	6.6	115	168	18
Divorce Quotes	3	2	0	0		0	0	N/A	5	0
Divorce - Proceeding	0	12	10	10	100.00%	0	2.3	N/A	2	0
General Enquiries	75	270	279	278	99.60%	1	0.7	6	66	4
Interfund in- Payment	109	60	43	40	93.00%	3	4.3	171	98	7
Interfund In- Quote	331	48	30	23	76.70%	7	14.3	203	349	17
Interfund Out- Payment	32	33	29	24	82.80%	5	8.4	9	36	17
Interfund Out- Quote	25	43	47	44	93.60%	3	7.5	2	21	7
Recalculations - NEW JUNE 2025	10	28	27	25	92.60%	2	5.7	51	11	2
Refunds- Frozen	49	108	116	112	96.60%	4	5.9	215	41	6
Refunds- Payment	11	50	49	43	87.80%	6	2.5	7	12	7
Retirements – letter notifying actual retirement benefits	38	190	213	211	99.10%	2	1.9	7	15	3
Retirements – letter notifying estimate of retirement benefits	13	221	223	223	100.00%	0	2.1	N/A	11	4
Retirements – process and pay pension benefits on time	173	217	185	183	98.90%	2	1.4	1	205	22
Transfer In- Payment	35	19	8	8	100.00%	0	1.3	10	40	2
Transfer In- Quote	134	35	12	8	66.70%	4	8.9	7	157	13
Transfer Out- Payment	17	3	4	4	100.00%	0	1.3	N/A	16	4
Transfer Out- Quote	16	71	77	75	97.40%	2	2	1	10	1
Trivial Commutation	1	8	9	9	100.00%	0	0.1	N/A	0	0
Grand Totals	1,555	2,080	2,040	1,906	93.0%	134			1,561	206

Priority 1
Priority 2
Priority 3
Priority 4
Priority 5

The Admin Strategy is a mixture of 90% or 95% KPI targets and these can vary within the task list

92%+
87%+
<87%

<1K
1k to 1.5k
>1.5k

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## APPENDIX 2

### East Sussex Pensions Administration - Member Experience / Performance Indicators

Aug-25

Activity	Items outstanding at start of period	Post received	Post completed	Completed within KPI	% Complete within KPI	Completed outside KPI	Average No. days taken	Longest No. days taken	Items outstanding at end of period	open tasks at end of period
Aggregation- Payment	92	197	182	167	91.80%	15	3.4	22	107	42
Aggregation- Quote	51	85	99	91	91.90%	8	5.3	8	37	15
APC/AVC's	29	13	16	16	100.00%	0	2.4	N/A	26	8
Deaths – initial letter acknowledging death of member	0	23	23	23	100.00%	0	0	N/A	0	0
Deaths- With Benefits	74	46	49	46	93.90%	3	2.6	10	71	3
Deaths-No Further Benefits	25	21	21	21	100.00%	0	1.5	N/A	25	0
Deferred Benefits	169	156	138	134	97.10%	4	3.7	140	187	32
Divorce Quotes	5	0	1	1	100.00%	0	1	N/A	4	0
Divorce - Proceeding	2	22	16	16	100.00%	0	1	N/A	8	1
General Enquiries	57	203	152	152	100.00%	0	0.7	N/A	108	48
Interfund in- Payment	100	44	29	28	96.60%	1	1.6	22	96	2
Interfund In- Quote	324	37	22	16	72.70%	6	8.3	34	339	9
Interfund Out- Payment	36	20	26	24	92.30%	2	9.8	7	30	8
Interfund Out- Quote	16	34	33	32	97.00%	1	4	3	17	13
Recalculations - NEW JUNE 2025	4	50	31	31	100.00%	0	0	N/A	23	18
Refunds- Frozen	39	122	124	121	97.60%	3	2.1	13	37	5
Refunds- Payment	10	48	47	35	74.50%	12	2.8	8	11	6
Retirements – letter notifying actual retirement benefits	15	140	119	119	100.00%	0	1.5	N/A	36	24
Retirements – letter notifying estimate of retirement benefits	11	159	160	159	99.40%	1	2	4	10	3
Retirements – process and pay pension benefits on time	192	202	150	149	99.30%	1	1.3	1	244	41
Transfer In- Payment	39	13	6	6	100.00%	0	0.1	N/A	41	1
Transfer In- Quote	149	18	7	4	57.10%	3	10.3	15	160	9
Transfer Out- Payment	16	3	5	5	100.00%	0	1.4	N/A	14	0
Transfer Out- Quote	5	80	42	42	100.00%	0	1.9	N/A	43	40
Trivial Commutation	0	6	6	6	100.00%	0	0	N/A	0	0
Grand Totals	1,460	1,742	1,504	1,444	96.0%	60			1,674	328

Priority 1
Priority 2
Priority 3
Priority 4
Priority 5

*The Admin Strategy is a mixture of 90% or 95% KPI targets and these can vary within the task list*

92%+
87%+
<87%

<1K
1k to 1.5k
>1.5k

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# APPENDIX 3

## East Sussex Pensions Administration - Member Experience / Performance Indicators

Sep-25

Activity	Items outstanding at start of period	Post received	Post completed	Completed within KPI	% Complete within KPI	Completed outside KPI	Average No. days taken	Longest No. days taken	Items outstanding at end of period	open tasks at end of period
Aggregation- Payment	97	199	197	137	69.50%	60	6.5	19	99	31
Aggregation- Quote	26	46	45	40	88.90%	5	10.9	77	27	15
APC/AVC's	26	68	68	66	97.10%	2	2.4	109	26	7
Deaths – initial letter acknowledging death of member	0	25	25	25	100.00%	0	0	N/A	0	0
Deaths- With Benefits	69	59	44	41	93.20%	3	2.8	3	84	8
Deaths-No Further Benefits	25	42	41	39	95.10%	2	1.6	2	26	4
Deferred Benefits	180	196	126	114	90.50%	12	4.2	13	250	107
Divorce Quotes	4	0	1	1	100.00%	0	1	N/A	3	0
Divorce - Proceeding	8	14	16	16	100.00%	0	3.1	N/A	6	3
General Enquiries	68	280	268	268	100.00%	0	0.8	N/A	80	21
Interfund in- Payment	97	49	29	29	100.00%	0	0.8	N/A	101	5
Interfund In- Quote	312	27	22	16	72.70%	6	10.8	105	317	20
Interfund Out- Payment	27	34	20	20	100.00%	0	6.2	N/A	41	20
Interfund Out- Quote	13	31	29	29	100.00%	0	5.6	N/A	15	13
Recalculations - NEW JUNE 2025	23	233	88	86	97.70%	2	4.5	8	168	162
Refunds- Frozen	35	131	96	94	97.90%	2	1.8	8	70	45
Refunds- Payment	11	46	50	46	92.00%	4	2	7	7	2
Retirements – letter notifying actual retirement benefits	32	186	198	194	98.00%	4	2.6	70	20	12
Retirements – letter notifying estimate of retirement benefits	9	163	153	153	100.00%	0	2.3	N/A	19	14
Retirements – process and pay pension benefits on time	221	252	220	208	94.50%	12	4.1	244	253	50
Transfer In- Payment	40	24	15	15	100.00%	0	1.1	N/A	37	7
Transfer In- Quote	145	27	17	10	58.80%	7	10.9	25	155	18
Transfer Out- Payment	13	12	5	5	100.00%	0	4	N/A	20	1
Transfer Out- Quote	38	133	164	163	99.40%	1	3.2	2	7	4
Trivial Commutation	0	6	4	4	100.00%	0	0	N/A	2	1
Grand Totals	1,519	2,283	1,941	1,819	93.7%	122			1,833	570

Priority 1
Priority 2
Priority 3
Priority 4
Priority 5

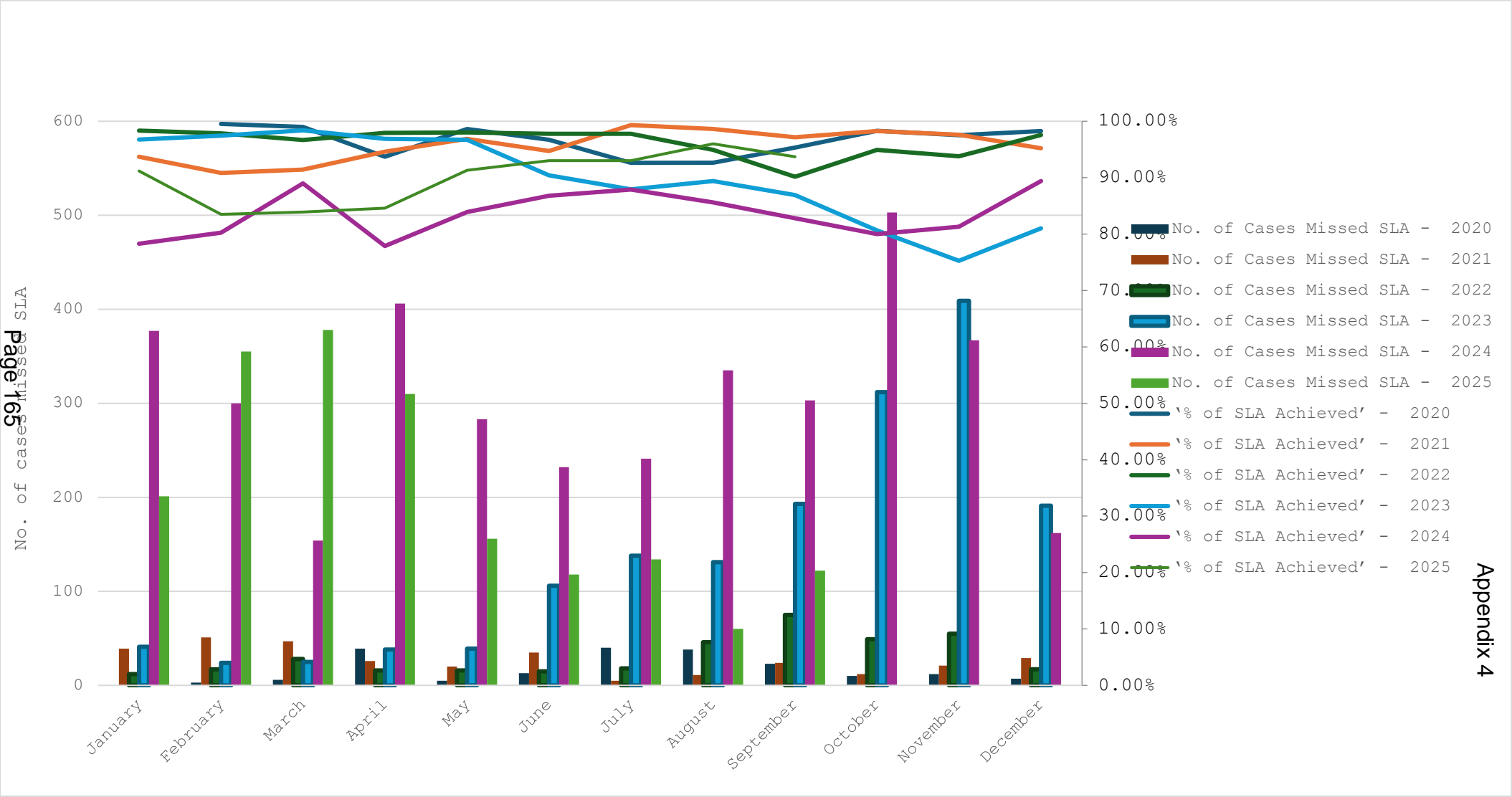
The Admin Strategy is a mixture of 90% or 95% KPI targets and these can vary within the task list

92%+	<1K
87%+	1k to 1.5k
<87%	>1.5k

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APPENDIX 4

East Sussex Pension Fund – Historical Overall Performance since February 2020



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## Appendix 5

### Helpdesk performance

Since 1st April 24 the Fund no longer have access to Achiever software so can no longer determine the Call Answer Time or the Abandoned Call Rate. Although members can still dial both the Main Helpline and Website Helpline numbers, they both feed into one Hunt Group resulting in no differentiation between call types. On 17 May 25 ESCC telephony went live - the helpdesk was NOT treated as a Contact Centre (and still awaiting to be set up – project with IT).

#### Combined Main & Website Helpline for ESPF

Service level	% enquires dealt with at 1 <sup>st</sup> point of contact	Email response time
GOLD TARGETS	85%	100% < 3 days
SILVER TARGETS	80%	75%+ < 3 days
BRONZE TARGETS	70%	75%+ < 10 days
BELOW BRONZE	<70%	<75% < 10 days
Period	% enquires dealt with at 1 <sup>st</sup> point of contact	Email response time
Jul 25	77%	75%+ < 3 days
Aug 25	80%	100% < 3 days
Sep 25	82%	75%+ < 3 days

#### Monthly transaction volumes

Month	Telephone Calls	Email's Processed	Call Back's	MSS Tasks	i-Connect	Post	Total
Jul 25	861	1,319	13	234	76	0	2,503
Aug 25	727	935	0	246	151	0	2,059
Sep 25	922	1,432	12	392	25	67	2,850

#### Top five reasons for calls

Month	MSS login / issues	Receipt of Claim form	Claim form guidance	Document / Form enquiry	Progress Update	Update address	Leaver Forms
Jul 25		3 <sup>rd</sup>		4 <sup>th</sup>	2 <sup>nd</sup>	5 <sup>th</sup>	1 <sup>st</sup>
Aug 25	5 <sup>th</sup>		1 <sup>st</sup>	2 <sup>nd</sup>		4 <sup>th</sup>	3 <sup>rd</sup>
Sep 25	1 <sup>st</sup>		4 <sup>th</sup>	3 <sup>rd</sup>	5 <sup>th</sup>	2 <sup>nd</sup>	

#### Telephone survey

Jul to Sep 2025	1 Star	2 Star	3 Star	4 Star	5 Star
1. How easy was it for you to contact the Pensions Helpdesk today?	3	1	10	23	307
2. How confident are you that your question was resolved or will be resolved in the relevant timelines?	7	3	21	49	264
3. Based on your recent experience how strongly would you recommend using the Helpdesk to a colleague?	3	3	9	33	293
4. How satisfied were you with your overall experience today?	7	4	7	37	291
5. How many times have you called the helpdesk about the request / issue?	Zero/Once = 276	Twice = 40	Three = 18	Four+ = 10	

#### Customer Thermometer (email feedback)

Month	Excellent	Good	OK	Poor
Jul 25	47	3	2	3
Aug 25	36	9	3	2
Sep 25	53	7	2	1

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Report to:	Pension Committee
Date:	18 November 2025
By:	Chief Finance Officer
Title:	Communications Report
Purpose:	This report provides an update on Fund Communications activities.

---

**RECOMMENDATION:**

**The Pension Committee is recommended to note the communications updates detailed in this report.**

---

**1. Background**

1.1 This report is presented to the Pension Committee to provide an update on the Communications activity of the Fund.

1.2 The Fund has a [Communication Strategy](#) (updated in June 2025) which defines the main methods of communication provided for key stakeholders. This includes making the best use of technology where appropriate, to provide quicker and more efficient communications for the Fund's stakeholders. The Fund will ensure that communication methods are accessible to all.

**Communications Update**

**2. Scheme Member training**

2.1 The Communications team continue to work closely with the Employer Engagement team in putting together a booking process, promotion via Scheme employers, scripts, YouTube videos and sending out and collating feedback. The Employer Engagement team have completed all sessions in 2025. Over 1,100 active members attended a session this year with very positive feedback. The 3 sessions are: Introduction to LGPS, Your Pension MOT and Preparing for Retirement.

2.2 [Training dates for 2026](#) have been agreed and added to the website.

2.3 See Appendix 1 for overall training feedback for 2025.

**3. East Sussex Pension Assistant (ESPA)**

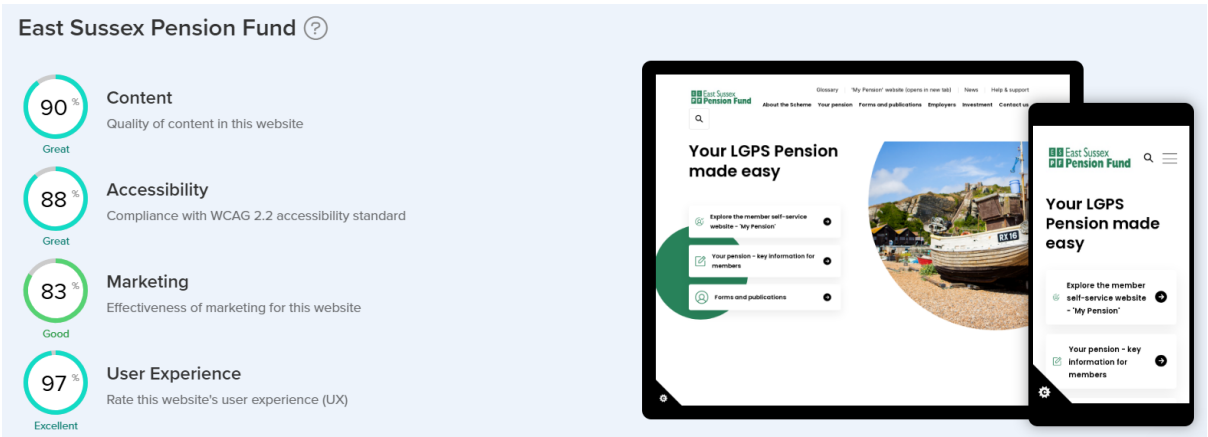
3.1 The Communications team have been heavily involved in pulling together a knowledge base of over 200 questions and answers to test as part of the new digital assistant, which will sit on designated pages of the website as an automated tool to support members. The initial core testing is now complete and results are being analysed. Further exploratory testing has also now begun.

**4. Employer Forum**

4.1 The 2025 Employer Forum will take place on 13 November 2025, the agenda is attached at Appendix 2. To date there are approximately 78 registrations (including Fund staff).

**5 East Sussex Pension Fund main website**

5.1 The Communications team continues to check the website (including all PDF documents) to ensure it is up to date and accessibility guidelines are adhered to. The primary tool used to manage accessibility is 'Silktide' which is a web governance platform that helps improve website quality and user experience by finding and fixing issues related to accessibility, content, and marketing. A snapshot of the Silktide results (as of 14 October 2025) is shown below:



5.2 Website analytics data are detailed in Appendix 3.

6 **Border to Coast Pensions Partnership pooling communications**

6.1 The Communications team made a slight tweak to the ‘Border to Coast Pensions Partnership’ statement to reflect the current situation following a further press release they issued on 9 October 2025

6.2 [Official statement on the website.](#)

7 **Annual Benefit Statements 2025**

7.1 All communications (letters and/or emails) have been sent for the 2025 Annual Benefit Statement (ABS) exercise. This year there are 24 individual templates used which reflected members’ McCloud status (for example - if they do not qualify).

8 **‘My Pension’ - member self-service website**

8.1 An updated version of the member self-service website, ‘My Pension’ went live in July 2024. The launch of this updated functionality is helping transform the way members access and engage with vital pension information online. The Fund will continue to promote ‘My Pension’ through newsletters, the website and through employers.

8.2 Several of the ABS communications issued in late August asked members to register for ‘My Pension’. The figures below include around 2,500 new registrations since that date. Shown below (as of 31 October 2025) are current registration levels (excluding electronic opt outs).

Type of member	On Engage (number)	% registered for ‘My Pension’	Old MSS % registered
Contributing	10976	51.83	51
No longer contributing	8570	39.03	46
Pensioners	8397	62.80	50
Widow/dependant	597	36.50	19

9 **Pensions Awareness 2025**

9.1 Pension Awareness Day, held annually in September, is the start of 3 days of activities dedicated to raising awareness about the importance of pension planning and saving for retirement. The Fund produced a webpage dedicated to promoting Pensions Awareness - [Explore Pension Awareness webpage here](#)



## **10 Additional Voluntary Contribution (Prudential) fund changes**

10.1 Emails or letters were sent to all existing Additional Voluntary Contribution (AVC) holders to let them know about the change of default fund from With Profits to the Prudential Dynamic Growth Lifestyle strategy (targeting 100% Cash at retirement) for new members joining the AVC.

AVC holders were also made aware of other fund range changes.

[Important information about your AVC investments | East Sussex Pension Fund](#)

10.2 New Prudential Fund Guide - [AVC Fund Guide - Prudential](#)

## **11 Conclusion and reasons for recommendation**

11.1 The Pension Committee is recommended to note the updates provided in the report.

**IAN GUTSELL**  
**Chief Finance Officer**

Contact Officer:  
Email:

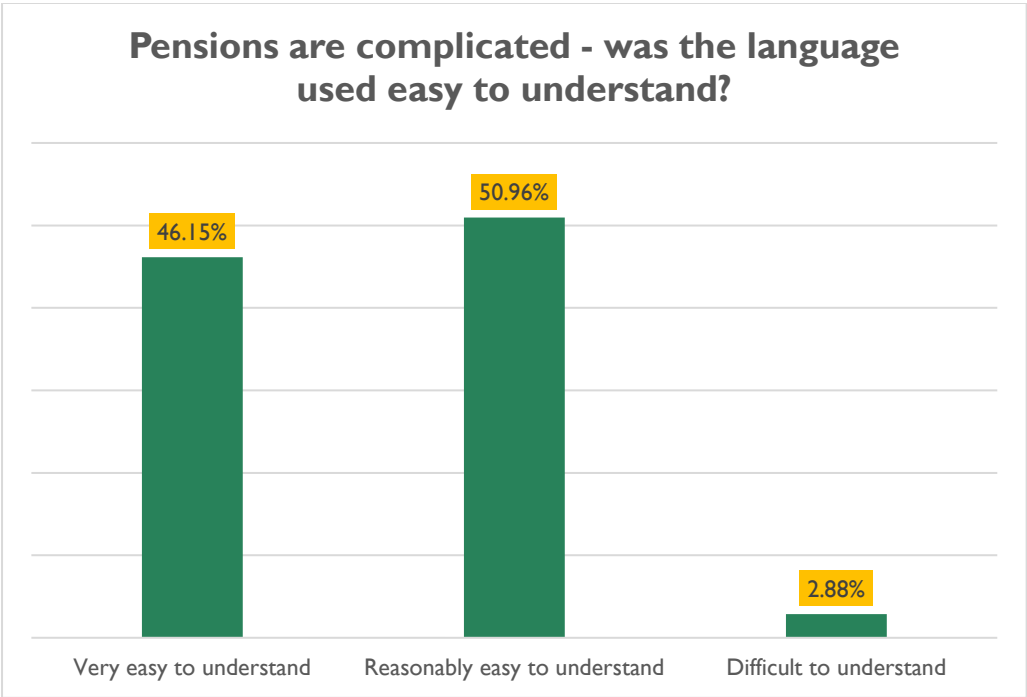
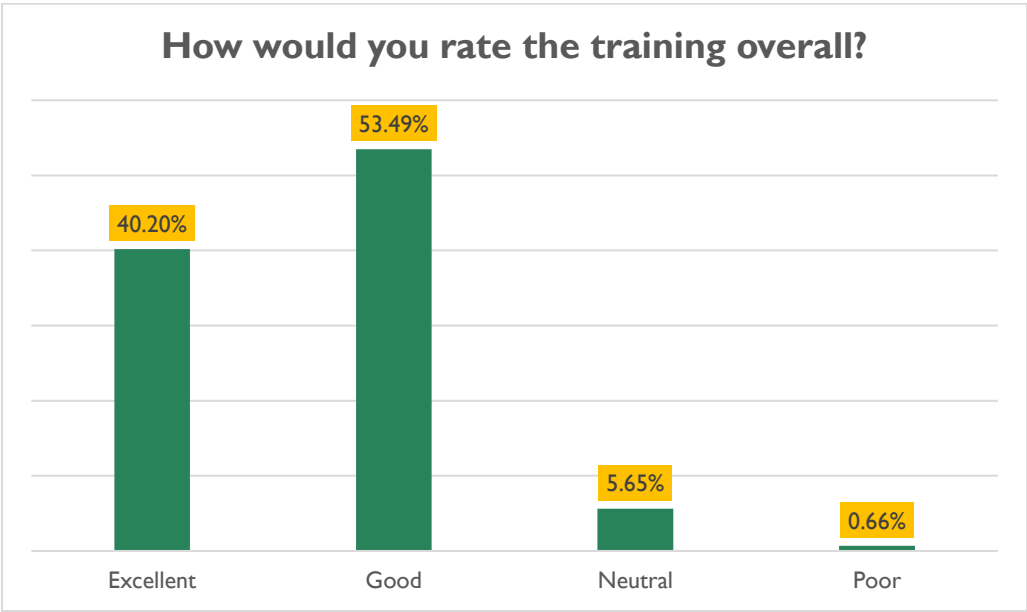
Susan Greenwood, Head of Pensions  
[Susan.Greenwood@eastsussex.gov.uk](mailto:Susan.Greenwood@eastsussex.gov.uk)

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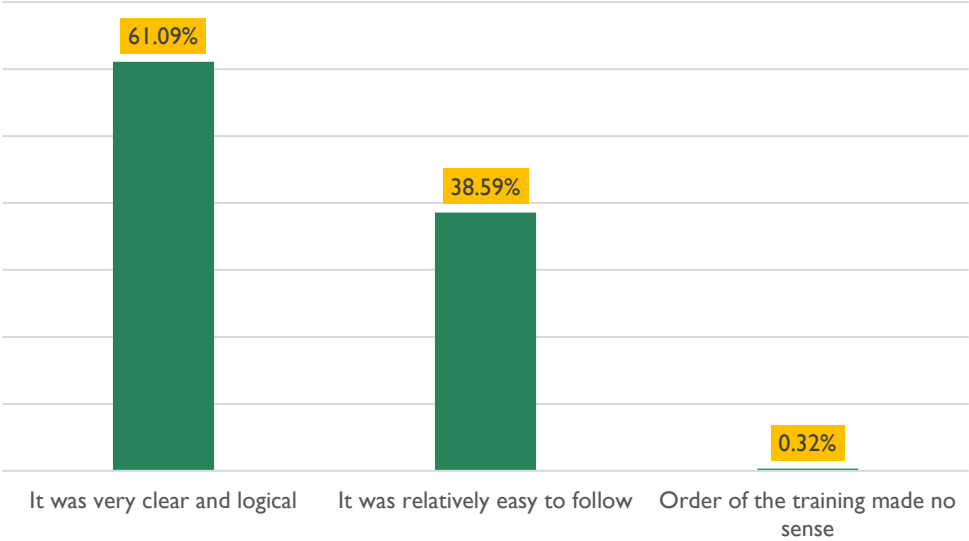


Appendix I – 2025 Member training feedback – all events

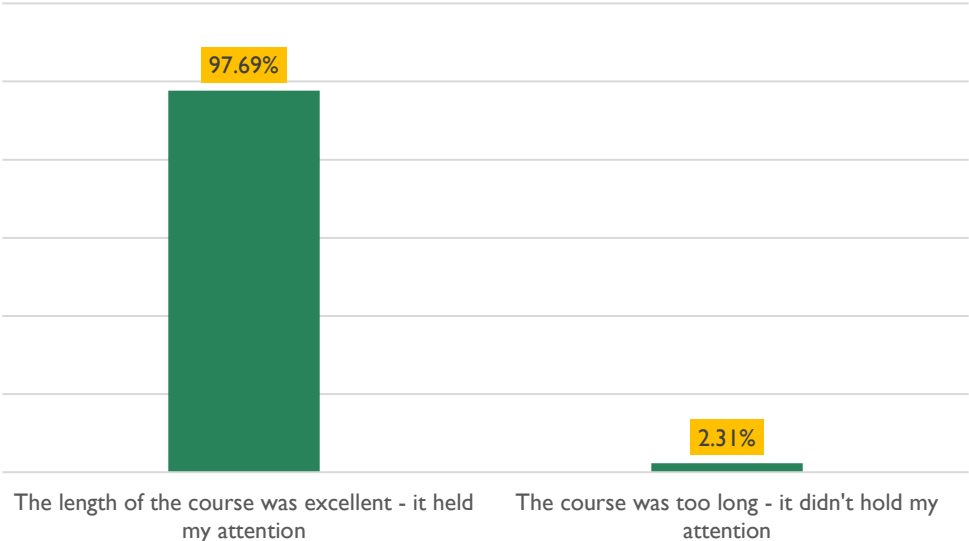
	2025	Jan	May	Oct		TOTAL
Number registered		609	639	206		1454
Number attended		492	480	143		1115
Attendance rate						76.69%



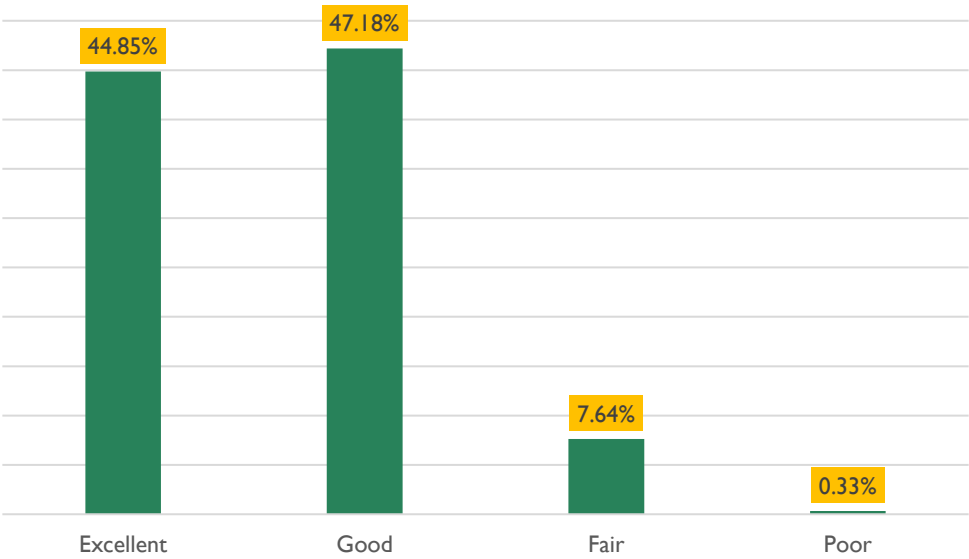
Was the training structured in a clear and logical way?



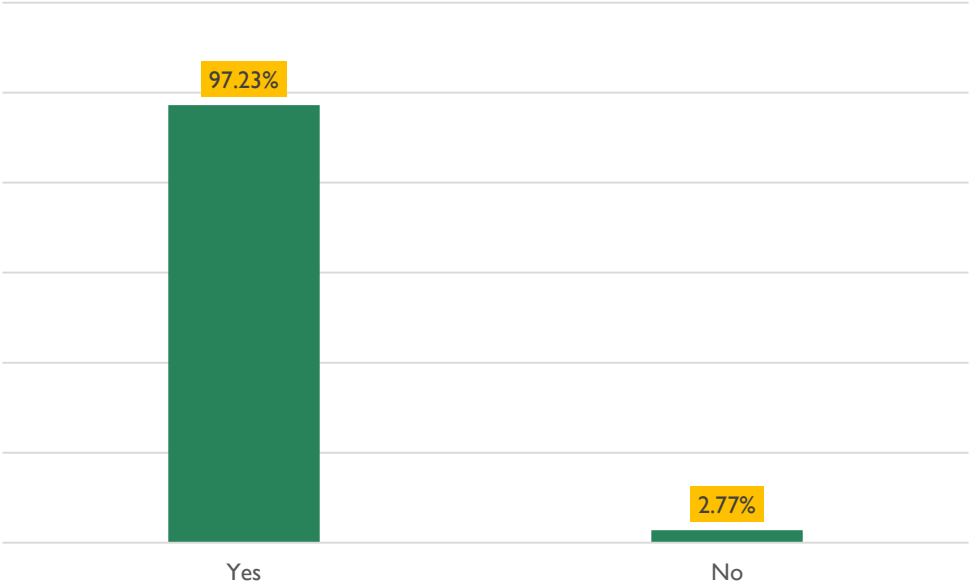
How would you rate the length of the training?



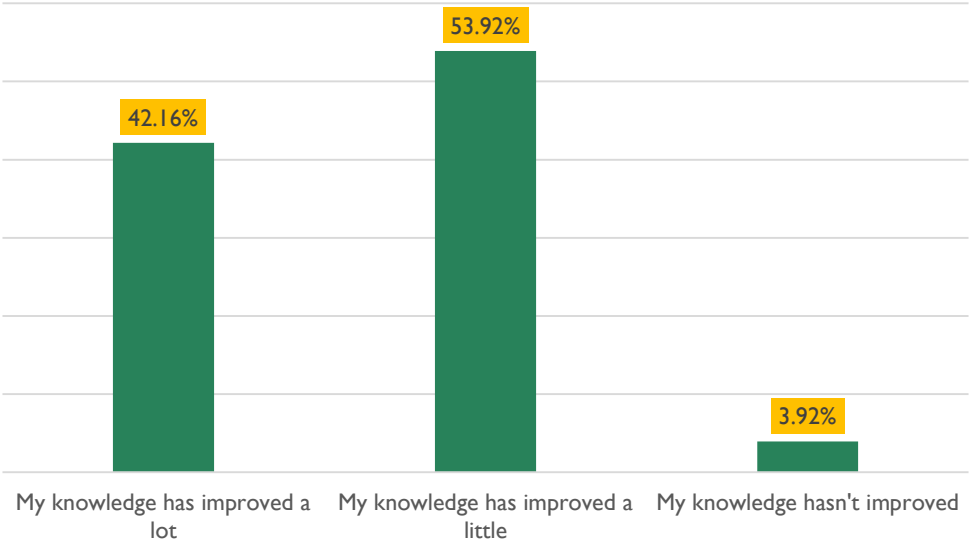
How would you rate your trainer's delivery skills?



Were the presentation slides easy to follow?



Do you feel like your knowledge and skills have improved by taking this course?



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**Appendix 2 – Employer Forum agenda**

**Date and location:** 13<sup>th</sup> November 2025 / American Express Stadium, Brighton, BN1 9BL

Time	Topic and speaker
9.30 – 10.00	Registration - Coffee & Pastries
10.00 – 10.10	Welcome – Dave Kellond and Paul Linfield
10.10 – 10.25	Introduction and update – Councillor Fox (Chair of Pension Committee)
10.25 – 10.40	Update from Board – Ray Martin (Chair of Pension Board)
10.40 – 11.00	Fit for the Future (Pooling and Local Government Reorganisation) – Susan Greenwood (Head of Pension Fund) and Ian Gutsell (Chief Finance Officer)
11.00 – 11.15	Coffee break
11.15 – 11.35	Communications update – Paul Linfield (Pensions Communication Manager)
11.35 – 12.10	Pension administration (including draft admin strategy) – Paul Punter (Head of Pensions Administration)
12.10 – 12.30	Governance update – Dave Kellond (Pensions Governance & Compliance Manager)
12.30 – 13.15	Lunch
13.15 – 14.00	Valuation update – Barnett Waddingham – Barry McKay and Karen Jamieson
14.00 – 14.20	Funding Strategy Statement – Barnett Waddingham and Susan Greenwood
14.20	Surgery for employers who want to speak to us about valuation or any other subject.  Then close.

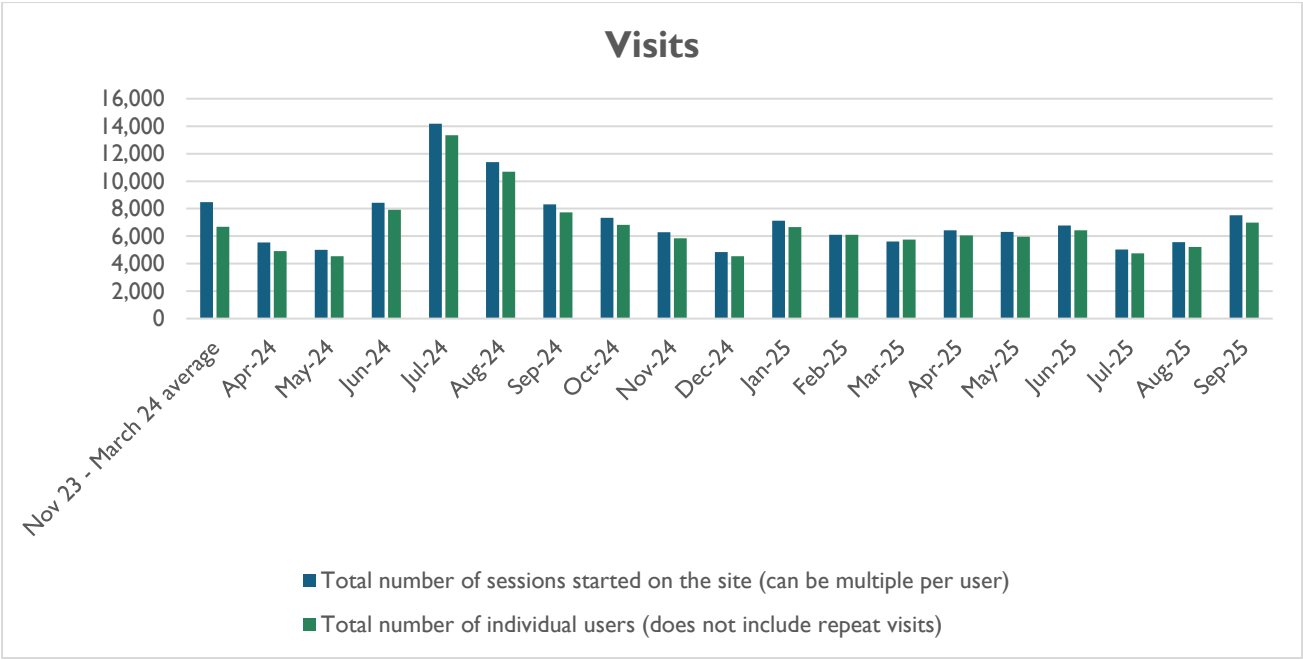
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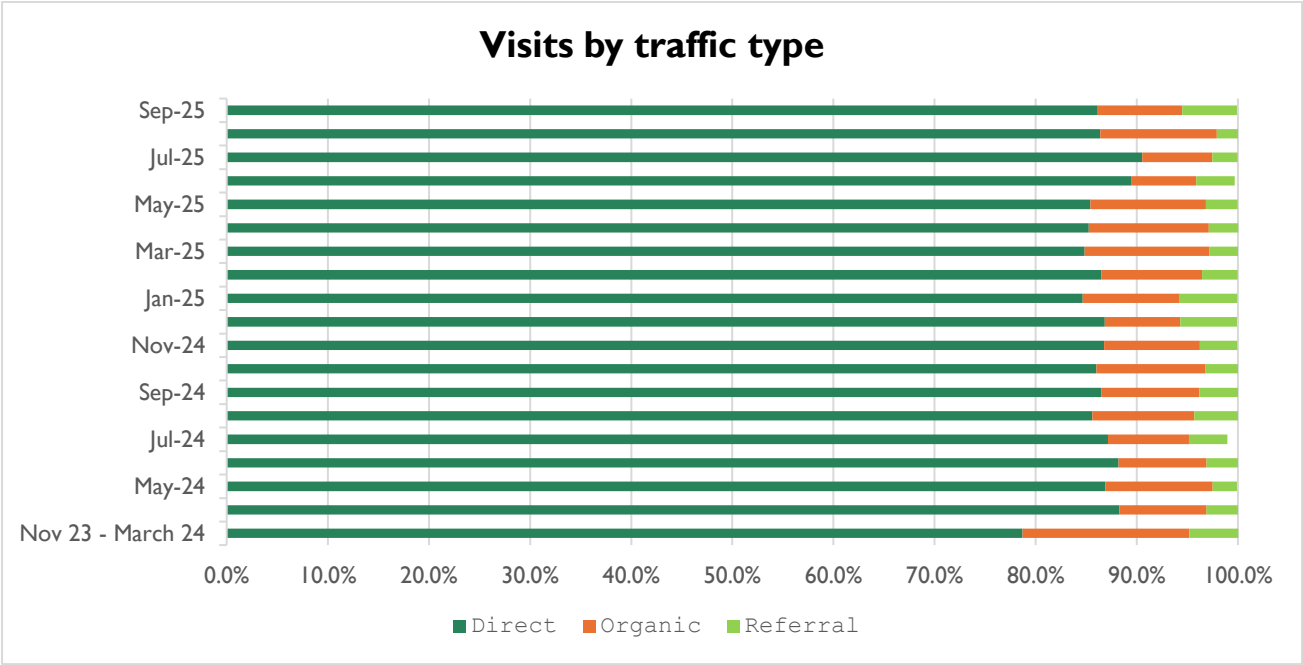


Appendix 3 – [East Sussex Pension Fund website](#)

Total number of visitors to the website

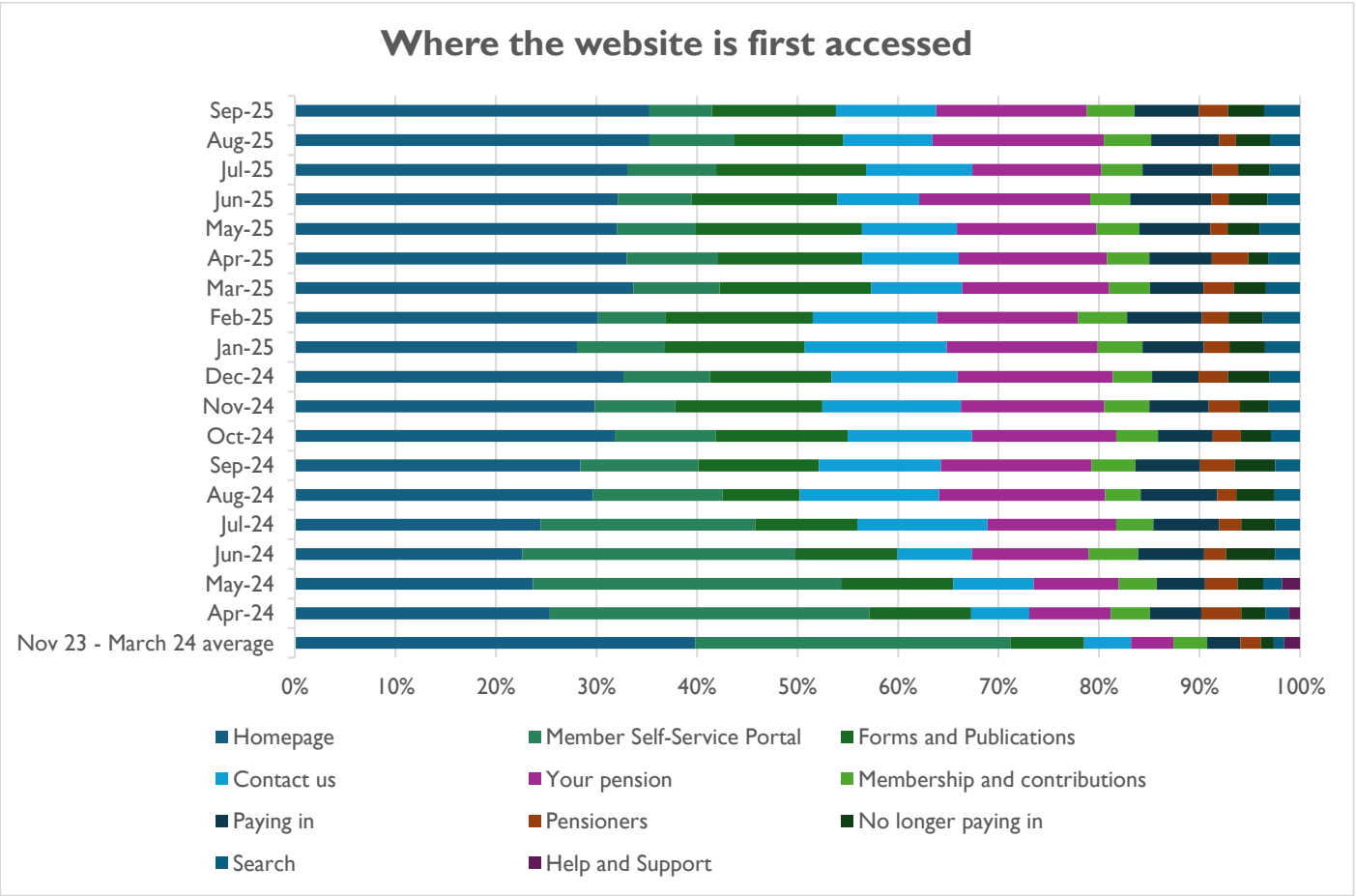


How do people reach the website

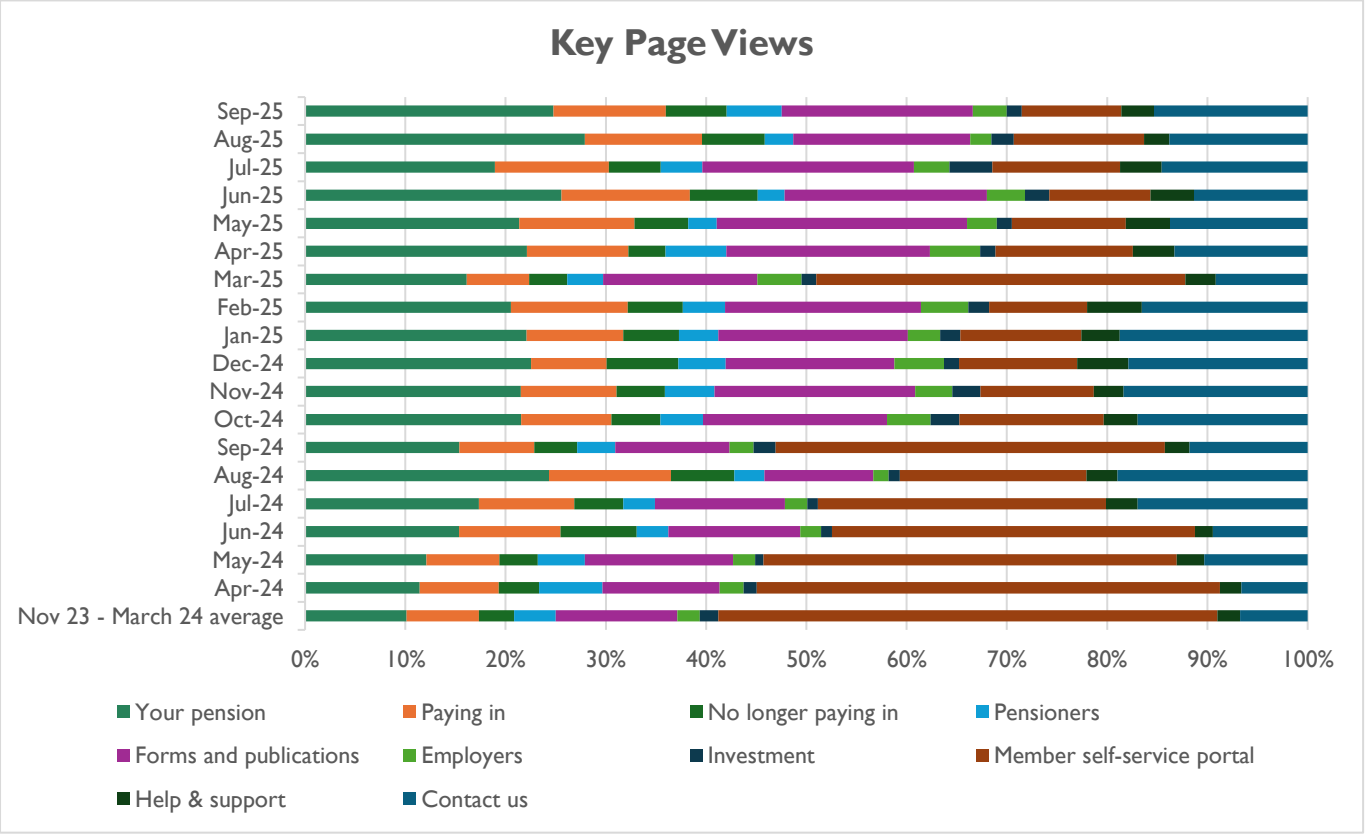


- Direct**
- Visited the site by typing the URL directly into their browser or clicked on links
- Organic**
- Visitors referred by an unpaid search engine listing, e.g. a Google.com search.
- Referral**
- The number of people who click external links to visit your site (for example employer intranet sites).

Where the website is first accessed

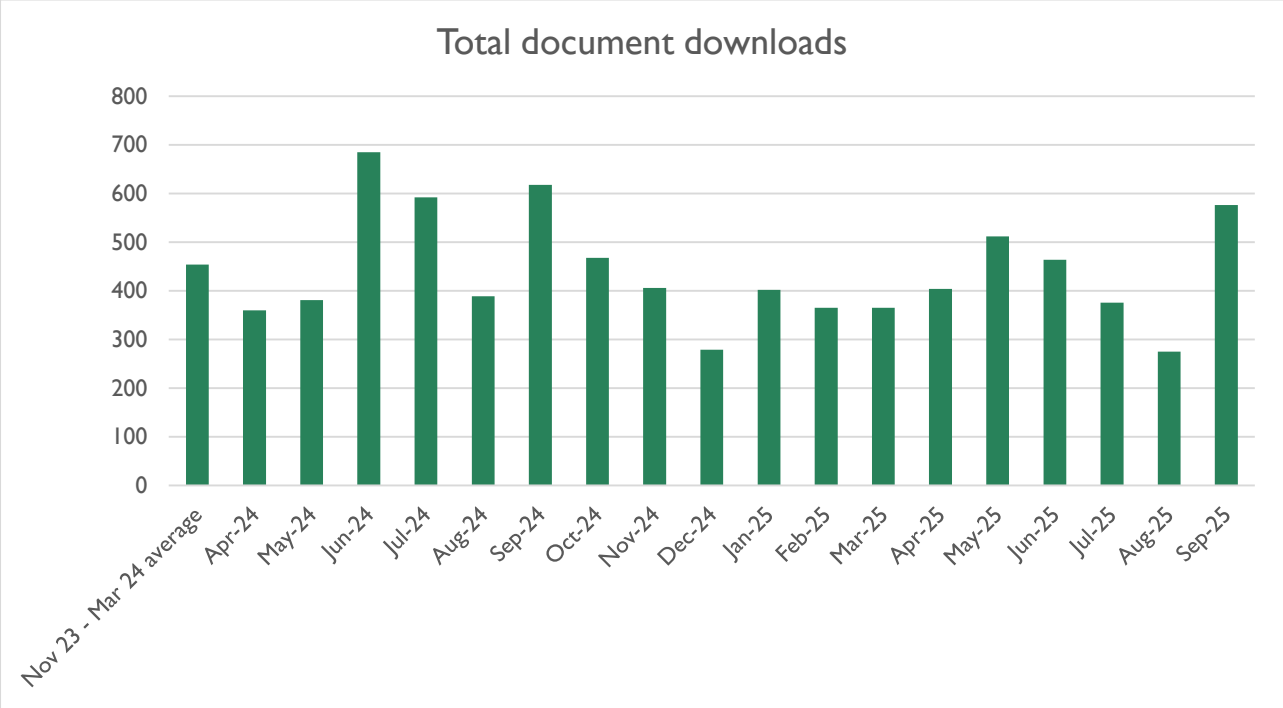


Key page views



Shown above is a graph which shows how a selection of key website pages are being used month on month.

Total document downloads



The graph above concentrates on the total document downloads (PDFs) from the website.

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**Report to:** Pension Committee

**Date of meeting:** 18 November 2025

**By:** Chief Finance Officer

**Title:** East Sussex Pension Fund Quarterly Budget Report

**Purpose:** This report provides the Quarter 2 forecast financial outturn of the East Sussex Pension Fund for the 2025/26 financial year.

---

## ***RECOMMENDATION:***

**The Pension Committee is recommended to note the second quarter projected 2025/26 outturn position.**

---

## **1. Background**

1.1 The East Sussex Pension Fund's (the Fund) business plan and budget sets out the direction of travel, objectives and targets to be achieved in the financial management for the administering authority to carry out its statutory duties in a structured way. The Pension Committee is charged with meeting the duties of the Council as administering authority in respect of the Fund.

1.2 At its meeting on the 27 February 2025 the Pension Committee agreed a budget of £4.645m to support the business plan for 2025/26. The budget estimates do not incorporate any provision for investment fees earned by the investment managers since there is limited scope for the Fund to influence these costs. This is due to the nature of the fees being based on factors outside the control of the Fund such as market movements, strategic asset allocation changes and ownership of mandates at pool level. Further to this, the budget did not include a provision for the implications of the 'Fit for the Future' consultation and the potential costs associated with this were reported through Pension Reform reports and an allowance for the usual ACCESS costs was included.

## **2. 2025/26 Quarter 2 Forecast Outturn Position**

2.1 The budget requirements for 2025/26 were set at £4.645m (£4.561m 2024/25 excluding manager fees) to support the Business Plan activities and administration of the Fund. The forecast outturn at the second quarter of 2025/26 is £4.755m, an increase of £0.110m from the approved budget. This increase is mainly due to impacts from the 'Fit for the Future' consultation outcomes, including recognition of the expected costs for ACCESS and the cost of additional support in selecting a new pool provided by Barnett Waddingham. Not included in this forecast are additional costs that will be incurred around joining Border to Coast Pension Partnership Pool, as it is not possible to estimate these at this time. There have also been increases on actuarial fund work and consultancy costs. These increases have been offset by a reduction to staff costs in the year, more detail around the main movements is provided in paragraphs 2.2 to 2.5.

2.2 Within investment advice there are costs associated with supporting the ACCESS Authorities with the activities that are undertaken by the ACCESS support unit (ASU). As a result of the 'Fit for the Future' consultation a revised budget has been provided, which

covers the business as usual and winddown activities that will need to be undertaken during the year by the ASU. The Fund had initially budgeted for a figure based on the prior year costs which has now been amended. The Fund has also utilised the investment advice of Barnett Waddingham to assist in the process of assessing the viable pooling options for East and West Sussex Pension Funds in determining the most appropriate pooling partner. These activities have increased the expected investment advice costs for the year by £97,000.

2.3 Actuarial Fund work costs have been increased, with an expectation that a substantial piece of work to assess the impact of Local Government Reorganisation changes to the local council employers within the Fund. This has been estimated to be equivalent to a second valuation taking place during the year. This has resulted in an expected increase of £50,000 to the Actuarial Fund Work costs for the year.

2.4 Additional unforeseen work has needed to be commissioned from a third-party consultant to complete the Guaranteed Minimum Pension (GMP) rectification project the costs of this work has been agreed, and this has resulted in an additional one-off cost of £50,000 on the 'consultancy' line for the year.

2.5 The reduction to staff costs has primarily been driven by the departure of the interim Deputy Head of the Pension Fund and a subsequent restructure of the senior management of the Pension Fund. There are some vacancies and changes to hours for more junior staff within the Fund which has also contributed to the decrease of £129,000.

2.6 The 2025/26 outturn against budget line items is shown in the table below.

# 2025/26 Outturn Report

Outturn 2024/25 £000	Item	2025/26 Budget £000	2025/26 Actual Outturn Year to Date £000	2025/26 Forecast Outturn Q2 £000	2025/26 Variance £000
	<b>Fund Staff Costs</b>				
2,334	Fund Officers	2,460	46	2,331	129
<b>2,334</b>	<b>Sub Total</b>	<b>2,460</b>	<b>46</b>	<b>2,331</b>	<b>129</b>
	<b>Oversight and Governance Expenses</b>				
384	Investment Advice	386	383	483	(97)
71	Actuarial Fund Work	105	29	155	(50)
92	Actuarial Employer Work	92	52	100	(8)
(92)	Employer reimbursement	(92)	(23)	(108)	16
24	Legal Fees	49	10	55	(6)
42	Governance consultancy costs	60	2	60	-
144	Audit	142	(35)	134	8
<b>665</b>	<b>Sub Total</b>	<b>742</b>	<b>418</b>	<b>879</b>	<b>(137)</b>
	<b>Investment Expenses</b>				
102	Custodian	106	5	111	(5)
<b>102</b>	<b>Sub Total</b>	<b>106</b>	<b>5</b>	<b>111</b>	<b>(5)</b>
	<b>Administration Expenses</b>				
524	IT Systems licenses costs and Hardware	613	375	613	-
344	Overheads	348	-	360	(12)
91	Admin operational support services	65	(11)	91	(26)
92	Improvement projects	105	19	105	-
30	Consultancy	34	16	84	(50)
7	Communications	36	-	36	-
13	Training	46	5	55	(9)
83	Subscriptions	77	34	76	1
12	Other Expenses	18	6	19	(1)
<b>1,196</b>	<b>Sub Total</b>	<b>1,342</b>	<b>443</b>	<b>1,439</b>	<b>(97)</b>
	<b>Income</b>				
(21)	Other Income	(5)	(60)	(5)	-
<b>(21)</b>	<b>Sub Total</b>	<b>(5)</b>	<b>(60)</b>	<b>(5)</b>	<b>-</b>
<b>4,276</b>	<b>Total</b>	<b>4,645</b>	<b>852</b>	<b>4,755</b>	<b>(110)</b>

### **3. Conclusion and reasons for recommendation**

3.1 The Committee is recommended to note the second quarter projected 2025/26 outturn position.

**IAN GUTSELL**

**Chief Finance Officer**

Contact Officer: Russell Wood, Pensions Manager: Investments and Accounting

Email: [Russell.wood@eastsussex.gov.uk](mailto:Russell.wood@eastsussex.gov.uk)



<b>Report to:</b>	<b>Pension Committee</b>
<b>Date:</b>	<b>18 November 2025</b>
<b>By:</b>	<b>Chief Finance Officer</b>
<b>Title of report:</b>	<b>Draft Annual Report and Accounts 2024/25</b>
<b>Purpose of report:</b>	<b>To present the draft 2024/25 Pension Fund Annual Report and Accounts</b>

---

## **RECOMMENDATIONS:**

**The Pension Committee is recommended to:**

- 1) Approve the Pension Fund Accounts 2024/25; and**
  - 2) Approve the draft Pension Fund Annual Report and Accounts 2024/25 for publication prior to the deadline of 1 December 2025.**
- 

## **1. Background**

1.1 The East Sussex Pension Fund (the Fund) Annual Report 2024/25 is due for publication by 1 December 2025.

## **2. Supporting Information**

2.1 Annual Report Requirements: Local authorities responsible for administering a Local Government Pension Scheme (LGPS) Fund, are required by the LGPS Regulations to publish a pension fund annual report. The publication of the annual report is separate from the authority's own statutory accounts and contains financial statements in respect of the Fund. Authorities are required to publish the annual report by 1 December.

2.2 It is the role of the Pension Committee to approve the Pension Fund annual report and accounts having considered whether appropriate accounting policies have been followed and in awareness of any issues raised by Grant Thornton (GT), the Fund's external auditors. GT presented their draft audit findings report to the Pension Committee on 25 September 2025 which provided an unqualified audit opinion. There has been no update to the draft audit findings report, which will not be finalised until GT have concluded the audit of East Sussex County Council's statement of accounts.

2.3 A copy of the Draft Pension Fund Annual report and accounts 2024/25 is included at Appendix 1.

## **3. Conclusion and reasons for recommendation**

3.1 The Pension Fund Annual Report and Accounts set out the financial activities and asset values of the Fund during the 2024/25 financial year. The Pension Committee is recommended to approve the Pension Fund Accounts 2024/25 and the publication of the draft Annual Report and Accounts 2024/25 prior to the deadline of 1 December 2025.

**IAN GUTSELL**  
**Chief Finance Officer**

Contact Officer:  
Email:

Russell Wood, Head of Pensions Investments and Accounting  
[Russell.Wood@eastsussex.gov.uk](mailto:Russell.Wood@eastsussex.gov.uk)



# **ANNUAL REPORT AND ACCOUNTS**

**2024-2025**



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# Welcome from Chair of Pension Committee

## Welcome to the East Sussex Pension Fund Annual Report for 2024/25

As Chair of the East Sussex Pension Fund (the Fund) Pension Committee, I have the pleasure in introducing the Fund's Annual Report and Accounts for 2024/25. The accounts focus on the financial activity in the year to 31 March 2025. The membership of the Fund on 31 March 2025 was 86,784 people (24,964 active, 26,762 pensioners and 35,057 deferred) and there were 149 schemes employers. This was a year in which the government launched its 'Fit for the Future' consultation, a wide- and far-ranging consultation focussed on further consolidation of pooling, governance and local investment. The consultation has potentially far-reaching implications for the Fund that are still being worked through and will result in the Fund changing its investment pooling arrangements. Further details on this important consultation are set out below.

It has been yet another turbulent year in terms of global markets with geopolitical uncertainty continuing and impacting markets, but the Fund has been robust and provided a strong service to our scheme members and employers.

In July 2024, the new Chancellor of the Exchequer Rachel Reeves, announced a pensions' review to boost investment and tackle waste in the pensions system, stating that action will be taken to unleash the full investment might of the c£360bn LGPS to make it an engine for growth and tackle the £2bn that is being spent on fees. The work announced, focusing on investments, was stated to be the first phase in reviewing the pensions landscape.

Following further liaison with LGPS funds, pools and officers the Chancellor announced in her Mansion House speech on 14th November 2024 that the government would launch a consultation to ensure that the LGPS was "Fit for the Future" with a view to accelerating pooling of assets by March 2026 and supporting the Chancellor's aims of accelerating growth and investment in the UK. The consultation focussed on three key areas:

- Reforming the LGPS asset pools: with a single model, whereby LGPS Administering Authorities (AAs) will delegate investment strategy implementation to the pool; Financial Conduct Authority (FCA) registration of pools;
- Boosting LGPS investment in their localities and regions in the UK: by having a target allocation to local investment that supports local economic priorities; working with local authorities.
- Strengthening the governance of both AAs and LGPS pools: building on the 2021 Good Governance review.

Both the Fund and the ACCESS (A Collaboration of Central, Eastern and Southern Shires) investment pool, of which the Fund is a member, responded to the consultation. As at the date of writing it is unclear what the outcome of the consultation will mean for the Fund as the ACCESS response to the consultation was not supported by government. The consultation had resulted in a period of uncertainty and upheaval for the LGPS as a whole.

The Fund, together with the 10 other partner LGPS Funds that invest in the ACCESS Pool have worked extensively to develop the offering by the ACCESS Pool both in relation to investment options and the

governance and responsible investment arrangements within the Pool. Due to the impact of the “Fit for the Future” Consultation a number of ongoing workstreams have been paused. By the end of 2024/25 the ACCESS Pool has grown to £49.3bn invested within pooled arrangements. This equates to 74% of partner fund assets being pooled. £30.4bn was invested on the ACCESS authorised contractual scheme (ACS) platform; £12.5bn managed via the ACCESS passive manager; 2.7bn invested in pool governed infrastructure mandates; and 3.7bn in pooled Real Estate.

The Fund continues to have a strong focus on ensuring effective governance, and will work to ensure any changes as recommended by the ‘Fit for the Future’ consultation are implemented in a timely and robust manner. The Fund has also continued to roll out a number of robots to automate some of its Pensions Administration processes, to free up time of officers to work on more complicated tasks.

This year had yet again witnessed continuing volatility in the global economy, particularly in the early part of 2025. Global stock markets reached record levels at 31 March 2025 but significant reversals followed the accounting year end driven by the uncertainty generated from the threat of US tariffs. As of March 2025 the UK’s inflation rate decreased to 2.6% following substantial increases in previous years. Pension increases for the year were 1.7% down from 6.7% and 10.1% in the preceding two years.

The Pension Committee continued the implementation of some changes to the Investment strategy in the year, reallocating the uncommitted strategy allocation from inflation linked property to index-linked gilts in order to reduce risk in the portfolio. The Fund increased its allocation to indexed-linked gilts over the year by 3% as previously agreed trigger levels were reached allowing the Fund to benefit from the high bond yields.

The investment return for the year to 31 March 2025 was a positive 7.9%, however when compared to the benchmark, this was an underperformance of 4.4%. This was in part due to our investment managers being underweight the seven large US technology companies (the Magnificent Seven) that have performed very strongly over the period. Instead, investment has been focused on sustainable and impact growth Funds.

Global markets in 2024/25 were characterized by continued uncertainty, largely due to geopolitical tensions and fast evolving monetary policies. Global economic growth was more modest than in previous post pandemic years at just over 3%. Europe, China, and Emerging Market economies generally maintained their momentum, and the United States continued its trend of being the driving force behind global growth.

The trend towards economic isolationism continued (this would be exacerbated in April 2025 with liberation Day in the United States) with countries keen to derisk supply chains by reducing their dependency on certain countries and regions which in turn led to a slowing of trade growth. Political developments continued to be at the forefront of investors’ minds, both internationally and domestically, with the continued rise of populism potentially set to affect financial stability.

Global Equity markets saw mixed performance, with the US markets continuing to show signs of strong growth. Global Bond markets experienced a period of heightened volatility, while Private Equity markets demonstrated an increase in activity from the previous year.

Following the aggressive interest rate rises of 2022/23, the period saw a global decline of reported inflation figures. Both the World Bank and International monetary Fund predict that this trend will continue, with many central banks (including the Federal Reserve, European Central Bank and the Bank of England) reacting by lowering interest rates.

The Fund has become cashflow negative from the scheme member activities; this is in part due to the slight contribution reductions for many of the scheme employers following the strong funding position of the valuation, and also the high inflation uplift given to all pensions in payment at the start of the year. The Fund continues to generate sufficient cashflow from its investments and member activities. The Committee will focus on income over future years, when considering strategy, to ensure we continue to have sufficient income in the long term to pay pensions.

Despite all of this, the Fund is well diversified, very well-funded and has defensive elements to its investment strategy. The Fund's strategy and risk management processes continue to help us to make sure we can keep paying our members pensions now and into the future.

2025 is a valuation year and the Fund's next triennial valuation will be assessed as at 31<sup>st</sup> March 2025. The scheme actuary regularly tracks the movement of this funding position and on 31 March 2025 the expected the funding level is estimated be approximately 123%. The Fund continues to be in a very strong position when comparing assets to liabilities.

As a global long-term investor, the Pensions Committee continues to recognise that climate change presents significant long-term risks to the value and security of pension scheme investments, and climate opportunities and responsible investment are a significant factor driving returns. The Fund has continued its journey of responsible investment, and more specifically with its focus on climate change risk. We have a detailed Statement of Responsible Investment Principles (SRIP) which sets out the Fund's beliefs on responsible investment and environmental, social and governance risks and how it manages those risks and commitments through investment decision making and implementation.

As a Fund, we are keen advocates for active stewardship and report on engagement activity quarterly, evidencing voting and engagement, covering both our own and our managers activities. The Fund was successful in retaining its FRC Stewardship Code signatory status in the year, meeting the industry's strictest requirements.

The Pension Committee and Pension Board continue to work tirelessly to transform the East Sussex Pension Fund landscape. We are having to do this against a backdrop of uncertainty and a significant amount of extra work generated by the 'Fit for the Future' consultation. I would like to take this opportunity to express my thanks for all the support and input provided by Committee and Board members and officers. I look forward to continuing to work with members and officers in the new financial year as the Fund seeks to meet the challenges of a period of extensive change for the Fund and the LGPS as a whole.



In presenting the Annual Report, I hope you find it helpful in understanding the Fund.

**Councillor Gerard Fox**

**Chairman of the East Sussex Pension Fund Pension Committee**

# Welcome from Chair of Pension Board

As the independent Chair of East Sussex Pension Fund's Pension Board, I am delighted to share the highlights of the Board's successes and how it has overcome challenges in the previous financial year.

I am pleased to report that the membership of the Board has been much continued to be stable over the most recent accounting period. The new members of the Pension Board have adapted well to the role and continue to make positive impacts to the stewardship of the Fund.

The Board went into the 2024/25 financial year with a target to improve its oversight of investment decision making by the Pension Committee. Whilst such decisions lie wholly within the remit of the Pension Committee, the governance of these decisions is subject to oversight from the Board. I am happy to say that, after working closely with Officers, the Pension Board has been able to achieve this goal and improved its understanding of the factors influencing decision-making to ensure the Committee's fiduciary duty to act in best interests of members is complied with.

## **The year ahead**

Membership of the Pension Board is expected to be relatively stable over the year, with one retirement resulting in a vacancy that needs to be filled. Continued commitment to training and development remains key and we will continue to actively encourage members to take part in the training available to them.

Governance and oversight of LGPS pension funds is likely to be an evolving arena over the coming year as we wait for the government's response to the 'Fit for the Future' consultation. Board will work with Officers and Committee members to ensure that the Fund's governance and oversight is managed in line with expectations that arise from consultation and also pay due regard to the requirements of The Pension's Regulator's code that as it applies to the LGPS.

Cyber risk and business continuity planning will also be a focus for the Board this year and Board members will work with officers to ensure this important aspect of risk management for the Fund is reviewed.

As a Board we will recognise the significant work that lies ahead both in relation to the potential governance reforms outlined above and the potential impact of the pooling arrangements of the Fund's assets.

**Ray Martin**

**Chair of Local Pension Board**



# Introduction to the LGPS

## Local Government Pension Scheme

The LGPS is a statutory scheme, established by an Act of Parliament, the Superannuation Act 1972 and since April 2014 the Public Service Pensions Act 2013. The Local Government Pension Scheme Regulations 2013 came into force on 1 April 2014. Membership of the LGPS is open to all employees of local authorities except teachers, fire fighters and police, who have their own separate schemes. It is also open to employees of other employers specified within the legislation.

The LGPS is a registered public service pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 meaning that members receive tax relief on contributions. The Scheme complies with the relevant provisions of the Pension Schemes Act 1993, the Pensions Act 1995, and the Pensions Act 2004.

The LGPS is one of the largest pension schemes in the UK. It is a defined benefit pension scheme, meaning members' pensions are based on their salary and how long they pay into the Scheme. LGPS pensions are not affected by how well investments perform, instead the LGPS provides a secure and guaranteed income every year when members stop working.

The LGPS is administered locally by 86 local pension funds in England and Wales. East Sussex County Council (ESCC) has a statutory responsibility as "Administering Authority" to administer and manage the East Sussex Pension Fund (the Fund) on behalf of all the participating employers in East Sussex, and in turn the past and present contributing members, and their dependents. All duties in administering and managing the Pension Fund have been delegated to the East Sussex Pension Committee supported by the East Sussex Pension Board.

The Fund is required to:

- collect employer and employee contributions, investment income and other amounts due as stipulated in LGPS Regulations
- pay the relevant entitlements as stipulated in LGPS Regulations
- invest surplus monies in accordance with the LGPS Regulations
- ensure that cash is available to meet liabilities as and when they fall due
- take measures as set out in the regulations to safeguard the Fund against the consequences of employer default
- carry out a triennial valuation process in consultation with the fund actuary
- prepare and maintain a Funding Strategy Statement and Investment Strategy Statement
- monitor all aspects of the Fund's performance and funding
- take environmental, governance and social factors into account within its investment strategy
- Pool the Fund's invested assets as directed by government

# Overall Fund Management

## Scheme Management and Advisers

Responsibility for the East Sussex Pension Fund is delegated to the County Council's Pension Committee members with support from the East Sussex Pension Board. The Pension Board comprises representatives from the Fund's employers and members with an Independent Chairman. The Pension Committee receives advice from the County Council's Chief Finance Officer, Actuary, Investment Consultants, and an independent Investment Advisor.

Name of Fund support	Company/individuals
<b>Pension Committee Members</b> - East Sussex County Councillors	Gerard Fox (Chairman) – Conservative Ian Hollidge – Conservative Paul Redstone – Conservative David Tutt – Liberal Democrats Georgia Taylor – Green Party
<b>Pension Board Members</b> - pensionboard@eastsussex.gov.uk	<b>Independent Chairman</b> Ray Martin <b>Employer representatives</b> Nigel Manvell – Brighton & Hove City Council (to March 2025) Councillor Andrew Wilson – Borough and District Councils Tim Oliver – University of Brighton (to May 2024) Linda Hughes – Southfield Learning Trust (from June 2024) <b>Member representatives</b> Trevor Redmond – Unison Zoe O'Sullivan – Active/Deferred representative Neil Simpson – Pensioners' representative
<b>Scheme administrator</b>	East Sussex County Council - <a href="mailto:Pensions@eastsussex.gov.uk">Pensions@eastsussex.gov.uk</a>
<b>Bankers to the Fund</b>	NatWest Bank
<b>Auditor</b>	Grant Thornton UK LLP – London <a href="https://www.grantthornton.co.uk/">https://www.grantthornton.co.uk/</a>
<b>Pension Fund officers</b> - escppensionsmanager@eastsussex.gov.uk	<b>Chief Finance Officer (S151 officer):</b> Ian Gutsell <b>Head of Pensions:</b> Susan Greenwood <b>Head of Pensions Administration:</b> Paul Punter <b>Pension Manager: Investments and accounting:</b> Russell Wood
<b>Actuary</b>	Barnet Waddingham - 163 West George Street, Glasgow, G2 2JJ
<b>Legal Advisors</b>	Appointed from National LGPS Framework for Legal Services

Name of Fund support	Company/individuals
<b>Investment Consultant</b>	Hymans Robertson LLP - 20 Waterloo Street, Glasgow, G2 6DB <a href="https://www.hymans.co.uk/">https://www.hymans.co.uk/</a>
<b>Independent Adviser</b>	William Bourne <a href="https://www.linchpin-advisory.com/">https://www.linchpin-advisory.com/</a>
<b>Asset Pool</b>	ACCESS Pool – <a href="https://www.accesspool.org/">https://www.accesspool.org/</a>
<b>Asset Pool Operator</b>	Waystone
<b>Investment Managers</b>	Adams Street Partners, <a href="https://www.adamsstreetpartners.com/">https://www.adamsstreetpartners.com/</a> Atlas, <a href="https://www.atlasinfrastructure.com/">https://www.atlasinfrastructure.com/</a> Baillie Gifford*, <a href="https://www.bailliegifford.com/en/uk/individual-investors/">https://www.bailliegifford.com/en/uk/individual-investors/</a> Bluebay*, <a href="https://www.rbcbluebay.com/en/institutional/">https://www.rbcbluebay.com/en/institutional/</a> CBRE*, <a href="https://www.cbre.co.uk/">https://www.cbre.co.uk/</a> Harbourvest, <a href="https://www.harbourvest.com/">https://www.harbourvest.com/</a> IFM Investors**, <a href="https://www.ifminvestors.com/en-gb/">https://www.ifminvestors.com/en-gb/</a> Longview Partners*, <a href="https://www.longview-partners.com/">https://www.longview-partners.com/</a> M&G**, <a href="https://www.mandg.com/">https://www.mandg.com/</a> Newton*, <a href="https://www.newtonim.com/uk-institutional/">https://www.newtonim.com/uk-institutional/</a> Panthéon, <a href="https://www.pantheoninfrastructure.com/">https://www.pantheoninfrastructure.com/</a> Ruffer*, <a href="https://www.ruffer.co.uk/en/">https://www.ruffer.co.uk/en/</a> Wellington, <a href="https://www.wellington.com/en">https://www.wellington.com/en</a> WHEB <a href="https://www.whebgroup.com/">https://www.whebgroup.com/</a>
<b>Custodian</b>	Northern Trust
<b>AVC Provider</b>	Prudential <a href="https://www.mandg.com/pru/customer/en-gb">https://www.mandg.com/pru/customer/en-gb</a>

\* Appointed through the ACCESS Pool operator. \*\* Bond mandates appointed through ACCESS. Other mandates directly appointed.

### **Bodies to which the fund is member, subscriber or signatory**

Pensions UK

Local Authorities Pension Fund Forum (LAPFF)

CIPFA Pensions Network

Local Government Association (LGA)

Local Government Pension Scheme National Framework:

- Passive Investments,
- Legal Services,
- Actuarial Benefits and, Governance
- Investment Management Consultancy Services
- Stewardship Advisory Services
- Pensions Administration Software

Principles for Responsible Investing (PRI)

Institutional Investors Group on Climate Change (IIGCC)  
Pensions for Purpose  
Financial Reporting Council (FRC) Stewardship Code 2020  
Scheme Advisory Board (SAB)  
UK Sustainable Investment and Finance Association (UKSIF)



# Risk management

Risk management is the process of identifying risks, evaluating their likelihood and potential impact, and determining the most effective methods of controlling or responding to them. The Fund has an active risk management programme in place, which is subject to periodic review. The Fund's approach is to manage risk rather than eliminate it entirely.

## **Integrating risk management into governance practices**

Risk management is an ongoing process for the Pension Fund and goes to the heart of its operation. Senior Officers meet regularly to discuss the ongoing risks to the Fund, include both those reported and not reported on the formal risk register. All officers are encouraged to raise concerns they may have about potential risks and which they identify as part of their day-to-day work.

The risk register is considered at each Pension Board and Pension Committee meeting with Officers explaining the changes to the risk landscape along with identifying areas where it is suspected change may occur in the future, such as events which are believed likely to have a future inflationary impact. In the first quarter of 2025, the Local Pension Board held a dedicated risk workshop to undertake a "deep dive" review of the Fund's risk register. This exercise enabled a thorough examination of key risks, controls, and mitigation strategies, and served as a forum for collective challenge and discussion.

Following the workshop, a number of updates and refinements were made to the risk register, reflecting the outcomes and recommendations of the session. These changes were subsequently incorporated into the Fund's governance documentation.

This proactive approach demonstrates the Local Pension Board's strong commitment to effective risk management and illustrates the Fund's alignment with recognised best practice in governance.

The governance practices of the Fund, along with other topics, have further oversight through a program of both internal and external audits. The Fund is also subject to a wide-ranging external audit each year, with this service being provided by Grant Thornton.

## **Identification of risk**

All Officers, together with members of the Pension Board, Pension Committee, and advisers, have a role to play in the identification of risks to the Fund. The Fund has a policy in place detailing what is expected of these stakeholders and how risks should be raised to ensure they are given appropriate consideration.

Those risks that are materially likely and/or impactful on the running of the Fund are included in the risk register. This document tracks:

- The risks;
- how likely they are;

- how much of an impact the risk would have on crystallisation;
- mitigations in place; and
- the effect of the mitigations on the risk.

The risk register is discussed at each Pension Board and Committee meeting. Members of both the Pension Board and Pension Committee are empowered to challenge Officers on the risks identified and to discuss additional risks they believe should be included in the risk register. Officers continuously review the register's effectiveness to ensure risks, and connected mitigations, are easy to understand and track.

The Fund also continues to track its "exempt risks". This covers risks which inherently revolve around confidential information that cannot be disclosed in a public domain. This allows the Pension Board, Pension Committee and Officers to have open discussions about the risks which may impact the Fund without the risk of breaching duties of confidentiality or releasing commercially sensitive information.

The Fund has a risk management policy in place which governs how risks can be identified and escalated. This encourages staff at all levels to raise both potential and crystallised risks they believe may affect the Fund's work.

## **Risk mitigation**

The key risks to the Fund, as at July 2025, are:

- Cyber Security
- Employer data
- Investment Pooling

### **Cyber Security**

The Fund takes cyber security and information security incredibly seriously. All new Officers are required to undertake training on these topics before they are granted full access to computer systems. Officers are also engaged with internal, mandatory training in the areas of cyber and BCP.

Officers are engaging with external advisers to review the Fund's cyber security and resilience capabilities. This review will include an assessment of existing controls and vulnerabilities, as well as recommendations for enhancement.

In parallel, external input will also be sought to inform and strengthen the Fund's Business Continuity Plan, ensuring alignment with industry standards and emerging risks.

This work is scheduled to commence in Q3/Q4 2025 and forms part of the Fund's broader commitment to operational resilience and robust risk management.

### **Employer data**

The Fund is unable to correctly administer pensions if the data provided to it by Employers is inaccurate or significantly late. The ongoing work to enrol all Employers on the i-Connect system provides additional

checks on the accuracy of information being provided by issuing prompts when an Employer seeks to upload data which varies from that provided in the past.

The Fund has an Employer Engagement Team which works closely with the organisations that participate in the Fund. This helps employers to understand their responsibilities and to cleanse the data they provide to the Fund. To ease the flow of data, employers are being onboarded to a system which allows for the provision of member data on a monthly basis with built in tolerances to help identify potential errors.

Employer data is also covered by the Fund's Pension Administration Strategy. This document details the relationship between the Fund and participating Employers, setting clear expectations for the provision of accurate and timely data.

### **Investment pooling**

The East Sussex Pension Fund is part of the ACCESS Investment Pool, which was going through a significant procurement exercise at the end of the Financial Year. Fund Officers have been heavily involved in this process to ensure the Fund is properly represented in discussions and risks to the management of the Fund are mitigated.

At the end of the Financial Year, the Government was looking at the future of pooling and how it expected investments to be made by funds within the Local Government Pension Scheme. This work is anticipated to continue after the General Election in 2024 and Officers closely monitor guidance, consultations and press releases by the Government on this topic.

### **Investment risk**

Along with other key risks, investment risks are included on the Fund's risk register. Investment risk is not treated as a single risk, but multiple risks and are of significant importance.

The Fund has identified 8 risks which relate to investments and assets of the Fund. Of these, 4 risks are specifically around the risks of investment, these are:

- Poor investment returns;
- changes to international trade affecting liquidity of assets;
- investment pooling; and
- inflation.

Each of these risks is listed individually on the risk register with its own scoring and mitigations. This is alongside risks relating to climate change, ESG, regulatory change in the investment landscape, liquidity and fraud.

Mitigations for the 4 risks identified include:

- Ensuring appropriate training is made available to officers and Pension Committee Members;
- obtaining support from an advisor who is independent of the Investment Consultant;
- engaging closely with the ACCESS Pool to ensure the Fund's interests are protected;
- diversification of assets; and

- a capacity to rebalance portfolios between the annual formal review of the investment strategy.

## **Shared services**

Officers are aware of both the risk and opportunities presented by sharing some key services with the wider Local Authority.

In terms of Business Continuity, the Fund is represented on the appropriate working group to ensure it has sight of issues being addressed across the Council and has a voice to ensure its interests are not neglected.

The Fund also seeks to take full advantage of the upside of sharing services. An example of this is access to the Council's Information Security and IT Teams. This means the Fund has access to a high level of specialist expertise to an extent which would be unaffordable as a standalone organisation.

## **Reviewing our processes**

The Fund is committed to ensuring it has appropriate controls in place. As such, the Fund commissions an external audit of its practices to help identify any areas where improvements can be made. Additionally, the Fund commissions a wide range of internal audits, some of which cover risk management. This year the Fund commissioned 75 days of internal audit, although not all will just focus on risk management.

An external audit is undertaken each year, with the Fund currently using Grant Thornton as its Auditor.





# Governance and Training

## Pension Committee

East Sussex County Council (Administering Authority / Scheme Manager) operates a Pension Committee for the purposes of facilitating the administration of the East Sussex Pension Fund, i.e., the Local Government Pension Scheme that it administers. Members of the Pension Committee owe an independent fiduciary duty to the beneficiaries of the Pension Fund. The Pension Committee Members are therefore expected to carry out appropriate levels of training to ensure they have the requisite knowledge and understanding to properly perform their role. The Terms of Reference are sited on the East Sussex County Council website at : <https://democracy.eastsussex.gov.uk/ieListDocuments.aspx?CId=615&MId=6100&Ver=4&Info=1&MD=Constitution&bcr=1>

The terms of reference can be found under Part 3 Table 5

## Pension Board

The Scheme Manager is required to establish and maintain a Pension Board, for the purposes of assisting with its duties. The Pension Board is constituted under the provisions of the Local Government Pension Scheme (Governance) Regulations 2015 and the Public Service Pensions Act 2013. Members of the Pension Board should also receive the requisite training and development to enable them to properly perform their compliance role, as required by legislation. The Terms of Reference are sited on the East Sussex County Council website at <https://democracy.eastsussex.gov.uk/ieListDocuments.aspx?CId=615&MId=6100&Ver=4&Info=1&MD=Constitution&bcr=1>

The terms of reference can be found under Part 3 Table 5

## ACCESS Pool Joint Committee

The ACCESS Pool operates a Joint Committee which has been set up through an Inter Authority Agreement (IAA) which was formalised and executed by each Individual Authority between May and June 2017 and came into effect on the 31 July 2017 at the first formal Joint Committee meeting. The role of the ACCESS Joint Committee, which has one representative from each participating Fund, is to:

- Ensure pool delivers value for money;
- Appointment and termination of the Operator;
- Ensures pool meets needs of individual funds e.g. sub-funds the operator must provide to support individual fund strategies;
- Set pool level policies e.g. sharing of costs;

- Monitor Operator performance against KPIs; and
- Monitor investment performance

Since 2022, two representatives from underlying Pension Boards from the 11 LGPS Funds attend Joint Committee meetings as observers in rotation. This is to increase transparency.

## Committee membership and attendance

During the year ended 31 March 2025 there were 4 meetings of the Pension Committee, 4 meetings of the Pension Board along with the annual Employers' Forum.

Member attendance at committee meetings during 2024/25:

### 2024/25 - Pension Committee Members

East Sussex County Councillors	Nos. of meetings attended
Councillor Gerard Fox (Chairman)	4/4
Councillor Georgia Taylor	4/4
Councillor David Tutt	4/4
Councillor Georgia Taylor	4/4
Councillor David Tutt	4/4

### 2024/25 - Pension Board Members

Board Members	Nos. of meetings attended
Ray Martin – Independent Chairman	4/4
Nigel Manvell – Brighton & Hove City Council	3/4
Zoe O'Sullivan - Active & Deferred	3/4
Trevor Redmond – Active and Deferred	2/4
Neil Simpson – Pensioner	4/4
Councillor Andrew Wilson – Borough and District Councils Councillor	4/4
Linda Hughes – The Southfield Trust	3/3

### 2024/25 - Member attendance at ACCESS Pool joint committee meetings

2024/25 Joint Committee Members	Nos. of meetings attended
Councillor Gerard Fox	3/4

During 2024/25 the Pension Board saw a change in its makeup, with the following people being appointed and resigning:

- Nigel Manvell – retired February 2025
- Linda Hughes – appointed June 2024

## **The Knowledge and Skills Framework**

The Fund's objectives relating to knowledge and understanding are to:

- Ensure the Fund is appropriately managed and those individuals responsible for its management and administration have the appropriate knowledge and expertise;
- Ensures that there is the appropriate level of internal challenge and scrutiny on decisions and performance of the Fund;
- Ensure the effective governance and administration of the Fund; and
- Ensure decisions taken are robust and based on regulatory requirements or guidance of the Pensions Regulator, the Scheme Advisory Board (SAB) and the Secretary of State for Housing, Communities and Local Government.

### **CIPFA/Solace Knowledge and Skills Framework – Pension Fund Committees**

Although there is currently no statutory requirement for knowledge and understanding for members of the Pension Committee, it is the Fund's opinion that members of the Pension Committee should have no less a degree of knowledge and skills than those required in legislation by the Local Pension Board. The SAB's 'good governance' project signals a much stronger requirement on Pension Committee members knowledge and understanding.

The CIPFA framework, that was introduced in 2010, covers six areas of knowledge identified as the core requirements:

- Pensions legislative and governance context;
- Pensions accounting and auditing standards;
- Financial services procurement and relationship development;
- Investment performance and risk management;
- Financial markets and products knowledge; and
- Actuarial methods, standards and practice.

Under each of the above headings the Framework sets out the knowledge required by those individuals responsible for Fund's management and decision making.

### **CIPFA Technical Knowledge and Skills Framework – Local Pension Boards**

CIPFA extended the Knowledge and Skills Framework in 2015 to specifically include Pension Board members, albeit there is an overlap with the original Framework.

The 2015 Framework identifies the following areas as being key to the understanding of local pension board members:

- Pensions Legislation;
- Public Sector Pensions Governance;
- Pensions Administration;
- Pensions Accounting and Auditing Standards;
- Pensions Services Procurement and Relationship Management;
- Investment Performance and Risk Management;
- Financial markets and product knowledge; and
- Actuarial methods, standards and practices.

Members of the Pension Board and Pension Committee, together with senior Officers within the Fund, complete a review of their knowledge measured against the areas recommended by both CIPFA and The Pensions Regulator each year. The results of this exercise are used to develop the training programme for the year ahead.

### **Links to The Scheme Advisory Board's Good Governance project**

In February 2019 the Scheme Advisory Board commissioned Hymans Robertson to consider options for enhancing LGPS governance arrangements to ensure that the Scheme is ready for the challenges ahead and at the same time retains local democratic accountability. Following extensive consultation and engagement with the LGPS community, the SAB has published 3 reports. The most recent report, published in February 2021, includes recommendations on the following areas:

- Conflicts of Interest – Funds will be expected to produce and publish a policy covering actual, potential, and perceived conflicts of interest;
- Representation – Funds will produce and publish a policy on the representation of members and employers, explaining how voting rights work;
- Knowledge and Understanding – Highlighting that key individual should have the knowledge and understanding to fulfil their functions, including the s.151 Officer;
- Service delivery – This covers publishing details of decision makers' roles and responsibilities, publishing an administration strategy, reporting on performance, and including the Committee in business planning, and;
- Compliance and Improvement – Undergoing a biannual Independent Governance review.

The findings of the Good Governance Review have yet to be formally adopted in statutory form, however, the Administering Authority recognises the principles behind the recommendations and seeks to embed them into the culture of the East Sussex Pension Fund.

## **The Pensions Regulator's E-learning toolkit**

The Pensions Regulator has developed an online toolkit to help those running public service schemes understand the governance and administration requirements set out in its Code of Practice 14 - Governance and administration of public service pension schemes, which was in place until March 2024. Compliance with the, new, General Code will be expected for the forthcoming financial year.

The toolkit covers seven short modules, which are: Conflicts of Interests; Managing Risk and Internal Controls; Maintaining Accurate Member Data; Maintaining Member Contributions; Providing Information to Members and Others; Resolving Internal Disputes; Reporting Breaches of the Law.

The modules of the Regulator's toolkit are by their very nature generic, having to cater for all public service pension schemes. While they give a minimum appreciation of the knowledge and understanding requirements set out in the Code of Practice, they do not cater for the specific requirements of the individual public service schemes.

As a result, the Regulator's toolkit does not cover knowledge and skills requirements in areas such as Scheme regulations, the Fund's specific policies and the more general pensions legislation. The Trustee Toolkit, a separate aid produced by the Pensions Regulator, includes a module on scams.

Whilst the Trustee Toolkit is designed for Trustees of private occupational pension schemes, some aspects of it have value for those connected to public service pension schemes. An example of a module which is relevant to the Fund is the one focused on transfer-out legislation and scams, which Pension Board and Pension Committee members have been asked to take along with appropriate officers.

The Pension Committee under the constitution of East Sussex County Council, has the responsibility "To make arrangements for the investment, administration and management of the Pension Fund".

Members of the Committee must, therefore, have an understanding of all aspects of running the Fund and how to exercise their delegated powers effectively.

Members of the Pension Committee require an understanding of:

- Their responsibilities as delegated under the constitution of East Sussex County Council as the administering authority for the Fund;
- The requirements relating to pension fund investments;
- The management and administration of the Fund;
- Controlling and monitoring the funding level; and
- Effective governance and decision making in relation to the management and administration of the Fund.

There also exists a specific requirement under MiFID II, that those making investment decisions, must be able to demonstrate that they have the capacity to be treated as professional investors.

## **Expectations on Pension Committee Members**

The role of Pension Committee member is an important one and there are certain expectations on those undertaking the role. These include:

- A commitment to attend and participate in training events and to adhere to the principles of the Training Strategy;
- The ability to use acquired knowledge to participate in meetings and to ask questions constructively of the information provided by officers, advisers, and others;
- Judge the information provided in a fair and open-minded way that avoids pre-determining outcomes; and
- Operate within the terms of reference for the Pension Committee and the elected member code of conduct.

## **Local Pension Board**

Under the constitution, the Local Pension Board is required to provide assistance to East Sussex County Council as the LGPS Scheme Manager in securing compliance with:

- LGPS Regulations and any other legislation relating to the governance and administration of the LGPS;
- Requirements imposed in relation to the LGPS by The Pensions Regulator;
- The agreed investment strategy; and
- Any other matters as the LGPS regulations may specify.

The role of the Local Pension Board is to provide assistance to the administering authority to ensure that the Fund is well run and complies with its legal responsibilities and best practice. The Local Pension Board does not replace the administering authority or make decisions which are the responsibility of the administering authority.

Local Pension Board members must be conversant with:

- The relevant LGPS Regulations and any other regulations governing the LGPS;
- Guidance issued by The Pensions Regulator and other competent authorities, relevant to the LGPS;
- Any policy or strategy documents as regards the management and administration of the Fund; and
- The law relating to pensions and such other matters as may be prescribed.

## Training attended by Pension Board and Pension Committee

In the financial year 2024/25 members of both the Pension Board and Pension Committee attended a range of training sessions. These were a mix of sessions led by Officers, in-house events led by one of the Fund's advisors and external training events. All Board and Committee members are also provided with a list of articles and podcasts each month that have a training benefit. The time spent at formal sessions, which excludes personal development such as online toolkits, is listed below.

### Pension Committee

East Sussex County Councillors	Hours of training events attended
Councillor Gerard Fox (Chairman)	1.5
Councillor Ian Hollidge	5
Councillor Paul Redstone	18.5
Councillor Georgia Taylor	22.45
Councillor David Tutt	2.5

### Pension Board

Board Members	Hours of training events attended
Ray Martin (Chair)	2.5
Councillor Bharti Gajjar - Brighton & Hove City Council <sup>1</sup>	-
Nigel Manvell – Brighton & Hove City Council <sup>2</sup>	1
Tim Oliver - Educational Bodies	-
Zoe O'Sullivan - Active & Deferred	8
Trevor Redmond – Active and Deferred	10
Neil Simpson – Pensioner	6
Lynda Walker - Active & Deferred <sup>3</sup>	16.5
Councillor Andrew Wilson – Borough and District Councils	3

## Work undertaken by the Pension Board and Pension Committee

In financial year 2024/25 the Pension Board heard, and provided input for, reports on a variety of topics covering the governance and administration of the Fund. This included discussion of the risk register, which is a standing item on the agenda of both the Pension Board and Pension Committee.

The Pension Board also sought additional information from Officers, which is now provided at each meeting on the approach taken by the Pension Committee to taking financial decisions. Whilst the taking financial decisions is within the remit of the Pension Committee, the Board has oversight of investment governance and this further consideration has improved its ability to offer effective challenge to decision making, where appropriate. A report covering the financial year by the Chair of the Pension Board can be found at

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<sup>1</sup> In post for 4 months, including induction period

<sup>2</sup> In post for 2 months by end of financial year and going through induction

<sup>3</sup> In post for 2 months before resigning

<https://democracy.eastsussex.gov.uk/documents/s67795/9.%20Report%20from%20chair%20of%20the%20Board.pdf>

The Pension Committee has standing items as part of its meeting covering updates on various aspects of governance, administration and investments. Additionally, it has reviewed Fund policies that have been in place for a period of three years to ensure they are fit for purpose and continue to comply with best practice. It has also worked to make changes to the asset allocations in place and made changes to the delegated authority of the Chief Finance Officer to improve the ability of the Fund to react swiftly to both investment upside and downside developments.

### **Conflicts of interest**

In order to preserve the integrity of the Pension Fund there is a regular review of interests Officers, Pension Board members and Pension Committee members have outside of the Fund. All Officers are required to make a declaration of interests at least annually and Pension Board and Committee members are also asked about this as part of each meeting.

The Fund has a Conflicts of Interest policy which covers the expectations around this in more detail. It is available from the Fund website (<https://www.eastsussexpensionfund.org/media/wzaic35a/conflicts-of-interest-policy-2021-east-sussex-pension-fund.pdf>)

### **Key officers**

The following roles made up the senior Officer Group in Financial Year 2024/25:

- Chief Finance Officer
- Head of Pensions
- Head of Pensions Administration
- Pensions Manager – Governance and Compliance
- Pensions Manager – Employer Engagement
- Pensions Manager – Investments and Accounting





# Financial Performance

Overview of the fund's financial performance, Income, expenditure, and cash flows

## Analytical Review

The following tables provide a brief review of the major movements in the Fund Account and the Net Assets Statement for the financial year. More detail is provided in the Investment Policy and Performance report from page 29.

	2023/24	2024/25
	£000	£000
<b>Fund Account</b>		
Net (Contributions)/withdrawals	3,352	6,610
Management Expenses	26,278	29,588
Return on Investments	(383,440)	(92,378)
<b>Net Increase in Fund</b>	<b>(353,810)</b>	<b>(56,180)</b>

	2023/24	2024/25
	£000	£000
<b>Net Asset Statement</b>		
Bonds	234,909	357,460
Equities	395,972	412,833
Pooled Funds	4,215,384	4,091,566
Cash	70,293	111,311
Other	(1,310)	1,525
<b>Total Investment Assets</b>	<b>4,915,248</b>	<b>4,974,695</b>
Non-Investment Assets	17,111	13,844
<b>Net assets of the fund available to fund benefits at the year end.</b>	<b>4,932,359</b>	<b>4,988,539</b>

### Analysis of pension contributions

The table below shows the number of primary pension contributions received late in the financial year 2024/25.

Month	Payments Due	Payments Received Late
<b>April</b>	<b>148</b>	<b>1</b>
<b>May</b>	<b>148</b>	<b>2</b>
<b>June</b>	<b>149</b>	<b>3</b>
<b>July</b>	<b>148</b>	<b>5</b>
<b>August</b>	<b>146</b>	<b>3</b>
<b>September</b>	<b>151</b>	<b>2</b>
<b>October</b>	<b>151</b>	<b>5</b>
<b>November</b>	<b>151</b>	<b>4</b>
<b>December</b>	<b>151</b>	<b>4</b>
<b>January</b>	<b>155</b>	<b>1</b>
<b>February</b>	<b>155</b>	<b>4</b>
<b>March</b>	<b>156</b>	<b>0</b>

No interest was charged on any of the late payments.

### Forecasts

The following tables show the forecasts and outturn for the Fund Account and the Net Asset Statement.

Fund Account	2023/24	2023/24	2024/25	2024/25	2025/26
	Forecast	Actual	Forecast	Actual	Forecast
	£000	£000	£000	£000	£000
Contributions	(161,929)	(166,107)	(186,884)	(186,882)	(208,000)
Payments	166,328	169,459	197,188	193,492	227,300
Administration expenses	3,696	3,377	3,725	3,504	3,800
Oversight and governance costs	689	598	736	665	700
<b>Investment expenses:</b>					
Management Fees	28,352	22,303	23,187	25,419	26,800
Net investment income	(76,300)	(68,794)	(71,200)	(84,105)	(90,100)
Change in market value	(177,000)	(314,646)	(194,900)	(8,273)	(233,000)
<b>Net increase in the Fund</b>	<b>(216,064)</b>	<b>(353,810)</b>	<b>(228,149)</b>	<b>(56,180)</b>	<b>(272,500)</b>

Contributions and payments are based on amounts provided by the actuary used the strategy of the Fund; the administration and investment management expenses are based on current budgets; and the net investment income and change in market value are based on the long-term forecast returns for each asset class.

Net Asset Statement	2023/24	2023/24	2024/25	2024/25	2024/25
	Forecast	Actual	Forecast	Actual	Forecast
Equities	2,115,800	2,185,980	2,295,300	2,145,269	2,270,700
Bond	515,200	696,549	707,000	848,485	901,800
Property	336,100	321,613	329,300	314,095	322,100
Alternatives	875,200	823,502	877,000	806,037	824,800
Cash	45,600	70,293	55,500	111,311	148,100
Other	848,500	817,311	848,700	749,498	777,000
<b>Total Investment Assets</b>	<b>4,736,700</b>	<b>4,915,248</b>	<b>5,112,800</b>	<b>4,974,695</b>	<b>5,244,500</b>

The forecasts for total investment assets are based on the underlying assets within the pooled funds multiplied by the historic long-term returns for each asset class used. Net contributions, less administration and investment management expenses and oversight and governance costs, are added to the Cash figure to reflect new money into the Fund. The forecasts do not take into account potential additions or disposals of investments within these asset classes during the period as potential changes are not known with any degree of certainty.

## Management Expenses - Forecast

	2023/24	2023/24	2024/25	2024/25	2025/26
	Forecast	Actual	Forecast	Actual	Forecast
	£000	£000	£000	£000	£000
<b>Pension Fund Staff Costs</b>					
ESCC Recharge	2,023	1,958	2,436	2,334	2,460
<b>Staff costs total</b>	<b>2,023</b>	<b>1,958</b>	<b>2,436</b>	<b>2,334</b>	<b>2,460</b>
<b>Administration Costs</b>					
ESCC Support Services	475	315	531	344	348
Supplies and Services	1,179	1,125	773	851	994
Income		(21)	(15)	(21)	(5)
<b>Administration total</b>	<b>1,654</b>	<b>1,419</b>	<b>1,289</b>	<b>1,174</b>	<b>1337</b>
<b>Oversight and governance costs</b>					
ESCC Support Services	37	37	37	37	37
Supplies and Services	652	562	699	628	705
Third Party Payments	81	118	89	92	92
Other Income	(81)	(119)	(89)	(92)	(92)
<b>Oversight and governance total</b>	<b>689</b>	<b>598</b>	<b>736</b>	<b>665</b>	<b>742</b>
<b>Investment Management (excluding manager fees)</b>					
Custodian	97	107	100	102	106
<b>Investment Management Total</b>	<b>97</b>	<b>107</b>	<b>100</b>	<b>102</b>	<b>106</b>
<b>Monitored Management Expenses Total</b>	<b>4,463</b>	<b>4,082</b>	<b>4,561</b>	<b>4,275</b>	<b>4,645</b>
<b>Investment Management Not Monitored*</b>					
Management Fees	28,352	22,196	23,087	25,313	26,800
<b>Investment Management not monitored Total</b>	<b>28,352</b>	<b>22,196</b>	<b>23,087</b>	<b>25,313</b>	<b>26,800</b>
<b>Management Expenses Total</b>	<b>32,815</b>	<b>26,278</b>	<b>27,648</b>	<b>29,588</b>	<b>31,445</b>

\* The decision was taken that investment management fees would no longer be monitored through the budget monitoring process in 2023/24. This was due to large fluctuations in manager fees due to market

movements would obscure the smaller fluctuations on lines where management were able to influence the spend. This also obscured the value within the accounts as this did not include the fees which are deducted at the individual portfolio level rather than being paid directly by the Pension Fund. This change was brought in to provide better accountability and oversight of the cost associated with running the Fund.

### **Pension overpayments**

When an overpayment of pension benefits has been identified the recovery of this debt needs to be pursued. The detail of the debt is collated, and an invoice is raised to the relevant party for payment. The Fund follows the East Sussex County Councils procedure for recovering income which has escalation points set if the debt remains unpaid with the final stage this is passed on to the East Sussex legal team to pursue.

The table below shows the pension overpayments and recoveries for the past 5 years:

Year	Value	Overpaid Pensioners	Recoveries	Write Off	Outstanding
2024/25	Number	33	29	2	2
	Value £000	17	16	0	1
2023/24	Number	43	38	2	3
	Value £000	51	32	1	17
2022/23	Number	69	51	13	5
	Value £000	50	30	18	2
2021/22	Number	42	26	13	3
	Value £000	32	22	7	3
2020/21	Number	19	4	0	15
	Value £000	9	1	0	8

The 24/25 value of the invoices written off this year was less than a thousand pounds.

Mortality screening of the active pensioners was introduced for each month in 2020, however, as part of the Orbis dissolution the Pension Fund were required to reprocure the mortality screening service, which meant mortality screening was not completed between April 2021 and June 2022. Therefore, the number of overpaid pensions has increased over the past two years, but this should reduce going forward.



## East Sussex Pension Fund - Accounts 2024/25



## Fund Account, Net Assets Statement and Notes to the accounts

### Introduction

The Local Government Pension Scheme (LGPS) is a statutory pension scheme, whose rules are governed by Parliament in accordance with the Public Services Pensions Act 2013. The rules of the scheme are provided in the Local Government Pension Scheme Regulations and provide the statutory basis within which the Scheme can operate.

Although a national pension scheme, mainly set up for the benefit of local government employees, the LGPS is administered locally. The LGPS is open to all non-teaching employees of the County, District and Borough Councils and Unitary Authorities in East Sussex, as well as Further Education Colleges, Academies, Town and Parish Councils and a small number of charitable organisations who have applied to be treated as “admission bodies”. In addition, the LGPS allows employees of private contractors to participate in the Scheme where they are providing a service or assets in connection with the functions of a scheme employer, in accordance with the specific requirements of the LGPS Regulations. The scheme is not open to teachers or fire fighters, as these groups of employees have separate pension schemes.

Currently within the East Sussex Pension Fund there are 149 participating employers. A full list of participating employers is given at note 29.

More information on the Fund can be found on its website [Homepage | East Sussex Pension Fund](#).

### Administering Authority Responsibilities

East Sussex County Council has a statutory responsibility to administer and manage the East Sussex Pension Fund (the Fund) on behalf of all the participating employers of the Fund in East Sussex, and in turn the past and present contributing members, and their dependents.

The Fund receives contributions from both employees and employers, as well as income from its investments, these elements then meet the cost of paying benefits of the pension scheme. As part of its responsibilities as the administering authority the County Council is responsible for setting the funding and investment strategies and reviewing the performance of the Fund’s external investment managers and advisers. The administration and management of the Pension Fund has been delegated to the East Sussex Pension Committee supported by the East Sussex Pension Board.

The Fund has the day-to-day functions of managing the governance of the Fund and administration functions under its sovereign control. The main services provided by the Fund include governance and compliance, investment, accounting, maintenance of scheme members’ records, calculation and payment of pension benefits, transfers of pension rights, calculation of annual pension increases and the provision of information and communications to scheme members, scheme employers and other stakeholders.

The Fund increased its governance arrangements following a good governance review resulting in a change to terms of reference, delegations, policies and team structure with all decision-making residing with the Pension Committee. The Fund ensures that all the participating employers within the Fund are aware of their own responsibilities through its administration strategy, as well as any changes to the provisions of the Scheme that may be introduced through an employer engagement team, communications and an annual employer forum.

A major responsibility of the administering authority is to undertake a valuation of the Pension Fund’s assets and liabilities (triennial valuation). The main purpose of this exercise is to assess the size of the Fund’s current and future liabilities against the size of assets, and then set the employer contribution to the Fund for each participating employer for the following three-year period. The most recent actuarial valuation of the Fund was carried out at 31 March 2022 and the next triennial valuation will be on the 31 March 2025 with new contribution rates set then.

## Asset Pools

The East Sussex Pension Fund has joined with 10 other Local Government Pension Schemes (LGPS) Administering Authorities to form the ACCESS (A Collaboration of Central, Eastern and Southern Shires) Pool. The other members of the ACCESS Pool are:

- |                   |                          |                   |
|-------------------|--------------------------|-------------------|
| 1. Cambridgeshire | 5. Norfolk               | 8. Hertfordshire  |
| 2. Kent           | 6. Essex                 | 9. Suffolk        |
| 3. Hampshire      | 7. West Northamptonshire | 10. Isle of Wight |
| 4. West Sussex    |                          |                   |

At the 31 March 2025 collectively, the pool has assets of £66.7 billion (of which 74% has been pooled) serving approximately 3,500 employers with over 1.2 million members.

The ACCESS Pool is not a legal entity in itself, but is governed by the Inter Authority Agreement signed by each Administering Authority established in 2017. The Inter Authority Agreement sets out the terms of reference and constitution of ACCESS.

The formal decision-making body within the ACCESS Pool is the ACCESS Joint Committee. The Joint Committee has been appointed by the 11 Administering Authorities under s102 of the Local Government Act 1972, with delegated authority from the Full Council of each Administering Authority to exercise specific functions in relation to the Pooling of Pension Fund assets.

Following the November 2024 Mansion House speech the government published a consultation entitled “Local Government Pension Scheme: Fit for the Future”. This discussed further in the note 6. Events after the balance sheet date.

The Joint Committee is responsible for ongoing contract management and budget management for the Pool and is supported by the Section 151 Officers Group, Officer Working Group and the ACCESS Support Unit. More information on the ACCESS pool can be found on their website <https://www.accesspool.org/>.



## Fund account, net assets statement and notes

### Fund Account

2023/24 £000	2023/24 £000	Notes	2024/25 £000	2024/25 £000
		Dealings with members, employers and others directly involved in the fund		
		Contributions		
(115,497)		7	(121,570)	
(39,521)		From Employers	(43,424)	
	(155,018)	From Members		(164,994)
	(11,089)	Transfers in from other pension funds		(21,888)
	<b>(166,107)</b>			<b>(186,882)</b>
	155,608	Benefits		177,514
	13,851	Payments to and on account of leavers		15,978
	<b>169,459</b>			<b>193,492</b>
	<b>3,352</b>	<b>Net (additions)/withdrawals from dealings with members</b>		<b>6,610</b>
	26,278	Management expenses		29,588
	<b>29,630</b>	<b>Net (additions)/withdrawals including fund management expenses</b>		<b>36,198</b>
		Returns on investments		
	(68,871)	Investment income		(84,215)
	77	Taxes on income		110
	(314,646)	Profit and losses on disposal of investments and changes in the value of investments		(8,273)
	<b>(383,440)</b>	<b>Net return on investments</b>		<b>(92,378)</b>
	<b>(353,810)</b>	<b>Net (increase)/decrease in net assets available for benefits during the year</b>		<b>(56,180)</b>
	<b>(4,578,549)</b>	<b>Opening net assets of the scheme</b>		<b>(4,932,359)</b>
	<b>(4,932,359)</b>	<b>Closing net assets of the scheme</b>		<b>(4,988,539)</b>

## Net Assets Statement for the year ended 31 March 2025

31 March 2024 £000		Notes	31 March 2025 £000
4,846,304	Investment assets	14	4,861,860
1,333	Other Investment balances	21	2,016
(2,682)	Investment liabilities	22	(492)
70,293	Cash deposits	14	111,311
<b>4,915,248</b>	<b>Total net investments</b>		<b>4,974,695</b>
20,194	Current assets	21	16,643
(3,083)	Current liabilities	22	(2,799)
<b>4,932,359</b>	<b>Net assets of the fund available to fund benefits at the year end.</b>		<b>4,988,539</b>

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 at Note 20.

Treasurers Certificate

I certify that the accounts of the East Sussex Pension Fund provide a true and fair view of the Pension Fund at 31 March 2025 and of the movements for the year then ended.

**Ian Gutsell**

**Chief Finance Officer (Section 151 Officer)**

**Business Services Department**

**Date to be confirmed**

## Notes to the East Sussex Pension Fund Accounts for the year ended 31 March 2024

### I: Description of Fund

The East Sussex Pension Fund (“the Fund”) is part of the Local Government Pension Scheme and is administered by East Sussex County Council (“the Scheme Manager”). The County Council is the reporting entity for this pension fund.

The following description of the Fund is a summary only. For more detail, references should be made to the East Sussex Pension Fund Annual Report 2024/25 and the underlying statutory powers underpinning the scheme, namely the Public Service Pensions Act 2013 and The Local Government Pension Scheme (LGPS) Regulations.

#### General

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

- a) The Local Government Pension Scheme Regulations 2013 (as amended)
- b) The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- c) The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

The Fund is a contributory defined benefit pension scheme administered by East Sussex County Council to provide pensions and other benefits for pensionable employees of East Sussex County Council, Brighton and Hove City Council, the district and borough councils in East Sussex County and a range of other scheduled and admitted bodies within the county area.

The Fund is also empowered to admit the employees of certain other bodies, town and parish councils, educational establishments, contractors providing services transferred from scheduled bodies and community interest bodies. The Fund does not provide pensions for teachers, for whom separate arrangements exist. Uniformed police and fire staff are also subject to separate pension arrangements.

The Council has delegated its pension functions to the East Sussex Pension Committee. Responsibility for the administration and financial management of the Fund has been delegated to the Chief Finance Officer along with the Head of Pensions.

The Scheme Manager is also required to establish and maintain a Pension Board, for the purposes of assisting with the administration and ongoing compliance of the Fund. The role of the Board is to assist the East Sussex Pension Fund in complying with all the legislative requirements making sure the scheme is being effectively and efficiently governed and managed.

Independent investment managers have been appointed to manage the investments of the Fund. The Fund also invests in liquid investments such as equities and bonds as well as illiquid investments such as private equity, infrastructure, and private debt. The Committee oversees the management of these investments and the Fund and its advisers meet regularly with the investment managers to monitor their performance against agreed benchmarks. The Pension Committee take proper advice from specialist advisers when making investment decisions.

## Membership

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 the scheme. Employees are auto enrolled into the scheme every three years and on appointment.

Organisations participating in the East Sussex Pension Fund include:

- a) Scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund
- b) Admitted bodies, which are 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.

There are 149 employer organisations within East Sussex Pension Fund including the County Council itself, and 86,784 members as detailed below:

East Sussex Pension Fund	31 March 2024	31 March 2025
Number of employers with active members	144	149
<b>Number of employees</b>		
County Council	8,003	7,889
Other employers	16,885	17,076
<b>Total</b>	<b>24,888</b>	<b>24,965</b>
<b>Number of pensioners</b>		
County Council	10,898	11,472
Other employers	14,390	15,290
<b>Total</b>	<b>25,288</b>	<b>26,762</b>
<b>Deferred pensioners</b>		
County Council	14,288	13,973
Other employers	20,952	21,084
<b>Total</b>	<b>35,240</b>	<b>35,057</b>
<b>Total number of members in pension scheme</b>	<b>85,416</b>	<b>86,784</b>

## Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2025. Employee contributions are matched by employers' contributions, which are set, based on triennial actuarial funding valuations. The last such valuation was at 31 March 2022. Currently, employer contribution rates range from 0% to 45.9% of pensionable pay.

## Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. From 1 April 2014, the scheme became a career average scheme (CARE), whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is updated annually in line with the Consumer Prices Index.

There are a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits. For more details, please refer to the East Sussex Pension Fund Website

[www.eastsussexpensionfund.org](http://www.eastsussexpensionfund.org)

## 2: Basis of preparation

The Statement of Accounts summarises the Fund's transactions for the 2024/25 financial year and its position at year-end as at 31 March 2025. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 which is based upon International Financial Reporting Standards (IFRS) as amended for UK public sector. The accounts have been prepared on a going concern basis. The accounts have been prepared on a going concern basis which management believes to be right as the latest valuation provided by our actuary has set the Funding level at 123% contributions rates were set for 3 years, the fund strategy statement is being followed and we are collecting contributions in line with these. We have £5.0bn in assets that are generating investment returns in line with expectations and the benefits continue to be covered from contributions and investment income.

### **Accounting standards issued but not yet adopted - Under the Code of Practice on Local Authority**

Accounting standards issued but not yet adopted - Under the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the code), the Fund is required to disclose information setting out the impact of an accounting change required by a new accounting standard that has been issued on or before 1 January 2022 but not yet adopted by the Code.

The standards introduced by the 2025/26 Code where disclosures are required in the 2024/25 financial statements are:

- a) IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- b) IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- c) The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible noninvestment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy.
- d) It is likely there will be limited application of items a) and b), although authorities will need to consider their individual circumstances in case either of these standards apply.

There were no amendments for 2024/25 for the accounts of the Pension Fund.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year, nor do they take into account the actuarial present value of promised retirement benefits.

The code gives administering authorities the option to disclose this information in the net asset statement, in the notes to the accounts or appending an actuarial report prepared for this purpose. The Pension Fund has opted to disclose this information in Note 20.

The Pension Fund publishes a number of statutory documents, including an Investment Strategy Statement, a Funding Strategy Statement, Governance and Compliance Policy Statement and Communications Strategy Statement. Copies can be obtained by contacting the Council's Pensions team or alternatively are available from <https://www.eastsussexpensionfund.org/>

The Fund invest a large portion of its investment assets through the ACCESS (A Collaboration of Central, Eastern and Southern Shires) LGPS Pool. There is no specific accounting policy for the Pool. The ACCESS Pool is not a legal entity in itself, but is governed by an Inter Authority Agreement signed by each Administering Authority.

The formal decision-making body within the ACCESS Pool is the ACCESS Joint Committee, which has let the management of the asset pool to Waystone Management (UK) Ltd, appointed to provide a pooled operator service and is FCA regulated. There is no direct investment in the third party, only a contractual arrangement to provide services, so there is no investment balance to carry forward in the net asset statement.

### **3. Summary of significant accounting policies**

#### **Fund account – revenue recognition**

##### **1. Contribution income**

Normal contributions are accounted for on an accruals basis as follows:

Employee contribution rates are set in accordance with LGPS regulations, using common percentage rates for all schemes, which rise according to pensionable pay.

Employer contributions are set at the percentage rate recommended by the fund actuary for the period to which they relate.

Employer deficit funding contributions are accounted for on the basis advised by the fund actuary in the rates and adjustment certificate issued to the relevant employing body.

Additional employers' contributions in respect early retirements are accounted for in the year the event arose. Any amount due in the year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

Ill-health insurance policy some employers have opted into an ill-health insurance policy administered by the Fund on their behalf. Contributions calculated by the actuary include an allowance for ill-health claims this allowance is used to pay for the policy and a reduction in contributions based on the premium and membership of the employer is made. Within the policy a profit-sharing mechanism has been included which is based on the claims made. An assessment will be taken if any profit share will be appropriate and an accrual is made on the likely share of the profits the employers are entitled to.

##### **2. Transfers to and from other schemes**

Transfers in and out relate to members who have either joined or left the Fund.

Individual transfers in/out are accounted for when received or paid. Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (Note 8).

Bulk (group) transfers are accounted for in accordance with the terms of the transfer agreement.

##### **3. Investment income**

###### **a) Interest income**

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.

###### **b) Dividend income**

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.

c) Distributions from pooled funds

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.

d) Movement in the net market value of investments

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

Fund account – expense items

4. **Benefits payable**

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

5. **Taxation**

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

6. **Management expenses**

The Fund discloses its pension fund management expenses in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses (2016), as shown below. All items of expenditure are charged to the fund on an accruals basis as follows:

a) Administrative expenses

All staff costs relating to the pensions administration team are charged direct to the Fund. Council recharges for management, accommodation and other overhead costs are also accounted for as administrative expenses of the Fund.

b) Oversight and governance costs

All costs associated with governance and oversight are separately identified, apportioned to this activity and charged as expenses to the Fund

c) Investment management expenses

Investment management expenses are charged directly to the Fund as part of management expenses and are not included in, or netted off from, the reported return on investments. Where fees are netted off quarterly valuations by investment managers, these expenses are shown separately in Note 11A and grossed up to increase the change in value of investments.

Fees of the external investment managers and custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.



Where an investment manager's fee has not been received by the balance sheet date, 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. In 2024/25, £0.43m of fees is based on such estimates (2023/24: £1.2m).

## **Net assets statement**

### **7. Financial assets**

All investment assets are included in the financial statements on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the Fund becomes party to the contractual acquisition of the asset.

Any amounts due or payable in respect of trades entered into but not yet complete at 31 March each year are accounted for as financial instruments held at amortised cost and reflected in the reconciliation of movements in investments and derivatives in Note 14a. Any gains or losses on investment sales arising from changes in the fair value of the asset are recognised in the fund account.

The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see Note 16). For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

### **8. Foreign currency transactions**

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

### **9. Derivatives**

The Fund uses derivative financial instruments to manage its exposure to specific risks arising from its investment activities. The Fund does not hold derivatives for speculative purposes.

Derivative contract assets are fair valued at bid prices and liabilities are fair valued at offer prices. Changes in fair value of derivative contracts are included in the change in market value. The value of futures contracts is determined using exchange prices at the reporting date. Amounts due from or owed to the broker are the amounts outstanding in respect of the initial margin and variation margin. The future value of forward currency contracts is based on the market forward exchange rates at the year-end date and determined as the gain or loss that would arise if the outstanding contracts were matched at the year end with an equal and opposite contract.

### **10. Cash and cash equivalents**

Cash comprises cash in hand and demand deposits and includes amounts held by the Fund's external managers.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

## **11. Financial liabilities**

A financial liability is recognised in the net assets statement on the date the fund becomes party to the liability. The fund recognises financial liabilities relating to investment trading at fair value as at the reporting date, and any gains or losses arising from changes in the fair value of the liability between contract date, the year-end date and the eventual settlement date are recognised in the fund account as part of the Change in Value of Investments.

Other financial liabilities classed as amortised costs are carried at amortised cost i.e., the amount carried in the net asset statement are the outstanding principal repayable plus accrued interest. Any interest charged is accounted for on an accrual's basis.

## **12. Actuarial present value of promised retirement benefits**

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 26 and relevant actuarial standards.

As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statement (Note 20).

## **13. Additional voluntary contributions**

East Sussex Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the pension fund. The Fund has appointed Prudential as its AVC provider. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the accounts in accordance with Regulation 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 but are disclosed as a note only (Note 23).

## **14. Contingent assets and contingent liabilities**

A contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events. Contingent liabilities can also arise in circumstances where a provision would be made, except that it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by the occurrence of future events.

Contingent assets and liabilities are not recognised in the net assets statement but are disclosed by way of narrative in the notes.

## 4. Critical judgements in applying accounting policies

### Pension Fund liability

The Pension Fund liability is calculated every three years by the appointed actuary, with annual updates in the intervening years. The assumptions underpinning the triennial valuation are agreed locally with the actuary and are summarised in note 19. In accordance with IAS26 the Fund is also required to disclose on an annual basis the actuarial present value of promised retirement benefits in note 20. The actuarial methodology used in triennial valuations is different from that used in IAS26 calculations, therefore they will produce different liability values at a common valuation date. The liability estimates in notes 19 and 20 are subject to significant variances based on changes to the underlying assumptions and actual future experience related to the development of pension liabilities."

## 5. Assumptions made about the future and other major sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates and assumptions are made to take into account historical experience, current trends and other relevant factors. However, actual outcomes could be different from the assumptions and estimates made. The items in the net asset statement for which there is a significant risk of material adjustment the following year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 20)	Estimation of the net liability to pay pensions depends on a number of complex judgments relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. As a result of Coronavirus pandemic there is an increase in the uncertainty around the mortality provisions within the Fund, however it is too early to assess this figure at the current time so has not been included in our calculations. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied.	<p><b>The effects on the net pension liability of changes in individual assumptions can be measured. For instance, for the 2022 Valuation the actuary advised that:</b></p> <ol style="list-style-type: none"><li>1. A 0.1% decrease in the discount rate assumption would result in an increase in the pension liability by approximately <b>£63.0m (2%)</b>.</li><li>2. A 0.1% increase in CPI Inflation would increase the value of liabilities by approximately <b>£58.0 million (2%)</b>.</li><li>3. A 0.25% Increase in mortality rates would result in an increase in the pension liability by approximately <b>£29.0m (1%)</b>.</li><li>4. A 0.5% Increase in Salary Assumption would result in an increase in the pension liability by approximately <b>£36.0m (1%)</b></li></ol>

Private equity	Private equity investments are valued at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines (2015). Investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total private equity investments in the financial statements are £359 million. There is a risk that this investment may be under or overstated in the accounts depending on use of estimates applied in the valuation models by the fund managers. The sensitivity of this figure is discussed further in Note 16 and Note 18.
Infrastructure	Infrastructure investments are valued at fair value in accordance with industry guidelines, based on the Fund manager valuations as at the end of the reporting period. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total infrastructure investments in the financial statements are <b>£423.3 million</b> . There is a risk that this investment may be under or overstated in the accounts depending on use of estimates applied in the valuation models by the investment managers. The sensitivity of this figure is discussed further in Note 16 and Note 18.
Pooled Property	Pooled Property investments are valued at closing bid prices if both bid and offer prices are published; or if single priced, at the closing single price. Pooled property funds have derived underlying assets that have been valued by independent external valuers on a fair value basis in accordance with industry guidelines.	The total Pooled Property investments in the financial statements are £314.9 million. There is a risk that this investment may be under or overstated in the accounts depending on use of estimates applied in the valuation models by the investment managers. The sensitivity of this figure is discussed further in Note 16 and Note 18.
Climate Risk	Climate risk is the potential for adverse consequences for human or ecological systems, recognising the diversity of values and objectives associated with such systems. In the context of climate change, risks can arise from potential impacts of climate change as well as human responses to climate change. The outcomes of these risks is unknown and as such there is a degree of estimation involved in the valuation of companies.	The total net investment assets of the Fund are <b>£4,975.0 million</b> . There is a risk that the investments may be over or understated in the accounts depending on the assumptions around policy responses to climate change in the valuation of investments. The impact would be across the whole Fund but not necessary equally across asset classes. We consider that there is a price risk – sensitivity of £672M which is discussed further in Note 16 and Note 18.

## 6. Events after the balance sheet date

In November 2024 the Chancellor made a speech at Mansion House following this the government published a consultation entitled "Local Government Pension Scheme: Fit for the Future". As part of this the ACCESS Pool was requested to provide a proposal to Government on how it would meet the requirements set out in consultation at the end of February 2025. The Pensions Minister Torsten Bell and Local Government Minister Jim McMahon wrote to all ACCESS Authorities on 9 April 2025 in response to the ACCESS Pool's proposal. This letter indicated that Government did not support ACCESS's February proposal and invited each ACCESS Authority to identify which pool they wish to partner with going forward. This will require the East Sussex Pension Fund to consider its pooling arrangements during 2025 and work to move its assets across to a new LGPS pool provider. Currently the financial impact of this cannot currently be made or estimated.

## 7. Contributions Receivable

	2023/24 £000	2024/25 £000
<i>By category</i>		
Employee's contributions	39,521	43,424
Employer's contributions		
Normal contributions	114,257	120,825
Deficit recovery contributions	357	277
Augmentation contributions	883	3,737
Employers in surplus (exit credits paid)	-	(3,269)
<b>Total</b>	<b>155,018</b>	<b>164,994</b>
<i>By authority</i>		
Scheduled bodies	101,458	110,568
Admitted bodies	3,217	3,099
Administrative Authority	50,343	54,596
Employers in surplus (exit credits paid)	-	(3,269)
<b>Total</b>	<b>155,018</b>	<b>164,994</b>

The contribution includes the exit credit payments of 5 scheme employers which had ceased before end of 31 March 2025 where an exit credit payment were made in 2024/25. The total of the exit payments for the 5 employers totalled £3.3m.

## 8. Transfers in from other pension funds

	2023/24 £000	2024/25 £000
Group transfers	-	-
Individual transfers	11,089	21,888
<b>Total</b>	<b>11,089</b>	<b>21,888</b>

## 9. Benefits payable

	2023/24 £000	2024/25 £000
<i>By category</i>		
Pensions	131,847	144,512
Commutation and lump sum retirement benefits	20,305	29,087
Lump sum death benefits	3,456	3,915
<b>Total</b>	<b>155,608</b>	<b>177,514</b>
<i>By authority</i>		
Scheduled bodies	93,156	106,990
Admitted bodies	4,890	5,556
Administrative Authority	57,562	64,968
<b>Total</b>	<b>155,608</b>	<b>177,514</b>

## 10. Payments to and on account of leavers

	2023/24 £000	2024/25 £000
Refunds to members leaving service	408	780
Group transfers	(137)	-
Individual transfers	13,580	15,198
<b>Total</b>	<b>13,851</b>	<b>15,978</b>

## 11. Management expenses

	2023/24 £000	2024/25 £000
Administrative costs	3,377	3,504
Investment management expenses	22,303	25,419
Oversight and governance costs	598	665
<b>Total</b>	<b>26,278</b>	<b>29,588</b>

## I 1a) Investment management expenses – 2024/25

2024/25	Total £000	Management Fees £000	Performance Related Fees £000	Transaction costs* £000
Bonds	17	17	-	-
Equities	659	659	-	-
Pooled investments				
Fixed Income	2,211	2,146	-	65
Equity	5,965	5,436	-	529
Diversified growth funds	5,086	4,552	-	534
Pooled property investments	1,431	1,431	-	0
Private equity / infrastructure	9,948	8,555	1,381	12
	<b>25,317</b>	<b>22,796</b>	<b>1,381</b>	<b>1,140</b>
Custody	102			
<b>Total</b>	<b>25,419</b>			

\*In addition to these costs, indirect costs are incurred through the bid-offer spread on investments within pooled investments.

2023/24	Total £000	Management Fees £000	Performance Related Fees £000	Transaction costs* £000
Bonds	85	85	-	-
Equities	500	500	-	-
Pooled investments				
Fixed Income	1,972	1,935	-	37
Equity	7,110	6,513	-	597
Diversified growth funds	4,769	4,465	-	304
Pooled property investments	1,586	1,560	-	26
Private equity / infrastructure	6,174	6,695	(521)	-
	<b>22,196</b>	<b>21,753</b>	<b>(521)</b>	<b>964</b>
Custody	107			
<b>Total</b>	<b>22,303</b>			

\*In addition to these costs, indirect costs are incurred through the bid-offer spread on investments within pooled investments.

Investment management expenses are charged directly to the Fund as part of management expenses and are not included in, or netted off from, the reported return on investments. Where fees are netted off quarterly valuations by investment managers, these expenses are grossed up.

During the year, the Pension Fund incurred management fees which were deducted at source for 2024/25 of £5.2m (£4.0m in 2023/24) on its private equity investments, fees of £4.7m (£1.7m in 2023/24) on its infrastructure investments, fees of £10.4m (£9.2m in 2024/25) on investments in the ACCESS Pool and fees of £5.0m (£4.2m in 2024/25) on other mandates. These fees are deducted at the individual portfolio level rather than being paid directly by the Pension Fund.

## I2. Investment income

	2023/24 £000	2024/25 £000
Income from equities	5,561	7,496
Private equity/Infrastructure income	1,958	2,554
Pooled property investments	11,801	14,686
Pooled investments - unit trusts and other managed funds	47,288	56,805
Interest on cash deposits	2,263	2,674
<b>Total</b>	<b>68,871</b>	<b>84,215</b>

## I3. Other fund account disclosures

### I3a) Taxes on income

	2023/24 £000	2024/25 £000
Withholding tax – equities	(77)	(110)
<b>Total</b>	<b>(77)</b>	<b>(110)</b>

### I3b) External audit costs

	2023/24 £000	2024/25 £000
Payable in respect of external audit for 2021/22	-	17
Payable in respect of external audit for 2022/23	-	4
Payable in respect of external audit for 2023/24	98	-
Payable in respect of external audit for 2024/25	-	102
Payable in respect of other services	-	5
<b>Total</b>	<b>98</b>	<b>128</b>
Grant	(11)	(15)
<b>Total</b>	<b>87</b>	<b>113</b>



## 14. Investments

	2023/24 £000	2024/25 £000
<i>Investment assets</i>		
Bonds	234,909	357,460
Equities	395,972	412,834
<i>Pooled Investments</i>		
Fixed Income	496,738	519,444
Equity	1,790,008	1,732,436
Diversified growth funds	818,621	747,974
Pooled property investments	321,613	314,095
Private equity/infrastructure	788,404	777,616
<i>Derivative contracts:</i>		
Futures	39	1
	<b>4,846,304</b>	<b>4,861,860</b>
Cash deposits with Custodian	70,293	111,311
Other Investment balances (Note 21)	1,333	2,016
<b>Total investment assets</b>	<b>4,917,930</b>	<b>4,975,187</b>
Investment Liabilities (Note 22)	(2,682)	(472)
<i>Derivative contracts:</i>		
Futures	-	(20)
<b>Total Investment Liabilities</b>	<b>(2,682)</b>	<b>(492)</b>
<b>Net investment assets</b>	<b>4,915,248</b>	<b>4,974,695</b>

#### I 4a) Reconciliation of movements in investments and derivatives

	Market value 1 April 2024 £000	Purchases during the year and derivative payments £000	Sales during the year and derivative receipts £000	Change in market value during the year £000	Market value 31 March 2025 £000
Bonds	234,909	152,000	-	(29,449)	357,460
Equities	395,972	118,486	(111,907)	10,283	412,834
Pooled investments	3,105,367	194,821	(284,561)	(15,773)	2,999,854
Pooled property investments	321,613	5,363	(23,478)	10,597	314,095
Private equity/infrastructure	788,404	30,525	(73,323)	32,010	777,616
	<b>4,846,265</b>	<b>501,195</b>	<b>(493,269)</b>	<b>7,668</b>	<b>4,861,859</b>
<i>Derivative contracts</i>					
■ Futures	39	1,732	(1,771)	(19)	(19)
■ Forward currency contracts	-	-	-	-	-
	<b>4,846,304</b>	<b>502,927</b>	<b>(495,040)</b>	<b>7,649</b>	<b>4,861,840</b>
<i>Other investment balances:</i>					
■ Cash deposits	70,293			624	111,311
■ Other Investment Balances	1,333				2,016
■ Investment Liabilities	(2,682)				(472)
<b>Net investment assets</b>	<b>4,915,248</b>			<b>8,273</b>	<b>4,974,695</b>

	Market value 1 April 2023 £000	Purchases during the year and derivative payments £000	Sales during the year and derivative receipts £000	Change in market value during the year £000	Market value 31 March 2024 £000
Bonds	93,755	136,000	-	5,154	234,909
Equities	235,630	128,422	(122,241)	154,161	395,972
Pooled investments	3,068,652	198,413	(317,250)	155,552	3,105,367
Pooled property investments	328,542	24,612	(21,112)	(10,429)	321,613
Private equity/infrastructure	778,754	40,004	(39,896)	9,542	788,404
	<b>4,505,333</b>	<b>527,451</b>	<b>(500,499)</b>	<b>313,980</b>	<b>4,846,265</b>
<i>Derivative contracts</i>					
■ Futures	53	812	(1,323)	497	39
■ Forward currency contracts	-	-	-	-	-
	<b>4,505,386</b>	<b>528,263</b>	<b>(501,822)</b>	<b>314,477</b>	<b>4,846,304</b>
<i>Other investment balances:</i>					
■ Cash deposits	54,418			169	70,293
■ Other Investment Balances	1,062				1,333
■ Investment Liabilities	(1,061)				(2,682)
<b>Net investment assets</b>	<b>4,559,805</b>			<b>314,646</b>	<b>4,915,248</b>

#### 14b) Investments analysed by fund manager

	Market value 31 March 2024 £000	Market value 31 March 2024 %	Market value 31 March 2025 £000	Market value 31 March 2025 %
<b>Investments in the ACCESS Pool</b>				
ACCESS - Alpha Opportunities (M&G)	330,522	6.7%	195,138	3.9%
ACCESS - Absolute Return (Ruffer)	450,410	9.2%	455,167	9.1%
ACCESS - Corporate Debt (M&G)	131,119	2.7%	124,462	2.5%
ACCESS - Global Alpha (Baillie Gifford)	217,275	4.4%	213,485	4.3%
ACCESS - Global Equity (Longview)	521,637	10.6%	510,196	10.3%
ACCESS - Global Infrastructure (IFM)	246,864	5.0%	267,901	5.4%
ACCESS - Passive Index Linked (UBS)	234,918	4.8%	357,452	7.2%
ACCESS - Passive Osmosis (UBS)*	397,602	8.1%	415,406	8.4%
ACCESS - Real Estate Fund (CBRE)*	-	-	338,685	6.8%
ACCESS - Real Return (Newton)	368,211	7.5%	292,812	5.9%
ACCESS – Total Return Credit (RBC Blue Bay)	-	-	171,429	3.4%
	<b>2,898,558</b>	<b>59.0%</b>	<b>3,342,133</b>	<b>67.2%</b>
<b>Investments held directly by the Fund</b>				
Adams Street Partners*	189,505	3.9%	174,134	3.5%
Atlas Infrastructure	99,922	2.0%	104,380	2.1%
East Sussex Pension Fund Cash	52,172	1.1%	76,814	1.5%
Harbourvest Partners*	181,573	3.7%	185,473	3.7%
M&G	35,098	0.7%	28,419	0.6%
Pantheon	87,045	1.8%	77,297	1.6%
Infracapital	49,369	1.0%	42,836	0.9%
Schroders *	336,032	6.8%	3,495	0.1%
Storebrand	465,360	9.5%	450,317	9.1%
UBS Infrastructure	35,389	0.7%	35,337	0.7%
Wellington Management	247,275	5.0%	253,400	5.0%
Wheb	237,950	4.8%	200,660	4.0%
	<b>2,016,690</b>	<b>41.0%</b>	<b>1,632,562</b>	<b>32.8%</b>
	<b>4,915,248</b>	<b>100.0%</b>	<b>4,974,695</b>	<b>100.0%</b>

\* These mandates is where the investment manager oversees the East Sussex Pension Fund's investments in a range of underlying investments these are not a single investments into an investment fund.

**The following investments represent more than 5% of the investment assets of the scheme**

Security	Market Value 31 March 2024 £000	% of total fund	Market value 31 March 2025 £000	% of total fund
<b>WS ACCESS Global Equity Fund</b>	521,637	10.6%	510,196	10.3%
<b>AMX UCITS CCF - Storebrand - Global ESG Plus</b>	465,360	9.5%	450,317	9.1%
<b>WS ACCESS Absolute Return Fund</b>	450,410	9.2%	455,167	9.1%
<b>UBS Life UK Over 5 Year Index-Linked Tracker Fund</b>	234,918	4.8%	357,452	7.2%
<b>WS ACCESS Real Return Fund</b>	368,211	7.5%	292,812	5.9%
<b>IFM Global Infrastructure</b>	246,864	5.0%	267,901	5.4%
<b>Wellington Global Impact Fund</b>	247,275	5.0%	253,400	5.0%

## 14c) Stock lending

The East Sussex Pension Fund has not operated a direct stock lending programme since 13 October 2008 but stock lending may occur in some of our pooled vehicles the fund is invested in.

## 15. Analysis of derivatives

### Objectives and policies for holding derivatives

Derivatives can be used to hedge liabilities or hedge exposures to reduce risk in the Fund. Derivatives maybe used to gain exposure to an asset more efficiently than holding the underlying asset. The use of derivatives is managed in line with the investment management agreement agreed between the Fund and the various investment managers.

#### 1. Futures

The Fund's objective is to decrease risk in the portfolio by entering into futures positions to match assets that are already held in the portfolio without disturbing the underlying assets.

Type	Expires	Economic Exposure	Market Value 31 March 2024	Economic Exposure	Market Value 31 March 2025
		£000	£000	£000	£000
<i>Assets</i>					
UK Equity Futures	Less than one year	240	10	-	-
Overseas Equity Futures	Less than one year	1,239	29	138	1
<b>Total assets</b>			<b>39</b>		<b>1</b>
<i>Liabilities</i>					
UK Equity Futures	Less than one year	-	-	257	(2)
Overseas Equity Futures	Less than one year	-	-	2,145	(18)
<b>Total liabilities</b>			<b>-</b>		<b>(20)</b>
<b>Net futures</b>			<b>39</b>		<b>(19)</b>

#### 2. Forward foreign currency

In order to maintain appropriate diversification and to take advantage of overseas investment returns, a significant proportion of the Fund's quoted equity portfolio is in overseas stock markets. The Fund can participate in forward currency contracts in order to reduce the volatility associated with fluctuating currency rates.

No forward foreign currency investments were held at the 31 March 25 (Nil 31 March 24)

#### 3. Options

The Fund wants to benefit from the potentially greater returns available from investing in equities but wishes to minimise the risk of loss of value through adverse equity price movements. The Fund buys equity option contracts that protect it from falls in value in the main markets in which the scheme invests.

No options investments were held at the 31 March 25 (Nil 31 March 24)

## 16. 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 techniques, which represent the highest and best price available at the reporting date

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Market-quoted investments	Level 1	Published bid market price ruling on the final day of the accounting period	Not Required	Not Required
Quoted bonds	Level 1	Fixed interest securities are valued at a market value based on current yields	Not Required	Not Required
Futures and options in UK bonds	Level 1	Published exchange prices at the year-end	Not Required	Not Required
Exchange traded pooled investments	Level 1	Closing bid value on published exchanges	Not Required	Not Required
Unquoted bonds	Level 2	Average of broker prices	Evaluated price feeds	Not Required
Forward foreign exchange derivatives	Level 2	Market forward exchange rates at the year-end	Exchange rate risk	Not Required
Overseas bond options	Level 2	Option pricing model	Annualised volatility of counterparty credit risk	Not Required

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Pooled investments – Equity, Fixed Income and Diversified Growth Funds	Level 2	<p>Values are not published on exchanges and are determined by the investment manager or responsible entity at prescribed valuation points.</p> <p>Closing bid price where bid and offer prices are published</p> <p>Closing single price where single price published</p>	<p>The valuation is undertaken by the investment manager or responsible entity and advised as a unit or security price.</p> <p>Observable inputs are used.</p> <p>The valuation standards followed in these valuations adhere to industry guidelines or to standards set by the constituent documents of the pool or the management agreement.</p>	Not Required
Pooled investments – Property Funds	Level 3	<p>Closing bid price where bid and offer prices are published</p> <p>Closing single price where single price published</p> <p>Investments in unlisted property funds are valued at the net asset value (NAV). The underlying real estate assets values have been derived by independent valuers on a fair value basis.</p>	<p>Pricing includes situations where there is little market activity, a net asset value calculations are used, a single price has been advised by the fund manager, underlying assets have been valued by independent external valuers on a fair value basis.</p>	<p>Valuations could be affected by the frequency of the independent valuations between the funds.</p>

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Unquoted equity – Private Equity / Infrastructure	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines (2012)	<p>Observable inputs are subject to judgment by the respective manager but are applied in accordance with the appropriate industry guidelines.</p> <p>Valuation techniques utilised includes management's cashflow projections, estimates of growth expectations and profitability, profit margin expectations and adjustments to current prices for similar assets</p> <p>Valuations are audited as at 31 December, and the valuations as at 31 March reflect cash flow transactions since 31 December.</p>	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 cashflows, and by any differences between audited and unaudited accounts

### Sensitivity of assets valued at level 3

Having analysed historical data and current market trends, and consulted with independent investment advisors, the Fund has determined that the valuation methods described above are likely to be accurate to within the following ranges and has set out below the consequential potential impact on the closing value of investments held at 31 March 2025 and 31 March 2024.

Asset Type	Assessed valuation range (+/-)	Values at 31 March 2025 £000	Value on increase £000	Value on decrease £000
Pooled Investment (1)	9%	28,419	30,977	25,861
Pooled property investments (2)	15.2%	314,095	361,837	266,353
Private Equity/Infrastructure (3)	20%	777,616	933,139	622,093
<b>Total</b>		<b>1,120,130</b>	<b>1,325,953</b>	<b>914,307</b>

Asset Type	Assessed valuation range (+/-)	Values at 31 March 2024 £000	Value on increase £000	Value on decrease £000
Pooled Investment (1)	9%	35,096	38,255	31,937
Pooled property investments (2)	13%	321,612	363,422	279,802
Private Equity/Infrastructure (3)	24%	788,408	977,626	599,190
<b>Total</b>		<b>1,145,116</b>	<b>1,379,303</b>	<b>910,929</b>

1. All movements in the assessed valuation range derive from changes in the net asset value of the underlying real estate debt assets, the range in the potential movement of 9% is caused by how this value is measured.
2. All movements in the assessed valuation range derive from changes in the net asset value of the underlying real estate assets, the range in the potential movement of 15% is caused by how this value is measured.
3. All movements in the assessed valuation range derive from changes in the underlying profitability of component companies, the range in the potential movement of 25% is caused by how this profitability is measured.

#### 16a) Fair value hierarchy

The following table provides an 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.

#### Values 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 at fair value through profit and loss	414,851	3,328,895	1,120,130	4,863,876
Non-financial assets at fair value through profit and loss	-	-	-	-
Financial liabilities at fair value through profit and loss	(20)	(472)	-	(492)
<b>Net investment assets</b>	<b>414,831</b>	<b>3,328,423</b>	<b>1,120,130</b>	<b>4,863,384</b>



## Values 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 at fair value through profit and loss	397,345	3,305,176	1,145,116	4,847,637
Non-financial assets at fair value through profit and loss	-	-	-	-
Financial liabilities at fair value through profit and loss	(39)	(2,643)	-	(2,682)
<b>Net investment assets</b>	<b>397,306</b>	<b>3,302,533</b>	<b>1,145,116</b>	<b>4,844,955</b>

## 16b) Transfers between levels 1 and 2

During 2024/25 and 2023/24 the fund has transferred no financial assets between levels 1 and 2.

## 16c) Reconciliation of fair value measurements within level 3

Period 2024/25 (values in £000)

	Market value 1 April 2024	Transfers into Level 3	Transfers out of Level 3	Purchases during the year	Sales during the year	Unrealised gains/(losses)	Realised gains/(losses)	Market value 31 March 2025
Pooled investments	35,096	-	-	-	(9,112)	2,435	-	28,419
Pooled property investments	321,612	-	-	5,363	(23,478)	(40,580)	51,178	314,095
Private Equity/Infrastructure	788,408	-	-	30,525	(73,323)	4,863	27,143	777,616
<b>Total</b>	<b>1,145,116</b>	<b>-</b>	<b>-</b>	<b>35,888</b>	<b>(105,913)</b>	<b>(33,282)</b>	<b>78,321</b>	<b>1,120,130</b>

\*Reconciliation to Change in market value during the year in Note 14a

Level	Unrealised gains/(losses)	Realised gains/(losses)	Change in market value during the year
1 and 2	(118,044)	81,278	(36,766)
3	(33,282)	78,321	45,039
<b>Total</b>	<b>(151,326)</b>	<b>159,599</b>	<b>8,273</b>

Period 2023/24 (values in £000)

	Market value 1 April 2023	Transfers into Level 3	Transfers out of Level 3	Purchases during the year	Sales during the year	Unrealised gains/(losses)	Realised gains/(losses)	Market value 31 March 2024
Pooled investments	<b>43,035</b>	-	-	173	(10,791)	2,679	-	<b>35,096</b>
Pooled property investments	<b>328,541</b>	-	-	24,612	(21,112)	(17,109)	6,680	<b>321,612</b>
Private Equity/Infrastructure	<b>778,754</b>	-	-	40,004	(37,919)	(7,804)	15,373	<b>788,408</b>
<b>Total</b>	<b>1,150,330</b>	-	-	<b>64,789</b>	<b>(69,822)</b>	<b>(22,234)</b>	<b>22,053</b>	<b>1,145,116</b>

\*Reconciliation to Change in market value during the year in Note 14a

Level	Unrealised gains/(losses)	Realised gains/(losses)	Change in market value during the year
1 and 2	406,039	(91,212)	314,827
3	(22,234)	22,053	(181)
<b>Total</b>	<b>383,805</b>	<b>(69,159)</b>	<b>314,646</b>

## 17. Classification of 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 (including cash) by category and net assets statement heading. No financial assets were reclassified during the accounting period. The Pension Fund believe that the assets and liabilities held at amortised cost have no material difference to the fair value of the assets and liabilities.

**31 March 2024**

**31 March 2025**

Fair value through profit and loss £000	Assets at amortised cost £000	Liabilities at amortised cost £000		Fair value through profit and loss £000	Assets at amortised cost £000	Liabilities at amortised cost £000
<b>Financial Assets</b>						
234,909	-	-	Bonds	357,460	-	-
395,972	-	-	Equities	412,834	-	-
3,105,367	-	-	Pooled investments	2,999,854	-	-
321,613	-	-	Pooled property investments	314,095	-	-
788,404	-	-	Private equity/infrastructure	777,616	-	-
39	-	-	Derivative contracts	1	-	-
-	70,293	-	Cash	-	111,311	-
-	5,031	-	Cash held by ESCC*	-	2,134	-
1,333	-	-	Other investment balances	2,016	-	-
-	15,163	-	Debtors *	-	1,115	-
<b>4,847,637</b>	<b>90,487</b>	-	<b>Total Financial Assets</b>	<b>4,863,876</b>	<b>114,560</b>	-
<b>Financial liabilities</b>						
-	-	-	Derivative contracts	(20)	-	-
(2,682)	-	-	Other investment balances	(472)	-	-
-	-	(3,072)	Creditors	-	-	(2,055)
<b>(2,682)</b>	-	<b>(3,072)</b>	<b>Total Financial Liabilities</b>	<b>(492)</b>	-	<b>(2,055)</b>
<b>4,844,955</b>	<b>90,487</b>	<b>(3,072)</b>	<b>Total Financial Instruments</b>	<b>4,863,384</b>	<b>114,560</b>	<b>(2,055)</b>

\*Reconciliation to Current Assets Note 21

	2023/24	2024/25 £000
Cash held by ESCC	5,031	2,134
Contributions	13,068	13,394
Debtors	5,031	1,115
<b>Current Assets</b>	<b>20,194</b>	<b>16,643</b>

## Reconciliation to Current Liabilities Note 22

	2023/24	2024/25
	£000	
Pension Payments	(549)	(744)
Professional Fees	(15)	(15)
Administration	(328)	(8)
Recharge		
Sundry Creditors	(2,191)	(2,032)
<b>Current Assets</b>	<b>(3,083)</b>	<b>(2,799)</b>

## 17a) Net gains and losses on financial instruments

	31 March 2024 £000	31 March 2025 £000
<i>Financial assets</i>		
Fair value through profit and loss	314,645	7,654
Amortised cost – realised gains on derecognition of assets	-	
Amortised cost – unrealised gains	1	606
<i>Financial liabilities</i>		
Fair value through profit and loss	-	13
Amortised cost – realised gains on derecognition of assets	-	-
Amortised cost – unrealised gains	-	-
<b>Total</b>	<b>314,646</b>	<b>8,273</b>

## 18. Nature and extent of risks arising from financial instruments

### Risk and risk management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e., promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the forecast cash flows. The Pension Committee also recognises climate change risk as a financial risk to the investments of the Fund. The Fund manages these investment risks as part of its overall risk management program.

Responsibility for the Fund's risk management strategy rests with the Pension Committee. Risk management policies are established to identify and analyse the risks faced by the Fund's pensions operations. Policies are reviewed regularly to reflect changes in activity and in the market conditions.

### Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis.

The Fund manages these risks in two ways:

1. the exposure of the Fund to market risk is monitored through a factor risk analysis, to ensure that risk remains within tolerable levels
2. specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments.

Equity futures contracts and exchange traded option contracts on individual securities may also be used to manage market risk on equity investments. It is possible for over-the-counter equity derivative contracts to be used in exceptional circumstances to manage specific aspects of market risk.

### **Other price risk**

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short is unlimited.

The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored by the fund to ensure it is within limits specified in the Fund's investment strategy.

### **Other price risk – sensitivity analysis**

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the Fund's investment advisors, the Fund has determined that the following movements in market price risk are reasonably possible for the 2024/25 reporting period:

<b>Asset Type</b>	<b>Potential Market Movements (+/-)</b>
Index Linked	7.8%
Other Bonds	6.6%
UK Equities	18.0%
Global Equities	18.0%
Absolute Return	2.7%
Pooled Property Investments	15.2%
Private Equity	26.6%
Infrastructure Funds	14.5%

The potential price changes disclosed above are broadly consistent with a one-standard deviation movement in the value of the assets.

The sensitivities are consistent with the assumptions contained in the investment advisors' most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Had the market price of the Fund investments increased/decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows.

Asset Type	Values at 31 March 2025 £000	Value on increase £000	Value on decrease £000
Index Linked	357,460	385,342	329,578
Other Bonds	519,444	553,727	485,161
UK Equities	15,240	17,983	12,497
Global Equities	2,130,030	2,513,435	1,746,625
Absolute Return	747,974	768,168	727,778
Pooled Property Investments	314,095	361,837	266,353
Private Equity	354,245	448,474	260,016
Infrastructure Funds	423,371	484,760	361,982
Net Derivative Assets*	1	(338)	340
<b>Total assets available to pay benefits</b>	<b>4,861,860</b>	<b>5,533,388</b>	<b>4,190,330</b>

\*Movement on net derivative assets is based on the underlying economic exposure of the derivative instrument.

Asset Type	Values at 31 March 2024 £000	Value on increase £000	Value on decrease £000
Index Linked	234,909	261,924	207,894
Other Bonds	496,738	530,516	462,960
UK Equities	14,789	17,821	11,757
Global Equities	2,171,190	2,627,140	1,715,240
Absolute Return	818,621	920,949	716,293
Pooled Property Investments	321,613	363,423	279,803
Private Equity	616,601	776,917	456,285
Infrastructure Funds	171,804	197,575	146,033
Net Derivative Assets*	39	(347)	425
<b>Total assets available to pay benefits</b>	<b>4,846,304</b>	<b>5,696,918</b>	<b>3,996,690</b>

## Interest rate risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is routinely monitored by the Fund and its investment advisors in accordance with the risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

The Fund's direct exposure to interest rate movements as of 31 March 2025 and 31 March 2024 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value.

## Interest rate risk sensitivity analysis

The Fund recognises that interest rates can vary and can affect both income to the Fund and the value of the net assets available to pay benefits. A 100-basis point (bps) movement in interest rates is consistent with the level of sensitivity applied as part of the Fund's risk management strategy. The Fund's investment adviser has advised that this is consistent with an annual one standard deviation move in interest rates, where interest rates are determined by the prices of fixed interest UK government bonds. The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 100 bps change in interest rates:

Asset type	Carrying amount as at 31 March 2025 £000	Increased Value £000	Decreased Value £000
Cash and cash equivalents	111,311	111,311	111,311
Cash balances	2,134	2,134	2,134
Fixed interest securities	519,444	524,638	514,250
Index linked securities	357,460	361,035	353,885
<b>Total change in assets available</b>	<b>990,349</b>	<b>999,118</b>	<b>981,580</b>

\*note that a 1% increase in interest rate negatively affects the value of fixed income and Index linked securities, and vice-versa

Asset type	Carrying amount as at 31 March 2024 £000	Increased Value £000	Decreased Value £000
Cash and cash equivalents	70,293	70,293	70,293
Cash balances	5,031	5,031	5,031
Fixed interest securities	496,738	501,705	491,771
Index linked securities	234,909	234,909	234,909
<b>Total change in assets available</b>	<b>806,971</b>	<b>811,938</b>	<b>802,004</b>

Income Source	Interest receivable 2024/25 £000	Value on 1% increase £000	Value on 1% decrease £000
Cash deposits/cash and cash equivalents	2,674	3,808	1,540
Fixed interest securities	15,517	15,517	15,517
Index linked securities	-	-	-
<b>Total change in assets available</b>	<b>18,191</b>	<b>19,325</b>	<b>17,057</b>

Income Source	Interest receivable 2023/24 £000	Value on 1% increase £000	Value on 1% decrease £000
Cash deposits/cash and cash equivalents	2,263	3,016	1,510
Fixed interest securities	15,705	15,705	15,705
Index linked securities	-	2,349	(2,349)
<b>Total change in assets available</b>	<b>17,968</b>	<b>21,070</b>	<b>14,866</b>



This analysis demonstrates that a 1% increase in interest rates will not affect the interest received on fixed interest assets but will reduce their fair value, and vice versa. Changes in interest rates do not impact on the value of cash/cash equivalent balances but they will affect the interest income received on those balances.

### Currency risk

Currency risk represents the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on any cash balances and investment assets not denominated in pound sterling. Following analysis of historical data in consultation with the Fund investment advisors, the Fund considers the likely volatility associated with foreign exchange rate movements not more than 10%. A 10% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows:

Currency exposure - asset type	Values at 31 March 2025	Potential Market movement	Value on increase	Value on decrease
	£000	£000	£000	£000
Overseas quoted securities	397,594	39,759	437,353	357,835
Overseas unit trusts	3,263,576	326,358	3,589,934	2,937,218
<b>Total change in assets available</b>	<b>3,661,170</b>	<b>366,117</b>	<b>4,027,287</b>	<b>3,295,053</b>

Currency exposure - asset type	Values at 31 March 2024	Potential Market movement	Value on increase	Value on decrease
	£000	£000	£000	£000
Overseas quoted securities	381,184	37,356	418,540	343,828
Overseas unit trusts	3,397,030	332,909	3,729,939	3,064,121
<b>Total change in assets available</b>	<b>3,778,214</b>	<b>370,265</b>	<b>4,148,479</b>	<b>3,407,949</b>

### Climate Change risk

Current asset pricing may not take into account the emerging climate risk to the underlying holdings, markets may be over or underestimating the value of the assets and could lead to future price volatility. Climate change will affect economic growth and there is uncertainty in the economic outlook due to climate change which could lead to lower returns on equities or risk to future discounted cash flows. High carbon emitters are more exposed to risks from climate change particularly from a transition risk perspective. The Fund mitigates this climate change market risk through diversification and the selection of securities and other financial instruments is monitored by the Fund to ensure it is within limits specified in the Fund's investment strategy. In addition, the Fund is underweighted in high carbon emitting stocks such as fossil fuel companies and carries out carbon foot printing of the Fund's investments and asset managers and the Fund through its collaborative partners engage with corporate management of the underlying holdings to ensure companies are responsibly managing their climate change risks. The Fund's Taskforce for Climate Related Financial Disclosure (TCFD) report is included in the Annual Report.

### Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments

generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

In essence, the Fund's entire investment portfolio is exposed to some form of credit risk, with the exception of the derivatives positions, where the risk equates to the net market value of a positive derivative position. However, the selection of high-quality counterparties, brokers and financial institutions minimise credit risk that may occur through the failure to settle a transaction in a timely manner.

Contractual credit risk is represented by the net payment or receipts that remains outstanding, and the cost of replacing the derivative position in the event of a counterparty default. The residual risk is minimal due to the various insurance policies held by the exchanges to cover defaulting counterparties.

Credit risk on over-the-counter derivative contracts is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

The Fund believes it has managed its exposure to credit risk and has had no experience of default or uncollectable deposits in recent years.

Summary	Asset value as at 31 March 2024 £000	Asset value as at 31 March 2025 £000
Overseas Treasury bills	15,336	-
<b>Variation Margin</b>	-	225
NT custody cash accounts	54,958	111,086
<b>Total overseas assets</b>	<b>70,294</b>	<b>111,311</b>

### Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund therefore takes steps to ensure that there are adequate cash resources to meet its commitments. This will particularly be the case for cash from the cash flow matching mandates from the main investment strategy to meet the pensioner payroll costs; and also cash to meet investment commitments.

The Fund has immediate access to its cash holdings and has access to an overdraft facility for short-term cash needs. This facility is only used to meet timing differences on pension payments. As these borrowings are of a limited short-term nature, the Fund's exposure to liquidity risk is considered negligible.

All financial liabilities at 31 March 2025 are due within one year.

### Refinancing risk

The key risk is that the Fund will be bound to replenish a significant proportion of its pension Fund financial instruments at a time of unfavourable interest rates. The Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

## **19. Funding arrangements**

### **Introduction**

The last full triennial valuation of 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 market value of the Fund's assets as at 31 March 2022 was £4.69bn.
- The Fund had a funding level of 123% i.e., the value of assets for valuation purposes was 123% 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 surplus of £859m.

### **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 falls 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 20.2% 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
<b>Financial assumptions</b>	
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.
<b>Demographic assumptions</b>	
<b>Post-retirement mortality</b>	
Base tables	Based on Club Vita analysis
Projection model	CMI 2021
Long-term rate of improvement	1.25% p.a.
Smoothing parameter	7.0
<b>Initial addition to improvements</b>	
Males	0% p.a.
Females	0% p.a.
<b>2020/21 weighting parameter</b>	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 Fund's assets over the three years to 31 March 2025 have been lower than assumed at the previous actuarial valuation, but have been positive. The Fund also has had a positive cash flow over the period, and so the market value of assets at 31 March 2025 has increased since the formal valuation.

### Liabilities

Inflation over the three years to 31 March 2025 has been higher than the long-term average assumed at the 2022 valuation. However, this has been largely offset by changes in financial assumptions underlying the valuation funding model and future expectations of inflation and investment returns. The value of liabilities has overall increased mainly due to interest accruing on those liabilities and due to further accrual of members' benefits over the period.

## 20. Actuarial present value of promised retirement benefits

The figures below have been prepared by the Fund's actuary, only for the purposes of providing the information required by IAS 26 (Accounting and Reporting by Retirement Benefit Plans). They are not relevant for calculations undertaken for funding purposes or for other statutory purposes under UK pensions legislation. In calculating the net liability, the actuary adopted methods and assumptions that are consistent with IAS 19. In conducting the 2022 actuarial valuation referred to in note 19, the Actuary has taken into account the investment policy when determining the assumptions to be used.

### Employer membership statistics

The table below summarises the membership data at 31 March 2022

#### Member data summary

	Number	Salaries/Pensions £000	Average age
Actives	24,672	500,451	47
Deferred pensioners	39,993	48,986	51
Pensioners	23,183	116,050	72

### Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2025 is calculated to be -1.78% based on the Fund asset statements and Fund cashflows as set out in the Data section preceding this section.

The estimated asset allocation for the Fund is as follows (noting that due to rounding they may not total 100%):

Asset breakdown	31 Mar 2024 £000	31 Mar 2024 %	31 Mar 2025 £000	31 Mar 2025 %
Equities	3,375,056	69%	3,248,343	65%
Bonds	731,646	15%	876,903	18%
Property	740,347	15%	737,596	15%
Cash	69,379	1%	127,401	3%
<b>Total</b>	<b>4,916,428</b>	<b>100%</b>	<b>4,990,243</b>	<b>101%</b>

### Demographic assumptions

#### Mortality assumption

The key demographic assumption is the mortality assumption and there are two main steps in setting this assumption:

- Making a current assumption of members' mortality (the base mortality); and
- Projecting these current mortality rates into the future, allowing for further potential improvements in mortality. Future members' mortality is almost impossible to predict and therefore there is a lot of judgment involved and we naturally have to refine our view on this over time.

### Base table mortality

The base table mortality assumptions adopted for the Funds' latest triennial funding valuations were best estimate assumptions and we will therefore be using the same assumptions as standard for accounting. For employers participating in an English or Welsh LGPS fund, the last actuarial valuation was at 31 March 2022.

For England and Wales, the next triennial valuation date is as at the accounting date, 31 March 2025. The results of the 2025 valuation will not be finalised at the time of preparing reports, nor assumptions agreed with the relevant LGPS fund. An update to base mortality tables will follow next year as part of 31 March 2026 reporting

### Future improvements to mortality

To project future improvements in mortality, we use a model prepared by the Continuous Mortality Investigation Bureau (CMI). The CMI update their model on an annual basis, incorporating the latest mortality data in the national population.

The CMI have released the 2023 version of their model and so we intend to further update our mortality assumptions to use the 2023 core model as standard for all employers. This represents a change from the last accounting date when the 2022 version of the model was used for most employers. The latest version of the core model places no weight on the exceptional mortality experienced during 2020 and 2021 as a result of the Covid pandemic, but places some reliance on mortality data that has been observed since. Specifically, a weighting of 15% is applied to mortality in the 2022 and 2023 years' data. The impact of updating the model is expected to be a slight reduction in life expectancies for all employers, largely reflecting the heavier than average mortality that was experienced during 2022 and 2023.

The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)	31 Mar 2024	31 Mar 2025
Males – retiring today	20.9	20.9
Females – retiring today	23.8	23.9
Males – retiring in 20 years	21.9	21.9
Females – retiring in 20 years	25.4	25.4

### Results and disclosures

We estimate that the net asset as at 31 March 2025 is assets of £1,282.517

The results of our calculations for the year ended 31 March 2025 are set out below. The figures presented in this report are prepared only for the purposes of FRS102. In particular, they are not relevant for calculations undertaken for funding purposes or for other statutory purposes under UK pensions legislation.

### Statement of financial position as at 31 March 2025

Net pension asset in the statement of financial position as at	31-Mar-23 £000	31-Mar-24 £000	31-Mar-25 £000
Present value of defined benefit obligation *	(4,042,513)	(4,153,325)	(3,707,726)
Fair value of Fund assets (bid value)	4,560,502	4,916,428	4,990,243
<b>Net Assets in balance sheet</b>	<b>517,989</b>	<b>763,103</b>	<b>1,282,517</b>

\* The present value of the defined benefit obligation consists of £3,677,277,000 in respect of vested obligation and £30,449,000 in respect of non-vested obligation.

Asset and benefit obligation reconciliation for the year to 31 March 2025

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	31-Mar-24 £000	31-Mar-25 £000
<b>Opening defined benefit obligation</b>	<b>(4,042,513)</b>	<b>(4,153,325)</b>
Current service cost	(108,881)	(111,033)
Interest cost	(191,204)	(200,358)
Change in financial assumptions	36,157	604,366
Change in demographic assumptions	46,447	10,377
Experience loss/(gain) on defined benefit obligation	(12,789)	11,876
Liabilities assumed / (extinguished) on settlements	-	-
Estimated benefits paid net of transfers in	158,371	173,829
Past service costs, including curtailments	(1,203)	(3,737)
Contributions by Scheme participants	(37,710)	(39,721)
Unfunded pension payments	-	-
<b>Closing defined benefit obligation</b>	<b>(4,153,325)</b>	<b>(3,707,726)</b>

Reconciliation of opening & closing balances of the fair value of Fund assets	31-Mar-24 £000	31-Mar-25 £000
<b>Opening fair value of Fund assets</b>	<b>4,560,502</b>	<b>4,916,428</b>
Interest on assets	218,797	240,672
Return on assets less interest	145,535	(153,029)
Other actuarial gains/(losses)	-	-
Administration expenses	(3,906)	(4,220)
Contributions by employer including unfunded	116,161	124,500
Contributions by Scheme participants	37,710	39,721
Estimated benefits paid plus unfunded net of transfers in	(158,371)	(173,829)
Settlement prices received / (paid)	-	-
<b>Closing Fair value of Fund assets</b>	<b>4,916,428</b>	<b>4,990,243</b>

The total return on the Fund's assets for the year to 31 March 2025 is a gain of £393,701,000 (2024 gain of £364,332,000).

### Sensitivity Analysis

	31 March 2025 £000 Present value of total obligation = £3,707,726	
Sensitivity to	+0.1%	-0.1%
Discount rate	3,653,533	3,763,247
Long term salary increase	3,710,886	3,704,588
Pension increases and deferred revaluation	3,761,615	3,655,109
Sensitivity to	+1 Year	- 1 Year
Life expectancy assumptions	3,843,289	3,577,506

The information in the above note is all from the Fund Actuary - **Barnett Waddingham**.

## 21. Current Assets

	31 March 2024 £000	31 March 2025 £000
Other Investment Balances		
Sales inc Currency	-	-
Investment Income Due	826	1,268
Other Investment Assets	-	19
Recoverable Taxes	507	729
<b>Total</b>	<b>1,333</b>	<b>2,016</b>



	31 March 2024 £000	31 March 2025 £000
<b>Current Assets</b>		
Contributions receivable from employers and employees	13,068	13,394
Sundry Debtors	2,095	1,115
Cash	5,031	2,134
<b>Total</b>	<b>20,194</b>	<b>16,643</b>

## 22. Current liabilities

	31 March 2024 £000	31 March 2025 £000
<b>Investment Liabilities</b>		
Purchases including currency	(1,460)	(42)
Derivative Contracts Futures	-	(20)
Variation Margin	(39)	-
Managers Fees	(1,183)	(430)
<b>Total</b>	<b>(2,682)</b>	<b>(492)</b>

	31 March 2024 £000	31 March 2025 £000
<b>Current Liabilities</b>		
Pension Payments (inc Lump Sums)	(549)	(744)
Cash	-	-
Professional Fees	(15)	(15)
Administration Recharge	(328)	(8)
Sundry Creditors	(2,191)	(2,032)
<b>Total</b>	<b>(3,083)</b>	<b>(2,799)</b>

## 23. Additional voluntary contributions

	Market value 31 March 2024 £000	Market value 31 March 2025 £000
Prudential	19,229	19,986

The Pension Fund Scheme provides an Additional Voluntary Contribution (AVC) facility for scheme members. Some members of the pension scheme paid voluntary contributions and transfers in of £4.2m (£3.0m 2023/24) to Prudential to buy extra pension benefits when they retire. £4.4m was disinvested from the AVC provider in 2024/25 (£2.050m 2023/24). Contributions and benefits to scheme members are made directly between the scheme member and the AVC provider. The AVC funds are not, therefore, included in the Pension Fund Accounts.

## 24. Agency Services

The East Sussex Pension Fund pays discretionary awards to former employees on behalf of some employers in the Fund. The amounts paid are provided as a service and are fully reclaimed from the employer bodies. The sums are disclosed below.

	2023/24 £000	2024/25 £000
East Sussex County Council	4,891	5,024
Brighton & Hove City Council	2,127	2,164
Eastbourne Borough Council	286	290
Magistrates	208	211
Wealden District Council	180	175
Hastings Borough Council	172	175
Rother District Council	106	108
Lewes District Council	64	63
University of Brighton	26	25
South-East Water	21	14
Westminster (used to be LPFA)	21	21
Mid-Sussex District Council	18	21
East Sussex Fire Authority	12	8
London Borough of Camden	8	8
London Borough of Southwark	7	7
The Eastbourne Academy	7	7
West Midlands Pension Fund	5	6
West Sussex County Council	5	6
Torfaen Borough Council	4	4
Sussex University	4	2
Varndean College	2	2
London Borough of Ealing	2	2
East Sussex College Group	1	1
Plumpton College	1	1
Optivo	1	1
<b>Total</b>	<b>8,179</b>	<b>8,346</b>

## 25. Related party transactions

### East Sussex County Council

The East Sussex Pension Fund is administered by East Sussex County Council. Consequently, there is a strong relationship between the Council and the Pension Fund.

Each member of the Pension Committee is required to declare their interests at each meeting. The Treasurer of the Pension Fund, and Members of the County Council and the Pension Committee have no material transactions with the Pension Fund.

The Council incurred costs in administering the Fund and charged £2.9m to the Fund in 2024/25 (£2.5m in 2023/24).

The Council's contribution to the Fund was £53.0m in 2024/25 (£49.4m in 2023/24). All amounts due to the Fund were paid in the year. At 31 March 2025 the Pension Fund bank account held £3.6m in cash (£6.9m at 31 March 2024). The average throughout the year was £8.1m (£9.6m in 2023/24).

### Key management personnel

The Pension Committee and Chief Finance Officer of East Sussex County Council hold the key positions in the financial management of the East Sussex Pension Fund. Their remuneration is set out below:

	31 March 2024 £000	31 March 2025 £000
Short-term benefits	37	38
Post-employment benefits	6	6
<b>Total</b>	<b>43</b>	<b>44</b>

The amount disclosed represents an assumed 22% of the Chief Finance Officer's remuneration devoted to the Fund

## 26. Contingent liabilities and contractual commitments

1. Outstanding capital commitments (investments) at 31 March 2025 totaled £168.3m (31 March 2024: £202.6m).

These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing, typically over a period of between four and six years from the date of each original commitment.

At, 31 March 2025, the unfunded commitment was £98.9m for private equity, £28.9m for infrastructure and £40.6m for private debt. The commitments are paid over the investment timeframe of the underlying partnerships.

As these partnerships mature, they are due to distribute capital back to investors. Commitments are made in US Dollars, Euros, or Sterling and the figures presented here are based on relevant Sterling exchange rates as at 31 March 2025.

2. Exit Payments

There were 2 scheme employers which ceased by the end of 31 March 2025 where an exit credit may need to be paid out.

The Fund needs to obtain final information from the employers and then obtain final cessation reports from the Fund Actuary to ascertain if an exit payment or credit is due relating to these employers. The Fund has to then estimate the maximum potential exit credit based on the indicative cessation date. The Pension Committee will be required to make any decision as to the payment of any exit credit in line with the Fund's exit credit policy, considering representations from the relevant employers and associated risk sharing arrangements. The two exit payment amounts that are currently unknown to the fund.

### 3. GMP Reconciliation Project

The Guaranteed Minimum Pension (GMP) Reconciliation project was split into number stages for Local Government Pension Schemes (LGPS). The Fund has completed the discovery and GMP reconciliation phases, which reviewed data inconsistencies, raised issues with HMRC and agreed outcomes.

GMP elements of LGPS pension where State Pension Age is prior to 6 April 2016 has not increased in respect of the period 6 April 1978 to 5 April 1988. While the Post 1988 GMP element in respect of the period 6 April 1988 to 5 April 1997 might be increased up to a maximum of 3% p.a. The Government increase the State Pension for the member fully on the Pre 1988 GMP element and for Post 1988 GMP element has only increased if CPI is above 3% p.a.

The effect of LGPS pensions not showing the correct amount of GMP for its members would mean that their pension might be increased incorrectly. This can result in underpayments and overpayments, at a member specific level. The correction of any discrepancies found in the rectification is known as GMP rectification.

For pensioners below GMP age and non-pensioners the impact is more of record keeping and a matter of changing their Altair records to show the correct split of benefit between GMP and non-GMP without changing the actual overall benefit accrued to date. There were 780 records requiring an adjustment to match the HMRC records and these were corrected in April 2025.

There were circa 2k pensioners in scope for rectification but less than 300 impacted by over and underpayments (with a few exceptions held back for further investigation) were written to on 27 March 2024. It was agreed that underpayments would be settled immediately for 38 cases, whereas overpayments to date were written-off. In addition, for the 246 overpayment cases, they were given three months' notice of the reduction in pension so these were effective from their June 2024 payments. There remains circa 300 ongoing GMP reconciliation and rectification queries for pensioners and questions with the third-party specialist (Mercer {Aptia}) to resolve which will likely lead to further cases have their records changed and possibly a few pensioners with over or underpayments being implemented later in 2025. It is anticipated the vast majority of changes in liabilities will be small.

### 4. Virgin Media Case

The Fund Officers/Committee are aware of the 'Virgin Media Ltd v NTL Pension Trustees II Ltd (and others)' case. There is a potential for the outcome of the case to have an impact on UK pension schemes. The case specifically affects defined benefit schemes that provided contracted-out benefits before 6 April 2016 based on meeting the reference scheme test. Where scheme rules were amended, potentially impacting benefits accrued from 6 April 1997 to 5 April 2016, schemes needed the actuary to confirm that the reference scheme test was still being met by providing written confirmation under Section 37 of the Pension Schemes Act 1993. In the Virgin Media case the judge ruled that alterations to the scheme rules were void and ineffective because of the absence of written actuarial confirmation required under Section 37 of the Pension Schemes Act 1993. The case was taken to The Court of Appeal in June 2024 and the original ruling was upheld.

As a result, there may be a further liability to the East Sussex Pension Fund for Local Government Pension Scheme benefits that were reduced by previous amendments, if those amendments prove invalid (i.e. were made without obtaining s37 confirmation).

In these circumstances the S37 certificates should be held by the Government Actuary's Department (GAD) as the LGPS Scheme Actuary. HM Treasury have started reviewing the records of all public sector pension schemes and is assessing the implications of this case. It is not possible at present to estimate the potential impact, if any, on the Local Government Pension Scheme or the Fund and consequently on the defined benefit obligation in the financial statements.

## **27. Contingent assets**

### **1. Employer bonds/guarantees**

There are 8 admitted body employers in the Fund that hold insurance bonds to guard against the possibility of them being unable to meet their pension obligations. 3 of these bonds have expired in the financial year 24-25. These bonds are drawn in favour of the pension fund and payment will only be triggered in the event of employer default.

In addition to these bonds, pension's obligations in respect of 14 other admitted bodies are covered by:

2 guarantees by Academies participating in the Fund.

9 guarantees by local authorities participating in the Fund.

1 guarantee by Parent company sub-contracting to one part of the company, hence being guarantor for itself.

1 deposit held by East Sussex County Council.

1 Subsumption Agreement

## **28. Impairment losses**

During 2024/25, the fund has not recognised any impairment losses.

## 29. East Sussex Pension Fund – Active Participating Employers

	23/24 Payroll %	23/24 Amount £000	24/25 Payroll %	24/25 Amount £000	25/26 Payroll %	25/26 Amount £000
<b>Scheduled Bodies - Major Authorities</b>						
Brighton and Hove City Council	19.8	-	19.8	-	19.8	-
East Sussex County Council	19.7	-	19.7	-	19.7	-
East Sussex Fire and Rescue Service	18.7	-	18.7	-	18.7	-
Eastbourne Borough Council	17.9	-	17.9	-	17.9	-
Hastings Borough Council	22.1	-	22.1	-	22.1	-
Lewes District Council	22.1	-	22.1	-	22.1	-
Rother District Council	24.1	-	24.1	-	24.1	-
University of Brighton	17.2	-	17.2	-	17.2	-
Wealden District Council	21.0	-	21.0	-	21.0	-
<b>Other Scheduled Bodies</b>						
Arlington Parish Council	20.1	-	20.1	-	20.1	-
Battle Town Council	20.1	-	20.1	-	20.1	-
Beckley Parish Council	-	-	20.1	-	20.1	-
Berwick Parish Council	20.1	-	20.1	-	20.1	-
Bexhill on Sea Town Council	20.1	-	20.1	-	20.1	-
Buxted Parish Council	20.1	-	20.1	-	20.1	-
Camber Parish Council	20.1	-	20.1	-	20.1	-
Chailey Parish Council	20.1	-	20.1	-	20.1	-
Chiddingfold Parish Council	20.1	-	20.1	-	20.1	-
Conservators of Ashdown Forest	20.1	-	20.1	-	20.1	-
Crowborough Town Council	20.1	-	20.1	-	20.1	-
Danehill Parish Council	20.1	-	20.1	-	20.1	-
Ditchling Parish Council	20.1	-	20.1	-	20.1	-
East Dean & Friston Parish Council	20.1	-	20.1	-	20.1	-
Ewhurst Parish Council	20.1	-	20.1	-	20.1	-
Fletching Parish Council	20.1	-	20.1	-	20.1	-
Firle Parish Council	20.1	-	20.1	-	20.1	-
Forest Row Parish Council	20.1	-	20.1	-	20.1	-
Frant Parish Council	20.1	-	20.1	-	20.1	-
Hadlow Down Parish Council	20.1	-	20.1	-	20.1	-
Hailsham Town Council	20.1	-	20.1	-	20.1	-
Hartfield Parish Council	20.1	-	20.1	-	20.1	-
Heathfield & Waldron Parish Council	20.1	-	20.1	-	20.1	-
Herstmonceux Parish Council	20.1	-	20.1	-	20.1	-
Hurst Green Parish Council	20.1	-	20.1	-	20.1	-
Icklesham Parish Council	20.1	-	20.1	-	20.1	-
Isfield Parish Council	20.1	-	20.1	-	20.1	-
Kingston Parish Council	20.1	-	20.1	-	20.1	-
Lewes Town Council	20.1	-	20.1	-	20.1	-
Maresfield Parish Council	20.1	-	20.1	-	20.1	-
Newhaven Town Council	20.1	-	20.1	-	20.1	-
Newick Parish Council	20.1	-	20.1	-	20.1	-
Peacehaven Town Council	20.1	-	20.1	-	20.1	-
Pett Parish Council	20.1	-	20.1	-	20.1	-
Plumpton Parish Council	20.1	-	20.1	-	20.1	-

	23/24 Payroll %	23/24 Amount £000	24/25 Payroll %	24/25 Amount £000	25/26 Payroll %	25/26 Amount £000
Rodmell Parish Council	-	-	20.1	-	20.1	-
Rye Town Council	20.1	-	20.1	-	20.1	-
Salehurst & Robertsbridge Parish Council	20.1	-	20.1	-	20.1	-
Seaford Town Council	20.1	-	20.1	-	20.1	-
Telscombe Town Council	20.1	-	20.1	-	20.1	-
Uckfield Town Council	20.1	-	20.1	-	20.1	-
Wartling Parish Council	20.1	-	20.1	-	20.1	-
Willingdon and Jevington Parish Council	20.1	-	20.1	-	20.1	-
Wivelsfield Parish Council	20.1	-	20.1	-	20.1	-
<b>Academy Schools</b>						
Annecy Catholic Primary Academy	13.4	-	14.4	-	15.4	-
Aquinas Trust	19.0	-	18.9	-	18.9	-
ARK Schools Hastings	18.9	-	18.9	-	18.9	-
Aurora Academies Trust	18.9	-	18.9	-	18.9	-
Beacon Academy	21.0	-	20.0	-	19.0	-
Beckmead Ropemakers Academy	17.3	-	18.3	-	18.9	-
Benfield Primary School	-	-	18.9	-	18.9	-
Bexhill Academy	20.9	-	19.9	-	18.9	-
Bilingual Primary School	15.6	-	16.6	-	17.6	-
Breakwater Academy	19.8	-	19.8	-	19.8	-
Burfield Academy (Hailsham Primary)	19.8	-	19.8	-	19.8	-
Cavendish Academy	18.9	-	18.9	-	18.9	-
Chantry Community Primary	18.9	-	18.9	-	18.9	-
Chyngton School	20.0	-	19.0	-	18.9	-
Diocese of Chichester Academy Trust	22.4	-	21.4	-	20.4	-
Ditchling CE Primary	20.4	-	19.4	-	18.9	-
Eastbourne Academy	19.2	-	18.9	-	18.9	-
Falmer (Brighton Aldridge Community Academy)	18.9	-	18.9	-	18.9	-
Flagship School	21.3	-	20.3	-	19.3	-
Gildredge House Free School	18.9	-	18.9	-	18.9	-
Glyne Gap Academy	19.4	-	18.9	-	18.9	-
Hailsham Academy	18.9	-	18.9	-	18.9	-
Hangleton Primary School	-	-	18.9	-	18.9	-
Hawkes Farm Academy	19.8	-	19.8	-	19.8	-
High Cliff Academy	19.8	-	19.8	-	19.8	-
Hollington Primary	18.9	-	18.9	-	18.9	-
Jarvis Brook Academy	14.5	-	15.5	-	16.5	-
King's Church of England Free School	16.2	-	17.2	-	18.2	-
Langney Primary Academy	13.4	-	14.4	-	15.4	-
Little Common School	18.9	-	18.9	-	18.9	-
Ore Village Academy	18.5	-	18.9	-	18.9	-
Mouslecoombe Primary School	26.2	-	25.2	-	24.2	-
Newick CE School	18.9	-	18.9	-	18.9	-
Ninfield CE Primary School	18.9	-	18.9	-	18.9	-
Parkland Infant Academy	14.8	-	15.8	-	16.8	-
Parkland Junior Academy	14.4	-	15.4	-	16.4	-
Peacehaven Academy	13.5	-	14.5	-	15.5	-
Peacehaven Heights	19.8	-	19.8	-	19.8	-

	23/24 Payroll %	23/24 Amount £000	24/25 Payroll %	24/25 Amount £000	25/26 Payroll %	25/26 Amount £000
Pebsham Academy	18.9	-	18.9	-	18.9	-
Phoenix Academy	19.8	-	19.8	-	19.8	-
Portslade Aldridge Community Academy	19.9	-	18.9	-	18.9	-
King's Academy Ringmer	18.9	-	18.9	-	18.9	-
Ringmer Primary	-	-	18.9	-	18.9	-
Robertsbridge Community College	-	-	18.9	-	18.9	-
Roseland Infants	23.9	-	22.9	-	21.9	-
SABDEN Multi Academy Trust	19.6	-	18.9	-	18.9	-
Saxon Shore Academy	21.7	-	20.7	-	19.7	-
Seaford Academy	19.1	-	18.9	-	18.9	-
Seahaven Academy	19.5	-	18.9	-	18.9	-
Shinewater Primary Academy	14.5	-	15.5	-	16.5	-
Sir Henry Fermor Academy	14.8	-	15.8	-	16.8	-
Stafford Junior	24.7	-	23.7	-	22.7	-
St Andrew's School	18.9	-	18.9	-	18.9	-
The Haven School	18.9	-	18.9	-	18.9	-
The South Downs Learning Trust	12.2	-	13.2	-	14.2	-
The Southfield Trust	14.4	-	15.4	-	16.4	-
Telscombe Cliffs	19.8	-	19.8	-	19.8	-
Tollgate School	18.9	-	18.9	-	18.9	-
Torfield & Saxon Mount Academy Trust	20.6	-	19.6	-	18.9	-
University of Brighton Academies Trust	18.9	-	18.9	-	18.9	-
Uplands Community College	20.4	-	19.4	-	18.9	-
West Blatchington Primary	18.9	-	18.9	-	18.9	-
White House Academy	19.8	-	19.8	-	19.8	-
<b>Colleges</b>						
Bexhill College	21.2	-	21.2	-	21.2	-
Brighton, Hove & Sussex Sixth Form College	19.8	-	19.8	-	19.8	-
East Sussex College Group	20.7	-	20.7	-	20.7	-
Plumpton College	18.9	-	18.9	-	18.9	-
Varndean Sixth Form College	19.8	-	19.8	-	19.8	-
<b>Admission Bodies</b>						
Balfour Beatty	28.5	-	28.5	-	28.5	-
BHCC - Wealden Leisure Ltd	27.7	-	27.7	-	27.7	-
Biffa Municipal Ltd	27.8	-	26.8	-	25.8	-
Brighton and Hove Housing Trust	31.4	-	31.4	-	31.4	-
Brighton Dome & Festival Limited (Music & Arts Service)	4.3	-	4.3	-	4.3	-
Care Outlook Ltd	-	-	-	-	-	-
Care Quality Commission	44.8	-	44.8	-	44.8	-
Churchills Lot 1	-	-	16.8	-	16.8	-
Churchills Lot 2 (Cleaners)	-	-	22.4	-	22.4	-
Cucina Restaurants Ltd	24.3	-	24.3	-	24.3	-
Cucina (The Turing House)	-	-	26.4	-	26.4	-
De La Warr Pavilion Charitable Trust	2.9	-	2.9	-	2.9	-
East Sussex Energy, Infrastructure & Development Ltd (ESEIDL)	28.2	-	27.2	-	26.2	-



	23/24 Payroll %	23/24 Amount £000	24/25 Payroll %	24/25 Amount £000	25/26 Payroll %	25/26 Amount £000
EBC – Towner	22.1	-	22.1	-	22.1	-
Grace Eyre	-	-	-	-	-	-
Idverde	33.1	-	33.5	-	33.5	-
Just Ask Estates	-	-	-	-	-	-
Lodestar Cleaning Contracts Ltd	25.1	-	25.1	-	25.1	-
Southern Housing	45.9	111	45.9	115	45.9	120
Royal Pavilion & Museums Trust	17.8	-	17.8	-	17.8	-
SB Coaching Ltd	-	-	13.2	-	14.2	-
Sussex IFCA Insure Fisheries and Conversation Authority	20.1	-	20.1	-	20.1	-
Telent Technology Services Ltd	20.8	-	20.8	-	20.8	-
Wave Leisure Trust Ltd	7.1	-	7.1	-	7.1	-
Wave Leisure Trust Ltd - EBC	22.4	-	22.4	-	22.4	-
WDC - Wealden Leisure Ltd	26.1	-	26.1	-	26.1	-
WSP Ltd	-	-	28.5	-	28.5	-
Wealden Leisure Ltd - Portslade Sports Centre	-	-	-	-	-	-

### 30. Investment Performance

The Fund uses an independent Investment performance measurement service, provided by Pensions & Investment Research Consultants Ltd (PIRC), which measures the performance of the Fund compared with 62 other local authority pension funds. *These numbers are based on the latest available sample of 42.* Pension Fund investment is long-term, so as well as showing the annual performance of the Fund, comparison to peers over longer periods is also detailed below.

#### Performance relative to the Fund's strategic benchmark

	1 year (%)	3 years (%p.a.)	5 years (%p.a.)	10 years (%p.a.)
Fund	1.0	2.0	7.5	6.3
Benchmark	5.4	5.4	9.0	6.7
Relative*	(4.4)	(3.3)	(1.6)	(0.4)

#### Investment performance relative to peer group

	1 year (%)	3 years (%p.a.)	5 years (%p.a.)	10 years (%p.a.)
Fund	1.0	2.0	7.5	6.3
Local Authority Average	3.6	3.6	8.3	6.7
Relative*	(2.5)	(1.5)	(0.7)	(0.3)

The Fund underperformed the (weighted) average local authority Fund over the year by 2.5% (1.2% 2023/24), ranking the East Sussex Fund in the 93rd percentile (72nd 2023/24) in the local authority universe. Over the three years the Fund underperformed by 1.5 % (0.1% 2023/24) and was placed in the 88th percentile (44th percentile in 2023/24). Over five years the Fund underperformed by 0.7% (0.2% in 2023/24) and was placed in the 73rd percentile (61st percentile 2022/23).

Over ten years, the fund underperformed by 0.3% (0.1% outperformance 2023/24) and was placed in the 65th percentile (36th percentile 2023/24).

\*Relative performance is calculated on a geometric basis as follows:

$$((1 + \text{Fund Performance}) / (1 + \text{Benchmark Performance})) - 1$$

As opposed to the simpler arithmetic method, the geometric method makes it possible to directly compare long-term relative performance with shorter-term relative performance.

# Investments and Funding

## *Investment Strategy Statement Implementation*

### Overview

The Fund's strategic asset allocation remained unchanged over the 2024/25 financial year, at 40% global equities, 5.5% private equity, 17% diversified growth, 10.5% public credit, 5% private credit, 11% infrastructure, 7% real estate, and 4% index-linked gilts. This strategic benchmark remains consistent with the strategy outlined in the Investment Strategy Statement approved at the September 2023 Committee meeting.

During the reporting period, Hymans Robertson LLP were appointed as the Fund's investment advisors, effective from 1 February 2025. As part of the appointment, a review of the investment strategy would be undertaken alongside the actuarial valuation, effective from reporting year end. The aim of the review is to assess whether the current investment strategy remains suitable considering the Government's 'Fit for the Future' consultation, as well as changes in the funding position, contribution rates, and market outlook.

The Committee take consideration of Environmental, Social, and Governance (ESG) and climate related issues when considering the Fund's investment strategy. The Fund's fossil fuel exposure is estimated on a quarterly basis, with this estimated as 1.26%\* of total Fund assets as at 31 March 2025.

### Asset Allocation

**Growth:** The Fund maintains a significant allocation to growth assets, primarily through listed equities and private equity. These investments are expected to drive long-term returns, though are typically the most volatile. To help manage this risk, the equity portfolio is diversified across geographies and investment styles to achieve a balanced growth exposure. The private equity allocation complements the public equities markets by offering a higher return potential in exchange for reduced liquidity and longer investment horizons, supporting the Fund's long-term growth objectives.

**Income:** The Fund invests across a range of income-generating assets to support a more stable return profile and generate income. This includes infrastructure, diversified growth strategies, public and private credit, and real estate. Infrastructure offers inflation-linked, contractual income streams and diversified return exposure. Credit investments further contribute to diversification and liquidity, while diversified growth strategies and real estate provide additional sources of return that are less directly linked to public equity markets.

**Protection:** The Fund's allocation to index-linked gilts provides explicit inflation protection, plays a key role in dampening volatility and aligning the portfolio with the Fund's long-term liabilities, helping to provide greater certainty around funding outcomes.

### Investment Managers

The Fund employs a number of investment managers across the various mandates, with differing approaches or styles, as well as sectoral and geographic focus, and benchmarks. This is in order to ensure sufficient

diversification, limiting downside risk during periods of market volatility. The Fund's investment manager structure is broadly as follows:

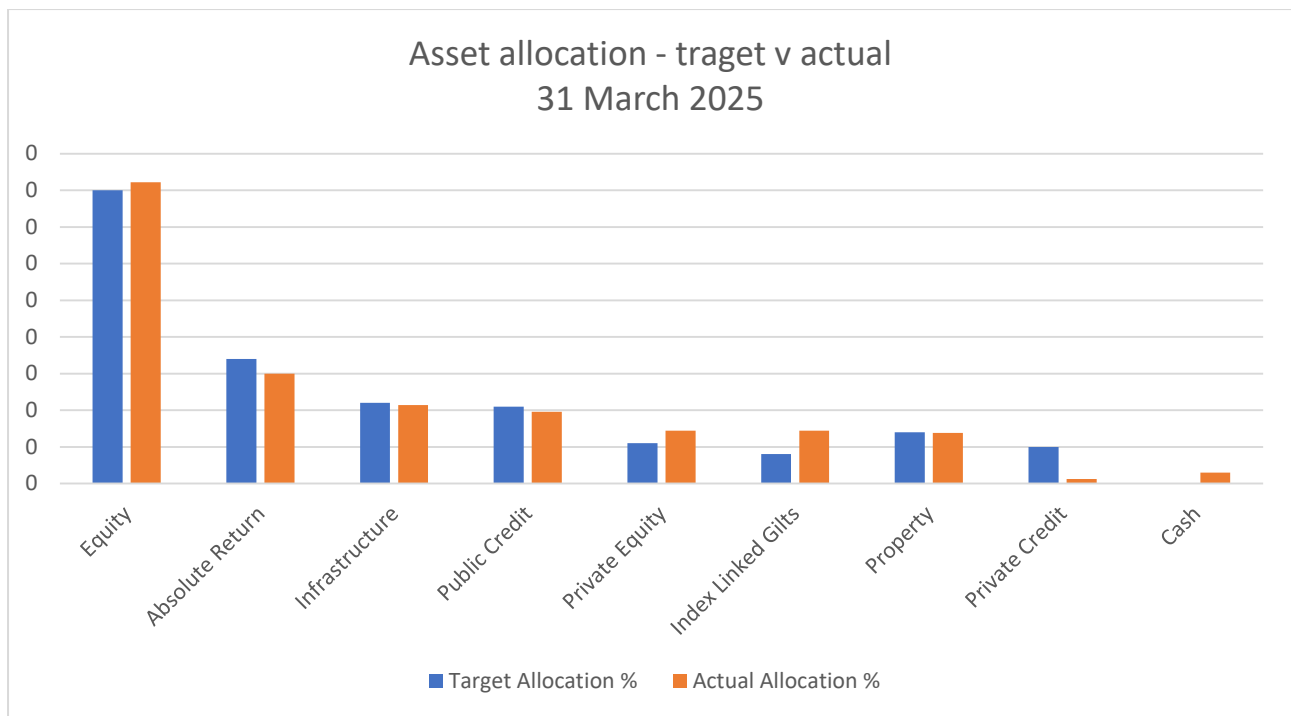
- The Fund's equity allocation remains weighted in favour of actively managed strategies, reflecting the Committee's preference for active management and an ESG focus, with the listed equity holdings broadly split 62.5/37.5 in terms of active and passive, as at 31 March 2025. The active sleeve is split across global equity mandates with Longview and Baillie Gifford, as well as impact equity strategies managed by Wellington and WHEB. The passive, or systematic, sleeve is split between two ESG systematic/smart beta strategies, one with Storebrand, and the other with Osmosis (implemented by UBS).
- Private equity mandates are split between Adams Street and HarbourVest.
- Absolute return mandates are held with Newton and Ruffer and allow managers to flexibly alter allocations to a variety of underlying asset classes based on specific market conditions.
- The 'fund of funds' property mandate was previously held with Schroders. Following a procurement exercise conducted by ACCESS, this property holding was transferred to a CBRE Real Estate fund on the Access Pool, over the past year.
- Corporate bonds, absolute return credit and commercial real estate debt mandates are managed by M&G, while the Fund's passive index-linked gilts mandate is held with UBS. Over 2024, the Fund added an additional public credit mandate managed by BlueBay.
- The Fund's infrastructure holdings are split between M&G, UBS, Pantheon (all unlisted) ATLAS (listed) and most IFM (unlisted), who adopt varying styles and focus areas.

The Fund has the following objectives for its investment managers:

- Each (active) manager delivers on its objective, net of fees.
- Each mandate adds a layer of diversification and offers different qualities to the Fund, through varying approaches and focus areas (geographic and sectoral).
- Consider all financial and non-financial risks and considerations including Environmental, Social and Governance (ESG) factors (including but not limited to climate change).

Ultimately the Fund seeks to deliver an appropriate level of return, relative to the risk taken.

Note: \*M&G Infrastructure ICP II and III fossil fuel data as at year end 2024.



## Independent adviser's report



### East Sussex Pension Fund – Independent Advisor's Report 2025

The Fund receives formal advice on investment matters from its actuarial and investment consultants. My role as an Independent Advisor is to act as a separate source of advice and expertise to Officers and Committee members. Our collective objective is to invest the Fund's assets to pay members' pensions in full and on time. In writing this report, I can also provide stakeholders with some independent assurance that the Fund is being appropriately and properly managed.

I will start my report with investments. The year terminated with a sharp deterioration in market conditions, as the U.S.A imposed sweeping tariffs on other countries, starting what looks like a global tariff war. If pursued, this would be unequivocally negative for both economic growth and markets, as well as being inflationary. It is so damaging to all parties that it is more a question of when rather than whether it is reversed, but the timing may well be too late to avoid serious detriment to global trade and prosperity.

A further threat to the valuation of the Fund's assets comes from higher bond yields, although they are the one outcome capable of stopping Trump in his tracks. At Fund level, there will be a negative impact on the valuation of longer duration assets such as private equity, infrastructure and real estate. Against this background, the Fund must brace itself for volatile markets and weaker returns from its investments.

The Fund's diversified portfolio of assets provides some protection against market turmoil, and the valuation of liabilities will also have fallen. The funding level at the March 2025 valuation will therefore probably be not too far below the 123% assessed in March 2022. I remind readers again that it stood at 81% when my role as Independent Advisor commenced in 2014.

The Fund is also gradually turning cash negative as the number of active members declines and pension payments exceed contributions. Officers are therefore modelling future cashflow over the short and longer term to ensure that there is sufficient income from our investments to meet any shortfall and ensure pensions are indeed paid on time.

The biggest challenge facing the Fund at the time of writing is the Government's rejection of the plan by ACCESS (the pool which the Fund is a shareholder in alongside ten other funds) to set up a new entity to meet the new pooling requirements. The Fund is expected, either separately or jointly with other ACCESS members, to join one of the six pools which have been given the go-ahead. While this is unlikely to affect investment returns greatly, it will certainly lead to disruption and significantly higher costs. While the Scheme Manager will continue to be responsible for administration, its investment role will under these proposals be limited to setting the high level asset allocation.

The Government is also putting pressure on all pension funds to invest in the U.K. While this may be laudable from society's perspective, the Fund's only purpose is to pay its members' pensions on time. Part of my role is to ensure that political or other agendas are not allowed to distract it from this objective. I am far from convinced that these changes will be to the benefit of members or employers, and the higher costs

are likely to lead to higher contributions. In the worst case, the cost cap mechanism may result in their impacting members' benefits too.

Another challenge comes from Sussex' designation as one of the seven priority areas to become unitary authorities. East Sussex County Council, the current Scheme Manager, will cease to exist, and its functions will be taken over by another body. At the time of writing, there is no clarity on who that will be.

Administration is as important a function as investment management is in ensuring that pensions are paid in full and on time. My comments are the same as last year's: the pressures on the Fund's team from regulatory and other Government initiatives continue to increase, and there is a national shortage of experienced pension administrators. Against this background, the Administration team continue to provide a good and cost-effective service.

My final duty in this report is to provide some assurance as to the overall arrangements for the Fund. From a financial perspective the funding level is healthy, though the recent market falls are a reminder how quickly that can change. This is one reason why the actuarial adviser to the Fund rightly takes a conservative approach to setting contributions.

I can assure readers that the Fund's internal governance processes and structures are of a good standard and that it is sufficiently resourced both on the investment and the administration side. Although investment returns may decrease, it is important to remember that the Fund has a long horizon, and market fluctuations are inevitable. In common with many LGPS funds, the highest risks today undoubtedly lie in the potential for disruption from Government interference and regulatory change.

**William Bourne**  
**Independent Advisor**  
**14<sup>th</sup> April 2025**

## **Funding strategy statement implementation**

The Funding Strategy Statement (FSS) focuses on how employer liabilities are measured, the pace at which these liabilities are funded, and how employers or pools of employers pay for their own liabilities. The FSS is prepared in accordance with Regulation 58 of the Local Government Pension Scheme Regulations 2013, CIPFA guidance and in collaboration with the Fund's actuary in place at the time of the last triennial valuation Barnett Waddingham, after consultation with the Fund's employers and investment adviser.

The FSS sets out how the Administering Authority has balanced the conflicting aims of:

- affordability of employer contributions,
- transparency of processes,
- stability of employers' contributions, and
- prudence in the funding basis.

The FSS is a summary of the Fund's approach to funding its liabilities, and this includes reference to the Fund's other policies; it is not an exhaustive statement of policy on all issues. The FSS forms part of a framework of which includes:

- the LGPS Regulations;
- the Rates and Adjustments Certificate (confirming employer contribution rates for the next three years);
- actuarial factors for valuing individual transfers, early retirement costs and costs of buying added service; and
- the Fund's Investment Strategy Statement

The Funding Strategy Statement was updated to reflect funding principles agreed for the 2022 actuarial valuation and was approved in March 2023. The funding principles apply to employer contributions payable from 1 April 2024 to 31 March 2025.

The approach used to set asset allocations for new bodies, to calculate the bond requirements for admitted bodies and to determine any cessation debts payable by exiting employers are calculated in line with the Funding Strategy Statement. The Fund monitors the change in the funding position at a whole Fund level on a regular basis. The next review of the Funding Strategy Statement will take place over the 2025/26 year as part of the 2025 valuation exercise.

The latest version of the Funding Strategy Statement is available on the Fund's website:

<https://www.eastsussexpensionfund.org/forms-and-publications/>

## **Investment administration and custodianship**

The Fund uses the services of a specialist custodian bank (Northern Trust) to safeguard its assets to prevent them from being stolen or lost. The custodian can hold stocks, bonds, or other assets in electronic or physical form on behalf of the Fund.



The custodian bank however does more than provide asset protection. They are also an asset servicing business ensuring that the investment administration of the Fund is in order. The services encompass a much broader range of data, operations, Banking & Markets, and decision-support functions. The spectrum of asset servicing products they offer ranges from fundamental core custody and accounting services to more advanced data and fund servicing offerings, as outlined at a high-level below.

The responsibilities of the Custodian are:

#### Core Custody Services

- Sub-custody
- Safekeeping
- Trade Settlement
- Income Collection
- Corporate Actions
- Tax Reclaims, including document completion for clients (including the UK)
- Proxy Voting
- Class Action Recoveries

#### Value Added and Reporting Services

- Investment Accounting (asset valuation)
- Performance Measurement
- Quarterly Office of National Statistics (ONS) Reporting
- Client Services
- On-line client portal system administration and user maintenance and training
- Provision of Service Level Agreement (SLA) and Key Performance Indicators (KPI)
- Markets Services
- Cash Management
- Foreign Exchange services
- Transition (Onboarding and Exit Management)

#### OPTIONAL SERVICES INCLUDING BUT NOT LIMITED TO:

##### Added Value Services

- Annual Financial Accounting (Chartered Industry of Public Finance and Accounting (CIPFA) Compliant)
- Over-the-Counter (OTC) pricing and settlement – Swap booking, valuation, lifecycle event management
- Collateral management service and European Market Infrastructure Regulation (EMIR) reporting
- Unitisation
- Master Record Keeping (Consolidated reporting for different legal entities)
- Cash account netting for same currency and entity
- Provision of bespoke Service Level Agreement (SLA) and Key Performance Indicators (KPI)

##### Alternative Asset Servicing

- Alternative Funds, for example:
  - Pooled Funds
  - Real Estate Funds
  - Private Equity Funds
  - Infrastructure Funds

- Hedge Funds
- Direct Holdings, for example:
  - Direct Private Debt
  - Loan Servicing
  - Direct Private Equity (limited partnership (LP))
  - Private Equity Administration / Capital Call services

#### Reporting and Analytics

- Environmental, Social and Governance (ESG) Services and Reporting – Pre and Post-trade reporting
- Risk Analytics
- Compliance Monitoring
- Look through to pooled fund holdings

### Investment Managers

The Fund employs a number of investment managers across the various mandates, with differing approaches or styles, as well as sectoral and geographic focus, and benchmarks. This is in order to ensure sufficient diversification, limiting downside risk during periods of market volatility. The Fund's investment manager structure is broadly as follows:

- The Fund's listed equity investments are weighted in favour of active management strategies, reflecting the Committee's preference for active management and including an ESG focus, with the equity holdings broadly split 62.5/37.5 in terms of active and passive. The active sleeve is split across global equity mandates with Longview and Baillie Gifford, as well as impact equity strategies managed by Wellington and WHEB. The passive sleeve is split between two ESG systematic/smart beta strategies, one with Storebrand, and the other with UBS tracking an index provided by Osmosis.
- Absolute return mandates are held with Newton and Ruffer and allow managers to flexibly alter allocations to a variety of underlying asset classes based on specific market conditions.
- The Fund's property mandate is held with CBRE the property manager appointed by ACCESS (formerly this sat outside the pool with Schroders), within a transition mandate to sell down the Fund's previous 'fund of funds' approach. The intention is to invest this into a direct property pooled solution.
- Corporate bonds, absolute return credit and commercial real estate debt mandates are managed by M&G, while the Fund's passive index-linked gilts mandate is held with UBS. With an additional multi asset credit mandate managed by BlueBay.
- The Fund's infrastructure holdings are split between M&G, UBS, Pantheon (all closed ended unlisted), ATLAS (listed) and IFM (Open ended unlisted), who adopt varying styles and focus areas.
- Private equity mandates are split between Adams Street and HarbourVest in fund of fund products to provide diversification of area and style.

The Fund has the following objectives for its investment managers:

- Each (active) manager delivers on its objective, net of fees.

- Each mandate adds a layer of diversification and offers different qualities to the Fund, through varying approaches and focus areas (geographic and sectoral).
- Consider all financial and non-financial risks and considerations including Environmental, Social and Governance (ESG) factors (including but not limited to climate change).

Ultimately the Fund seeks to deliver an appropriate level of return, relative to the risk taken.

## Investment Allocations pooled and un-pooled

Mandate	Q1 2024 (£m)	Actual (%)	Target (%)	Q1 2025 (£m)	Actual (%)	Target (%)
<b>Pooled Investments</b>						
<b>ACS Funds</b>						
ACCESS - Global Equity (Longview)	521.6	10.6%	10.0%	510.2	11.0%	10.0%
ACCESS - Global Alpha (Ballie Gifford)	217.3	4.4%	5.0%	213.5	4.6%	5.0%
ACCESS - Absolute Return (Ruffer)	450.4	9.2%	10.0%	455.2	9.7%	10.0%
ACCESS - Real Return (Newton)	368.2	7.5%	7.0%	292.8	6.3%	3.0%
ACCESS - Sterling Corporate Bond (M&G)	131.1	2.7%	3.5%	124.5	2.7%	3.5%
ACCESS - Alpha Opportunities (M&G)	330.5	6.7%	7.0%	195.1	4.2%	3.5%
ACCESS - Total Return Credit (RBC Bluebay)	-	-	-	171.4	3.7%	3.5%
<b>Total Link ACS Funds</b>	<b>2,019.1</b>	<b>41.1%</b>	<b>42.5%</b>	<b>1,962.7</b>	<b>42.2%</b>	<b>38.5%</b>
<b>Pool Aligned</b>						
ACCESS – Passive over 5yr Index Linked Gilts (UBS)	234.9	4.8%	4.0%	357.5	7.2%	4.0%
ACCESS - Passive Osmosis Resource Efficient Core Equity Index (UBS)	397.6	8.1%	7.5%	415.4	8.4%	7.5%
ACCESS - Infrastructure (IFM)	246.9	5.0%	5.0%	267.9	5.4%	5.0%
ACCESS - Real Estate (CBRE)	-	-	-	338.7	6.8%	7.0%
<b>Total Pool Aligned</b>	<b>879.4</b>	<b>17.9%</b>	<b>16.5%</b>	<b>1,379.5</b>	<b>27.8%</b>	<b>23.5%</b>
<b>Total Pooled Investments</b>	<b>2,898.5</b>	<b>59.0%</b>	<b>59.0%</b>	<b>3,342.2</b>	<b>67.2%</b>	<b>66.0%</b>
<b>Non-Pooled Investments</b>						
<b>Equities (passive):</b>						
Storebrand - Global ESG Plus	465.3	9.5%	7.5%	450.3	9.7%	7.5%
<b>Equities (active):</b>						
Wellington - Global Impact	247.3	5.0%	5.0%	253.4	5.4%	5.0%
WHEB- Sustainability	238.0	4.8%	5.0%	200.7	4.3%	5.0%
<b>Total Equities</b>	<b>950.6</b>	<b>19.3%</b>	<b>17.5%</b>	<b>904.4</b>	<b>19.4%</b>	<b>17.5%</b>
<b>Other Investments:</b>						
Schroders - Property	336.0	6.8%	7.0%	3.5	0.1%	-
M&G - Infrastructure	49.4	1.0%	1.0%	42.8	0.9%	1.0%
Pantheon - Infrastructure	87.0	1.8%	2.0%	77.3	1.7%	2.0%
UBS - Infrastructure	35.4	0.7%	1.0%	35.3	0.8%	1.0%
Atlas - Infrastructure	99.9	2.0%	2.0%	104.4	2.3%	2.0%
Adams Street - Private Equity	189.5	3.9%	2.8%	174.1	3.8%	2.8%
HarbourVest - Private Equity	181.6	3.7%	2.7%	185.5	4.0%	2.7%
M&G Real Estate Debt VI	35.1	0.7%	5.0%	28.4	0.6%	5.0%
Cash account	52.2	1.1%	-	76.8	1.7%	-
<b>Total Other Investments</b>	<b>1,066.1</b>	<b>21.7%</b>	<b>23.5%</b>	<b>728.1</b>	<b>15.9%</b>	<b>16.5%</b>
<b>Total Non-Pooled Investments</b>	<b>2,016.7</b>	<b>41.0%</b>	<b>41.0%</b>	<b>1,632.5</b>	<b>35.3%</b>	<b>34.0%</b>
<b>Total</b>	<b>4,915.2</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4,974.7</b>	<b>100.0%</b>	<b>100.0%</b>

## Management expenses

In the course of its activities the Pension Fund incurs fees and costs incurred by third parties which affect overall investment returns of the Fund. The main component of these costs is management fees derived from the value of assets under management. There are also performance fees (paid when investments perform above a threshold) and transaction fees (these are the costs incurred when buying and selling investments) that impact on the investment returns.

With all investments there are decisions to be made around the risk appetite of the investor. Different assets have different risks associated with them and this drives the amount of return that the Fund expects of the investment. The amount of return that the investment makes drives the amount that a manager can charge for their services. A passive equity manager of a £500m portfolio that is only looking to replicate an index return will charge a low fee say £0.3m whereas an active manager trying to out-perform the index by 4%, will charge a higher fee say £3m. The active manager is looking to add an addition £20m in value of the assets for a cost of £2.7m for the investor this would be a positive gain of £17.3m.

To understand the different types of fees charged by managers the Fund requests that all its managers sign up the Scheme Advisory Board's Code of Transparency. The Fund uses the data provided by fund managers via the Code templates to determine the fees that have been charged for the year and adjusts the accounts accordingly.

2024/25	Assets Under Management £m	1 year performance	Fees and Costs £m	Fee Per AUM
Equity	2043.5	0.14%	6.6	0.32%
Fixed Income	876.9	-1.12%	2.2	0.25%
Diversified growth funds	748.0	2.17%	5.1	0.68%
Pooled property investments	342.2	-0.38%	1.4	0.41%
Private Equity/Infrastructure	887.3	3.52%	10.0	1.13%
			<b>25.3</b>	
Custody			0.1	
<b>Total</b>			<b>25.4</b>	

2023/24	Assets Under Management £m	1 year performance	Fees and Costs £m	Fee Per AUM
Equity	2,087.1	17.2%	7.6	0.36%
Fixed Income	731.6	4.9%	2.0	0.27%
Diversified growth funds	818.6	0.3%	4.8	0.59%
Pooled property investments	336.0	0.5%	1.6	0.48%
Private Equity/Infrastructure	889.7	0.9%	6.2	0.70%
			<b>22.2</b>	
Custody			0.1	
<b>Total</b>			<b>22.3</b>	

## Asset Tables

<b>£m Asset values as at 31 March 2025</b>	<b>Pooled</b>	<b>Under pool management</b>	<b>Not Pooled</b>	<b>Total</b>
Equities (including convertible shares)	723.7	415.4	904.4	<b>2,043.5</b>
Bonds	491.0	357.5	-	<b>848.5</b>
Property	-	338.7	3.5	<b>342.2</b>
Hedge funds	-	-	-	-
Diversified Growth Funds (including multi-asset funds)	748.0	-	-	<b>748.0</b>
Private equity	-	-	359.6	<b>359.6</b>
Private debt	-	-	28.4	<b>28.4</b>
Infrastructure	-	267.9	259.8	<b>527.7</b>
Derivatives	-	-	-	-
Cash and net current assets	-	-	76.8	<b>76.8</b>
Other	-	-	-	-
<b>Total</b>	<b>1,962.7</b>	<b>1,379.5</b>	<b>1,632.5</b>	<b>4,974.7</b>

<b>£m Asset values as at 31 March 2024</b>	<b>Pooled</b>	<b>Under pool management</b>	<b>Not Pooled</b>	<b>Total</b>
Equities (including convertible shares)	738.9	397.6	950.6	<b>2,087.1</b>
Bonds	461.6	234.9	-	<b>696.5</b>
Property	-	-	336.0	<b>336.0</b>
Hedge funds	-	-	-	-
Diversified Growth Funds (including multi-asset funds)	818.6	-	-	<b>818.6</b>
Private equity	-	-	371.1	<b>371.1</b>
Private debt	-	-	35.1	<b>35.1</b>
Infrastructure	-	246.9	271.7	<b>518.6</b>

<b>£m Asset values as at 31 March 2024</b>	<b>Pooled</b>	<b>Under pool management</b>	<b>Not Pooled</b>	<b>Total</b>
Derivatives	-	-	-	-
Cash and net current assets	-	-	52.2	<b>52.2</b>
Other	-	-	-	-
<b>Total</b>	<b>2,019.1</b>	<b>879.4</b>	<b>2,016.7</b>	<b>4,915.2</b>

#### UK Investment

<b>£m Asset values as at 31 March 2024</b>	<b>Pooled</b>	<b>Under pool management</b>	<b>Not Pooled</b>	<b>Total</b>
UK Listed Equities	289.9	15.2	76.3	<b>381.4</b>
UK Government Bonds	131.1	-	-	<b>131.1</b>
UK Infrastructure	-	30.3	130.2	<b>160.5</b>
UK Private Equity	-	-	36.3	<b>36.3</b>
<b>Total</b>	<b>420.9</b>	<b>45.5</b>	<b>242.9</b>	<b>709.4</b>

#### Leveling up

<b>£m Asset values as at 31 March 2024</b>	<b>Pooled</b>	<b>Under pool management</b>	<b>Not Pooled</b>	<b>Total</b>
UK Leveling up	<b>11.9</b>	<b>77.4</b>	<b>81.1</b>	<b>170.4</b>

### Investment Performance –

Actual and benchmark performance for each of the Fund's mandates is provided in the table below, over 12 months 3 years and 5 years[1]. Results are considered by the Pension Committee on a quarterly basis and the Fund members on an annual basis as part of this report.

Mandate	1 year fund %	1 year benchmark %	Relative* %	3 year fund % (p.a)	3 year benchmark % (p.a)	Relative* %	5 year fund % (p.a)	5 year benchmark % (p.a)	Relative* %
<i>Pooled Investments</i>									
ACCESS - Global Equity (Longview)	(1.82)	4.76	(6.58)	7.02	8.30	(1.27)	13.74	15.20	(1.46)
ACCESS - Global Alpha (Ballie Gifford)	(1.28)	4.87	(6.15)	2.81	7.62	(4.82)	(1.82)	7.13	(8.95)
ACCESS - Absolute Return (Ruffer)	2.43	7.34	(4.91)	(1.16)	6.72	(7.88)	4.96	5.14	(0.18)
ACCESS - Real Return (Newton)	1.77	7.34	(5.57)	1.97	6.72	(4.75)	4.96	5.14	(0.17)
ACCESS - Sterling Corporate Bond (M&G)	(0.88)	(1.51)	0.63	(4.42)	(4.64)	0.22	(2.06)	(2.63)	0.56
ACCESS - Alpha Opportunities (M&G)	8.56	7.84	0.72	7.50	7.23	0.28	8.26	5.64	2.63
ACCESS – Passive over 5yr Index Linked Gilts (UBS)	(10.47)	(10.44)	(0.03)	(16.64)	(16.58)	(0.06)	(9.03)	(8.99)	(0.04)
ACCESS - Passive Osmosis Resource Efficient Core Equity Index (UBS)	4.40	4.76	(0.36)	8.36	8.30	0.07	9.66	9.92	(0.25)
ACCESS - Infrastructure (IFM)	8.52	4.63	3.89	7.27	5.23	2.04	-	-	-
ACCESS - Total Return Credit (RBC Bluebay)	5.71	7.48	(1.76)	-	-	-	-	-	-
ACCESS Real Estate (CBRE)	(0.38)	3.95	(4.33)	-	-	-	-	-	-
<i>Non-Pooled Investments</i>									
Storebrand - Global ESG Plus	3.14	4.76	(1.62)	6.87	8.30	(1.43)	8.90	10.58	(1.68)



Mandate	1 year fund	1 year benchmark	Relative*	3 year fund	3 year benchmark	Relative*	5 year fund	5 year benchmark	Relative*
	%	%	%	% (p.a)	% (p.a)	%	% (p.a)	% (p.a)	%
Wellington - Global Impact	2.16	4.87	(2.70)	2.07	7.62	(5.55)	3.75	9.17	(5.42)
WHEB- Sustainability	(16.06)	4.76	(20.82)	(4.90)	8.30	(13.20)	(2.42)	10.43	(12.85)
M&G - Infrastructure	(3.86)	4.63	(8.49)	(4.65)	7.24	(11.89)	0.51	6.68	(6.18)
Pantheon - Infrastructure	1.57	4.63	(3.06)	10.71	7.24	3.47	10.34	6.68	3.65
UBS - Infrastructure	(4.95)	4.63	(9.58)	2.45	7.24	(4.79)	(1.48)	6.68	(8.16)
Atlas - Infrastructure	4.46	13.41	(8.95)	2.84	4.01	(1.17)	6.54	7.53	(0.99)
Adams Street - Private Equity	0.67	6.23	(5.56)	(3.25)	9.13	(12.38)	14.00	15.79	(1.79)
HarbourVest - Private Equity	2.58	6.23	(3.66)	1.41	9.13	(7.71)	14.71	15.79	(1.08)
M&G Real Estate Debt VI	7.76	8.84	(1.08)	5.29	8.23	(2.94)	4.62	6.64	(2.02)
Cash account	4.46	4.91	(0.45)	6.27	4.09	2.17	4.36	2.47	1.89
<b>Total</b>	1.00	5.48	(4.48)	2.08	5.47	(3.39)	7.52	9.10	(1.58)

\*Relative performance is calculated on a geometric basis as opposed to the simpler arithmetic method the geometric method makes it possible to directly compare long-term relative performance with shorter-term relative performance.

I Since inception figures used where full data for a period is not available.

## Climate Report

Responsible Investment (RI) is an approach to investing that aims to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage risk and to generate sustainable, long-term returns (according to Principles for Responsible Investment (PRI)). Stewardship is the responsible allocation and management of capital across the institutional investment community to create sustainable value for beneficiaries, the economy and society.

The Financial Stability Board created the Taskforce on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information in 2015. The Fund support the TCFD recommendations, to provide a framework to communicate the steps the Fund is taking to manage climate related risks, and committed to reporting under TCFD in its Statement of Responsible Investment Principles.

The Ministry of Housing Communities and Local Government (MHCLG) ran a consultation in November 2020 on Local Government Pension Scheme (England and Wales): Governance and reporting of climate change risks. The purpose of this consultation was to seeks views on proposals to LGPS administering authorities in England and Wales to assess, manage and report on climate-related risks, in line with the recommendations of the TCFD. The details in the consultation have provided some insight into the requirements of climate reporting by LGPS Funds.

This Climate Report reflects the reporting requirements against the TCFD Framework taking into account the details included in the MHGLC consultation. Where the Fund has gaps in reportable data, this is highlighted in the sections, with a plan on how this will be progressed in future years reporting.

TCFD is structured around four thematic areas of Governance, Strategy, Risk Management and metrics and targets. This report follows this structure.



### Governance

The East Sussex Pension Fund is part of the Local Government Pension Scheme (LGPS). The purpose of the Fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on

death, before or after retirement, for their dependents, on a defined benefits basis. East Sussex County Council (ESCC) is the administering authority for the Fund. Under the Council's Constitution the Pension Committee has delegated authority to exercise the powers in respect of the management of the Fund. The Fund is neither owned nor controlled by ESCC, Fund assets are earmarked for pension payments and ringfenced from 'Council Money'. There are around 149 employers and more than 86,000 members, whose pension payments are funded by through employer and member contributions and investment returns. The Pension Committee (the Committee), comprising elected councillors, is responsible for Fund oversight and policy setting.

The Committee are responsible for agreeing the Investment Strategy Statement, climate change strategies, the responsible investment of the Fund, and report on these activities.

The Pension Committee receive assistance in performing these functions via:

- Pension Board – help with effective governance and ensuring compliance with the regulatory requirements.
- Chief Finance Officer – Scheme administration, including governance and investment implementation.
- Head of Pensions – ensuring Committee decisions are implemented.
- Investment Consultants – provide expert investment advice in line with regulatory requirement for proper advice. This is an FCA regulated firm.
- Independent Advisor – provides challenge to the Investment recommendations and supports the Committee in understanding of Investment activities.
- Fund Actuary – to provide information to the Fund on its solvency position and how climate change and other investment risks can impact the liabilities of the Fund.
- ESG Data advisers – to provide an analysis of carbon footprint of the liquid portfolio holdings.

The Committee has focused a substantial amount of time to develop its understanding and response to the ESG impacts that it is facing. This work has driven the Fund into codifying its beliefs in this area. The Fund believe that RI supports the purpose of the LGPS, and that climate risk does pose a material financial risk to the Fund. Responsible investment is therefore a substantial factor driving returns alongside other investment considerations.

## **Responsible Investment Beliefs**

The following beliefs underpin the Fund's Responsible Investment principles and policies:

- ESG factors, including climate risk, can present material financial risks to asset values and returns.
- Implementation of effective RI policies can reduce risk and has potential to enhance returns.
- Engagement with investment managers ("IMs") and investee companies can be effective in protecting and enhancing the long-term value of investments.
- Collaboration with other asset owners and IMs will help improve the effectiveness of engagement.
- Effective oversight of RI requires monitoring of ESG and CR metrics and the actions of IMs and investee companies.
- RI is aligned with ESPF's fiduciary responsibilities in the management and oversight of ESPF's investments.
- ESG opportunities may be found in Impact Funds investing in companies whose profits are derived from providing solutions to some of the World's more serious environmental, sustainability and social challenges e.g. cleaner products and processes, renewable energy, health, nutrition, sustainable agriculture, shelter, clean water and sanitation etc.
- Resource efficient companies can drive increased returns for the benefit of the scheme members and stability of contribution rates for Scheme Employers, as resource efficiency reduces dependency on natural resources resulting in reduced input costs and less dependence on volatile commodity prices.

As the committee believes that RI and climate risk is a driving factor in the value of the Fund's assets and long-term return expectations in line with the Fund's Investment Strategy Statement and Funding Strategy Statement to keep the Fund in surplus, the Committee set out a Statement of Responsible Investment Principles (SRIP) which is published within the Fund's Investment Strategy Statement (ISS) and is available on the Fund website

<https://www.eastsussexpensionfund.org/forms-and-publications/>

The SRIP explains the Fund's approach to the oversight and monitoring of the Fund's investment activities from a Responsible Investment (RI) and Stewardship perspective. Including how it uses its RI beliefs to guide its investment decisions and the principles that it follows.

The Principles that are set out in detail within the SRIP are aligned to the six PRI principles, as the Fund is a PRI signatory:

Principle 1	We will incorporate ESG issues into investment analysis and decision-making processes.
Principle 2	We will be active owners and incorporate ESG issues into our ownership policies and practices.
Principle 3	We will seek appropriate disclosure on ESG issues by the entities in which we invest.
Principle 4	We will promote acceptance and implementation of the principles within the investment industry.
Principle 5	We will work together to enhance our effectiveness in implementing the principles.
Principle 6	We will each report on our activities and progress towards implementing the principles.

The Fund are committed to review the weakest mandates based on the carbon data, metrics and analysis and determine what action will be taken in engagement with investment managers.

The engagement priorities for the Fund are -

#### Environmental

1. Climate change –emission reporting and reduction, sector transition pathways and investment in renewable energy and technical solutions
2. Enhancing biodiversity, regeneration and protection of forests and conservation of oceans and marine resources
3. Sustainable consumption and production. Preventing pollution and waste including plastic waste and promoting circular economy
4. Agriculture, food security and Food Waste

#### Social

1. Human rights including forced labour, companies operating in conflict zones and destruction to communities
2. Promoting gender equality and social inclusion
3. Inclusive and equitable education
4. Water security and access to sanitation
5. Eradicate poverty and hunger

#### Governance

1. Executive pay or dividend linked to sustainable and growth performance
2. Business / Company leadership with experts on boards
3. Company board focus on providing products, goods or a service through effective and sustainable corporate governance
4. Diversity of boards, workforce and policies
5. Anti-bribery and corruption

ESG factors and climate risk are taken into account by the Investment Working group to ensure all investment decisions have ESG and climate risk embedded at the outset, rather than a secondary consideration. The Committee believes that well managed companies provide long-term value creation and that the Fund's beneficiaries will benefit from strong investment returns and improve the Fund's overall funding position, which keeps the pensions scheme affordable in terms of employer contribution rates. Performance of all investment are monitored and reported quarterly.

Investment Managers are expected to report on performance, engagement and voting activity quarterly to the Fund and its advisers. The Fund then consider

- How managers have integrated ESG in their investment activities
- How managers have exercised the Fund's voting rights and to explain where there is deviation from voting guidelines or voting alerts from the LAPFF.
- What engagement activities have been completed in the quarter.

The Fund carry out meetings with investment managers in addition to the ongoing review and engagement that the investment consultant carried out for the fund to ensure the managers are complying with the requirements on them set by the Fund and ability of the manager to invest in the best interest of the Fund beneficiaries. During direct manager meetings with the Fund discussions take place on voting and engagement, rationale of specific holdings to understand physical and transition risk as well as transparency of the Fund's exposure to carbon emissions and other ESG data sets.

The Fund report the stewardship activity of the investment managers and that of the Fund in a quarterly ESG report and an annual stewardship report and is a signatory to the FRC Stewardship Code since 2022, a copy of the report can be seen on the Funds website at <https://www.eastsussexpensionfund.org/about-the-scheme/investment/>.

In addition, the Fund publish an implementation statement within its annual report to show how its approved RI beliefs have been embedded within the Fund's investment activities.

All of the Fund's investment managers are assessed in relation to ESG issues through an ESG and climate impact assessment report on an annual basis by the Fund's investment consultant with an action plan set out for each manager which will be updated annually as part of the review.

The Fund invests through investment managers who carry out detailed research on the prospects for individual companies and industries and have access to company management. On selection of an investment manager the Fund ensure the manager is aligned with the same stewardship beliefs as the Fund with a detailed set of evaluation criteria for ESG and Stewardship.

The Committee review and discuss its risk register quarterly where climate risk is a separately identified risk in addition to ESG risk, with mitigations through the Fund's climate strategy.

Knowledge and skills of officers and the Committee are integral to the governance and effective oversight of climate risk within the Fund. Training opportunities are provided to Committee Members and Fund officers to ensure decision makers and those that implement and monitor investment activity understand how their stewardship responsibilities can be implemented, understanding risks and responsibilities. Training for the Fund is laid out in the Fund's training strategy which is reviewed every two years. The Fund has a training and investment strategy review day embedded into the annual meeting plan in addition to Committee meetings. New Committee members are given an induction programme to help develop

knowledge understanding of all their responsibilities and training links and details are provided at least monthly by the Fund's designated training officer. Training is picked up at all Pension Committee and Pension Board meetings through the work plan and a report on training is covered twice a year.

A priority for the Fund is to ensure investments can withstand climate risks, including both transition and physical climate risks, and to invest for the future with confidence. As a result of this the Fund has conducted carbon foot printing. In addition, the Fund reviews the exposure to specific Fossil Fuel companies engaging with the investment managers where these positions are held to understand the engagement activities with those companies and the rationale for positioning those companies in the portfolio. Whilst acknowledging that Fossil Fuel companies have intense carbon emissions, the Fund believe they have a part to play in the energy transition pathway; also recognising that emissions can be intense in other sectors, and climate change risks effects all sectors and geographical regions. To ensure that the Fund's managers are considering this monitoring of engagement activities and voting is done throughout the year. On top of this the Fund has partnered with other groups to push engagement on these topics with individual companies via its collaboration partners. The Fund plan on carrying out climate scenario analysis of various warming scenarios in the future to further understand the climate risks of the investment strategy.

The Committee is subject to fiduciary duties with respect to investment matters. As a result, the Fund must only use its power to invest the assets for investment purposes, to generate the best realistic return over the long-term, given the need to control for risks, to enable benefits to be paid to members when due. Investment decisions must be taken prudently, with a reasonable level of skill and care, and on the basis of proper advice, acting in the members' best (financial) interests.

A holistic whole portfolio approach to overall climate risks has been taken by the Fund which is backed up by its of ESG beliefs, ESG themes and Statement of Responsible Investment Principles. As well as mitigating risks through the changes to the investment strategy the Fund has also identified that there are also many investment opportunities to be found from new technology and solutions to climate change. In addition, the Fund recognises companies that effectively manage resources including Carbon, Water and Waste and have strong ESG approaches are often well managed high performing companies.

## **Strategy**

The Fund has recognised that Climate risk is a financial risk to the Fund, both through its investments and impacts to liabilities and funding position. The investment risks identified to date around the climate impacts on the Fund have been around the structure of the Fund's investments, namely the use of passive investments and the transition from a fossil fuel based global economy to a carbon free economy. The Fund made significant changes in the structure of its investment strategy through 2021 and 2022, to remove any unconscious exposure to climate risk inherent within its large traditional market capital based passive equity investments.

The Fund's strategic analysis of its climate risk also identified that the Fund could benefit from increasing its exposure to sustainable investments designed to benefit from or contribute to the transition from a fossil fuel economy to a carbon free economy.

This work helps to solidify the Fund's belief that ESG opportunities may be found in impact funds investing in companies whose profits are derived from providing solutions to some of the World's more serious environmental, sustainability, demographic, and social challenges e.g., cleaner products and processes, renewable energy, health, nutrition, sustainable agriculture, shelter, clean water, and sanitation etc. Where successful, such companies would be expected to exhibit above average long-term growth characteristics.

The Fund does not directly invest in any specific company; instead, it invests through a combination of holdings in passive index funds and in pooled funds through active investment managers who take

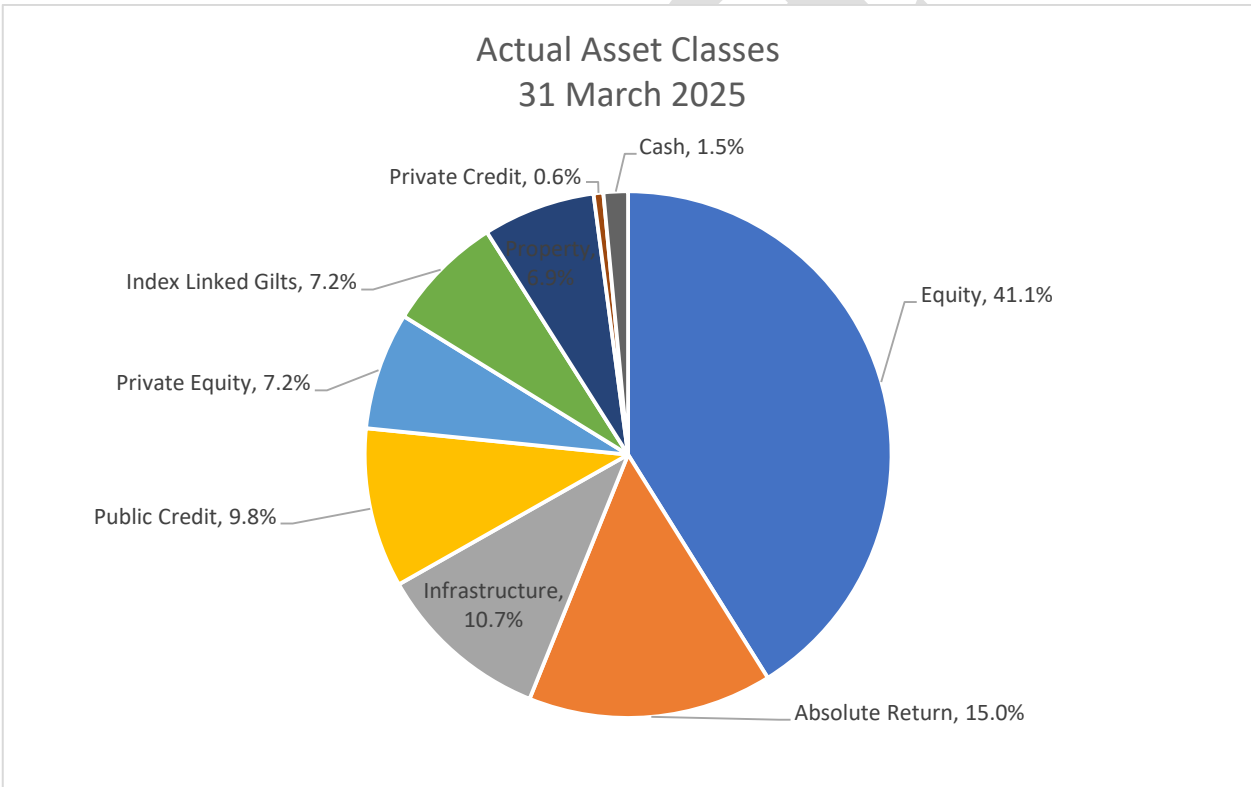
considered choices over the underlying companies it invests in with a looking at the financial resilience and return possibilities as well as the ESG credentials of a company.

**Climate risk**

The Fund’s investment strategy crosses a wide range of types of investment each of which will have different climate risks. Climate risk to the fund is through both physical risk and transition risk.

Type of risk	Description
Physical Risk	More frequent or severe weather events – flooding, storms, droughts, wildfires, chronic heatwaves, sea level rise
Transition Risk	Changes to less polluting greener economy – loss of asset value in hard to abate industries or as a result of policy constraints on activities of a business, increased costs of business supply chains, loss of access to materials, regulatory tax penalties

The Fund’s investment strategy showing the types of assets is shown in the chart below.



Climate risk can impact on all these asset types. For example, in the property allocation there may be physical risk with buildings in areas that may have an increased chance of flooding with extreme rainfall or sea level rises; or transition risks through the cost of retrofitting buildings with heat pumps or hydrogen boilers to replace gas heating systems. Or for example, a port within an Infrastructure portfolio would be affected by atmospheric and marine hazards leading to operational shutdowns and subsequent financial losses. A global equities portfolio for example could include shares in an agricultural company, a technology company or even an energy provider. Each company would face different climate risks; either to their physical geographical location, to supply chain costs and failures or regulatory or policy risk imposing penalties or restrictions to operations.

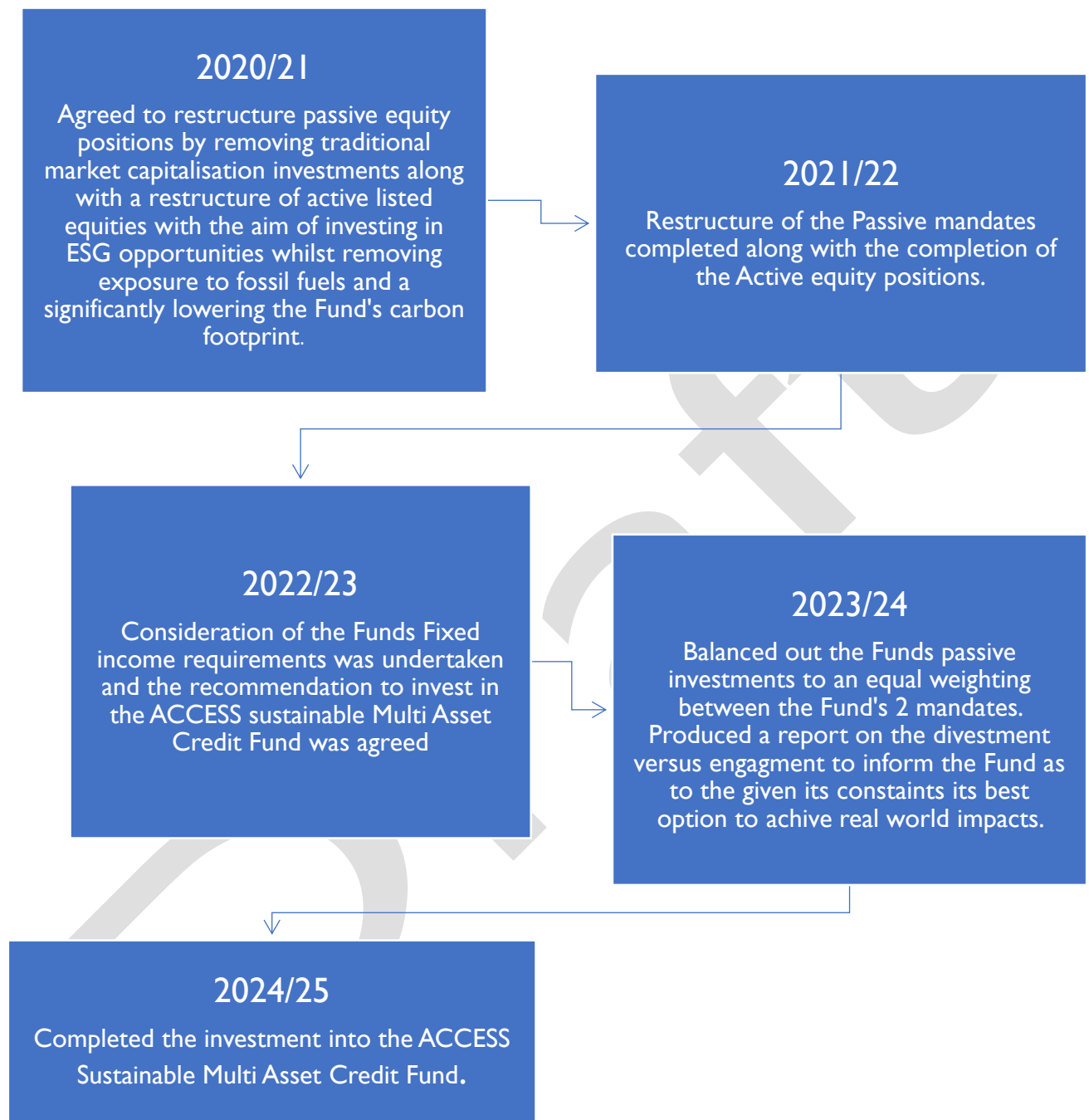
As a result of the wide-reaching climate risks, the Fund takes a holistic view of its investments rather than focusing on a single company sector and focuses on the quality and ability of the investment manager teams who carry out the detailed research for selection of the underlying companies in the portfolio. To do this the Fund undergo due diligence on the selection of a manager; meet and communicate with managers throughout the year to discuss company holdings, decisions, performance, and team structures; carry out annual carbon foot printing which also considers companies energy transition plans; carry out an annual ESG assessment of all investment managers within the portfolio. The 2022 triennial valuation has taken into account climate risk in order to understand the potential risks to the liabilities of the Fund.

The Committee believe that there is an inevitability that the transition from a fossil fuel to a carbon free economy will occur. As a consequence, where traditional market capitalisation indexes, which are designed to succeed if the old fossil fuel economy persists, are carrying an inherent unintended bias to fossil fuels. This also results in a opportunity to access and provide capital to those companies that are looking to enable and benefit from the transition from fossil fuels and this was regarded as a priority for the Fund.

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To address these risks and opportunities the Fund has undertaken several strategic changes over the past 5 years. The below diagram sets out the main activities the Fund has undertaken over the past 5 years:



The Fund consider engagement with companies to align their businesses to aspects such as corporate governance standards, ensure best practice in labour force policies or alignment with the Paris agreement on climate related emissions. A list of the Fund's collaborative engagement partners is listed further below, and the Fund publishes reports on engagements and voting each quarter on its [website](#).

### Climate opportunities

The Fund has a belief that there are also climate opportunities available to invest in which will benefit and drive the energy transition. For example, companies which improve resource efficiency in relation to energy usage, water and waste management can lead to cost savings and competitive advantages and result in better run business. Where companies are making investment into innovation in technology not only will this assist with the energy transition it will provide further transmissible benefits, such as with the

development of electric vehicles will also improve air quality in towns and cities. The advances in LED technology not only reduces the energy for lighting but also don't contain harmful metals such as lead or mercury and the manufacturing process is a lot cleaner than with other bulbs. Other opportunities can include investment in renewable energy sources such as solar, wind, biofuels as to meet global reduction targets energy generation source needs to move to clean energy sources and away from burning of fossil fuels.

The Fund has taken substantial measures to better align itself with the challenges of climate change and the energy transition and is considered one of the leaders in this space in its actions. These actions include investing 25% of the equity funds, or £454.1m, in Impact Managers who select companies whose core products or services achieve a positive impact on the environment or socially, or those companies that provide solutions to sustainability challenges. In addition, the Fund removed traditional passive index equity exposure (where there is unconscious exposure to a company) moving £450.3m of this to a fossil-free smart beta equity strategy that aims for long-term alignment with the Paris Agreement goals and exhibits lower carbon risk with climate solutions and higher ESG scores than the world index. With £415.4m invested into a resource efficient index that focuses on companies that more effectively manage carbon, water and waste while excluding fossil fuel companies. The Fund has also invested £213.5m into an active equity manager looking at investing into Paris aligned companies. The Fund has made an investment of £171.4m into a multi-asset credit sustainable mandate this will look to achieve a total return from investments in higher yielding fixed income asset classes through active security selection, asset allocation and capital preservation techniques, combined with environmental, social and governance (ESG) criteria. The product will exclude issuers who are exposure to a range of activities including controversial weapons, thermal coal and fossil fuels.

## **Future actions**

The Fund will consider how the impact of the governments fit for the future consultation and pension schemes bill will provide opportunities to improve the responsible investment activities of the Fund with its new pooling partner.

The Fund will continue to develop its understanding of climate risk and opportunity within its investment portfolio in line with the Funds new LGPS Pool. Consider Climate Scenario stress tests to layer up our understanding of climate risk and allow us to assess our investment strategy against these. Whilst bearing in mind that scenario testing also depends on the quality of the underlying data, and this is still evolving.

The Fund will continue to review its investment strategy statement and statement on responsible investment principles. This will ensure that the Fund is keeping these up to date with best practice and improving practices.

Maintain stewardship code signatory status by producing a 2024 stewardship report. Provide the PRI the with the information required in their return to identify and improve weaknesses in our practices and policies and ensure we are considering where we diverge from others with our activities.

The Fund will continue to use engagement as our primary tool to our climate strategy, via membership of PRI, LAPFF, a seat on IIGCC Corporate Programme Advisory Group. The Fund also encourages all its managers to be members of these organisations. The Fund utilise the Transition Pathway Initiative data and third party ESG reports to focus the engagement with managers. Along with this there will be an annual review of the ESG credentials of our managers to strengthen the understanding of their processes and ensuring these align with the Fund.

## **Risk management**

Risk management is the process of identifying risks, evaluating their likelihood and potential impact, and determining the most effective methods of controlling or responding to them. The Fund's general approach is to manage risk rather than eliminate it entirely.

The Fund has a detailed Risk Management process in place which is documented in the Fund's Risk Management Policy. A Risk Register is reported to Pension Committee and Pension Board quarterly for review and consideration, identifying the risk and the mitigations in place.

As part of the risk register the Pension Fund have specifically recognised Climate risk and details the risk and mitigations in place to manage this in the quarterly report. The identified aspects of climate risk are outlined below including mitigations in place. Once climate scenario modelling has been completed by the Fund the risks will be updated with any additional findings.

### **Possible trigger of climate risk on the Fund**

- Uncertainty in energy transition impacts and timing
- Risk of stranded assets where invested in fossil fuel companies
- Lack of reliable carbon measurement data for investment pooled funds and or underlying holdings of those pooled funds.
- Risk of natural disasters on underlying investments
- Risk of changes in oil prices leading to underperformance from low exposure to the sector
- Increased capital costs of underlying investment companies to transition to greener energy solutions or lower carbon emitting supply chain models and production methods
- Fines or penalties incurred by underlying holdings by company or sector
- Increased global temperature and or erratic climate events causing devastation to underlying holdings
- Social consequence on members welfare and longevity within the fund
- Breach of law in taking political action over fiduciary duties

### **Possible consequences of climate risk on the Fund**

- Unconscious exposure to high carbon emitters
- Reputation issues around how the Fund is progressing the move to a decarbonised global economy.
- Volatile investment returns
- Reputational risk where Climate risks, reporting, mitigations and strategies are not aligned with member views or poorly communicated
- Loss of income to the Fund from missed opportunities in oil price rally to accommodate the infrastructure to enable the world to comply with the energy transition
- Loss of market value
- Major ecological disaster in the UK could lead to increased mortality quicker than anticipated within the funding models impacting on cash outflows and increased workloads for lump sum payments.
- Possible increase to ill health retirement cases leading to a change in cash flows and possible enhancements beyond those anticipated
- Loss of investment returns / underperformance from absence of Fossil fuel companies in equity mandates in oil price rise

### **Mitigations the Fund has put in place to try to reduce impact of the climate risk**

- Statement of Responsible Investment Principles (SRIP) outlines investment beliefs including Climate Risk. The Fund take the SRIP into account for implementation of decisions and monitoring of investment managers, carbon emissions and climate risk to the Fund
- Investment Working Group and ESG working group consolidated into a single group to ensure ESG is in the heart of all investment decisions
- Restructuring of the equity portfolio removed structural exposure to fossil fuel companies to avoid high risk companies from a climate perspective
- The Fund are able to exploit opportunities from the low energy transition by investing in climate impact funds and resource efficient companies

- The Fund has trimmed unconscious exposure to companies with high Carbon emission, poor energy transition plans and or fossil fuel companies, through removal of traditional index funds
- Member of Institutional Investors group on climate change (IIGCC), the Fund also expects its managers to be IIGCC members
- The Fund carries out annual carbon foot printing to better understand the carbon exposure and energy transition plans within the portfolio. Additionally, the Fund carries out ESG impact assessment of all investment managers which includes a climate score.
- Signatory to UN PRI
- Commitment to report TCFD's with a first attempt published in the 2021 Annual Report
- The Fund has planned for climate scenario modelling which will help better understand this risk and allow further consider approaches in tackling these risks
- Where exposed to fossil fuels, the Fund uses its vote to drive engagement and improved practices. A number of Fund managers are Climate 100+ engagement partners, leading on this work with top emitting companies, while all managers are IIGCC members for collaborate weighting of AUM to influence action. Managers have escalation plans for when engagement is not effective which includes disinvesting from the high carbon or fossil fuel company.
- Focus on Climate change through training to committee and officers
- Focus on Climate Change in decision making and strategy changes
- Immaterial impact to the Fund value from direct exposure to fossil fuel companies in the instance of carbon taxes, valuation falls or stranded assets due to the underweight, very low exposure to this sector and no structural allocation of these companies.

## **Metrics and targets**

### **Carbon Footprinting Exercise 2024/25**

The Fund has used a third-party provider, Northern Trust, to undertake analysis of the Fund's carbon footprint (i.e., the measure of the Fund's 'share' of the volume of Green House Gas equivalent (GHGe) emissions generated by the Fund's investee companies) as at 31<sup>st</sup> March 2025.

This covers almost 61% of assets under management at an investment manager level within the Fund's total asset value as at 31<sup>st</sup> March 2025. 100% of the Fund's listed equities, 100% of absolute return and 15% of the fixed income were included. Certain assets (some fixed interest, infrastructure, private equity, derivatives and cash balances) were not, due to a lack of reportable GHG emissions data associated with them.

Northern Trust's approach to carbon footprinting uses estimates to generate data where none is reported and uses data disclosed by the Fund's investee companies where it is reported.

### **Liquid Asset Classes included in Carbon Footprinting**

#### **Listed Global Equity – 41.1% of Fund Assets**

The Fund have six listed equity managers, four active and two index based making up 41.1% of the portfolio as at 31 March 2025. All Six portfolios are included in the metrics information within the Northern Trust's carbon footprinting report and all mandates exclude fossil fuel companies. All managers have strong engagement and stewardship approaches and are members of the PRI, IIGCC and are Stewardship code signatories.

#### **Absolute/Real Return – 15.0% of Fund Assets**

The Fund have two Absolute / Real Return managers, which make up 15.0% of the portfolio as at 31 March 2025. These madates are unrestricted as to what the managers can invest in as they provide a defensive response for the Fund's portfolio in the time of market volatility and uncertainty. These

mandates are in place to preserve capital. Both managers have strong engagement and stewardship approaches and are both members of the Net Zero Asset Managers Initiative and climate action 100+ as engagement leads.

#### **Listed Infrastructure –2.1% of Fund Assets**

The Fund has one listed infrastructure manager, Atlas, which is covered by the carbon footprinting analysis making up 2.1% of Fund assets. The manager is a member of IIGCC, NetZero Asset Managers Initiative, PRI and a Stewardship code signatory.

#### **Fixed Income – 2.5% of Fund Assets**

The Fund have four fixed income portfolios two managed by M&G and one by Bluebay, invested through the ACCESS LGPS pool and one passive index linked gilts mandate managed by UBS as an ACCESS pool aligned investment these combined are 17.0% of the Funds' assets. Only our M&G corporate bond mandate is included in the Northern Trust report representing 2.5% of our Fixed income investments, Northern Trust were not able to get enough relevant information for the other three mandates.

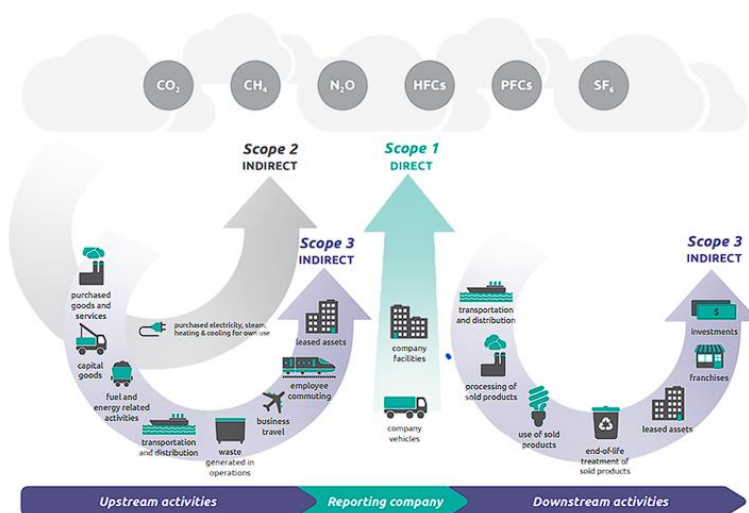
#### **GHG Emissions**

In line with the previous year, Northern Trust sought to provide the Fund with any 'Scope 3' GHG disclosure information available, in addition to Scope 1 and Scope 2. The different types of disclosures are defined as follows:

Categorization	Description
Scope 1	GHG emissions from owned or controlled sources
Scope 2 (Location-based)	GHG emissions of indirect emissions from the generation of purchased energy.
Scope 3	All indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions

More information on the components included in each Scope is set out in the graphic below:

## GHG Emissions - Scope 1, 2 and 3



Scope 1	<ul style="list-style-type: none"> <li>Fuel combustion</li> <li>Company vehicles</li> <li>Company facilities</li> <li>Fugitive emissions (emissions from unintentional or intentional release of GHGs to the atmosphere)</li> </ul>
Scope 2	<ul style="list-style-type: none"> <li>Purchased electricity, <u>heat</u> and steam</li> </ul>
Scope 3	<ul style="list-style-type: none"> <li>Purchased goods and services</li> <li>Business travel</li> <li>Employee commuting</li> <li>Waste disposal</li> <li>Use of sold products</li> <li>Transportation and distribution (up- and downstream)</li> <li>Investments</li> <li>Leased assets and franchises</li> </ul>

Source: Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard

## Carbon Footprinting Analysis Results - Summary

The high level results of the carbon footprinting exercise are shown below:

31 March 2025

Metric	Results		Comments
Total Carbon Emissions (tCO <sub>2</sub> e)	Scope 1 & 2	67,854.8	The absolute greenhouse gas emissions associated with a portfolio, expressed in tons CO <sub>2</sub> e.
	Scope 1, 2 & 3	813,542.3	
Carbon Footprint (tCO <sub>2</sub> e) / GBP Invested	Scope 1 & 2	28.3	Total carbon emissions for a portfolio normalized by the market value of the portfolio, expressed in tons CO <sub>2</sub> e / millions invested.
	Scope 1, 2 & 3	339.7	
Carbon Intensity (tCO <sub>2</sub> e) / GBP Revenue	Scope 1 & 2	90.2	This metric combines the total emissions / millions invested approach with a similar logic to determine an investor's share of revenue and subsequently dividing one by the other. By linking to revenue, the metric aims at describing the greenhouse gas efficiency of the underlying companies.
	Scope 1, 2 & 3	1,081.6	
Weighted Average Carbon Intensity (tCO <sub>2</sub> e) / GBP Revenue	Scope 1 & 2	72.4	Portfolio's exposure to carbon-intensive companies, expressed in tons CO <sub>2</sub> e / millions of revenue.
	Scope 1, 2 & 3	969.4	

31 March 2024

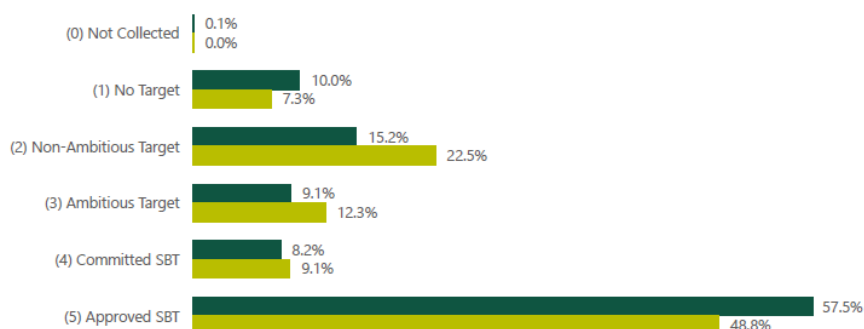
Metric	Results		Comments
Total Carbon Emissions (tCO <sub>2</sub> e)	Scope 1 & 2	72,371.50	The absolute greenhouse gas emissions associated with a portfolio, expressed in tons CO <sub>2</sub> e.
	Scope 1, 2 & 3	1,044,166.80	
Carbon Footprint (tCO <sub>2</sub> e) / GBP Invested	Scope 1 & 2	41.1	Total carbon emissions for a portfolio normalized by the market value of the portfolio, expressed in tons CO <sub>2</sub> e / millions invested.
	Scope 1, 2 & 3	593.4	

Carbon Intensity (tCO <sub>2</sub> e) / GBP Revenue	Scope 1 & 2	97.30	This metric combines the total emissions / millions invested approach with a similar logic to determine an investor's share of revenue and subsequently dividing one by the other. By linking to revenue, the metric aims at describing the greenhouse gas efficiency of the underlying companies.
	Scope 1, 2 & 3	1,403.30	
Weighted Average Carbon Intensity (tCO <sub>2</sub> e) / GBP Revenue	Scope 1 & 2	81.60	Portfolio's exposure to carbon-intensive companies, expressed in tons CO <sub>2</sub> e / millions of revenue.
	Scope 1, 2 & 3	1,131.60	

31 March 2025

#### CLIMATE TARGETS ASSESSMENT

● Portfolio ● Benchmark

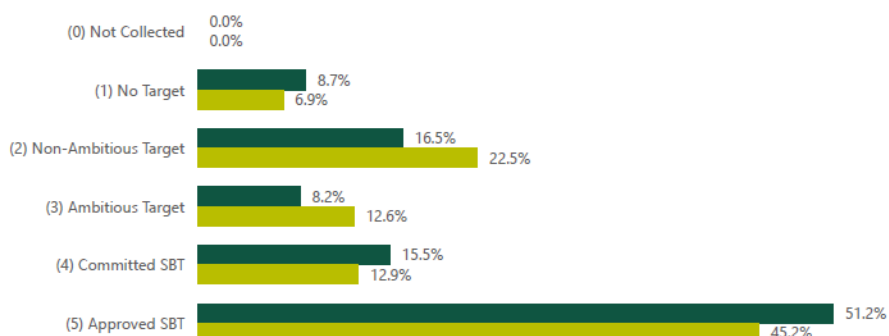


The GHG Reduction Target factor differentiates an entity's targets based on the existence and quality of greenhouse gas emissions reduction targets. It takes into account both science-based targets and other targets set by the company.

31 March 2024

#### CLIMATE TARGETS ASSESSMENT

● Portfolio ● Benchmark



The GHG Reduction Target factor differentiates an entity's targets based on the existence and quality of greenhouse gas emissions reduction targets. It takes into account both science-based targets and other targets set by the company.

The key takeaways are that:

- 1) Where disclosures were made, the Fund's investee companies emitted 67,854.8 (72,371.5 March 24) tCO<sub>2</sub>e
- 2) The Fund's share of the GHG emissions made by its investee companies is 28.3 (41.1 March 24) tCO<sub>2</sub>e / GBP Invested;
- 3) Over 57% of the Fund's investee companies have Greenhouse gas reduction targets that have approved science based targets.

### Absolute Emissions

The following table shows the total carbon emissions for the Fund and for each investment manager mandate included in the scope of work:

31 March 25

Manager	Value £m	Scope 1	Scope 2	Scope 1 & 2	Scope 3	Scope 1,2 & 3
All	3,020.4	53,539.0	14,315.8	67,854.8	745,687.5	813,542.3
<b>Equity</b>						
Ballie Gifford	213.5	3,208.2	661.0	3,869.2	52,779.0	56,648.2
Longview	510.2	1,301.4	1,188.8	2,490.2	36,354.7	38,844.9
Osmosis	415.4	3,430.3	1,697.2	5,127.5	131,421.7	136,549.2
Storebrand	450.3	3,913.3	2,226.0	6,139.3	188,575.9	194,715.2
Wellington	253.4	2,678.5	1,322.9	4,001.4	91,820.9	95,822.3
WHEB	200.7	3,069.1	2,164.8	5,233.9	56,512.3	61,746.2
<b>Fixed Income</b>						
M&G Corporate Bonds	124.5	1,254.9	358.8	1,613.7	23,129.0	24,742.7
<b>Absolute return</b>						
Newton	292.8	2,179.9	617.1	2,797.1	43,914.3	46,711.3
Ruffer	455.2	21,969.9	2,526.7	24,496.5	97,053.6	121,550.1
<b>Listed Infrastructure</b>						
Atlas	104.4	10,533.5	1,552.5	12,086.0	24,126.1	36,212.1

31 March 24

Manager	Value £m	Scope 1	Scope 2	Scope 1 & 2	Scope 3	Scope 1,2 & 3
All	2,889.4	58,906.2	13,465.3	72,371.5	971,795.3	1,044,166.8
<b>Equity</b>						
Ballie Gifford	217.3	6,454.7	1,155.1	7,609.8	91,016.6	98,626.4
Longview	521.6	1,926.3	1,508.4	3,434.7	80,870.1	84,304.7
Osmosis	397.6	4,378.9	2,119.0	6,497.9	128,314.8	134,812.7
Storebrand	465.3	4,665.4	2,983.4	7,648.8	238,767.2	246,416.0
WHEB	238.0	1,422.3	761.0	2,183.4	169,984.6	172,168.0
<b>Fixed Income</b>						
M&G Corporate Bonds	131.1	2,300.5	590.3	2,890.8	29,151.7	32,042.5
<b>Absolute return</b>						
Newton	368.2	7,759.8	1,366.3	9,126.2	125,877.7	135,003.9
Ruffer	450.4	10,496.8	814.6	11,311.4	78,357.3	89,668.7



Listed Infrastructure						
Atlas	99.9	19,501.4	2,167.1	21,668.5	29,455.3	51,123.8

The figures shown above reflect the actual disclosures made by the Fund's investee companies that Northern Trust were able to identify and collect. The table reflects the actual GHG emissions disclosure position as far as they could determine, and the total amount of GHG emissions is clearly connected to the size of the portfolio, in terms of the number of companies held. This explains why the figures for, say, Osmosis are larger than the figures for WHEB.

It is encouraging that despite a larger amount of assets being included in the March 25 analysis the total absolute emissions of our mandates have gone down to 67,854.8 tCO<sub>2</sub>e for scope 1&2 (72,371.5 tCO<sub>2</sub>e March 2024) and 813,542.3 tCO<sub>2</sub>e for scope 1,2 & 3 (1,044,166.8 tCO<sub>2</sub>e March 2024).

## Carbon Footprint

The following table shows the total carbon footprint for the Fund and for each investment manager mandate included in the scope of work. This is defined as the total carbon emissions for a portfolio normalized by the market value of the portfolio, expressed in tons CO<sub>2</sub>e / millions invested:

31 March 25

Manager	Value £m	Scope 1	Scope 2	Scope 1 & 2	Scope 3	Scope 1,2 & 3
All	3,020.4	22.4	6.0	28.3	311.4	339.7
<b>Equity</b>						
Ballie Gifford	213.5	15.6	3.2	18.8	256.7	275.5
Longview	510.2	2.6	2.3	4.9	71.8	76.7
Osmosis	415.4	8.3	4.1	12.4	318.4	330.8
Storebrand	450.3	8.7	5.0	13.7	421.2	434.9
Wellington	253.4	10.9	5.4	16.3	373.4	389.7
WHEB	200.7	15.9	11.2	27.1	292.3	319.4
<b>Fixed Income</b>						
M&G Corporate Bonds	124.5	28.7	8.2	36.9	528.5	565.4
<b>Absolute return</b>						
Newton	292.8	15.5	4.4	19.8	311.3	331.2
Ruffer	455.2	200.0	23.0	223.0	883.6	1,106.7
<b>Listed Infrastructure</b>						
Atlas	104.4	119.5	17.6	137.1	273.8	410.9

31 March 24

Manager	Value £m	Scope 1	Scope 2	Scope 1 & 2	Scope 3	Scope 1,2 & 3
All	2,889.4	33.5	7.7	41.1	552.2	593.4
<b>Equity</b>						
Ballie Gifford	217.3	35.6	6.4	42	501.9	543.9
Longview	521.6	4.9	3.8	8.7	205.9	214.6
Osmosis	397.6	14.8	7.2	21.9	433.2	455.2
Storebrand	465.3	13.1	8.4	21.5	671.3	692.8
WHEB	238.0	7.7	4.1	11.8	915	926

<b>Fixed Income</b>						
M&G Corporate Bonds	131.1	52.2	13.4	65.6	661.7	727.3
<b>Absolute return</b>						
Newton	368.2	51.1	9	60.1	828.7	888.8
Ruffer	450.4	168.5	13.1	181.6	1,257.80	1,439.30
<b>Listed Infrastructure</b>						
Atlas	99.9	217.3	24.2	241.5	328.3	569.7

The Fund's current carbon footprint - i.e., its 'share' of the emissions made by its investee companies - equates to 28.3 (41.1 in March 24) tonnes of CO<sub>2</sub>e emissions. This is a significant reduction from the position in March 24.

### Emissions Intensity

The following table shows the carbon intensity of the Fund and for each investment manager mandate included in the scope of work:

31 March 2025

Manager	Value £m	Scope 1	Scope 2	Scope 1&2	Scope 3	Scope 1,2 &3
All	3,020.4	71.2	19.0	90.2	991.4	1,081.6
<b>Equity</b>						
Ballie Gifford	213.5	64.5	13.3	77.7	1,060.4	1,138.1
Longview	510.2	8.8	8.0	16.7	244.5	261.3
Osmosis	415.4	24.3	12.0	36.3	930.4	966.8
Storebrand	450.3	26.1	14.8	41.0	1,257.9	1,298.8
Wellington	253.4	35.8	17.7	53.5	1,226.9	1,280.4
WHEB	200.7	59.1	41.7	100.9	1,089.0	1,189.9
<b>Fixed Income</b>						
M&G Corporate Bonds	124.5	69.9	20.0	89.9	1,288.5	1,378.4
<b>Absolute return</b>						
Newton	292.8	73.6	20.8	94.4	1,481.7	1,576.1
Ruffer	455.2	326.4	37.5	363.9	1,441.9	1,805.9
<b>Listed Infrastructure</b>						
Atlas	104.4	503.2	74.2	577.3	1,152.5	1,729.8

31 March 2024

Manager	Value £m	Scope 1	Scope 2	Scope 1&2	Scope 3	Scope 1,2 &3
All	2,889.4	79.2	18.1	97.3	1306.0	1403.3
<b>Equity</b>						
Ballie Gifford	217.3	104.8	18.8	123.6	1478.0	1601.5
Longview	521.6	11.2	8.8	20.0	470.7	490.6
Osmosis	397.6	33.8	16.3	50.1	989.1	1039.2
Storebrand	465.3	29.8	19.1	48.9	1525.6	1574.4
WHEB	238.0	25.0	13.4	38.3	2985.2	3023.6
<b>Fixed Income</b>						
M&G Corporate Bonds	131.1	102.1	26.2	128.3	1294.3	1422.6

Absolute return						
Newton	368.2	152.5	26.9	179.3	2473.7	2653.0
Ruffer	450.4	156.2	12.1	168.3	1166.1	1334.4
Listed Infrastructure						
Atlas	99.9	725.2	80.6	805.8	1095.4	1901.2

The Fund's current carbon intensity - i.e., its 'share' of the emissions made by its investee companies - equates to c. 90.2 (97.3 in March 24) tonnes of CO2e emissions.

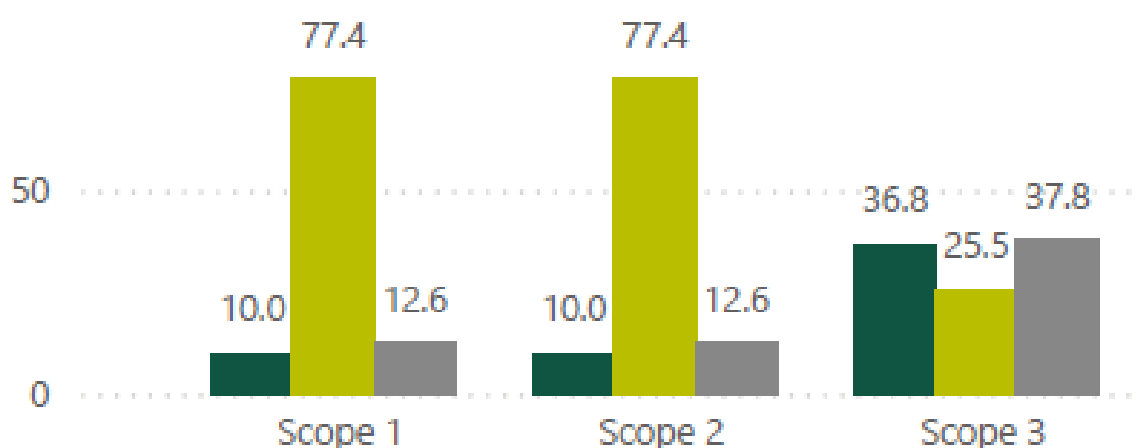
### Data Quality

The following table shows Northern Trust's assessment of the quality of the GHG emissions disclosures made by the Fund's investee companies:

31 March 2025

## DATA QUALITY

● Estimated ● Reported ● Verified



*Chart values are shown in percentage (%) format*

*Percentages may not total 100 due to rounding*

31 March 24

## DATA QUALITY

● Estimated ● Reported ● Verified

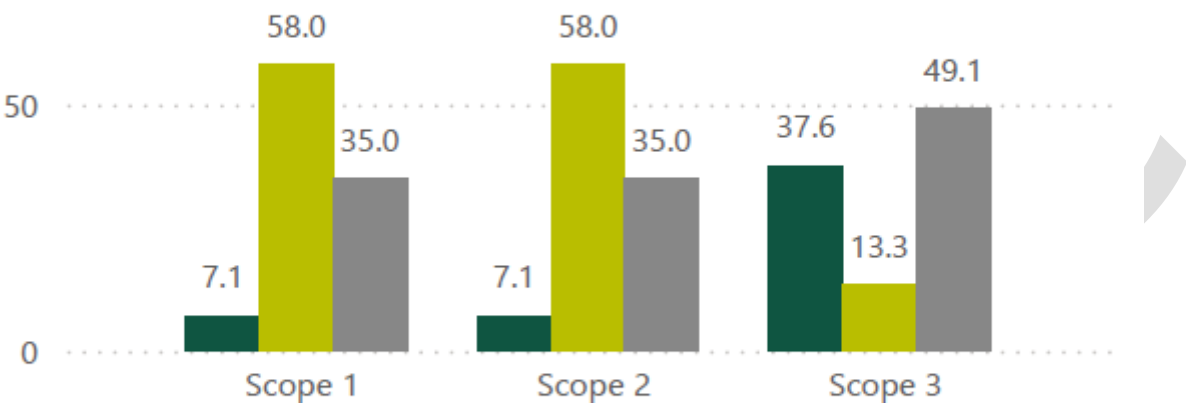


Chart values are shown in percentage (%) format

Percentages may not total 100 due to rounding

The results show that there has been a significant drop in the verified data that is being reported by companies falling to 12.6% from 35.0% in 2024. There is also an increase in the percentage of companies not reporting now at 10.0% compared to 7.1% in 2024. This means that there has been a weakening of carbon data.

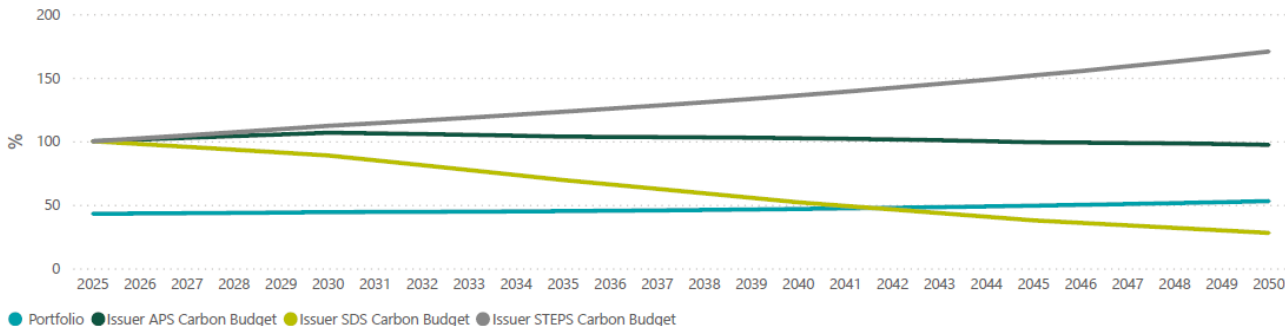
## CLIMATE SCENARIO ALIGNMENT

The scenario alignment analysis compares current and future portfolio greenhouse gas emissions with the carbon budgets for the International Energy Agency (IEA) Sustainable Development Scenario (SDS), Stated Policies Scenario (STEPS) and the Announced Pledges Scenario (APS).

Performance is shown as the percentage of assigned budget used by the portfolio.

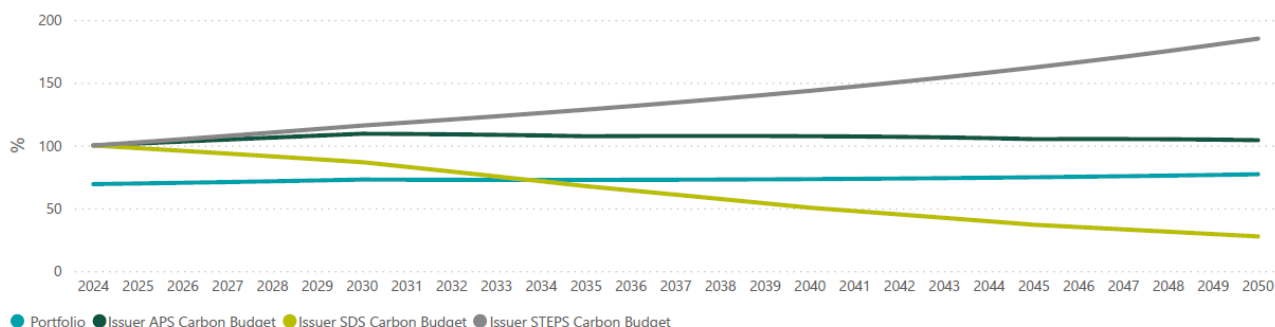
31 March 2025

### PORTFOLIO EMISSION PATHWAYS VS. CLIMATE SCENARIOS BUDGETS



31 March 2024

## PORTFOLIO EMISSION PATHWAYS VS. CLIMATE SCENARIOS BUDGETS



The ISS ESG portfolio temperature score is calculated by comparing the portfolio owned projected emissions in 2050 with the available owned carbon budgets for SDS, STEPS and CPS. The score is an interpolation between the two nearest scenario temperature thresholds based on the respective overshoot. The temperature score has a range between 1.5 and 6.

Portfolio Temperature Score was 1.9 (2.3 in March 24) Degrees

## Liquid Asset Classes excluded in Carbon Footprinting

### Fixed Income – 14.5% of Fund Assets

The Fund have three fixed income portfolios one managed by M&G and one managed by Bluebay and invested through the ACCESS LGPS pool and one passive index linked gilts mandate managed by UBS as an ACCESS pool aligned investment. Northern Trust were not able to get enough relevant information for these investments.

M&G have provided the following information for the Alpha Opportunities Fund

31 March 2025	Scope 1 and 2 emissions (CO <sub>2</sub> e tonnes)	Scope 3 emissions (CO <sub>2</sub> e tonnes)	Total Emissions (scope 1,2 &3)
<b>Emissions Reported</b>	133,786	1,283,821	1,417,607

BlueBay have provided the following information for the Total Return Credit Fund.

31 March 2025	Scope 1 and 2 emissions (CO <sub>2</sub> e tonnes)	Scope 3 emissions (CO <sub>2</sub> e tonnes)	Total Emissions (scope 1,2 &3)
<b>Emissions Reported</b>	36,025	231,079	259,819

The passive index linked gilts mandate comprising 4.8% of the Fund this is not covered by the carbon footprinting analysis. As these are United Kingdom government bonds there is not currently an agreed way to consider the carbon footprint of these investments.

## Illiquid Asset Classes

Outside of the Northern Trust carbon footprinting the Fund have tried to obtain information directly from the investment managers as to their carbon emissions and footprint. Illiquid assets constitute 23.6% of the Fund's portfolio. The following information has been obtained by asset class. The Fund will engage with managers over the next year to aim for increased exposure and more detailed metrics for future reporting.

### Private Equity – 7.2% of Fund Assets

The Fund have two private equity managers, which make up 7.2% of the portfolio as at 31 March 2025. Neither of these managers have published any metrics under TCFD however both are members of the Initiative Climat International (iCI) which is a General Partner led initiative to collaborate on risk analysis tools to aid private equity action on climate change. Members of iCI commit to recognising the risks and opportunities that climate change presents to their investments, contribute to the Paris Agreement's objectives, and actively engage with portfolio companies to reduce their greenhouse gas emissions. Members work collaboratively across a variety of working groups to implement their commitments.

In addition to this, one of the private equity funds, currently weighted at 3.7% of the portfolio, has aligned its climate strategy with TCFD. As part of the Metrics and Targets commitment, they have partnered with a carbon accounting platform to produce fund-level reporting on greenhouse gas emissions data, using proxy data based on industry average. As part of their commitment to continue to improve data quality within reporting, the manager has joined the ESG Data Convergence Initiative (EDCI), hosted by ILPA, which seeks to standardize ESG metrics and provide a means of comparative reporting and benchmarking on ESG for private markets.

One of the Fund's Private Equity funds, which is currently 3.5% of the portfolio value has been able to provide a Weighted Average Carbon Intensity (WACI) of the portfolio as an Emissions Intensity metric as at 31/03/2025.

Company Scope 1 + Scope 2 (tCO <sub>2</sub> e/USDmn)	56.55
Company Direct + First Tier (tCO <sub>2</sub> e/USDmn)	54.60

1. The MSCI ACWI Wtd Avg Carbon Intensity (t CO<sub>2</sub>e/\$M Sales) as of June 28, 2024, was 796. This includes Scope 1, 2 and 3. MSCI no longer publicly reports Scope 1 & 2 data for its benchmarks. The comparable WACI Scope 1, 2 and 3 figure for the East Sussex portfolio at the end of Q2 2024 was 502 t CO<sub>2</sub>e/\$M Sales.
2. Direct and First Tier Indirect (which includes some elements of Scope 3), suitable for benchmarking against the S&P Global LargeMidCap which was 200 as of June 28, 2024.
3. This data is calculated based on estimation factors (in tCO<sub>2</sub>e/mUSD revenue) at the The Global Industry Classification Standard (GICS) Sub-industry level, provided by S&P Global Trucost.

### Property – 6.8% of Fund Assets

CBRE, the Fund's property investment manager comment that they future-proof investments and operations, and understand the need to focus on climate mitigation and adaptation as essential components of risk mitigation and value creation. They seek to address climate risks and enhance investment return opportunities by focusing on delivering net zero greenhouse gas (GHG) performance

and physical resilience. They seek to align their CBRE IM corporate operations with those of their parent organization, CBRE Group, Inc. (CBRE), and its commitment to reach net zero GHG emissions across the value chain by 2040, which follows the Science Based Targets initiative (SBTi). CBRE Investment Management has a Net Zero by 2050 target for select direct and indirect private real estate and infrastructure investments.

During the onboarding of the portfolio CBRE have begun the collection of data and metrics from the underlying investments and managers. For the period as at end 31<sup>st</sup> December 2024, this exercise is based on the real estate sectors GRESB initiative. Data was released at the beginning of October to participants, and is now being assessed and analysed by our Indirect Regional Investment Teams, prior to subsequent report. Based on the data available to them at the start of October 2025 (GRESB 2024, reporting year 2023 data), we are able to run a partial portfolio analysis to facilitate the Fund's reporting requirements. CBRE IM Indirect only report absolute emissions using actual data and do not recommend undertaking extrapolation or estimation, without clarity on the methodology previously applied and potential variations to this.

As such we have classified all of the data in this analysis as actual emissions, based on data reported by underlying managers following the GRESB methodology. For the purposes of the Fund's disclosure and TCFD related reporting of indirect investments, the emissions should be treated as Scope 3 Category 15 – financed emissions.

2024	Coverage of portfolio	Scope 1&2 emissions (carbon tonnes)	Scope 3 emissions (carbon tonnes)	Total Emissions (scope 1,2 &3)	Carbon tonnes per £m
Actual Emissions Reported	29.40%	215.64	625.32	840.96	7.39
Emissions Estimated & Actual	n/a	n/a	n/a	n/a	n/a

#### Infrastructure – 8.9% of Fund Assets

The Fund have four Infrastructure managers which comprise 8.9% of Fund assets at 31 March 2025. One of the infrastructure managers (IFM) comprising 5.4% of the portfolio have reported the following:

	Total scope 1 emissions [ktCO <sub>2</sub> e]	Total scope 2 emissions [ktCO <sub>2</sub> e]	Scope 3 emissions [ktCO <sub>2</sub> e]	Portfolio net attributable emissions [ktCO <sub>2</sub> e]
<b>Total Portfolio</b>	<b>17,053</b>	<b>2,674</b>	<b>165,137</b>	<b>3,100</b>

Another manager (UBS) which comprises 0.7% of the portfolio has provided the following table:

2024	Scope 1 emissions (CO <sub>2</sub> e tonnes)	Scope 2 emissions (CO <sub>2</sub> e tonnes)	Scope 3 emissions (CO <sub>2</sub> e tonnes)	Total Emissions (scope 1,2 &3)
Emissions Reported for Fund 3	1,181.27	4,577.05	204,422.95	210,181.27

A third manager (M&G Infracapital) comprising 1.0% of the portfolio has provided the following table:

2024 Emissions Reported (Fund Level)	Scope 1 emissions (CO <sub>2</sub> e tonnes)	Scope 2 emissions (CO <sub>2</sub> e tonnes)	Scope 3 emissions (CO <sub>2</sub> e tonnes)	Total Emissions (scope 1,2 &3)
Infracapital Partners III	257,970	2,599	66,260	326,830
Infracapital Greenfield Partners II	2,030	3,683	266,858	272,571
<b>Total Emissions Reported</b>	<b>260,000</b>	<b>6,282</b>	<b>333,119</b>	<b>599,401</b>

The last manager (Pantheon) comprising 1.8% of the portfolio has provided the following data.

	Scope	Value	Actual	Proxy	Total
<b>Emissions(tCO<sub>2</sub>e)</b>	Scope 1 and 2	19,869	87%	13%	100%
	Scope 3	22,798	76%	24%	100%
	<b>Total</b>	<b>42,667</b>	<b>87%</b>	<b>13%</b>	<b>100%</b>
<b>Carbon Footprint<sup>2</sup>(tCO<sub>2</sub>e/\$m invested)</b>	Scope 1 and 2	10	87%	13%	100%
	Scope 3	12	76%	24%	100%
	<b>Total</b>	<b>22</b>	<b>87%</b>	<b>13%</b>	<b>100%</b>
<b>WACI<sup>3</sup>(tCO<sub>2</sub>e/\$m revenue)</b>	Scope 1 and 2	899	91%	5%	96%
	Scope 3	1,645	76%	20%	96%
	<b>Total</b>	<b>2,543</b>	<b>91%</b>	<b>5%</b>	<b>96%</b>

#### Private Credit – 0.6% of Fund Assets

The Fund have one Private Credit manager which comprises 0.7% of Fund assets at 31 March 2024. There is no carbon emission data currently available for this investment.



## RI implementation Statement for 2024/25

Below we show how the Fund has implemented the RI policies it set itself in the ISS.

Commitment	Progress	Further Action
To continue to measure and report on carbon-equivalent emissions throughout the equity portfolios	The Fund has undertaken an analysis of the Equity and Fixed Income investments with a third-party provider for the fifth year bringing in a new provider to give information that will be more aligned to the anticipated LGPS Carbon reporting requirements.	<p>Develop further understanding of the different metrics.</p> <p>Review the Carbon-equivalent emission provider market.</p> <p>Work with Investment managers of other asset classes to improve asset class coverage.</p>
To continue our work with IIGCC and Climate Action 100+	<p>The Fund has been an active participant in the IIGCC corporate program with the Chair of the Pension Committee sitting on the IIGCC Corporate Programme Advisory Group.</p> <p>The Fund attends training items and research webinars provided by IIGCC.</p>	The Fund is looking for more options within IIGCC to support further development and implementation of IIGCC research into the Fund's strategy.
To continue to research and support the deployment of new impact capital into projects set to benefit from the transition to a low carbon economy	<p>75% of the Fund's equity mandates have been invested into specific climate conscious investments. With 10% of the Fund's total portfolio with active managers into impact managers, 5% actively managed in Paris Aligned portfolio, 7.5% into climate risk passive product and 7.5% into a resource efficiency weighted index.</p> <p>The Fund has moved a further 3.5% of Fund assets into a sustainable multi asset credit fund in Q1 of 2024/25 financial year.</p>	<p>The Fund will continue to assess the alignment of the remaining equity position to ensure it is invested in a compatible way to our RI policies.</p> <p>The Fund will review the characteristics of the equity investments to ensure these mandates are investing inline with the investment rationale of the Fund.</p> <p>The Fund will continue evaluating the fixed income options to ensure that where we are able to identify sustainable investment practices.</p> <p>Working with ACCESS to develop a suitable passive like equity offering and promote</p>

Commitment	Progress	Further Action
<p>To assess the carbon intensity of all assets (using estimates if necessary) by the end-2022 reporting cycle, supported by external managers and GPs</p>	<p>The Fund has to date only considered the carbon intensity of the liquid holdings, around 70% of the Fund assets, through a third-party foot printing provider.</p>	<p>suitable solutions within the Pool.</p> <p>The Fund is liaising with its external managers of the harder to measure assets and request that all managers' report in line with TCFD reporting requirements.</p>
	<p>The Fund receives Carbon foot printing information from its property manager and part of its Private Equity portfolio.</p> <p>The Fund is working with managers and other advisors in how to calculate this for the remainder of the alternative space.</p>	<p>Awaiting the outcome of the government's consultation on the TCFD reporting for the LGPS and looking to report in line with this.</p> <p>Working with other LGPS Funds, ACCESS, Fund managers, custodian and other third parties to provide more information and determine how they will be getting the required information.</p>
<p>Using data from the Transition Pathway Initiative (TPI), to engage alongside our collaborative partners to encourage companies to adopt business models and strategies that are in line with the aims of the Paris agreements.</p>	<p>The Carbon reporting provided by Northern Trust will be used to support our challenge to managers where this highlights companies which are reporting high emissions and have poor quality transition plans.</p> <p>The Fund will request explanations from managers regarding these companies along with running them through the TPI to understand their view.</p> <p>The Fund also reviews companies that are classified by the Investment manager as a Fossil Fuel company and will run these through the TPI data this analysis is used by the fund during meetings with the Fund managers.</p>	<p>The Fund continues to work on improving its information on its underlying holdings with the aim to get quarterly information to further analyse on different criteria including TPI analysis.</p>

Commitment	Progress	Further Action
<p>Implement processes that adhere to Taskforce for Climate-related Financial Disclosures (TCFD) recommendations on mandatory reporting and governance requirements related to climate risk as they are expected to apply to the LGPS.</p>	<p>The Fund is incorporating as much of aspects of the TCFD guidance for private pensions schemes into its Annual Report. This is building on the report provided last year, allowing the Fund to identify and enhance the report year on year and provide readers with better understanding of emissions and climate strategy.</p> <p>Along with this the Fund has received 4 years of ESG assessments of its investment Managers from its conducted by its investment consultant.</p> <p>We continue to engage with our investment managers over their own reporting and are encouraging them to report in line with TCFD where they are not already doing.</p> <p>We undertake carbon footprinting of the Fund.</p> <p>We have been producing a quarterly engagement reports detailing the work the Fund has been undertaking.</p> <p>The Fund responded to the consultation on the TCFD reporting in the LGPS and is a supporter of this being implemented.</p>	<p>The Fund is awaiting the outcome to the consultation on the TCFD reporting in the LGPS and is a supporter of this being implemented.</p> <p>The Fund will look to implement the guidance once this is published and continue to develop its reporting.</p> <p>The Fund will continue to work with Third parties to develop and implement enhancements to its current reporting. Including PRI and UK Stewardship reporting.</p> <p>The Fund will investigate how climate scenario analysis can help define its climate strategy and how this can be implemented.</p>
<p>To report annually in accordance with TCFD recommendations.</p>	<p>The Fund provide a TCFD section within its Annual Report covering all elements where sufficient data is held and identifying areas which are not yet complete. There is currently no guidance for LGPS Funds on TCFD reporting.</p>	<p>We are awaiting the response to the consultation from DLUHC on TCFD reporting and when the regulations are set out and there is clarity on the final requirements, the Fund will implement a fully compliant report within the guidelines set out for the LGPS.</p>

Commitment	Progress	Further Action
Signatory to the United Nations Principles for Responsible Investment (PRI)	<p>The Fund has signed up to the PRI and has provided its first set of information to the PRI for assessment.</p> <p>The Fund received the results of the assessment and received at least 4 stars in each category.</p>	<p>During Q3 2024 the Fund will prepare and submit the necessary information to maintain our signatory status to the PRI. We anticipate receiving our second assessment report in Q4 2024 and look forward to improving our responsible investment activities based on the findings.</p>
Encourage the Fund's investment managers to provide transparency by reporting relevant and accessible ESG-related information. This includes their commitments to and alignment with the UK Stewardship Code 2020, the TCFD, the PRI and GRESB, where appropriate.	<p>The Fund have been requesting quarterly information from the managers on engagement and voting and have been publishing a quarterly report detailing our monitoring of the managers. Alongside this the Fund also provide information on the managers engagements and commitments such as to which organisations they are signatories.</p> <p>The Fund receive an impact assessment of the Fund managers from its Investment Consultant annually to ensure that they are stewards our assets in line with their policies and our expectations.</p> <p>As part of our engagement with managers is to request that they consider signing up to UK Stewardship Code 2020, IIGCC, TCFD, the PRI and GRESB.</p> <p>ACCESS has been doing a lot of work within the RI space and has revised it guidelines we continue to work with ACCESS to develop the report framework around the RI guidelines.</p>	<p>We will be maintaining the engagement and voting information capture and are working to improve the information that is published as part of our engagement report.</p> <p>Look to improve communication with stakeholders of the Fund.</p> <p>The Fund continues to monitor the investments managers through carbon foot printing and ESG reviews by our investment consultant.</p> <p>The Fund is committed to working with ACCESS to improve the RI function within the pool and provide better reporting.</p> <p>Ensuring that the Fund's managers sign up to relevant commitments with TCFD and UK stewardship code 2020 being priorities.</p>
Working collaboratively to increase the reach, efficiency,	ACCESS has set up a RI working group to build upon	We shall be looking to continue to explore

Commitment	Progress	Further Action
and effectiveness of RI. We work with a host of like-minded partner funds, service providers and related organisations striving to attain best practice in the industry and to improve industry standards.	<p>the RI guidelines of which we are an active member.</p> <p>The Fund was a founding sponsor for the current active National LGPS Framework Stewardship framework.</p> <p>We have been engaged with IIGCC and have signed up to some of the initiatives coming from this collaboration.</p> <p>The Fund is an active participant in the LAPFF Executive Committee.</p>	<p>opportunities with ACCESS to improve the RI opportunities.</p> <p>Increase the involvement in collaborative RI initiatives and look to be signatories to shareholder resolutions where appropriate.</p>
Report annually in accordance with the UK Stewardship Code requirements, and we are committed to adhering with the requirements of the new UK Stewardship Code 2020.	The Fund submits its annual Stewardship Report to the FRC in October and has maintained its signatory status.	Work to improve the submission to the FRC in 2024 to maintain signatory status and improve our processes based on the outcomes of the previous report.

## Collaboration

There are limits to the influence that we achieve as a single investor and the resources we can reasonably commit. We recognise that progress can be best achieved on ESG issues through collaboration with other investors and organisations. We are an active member and supporter of several Global and Industry ESG Initiatives



<https://www.unpri.org/>

Principles for Responsible Investment (PRI). We have been a signatory to the PRI since 2020 and are working on our first submission on how we implement the six Principles of Responsible Investment into our everyday work to be good stewards of capital, which has been submitted for 2024. PRI is an important partner, providing excellent guidance on responsible investment and we work closely with them on the future direction of the organisation



<https://www.iigcc.org>

Institutional Investors Group on Climate Change (IIGCC) has the collective weight of over €51 trillion from over 350 members and is leading the way on a global stage for investors to help realise a low carbon future. IIGCC helps shape sustainable finance policy and regulation for key sectors of the economy and supports members in adopting active ownership and better integrated climate risks and opportunities into investment processes. The Fund's Pension Committee Chair is currently a representative on the IIGCC Corporate Programme Advisory Group. The corporate programme focuses on supporting investors to

engage with companies to align portfolios with the goal of net zero by 2050. In addition to the Fund's own membership of IIGCC, the Fund asks its managers to also be members providing a double lock on engagement.



[LAPFF | The leading voice for local authority pension funds across the UK \(lapffforum.org\)](https://lapffforum.org)

As a member of LAPFF the Fund works together with the majority of LGPS funds and pools across the UK, through the forum, to promote high corporate governance standards to protect the long-term value of local authority pensions. With member fund assets exceeding £350bn, the forum engages with companies and regulators to deliver reforms advancing corporate responsibility and responsible investment. In October 2021 the Fund's Head of Pensions was appointed to the executive committee as an LAPFF Officer Member.



[Home | Pensions For Purpose](#)

Pensions For Purpose is a bridge between asset managers, pension funds and advisers, to encourage the flow of capital towards impact investment. Pensions For Purpose provide high quality expertise and training to Funds on ESG issues. The Fund joined as an affiliate member in September 2021.



[Home | Financial reporting council](#)

The Financial reporting council sets UK Accounting, Audit and Actuarial standards. The fund has committed to report under the FRC's Stewardship code, pledging to manage capital in a way that creates long term value and leads to sustainable benefits for the economy, the environment and society. The Fund's has submitted its report form the past 2 years and have been accepted as a signatory.



[Home | Task Force on Climate-Related Financial Disclosures](#)

The TCFD was set up to develop recommendations on the types of information that companies should disclose to support its stakeholders in appropriately assessing and pricing risks related to climate change. The fund has committed to report under the TCFD initiative.



[UKSIF – UK Sustainable Investment and Finance Association](#)

The UK Sustainable Investment and Finance Association is a membership organisation for those in the finance industry committed to growing sustainable and responsible finance in the UK. By creating the space

for networking and showcasing good practice across the sector, UKSIF bring together the broad community to highlight success and create connections. UKSIF has a long track record of successfully influencing government policy, giving a strong voice to members to push forward the need for a sustainable future delivered in a way that works for the industry, positions the UK as the world leader, and creates opportunities for innovation.

Draft

## Pooling

### Background

The pooling landscape that first started to take shape in 2016 did not specify a particular model. ACCESS (A of Central, Eastern and Southern Shires) 11 Local Pension Scheme (LGPS) Authorities agreed to collectively to address the requirements of the agenda for pooling LGPS investments. The first Authority Agreement was signed in late June

The pool structure ACCESS chose to create market sourced approach the ACCESS have always adopted, and although some other different pathways, ACCESS were not alone in adopted.

2024/25 has been dominated by the Pension Review and the implications for LGPS

Following last September's Call for Evidence, the Consultation entitled LGPS: Fit for the future was launched after the Chancellor's November Mansion House speech. This developed original Government thinking and consolidated the notion of "one model" for all pools.

Against a March 2026 deadline for pools to be built around an FCA regulated investment management company, options included merger and, for those with models such as ACCESS, building an FCA company.

In order to comply with the expectations of LGPS Fit for the future ACCESS launched Project Castle initiating an intense period of dialogue, engagement and analysis. The result was a detailed assessment of options culminating in a submission to Ministers in late February, setting out the rationale for why the most effective course of action for our pool was to build our own FCA investment management company.

As will be widely known, shortly after the end of 2024/25, in early April, ACCESS was extremely disappointed when Ministers indicated that they had chosen not to support ACCESS's proposal. The Joint Committee, ACCESS Authorities and the ACCESS Support Unit continue to work through the implications of that decision.

In response to this the ESPF confirmed a preferred pooling partner as Border to Coast Pensions Partnership. Established as a regulated asset manager in 2018, they are one of the largest LGPS pools in the UK. Their purpose is to make a difference for the LGPS by providing cost-effective, innovative, and responsible investment opportunities that deliver returns over the long-term. The ESPF will work towards becoming a shareholder in Border to Coast Pensions Partnership by the 31 March 2026.

### Current arrangement

ACCESS is made up of 11 Local Government Pension Schemes (LGPS) Administering Authorities:

1. Isle of Wight
2. Hampshire
3. West Sussex
4. East Sussex



shape in 2016 Collaboration Government begin working Government's ACCESS Inter 2017.

continued the Authorities pools took the model

Government's pools.



5. Kent
6. Hertfordshire
7. Essex
8. West Northamptonshire
9. Cambridgeshire
10. Suffolk
11. Norfolk

Collectively the pool has assets of £66.7 billion (of which 74% £49.3bn has been pooled) serving over 3,500 employers with over 1.2 million members.

The ACCESS Administering Authorities are committed to working together to optimise benefits and efficiencies on behalf of their individual and collective stakeholders, operating with a clear set of objectives and principles that drives the decision-making process.

The following strategic objectives are in place:

1. Enable participating authorities to execute their fiduciary responsibilities to the Local Government Pension Scheme (LGPS) stakeholders, including scheme members and employers, as economically as possible.
2. Provide a range of asset types necessary to enable those participating authorities to execute their locally decided investment strategies as far as possible.
3. Enable participating authorities to achieve the benefits of pooling investments, preserve the best aspects of what is currently done locally, and create the desired level of local decision-making and control.

In order to achieve these objectives, the Councils have established a set of governing principles implicit within these is the democratic accountability and fiduciary duty of the Councils as Administering Authorities. The governing principles are summarised below:

- Collaboration
- Objective evidence-based decisions
- Professionalism
- No unnecessary complexity
- Value for money
- Risk management
- Equitable voice in governance
- Equitable cost sharing
- Evolution and innovation

## **Governance**

Strategic oversight and scrutiny responsibilities remain with the Administering Authorities as does all decision making on their individual Fund's asset allocation and the timing of transfers of assets from each Fund into the arrangements developed by the ACCESS Pool.

The Joint Committee (JC) has been appointed by the eleven Administering Authorities under s102 of the Local Government Act 1972, to exercise specific functions in relation to the pooling of LGPS assets. The JC's functions include the specification, procurement, recommendation of appointment of pool Operators (for active asset management) and pool-aligned asset providers (for passive asset management), to the Administering Authorities. The Joint Committee also reviews ongoing performance.

The Section 151 Officers of ACCESS Authorities provide advice to the Joint Committee in response to its decisions to ensure appropriate resourcing and support is available to implement the decisions and to run the ACCESS Pool.

The Joint Committee is further supported by the Officer Working Group (OWG) and the ACCESS Support Unit (ASU).

The Officer Working Group consists of officers with specialist LGPS skills, identified by each of the Administering Authorities whose role is to provide a central resource for advice, assistance, guidance and support for the Joint Committee.

The ACCESS Support Unit (ASU) provides the day-to-day support for running the ACCESS Pool and has responsibility for programme management, contract management and supplier relationship, administration and technical support services.

A business plan is developed and submitted for consideration by the JC ahead of the start of each year, prior to being recommended to each of the ACCESS Authorities.

The business plan includes milestones across listed assets (both active and passive), non-listed assets and governance. The JC also determines an annual budget to support the activities within the business plan.

The ASU has responsibility to manage this development and implementation of the business plan, within budget, whilst assessing and managing the risks for the pool. A central feature of ACCESS is the engagement of each of the eleven Authorities, and therefore the support and facilitation of stakeholder groups is key to the work of the ASU. The governance structure of the Pool ensures that dialogue with, and input from, Local Government Pension Scheme (LGPS) subject matter experts from each Authority, is gathered through the Officer Working Group (OWG) and various subgroups.

In turn, this enables the s151 Officer Group to form the recommendations that are ultimately considered by the JC. It has long been recognised that considerable expertise exists within the LGPS officer community. The full time ASU staff are therefore supplemented by part-time Technical Leads whose work for ACCESS is part of the Pool's costs.

## **The Operator**

Appointed in 2018 Waystone (formally Link Fund Solutions Ltd) provide the pooled operator service, establishing, overseeing and operating an Authorised Contractual Scheme (ACS) for the sole use of ACCESS Authorities. Waystone are also responsible for establishing the creation of a range of investment sub-funds for active listed assets and the appointment of the investment managers to those sub-funds. This is designed to enable Administering Authorities to execute their asset allocation strategies.

## **Pool Aligned Assets**

UBS were appointed following a joint procurement in 2017, and act as the ACCESS Authorities' investment manager for passive assets. JP Morgan and IFM were approved in 2024 to provide open ended infrastructure investments to the Pool. Aviva were appointed in 2024 to provide long lease real estate investments and CBRE have been appointed to provide UK and Global Property investments.

## **Progress**

ACCESS submitted its pooling proposal to Government in July 2016 with detailed plans for establishing and moving assets into the pool. Included in the proposal was an indicative timeline of when assets will be pooled, and ACCESS has continued to make excellent progress against the principal milestone of having £30.6 billion assets pooled and estimated savings of £21.0 million by March 2027 exceeding the assets pooled by £18.7 billion and the savings by £14 million.

As at 31 March 2025, 74% of assets have been pooled:

### Pooled Assets

As at 31 March 2025, ACCESS has pooled the following assets:

Asset Class	£ billion
Global Equity Funds	16.6
UK Equity Funds	1.6
Emerging Markets Equity Funds	1.2
Fixed Income	10.1
Diversified Growth	0.9
Passive investments	12.5
Infrastructure	2.1
Real Estate	3.7
Timberland	0.6
Total Pooled Investments	49.3

The passive investment funds are held on a pool governance basis under one investment manager as these assets are held in life fund policies, which cannot be held within an authorised contractual scheme.

The investment return on active listed assets annualised over 5 years was 11.8% against benchmark returns of 11.2% and outperformance of 0.6% annualised over 5 years.

### Financial Management Expected v Actual Costs and Savings

The table below summarises the financial position for 2024/25 along with the cumulative position since the commencement of ACCESS activity in early 2016.

A budget for ongoing operational costs is set by the Joint Committee and is financed equally by each of the eleven Authorities. 2024/25 saw a slight overspend, primarily due to higher than anticipated costs of external advice and additional work required in response to the governments Fit for the Future consultation and new pooling requirements.

	2024-2025	2024-2025	2016-2025	2016-2025
	Actual	Budget	Actual	Budget
	In Year	In Year	Cumulative to date	Cumulative to date
	£'000	£'000	£'000	£'000
Set Up Costs	-	-	1,824	1,400
Transition Costs	-	-	3,338	6,907
Ongoing Operational Costs	1,617	1,314	8,517	10,568

<b>Operator &amp; Depository Costs</b>	5,791	6,082	28,183	32,791
<b>Total Costs</b>	<b>7,408</b>	<b>7,396</b>	<b>41,862</b>	<b>51,666</b>
<b>Pool Fee Savings</b>	(35,394)	(21,400)	(165,133)	(106,850)
<b>Net (Savings Realised)/Costs</b>	<b>(27,986)</b>	<b>(14,004)</b>	<b>(123,271)</b>	<b>(55,184)</b>

Operator and depository fees are payable by each Authority in relation to assets invested within the Authorised Contractual Scheme established by Waystone as pool operator.

The 2024/25 fee savings have been calculated using the CIPFA price variance methodology and based on the average asset values over the year. This approach highlights the combined level of investment fee savings, across all ACCESS Authorities stemming from reduced charges.

In summary, since inception ACCESS has demonstrated excellent value for money, maintaining expenditure broadly in line with the MHCLG submission whilst delivering an enhanced level of savings ahead of the timeline contained in the original proposal.

# Administration

## Service Delivery

During 2024/25, East Sussex County Council as Administering Authority for the East Sussex Pension Fund undertook the day-to-day pensions administration via its in-house pensions team.

The Pensions Administration team were responsible for:

- administering the LGPS on behalf of the ESPF scheme employers in accordance with relevant legislation and Pension Committee decisions
- calculation of actual pensions and lump sums for retiring members of the LGPS and provision of retirement estimates
- maintenance of the Pensions Administration database and provision of annual benefit statements for active and deferred members
- creation of new starters records, including transfers in where appropriate
- administration and calculations relating to leavers
- payment of pensions, increases thereon and other entitlements

Communication with members is, where possible, via the Member Self Service cloud-based website (My Pensions Portal). This includes Annual Benefit Statements, member newsletters, beneficiary nominations, updating personal details and carry out benefit calculations. The My Pensions Portal was upgraded and re-launched in July 2024 with a new look, design and branding, with more graphics to help understanding. New features include simpler log-in, improved security (two stage authentication), new retirement planner, ABS broken down into easier chunks, access for pensioners to printable payslips and P60's. All members were written to asking them to register to access the new portal.

Employers have been either using or introduced to the i-Connect cloud-based portal through which they can upload their monthly payroll salary and contribution data directly into the Pensions Administration database. As at 31 March 2005 only ten Employers were still too onboard to i-Connect. Employers' newsletters were also provided.

The Fund website [www.eastsussexpensionfund.org](http://www.eastsussexpensionfund.org) provides scheme members and employers access to up-to-date information on both the LGPS and the Fund.

Administration of the Fund is a standing agenda item at the quarterly Pension Board and Committee meetings to ensure the service is managed and governed well. Administration and helpdesk performance, staffing and projects are reviewed and discussed at each meeting.

With effect from 1 September 2023 most of the Fund printing and postage services were transferred to the ESCC Post Hub. The remainder (mainly pensioner payroll related) were migrated on 1 September 2024.

From 1 April 2024 the support for the pensioner payroll and pensions helpdesk (including TUPE staff) were also bought in-house.

The Fund proactively continues to focus on data quality in preparation for the Pensions Dashboards and appointed Heywood Limited as its Integrated Service Provider.

The Annual Allowance (AA) limit increased from £40k to £60k for 2023/24 so fewer members were expected to be impacted. All the necessary calculations were completed in September 2024, with ten cases over the AA limit and only one where tax was due.

Efforts continue with the robotics programme to integrate wider automation within pension administration to carry out straight-forward repetitive tasks/actions. In November 2024 a robot called Drusillas went live. This robot processes the refund of member pension contributions. The checking stage of each case continues to be authorized by a pensions Officer. ESPF currently have five live robots saving about 5,000 hours of work a year, creating circa £150k of financial savings.

The Digital Assistant is a Chatbot designed to sit on the ESPF website and answer FAQ. The project is well underway, and Officers are working with an external provider ICS.AI who have created a draft set of 298 questions and answers. These will be reviewed in the Summer of 2025 and then the Digital Assistant can be integrated on some key pages of the website by the end of 2025.

Following an evaluated the LGPS Framework bids and completion of the appropriate due diligence the Pension Administration Software contract was awarded by the Pensions Committee to Heywood Limited. The contract will commence on 28 April 2026 for a five-year term, with an option to extend up to 26 April 2034.

## **Administration Performance**

Historically, the Pension Board and Pension Committee have reviewed performance of completed tasks against a relatively small number of Key Performance Indicators. The Pension Administration Team workflow management system deals with more than a hundred different tasks. Following a discussion with the Pension Board and Pension Committee, to be fully open and transparent, from April 2024 a new report was created within Altair Insights to disclose performance against all the tasks undertaken. The new format provided wider and more detailed management information including what tasks were received, what was completed, what remained outstanding (and clarifying how many of these could be actively worked upon). In August 2024, the monthly reporting was expanded to show, for each task, the average time taken, and the longest time taken in relation to tasks completed outside of the Service Level Agreement.

Activity	CIPFA Annex A Casework Reference	CIPFA No. of B Days	ESPF SLA Target	Items outstanding at start of period 01/04/2024	Post received	Post completed	Completed within SLA	% Complete within SLA	Completed outside SLA	Average No. days taken *	Longest No. days taken *	Items outstanding at end of period 31/03/2025	open tasks at end of period 31/03/2025
Aggregation- Payment	A13		10	146	2,977	2,717	1,816	66.8%	901	9.8	265	140	69
Aggregation- Quote			15	309	2,020	1,657	902	54.4%	755	15.2	165	213	181
APC/AVC's			10	18	488	468	459	98.1%	9	1.4	48	30	2
Deaths – initial letter acknowledging death of member	A1 & B1	5	2	5	369	372	369	99.2%	3	0.1	1	1	0
Deaths- With Benefits	A2 & B2	10	5	123	698	633	531	83.9%	102	3.2	123	130	20
Deaths-No Further Benefits	B2	10	5	44	509	520	428	82.4%	92	4.1	135	23	2
Deferred Benefits	A5 & B8	30	15	244	3,023	2,718	2,243	82.5%	475	10.7	416	332	139
Divorce Quotes	A9 & B12	45	15	5	51	48	48	100%	0	0.9	n/a	4	4
Divorce - Proceeding	A10 & B13	15	25	0	127	124	124	100%	0	3.0	n/a	4	2
General Enquiries			10	108	2,936	2,874	2,807	97.7%	67	1.3	121	97	29
Interfund in- Payment	A6 & B9	15	25	57	929	554	550	99.3%	4	2.5	166	118	4
Interfund In- Quote			10	344	827	378	219	57.9%	159	24.5	193	377	16
Interfund Out- Payment	A7 & B10	15	25	23	579	521	448	86.0%	73	12.8	77	32	9
Interfund Out- Quote			15	33	399	330	293	88.8%	37	6.4	138	26	14
Refunds- Frozen			10	83	2,167	2,005	1,449	72.3%	556	36.1	648	167	98
Refunds- Payment	A8 & B11	10	5	23	1,104	1,082	984	90.9%	98	1.8	29	21	17
Retirements – letter notifying actual retirement benefits	A3,A4 & B5,B6	15	7	48	1,962	1,933	1,759	91.0%	174	3.4	37	39	22
Retirements – letter notifying estimate of retirement benefits	A11 & B3, B4, B15	15	15	15	2,259	2,245	2,205	98.2%	40	3.6	24	18	16
Retirements – process and pay pension benefits on time	B7	15	5	267	2,556	2,129	1,988	93.4%	141	2.4	66	267	56
Transfer In- Payment	A6 & B9	15	25	49	314	189	184	97.4%	5	2.0	19	38	6
Transfer In- Quote			10	116	272	169	69	40.8%	100	25.8	157	116	11
Transfer Out- Payment	A7 & B10	15	10	15	80	53	49	92.5%	4	2.6	1	25	4
Transfer Out- Quote			10	25	522	461	410	88.9%	51	4.2	43	30	18
Trivial Commutation			10	0	104	96	96	100%	0	1.5	3	3	1
Grand Totals				2,100	27,272	24,276	20,430	84.2%	3,846			2,251	740

New Joiners

A12 & B14

40

\* these columns were only added Aug 24

Opt outs

A14

Priority 1
Priority 2
Priority 3
Priority 4
Priority 5

The Admin Strategy is a mixture of 90% or 95% KPI targets and these can vary within the task list

92%+
87%+
<87%

<1K
1k to 1.5k
>1.5k



Month	o/s* at start	Post received	Post completed	Completed in SLA**	% within SLA	Outside SLA**	Total o/s* at end	Open tasks at end
Apr 24	2,100	1,790	1,828	1,422	77.8%	406	2,042	580
May 24	1,846	2,021	1,755	1,472	83.9%	283	2,082	556
Jun 24	1,905	1,857	1,763	1,531	86.8%	232	1,975	345
Jul 24	1,810	2,612	1,984	1,743	87.9%	241	2,404	882
Aug 24	2,215	3,024	2,326	1,991	85.6%	335	2,891	1,253
Sep 24	2,059	2,040	1,761	1,458	82.8%	303	2,904	1,252
Oct 24	2,549	2,347	2,518	2,015	80.0%	503	2,341	707
Nov 24	2,090	2,015	1,963	1,596	81.3%	367	2,080	423
Dec 24	1,919	1,541	1,522	1,360	89.4%	162	1,892	398
Jan 25	1,719	3,126	2,279	2,078	91.2%	201	1,892	1,069
Feb 25	2,372	2,368	2,148	1,793	83.5%	355	2,557	1,034
Mar 25	2,283	2,364	2,355	1,977	83.9%	378	2,251	740

\*o/s = outstanding

\*\*SLA = Service Level Agreement

### Number of complaints

Scheme year	Number
2021/22	47
2022/23	46
2023/24	33
2024/25	35

The Pension Administration Team record any inkling of a complaint or where there is a possible maladministration with a financial consequence for the Fund.

### Financial indicators of administrative efficiency

The table below shows management expenses by members. The benchmark used is the average fund costs from the local government pension scheme funds account return ([SF3](#)).

Investment management expenses	ESPF Unit costs per member 2023/24	ESPF Unit costs per member 2024/25	Benchmark unit costs 2023/24
Excluded	£46.5	£48.0	£43.6
Included	£307.6	£340.9	£315.0

## Key staffing indicators

During 2024/25, staffing numbers within the Pensions Administration area (including the helpdesk team) increased from 26 FTE to 32 FTE. The team was carrying 2 vacancies.

This provides the Fund with a staff (32) to fund member (86,784) ratio of 1:2,712

With average reportable KPI cases (24,202) per member of staff (32) ratio of 1:756.31

## Membership

During 2024/25 the number of “Active” contributing members within the Pension Fund increased by 0.31% from 24,888 to 24,965. In summary, the number of members contributing to the Scheme is:

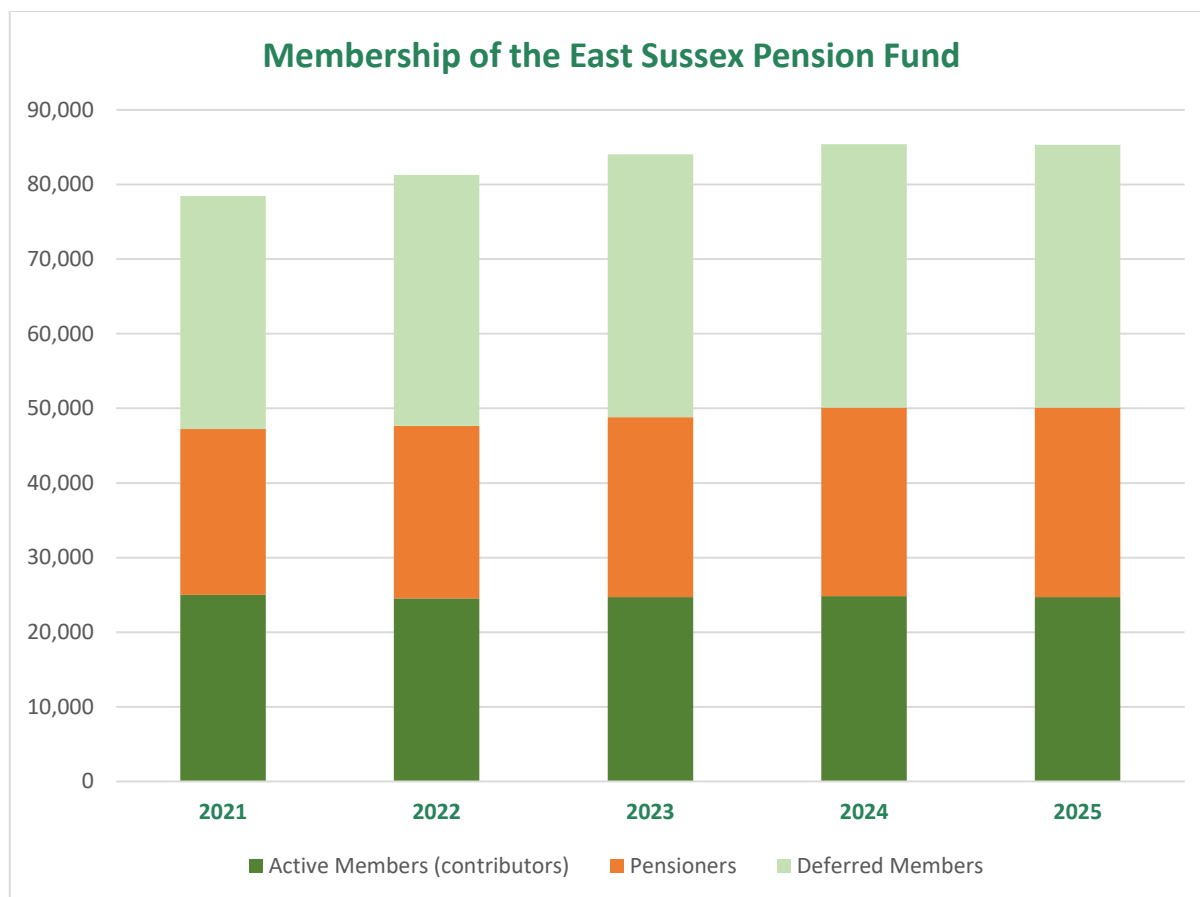
	Number of members 2023/24	Number of members 2024/25
<b>East Sussex County Council</b>	8,003	7,889
<b>Brighton &amp; Hove City Council</b>	7,564	7,484
<b>Academies</b>	3,998	4,437
<b>Colleges</b>	2,703	2,656
<b>Other</b>	2,620	2,499
<b>Total</b>	<b>24,888</b>	<b>24,965</b>

The number of pensioners in receipt of payments from the Fund increased from 25,288 to 26,762 (or 5.83%).

The following table and bar chart provide a summary of contributing members, pensioners in payment and deferred pensioners over the last five years:

	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
<b>Active Members (contributors)</b>	25,002	24,514	24,691	24,888	<b>24,965</b>
<b>Pensioners (inc dependents)</b>	22,230	23,131	24,124	25,288	<b>26,762</b>
<b>Deferred Members</b>	31,234	33,646	35,213	35,240	<b>35,057</b>
<b>Total</b>	<b>78,466</b>	<b>81,291</b>	<b>84,028</b>	<b>85,416</b>	<b>86,784</b>

Under the Local Government Pension Scheme (LGPS) (Administration) Regulations 2013, the East Sussex County Council administers the Pension Fund for approximately 86,000 individuals employed by 150 different organisations. Underpinning everything we do is a commitment to putting our members first, demonstrating adherence to good practices in all areas of our business and controlling costs to ensure we provide outstanding value for money.



#### New pensioners by pensioner type

Pensioner type	Number
Normal Retirements	946
Redundancies	119
Ill Health	43
Employee's Choice of Early Pension	687
<b>Total New Pensioners</b>	<b>1,795</b>

#### 2024 Annual Benefit Statement

The ABS statutory deadline was 31 August 2024 and the results of statements issued for eligible members were as follows:

Member category	2022	2023	2024
<b>Actives</b>	96.70%*	95.90%	<b>99.24%</b>
<b>Deferred</b>	99.79%	99.72%	<b>99.99%</b>

\* Figure excluded BHCC, for whom no ABS were produced before the deadline.

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# Administration key performance indicators

**Table C - Communications and engagement**

Ref	Engagement with online portals	Percentage as at 31 March
C1	% of active members registered	42.65% *
C2	% of deferred member registered	32.24% *
C3	% of pensioner and survivor members	49.03% *
C4	% total of all scheme members registered for self-service	40.35% *
Page 326	Number of registered users by age	
C6	% of all registered users that have logged onto the service in the last 12 months	Due to the upgrade all registered since July 24 so 100%

\*Excluding members who have specifically opted out of electronic communication

Ref	Communication	Number
C7	Total number of telephone calls received in year	12,509 via pensions helpdesk (April 2024 to March 25)

C8	Total number of email and online channel queries received	17,973 via pensions@eastsussex.gov.uk (April 24 to March 25)
C9	Number of scheme member events held in year (total of in-person and online)	6-member training events (Jan 25)
C10	Number of employer engagement events held in year (in-person and online)	1 employer forum in Nov 24, held online.
C11	Number of active members who received a one-to-one (in-person and online)	One meeting with a pass through employer, not a direct employer within the fund
C12	Number of times a communication (i.e newsletter) issued to: a) Active members b) Deferred members c) Pensioners	2 1 1

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**Table D - Resources**

Ref	Resources as at 31 March	Number / %
D1	Total number of all administration staff (FTE)	32 FTE
D2	Average service length of all administration staff	6.9 years
D3	Staff vacancy rate as %	2
D4	Ratio of all administration staff to total number of scheme members (all staff including management)	86,784/32 = 1:2,712
D5	Ratio of administration staff (excluding management) to total number of scheme members	86,784/28 = 1:3,099

**Table E - Data Quality**

Ref	Annual benefit statements	%
E1	Percentage of annual benefit statements issued as at 31 August	99.13%

Please provide a short commentary below if the score above is less than 100%

ABS not run for 231 actives & 267 deferreds. As at 28/10/25 all deferreds ABS issued and only 42 actives outstanding

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Ref	Data category	Score
E3	Common data score	97.2% as at 29/08/24
E4	Scheme specific data score	93.3% as at 29/08/24
	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	
		Tables as at 30/10/2025

E6	Percentage of active, deferred and pensioner members with an email address held on file				
			Status	Group	
		Email Held	I	4	5 or 6
		N	9.91%	26.78%	23.94%
		Y	90.09%	73.22%	76.06%
		Total	100.00%	100.00%	100.00%
			Status	Group	
		Email Held	I	4	5 or 6
		N	2,423	9,068	6,878
		Y	22,038	24,796	21,847
		Total	24,461	33,864	28,725

Ref	Employer performance	Score
	Percentage of employers set up to make monthly data submissions	91% - 13 Employers Outstanding
	Percentage of employers who submitted monthly data on time during the reporting year	N/A

## Employers

The East Sussex Pension Fund was established in 1974 to cover the future pension entitlement of all eligible employees of the County Council and former District Councils. The Fund excludes provision for teachers, police officers and fire fighters, for whom separate arrangements exist. A number of other bodies also participate in the Scheme. These include Parish and Town Councils, Further Education Colleges, Academy Schools, Police and Fire Authorities (non-uniformed staff only) and Admitted Bodies. Admitted Bodies are those which are able to apply for membership of the Scheme under the Regulations. If the Pension Fund Committee agrees to the application, an Admission Agreement is drawn up admitting the body into the Scheme.

Note 29 to the accounts provide a list of all organisations currently contributing to the Fund. It includes their contribution rates, expressed as a percentage of employees' pensionable pay, and additional annual payments for those participating bodies which would otherwise have a shortfall in contributions by the end of the recovery period.

Below is a summary of the number of employers in the fund analysed by scheduled bodies and admitted bodies which are active (with active members) and ceased (no active members but with some deferred members and pensioners).

	Active	Ceased	Total
Scheduled body	122	16	138
Admitted body	27	57	84
<b>Total</b>	<b>149</b>	<b>73</b>	<b>222</b>

## Employer statistics by Employer type

Employer Type	Number of Employers as a percentage of total	Percentage of total fund membership	Number of Employers in Group
Scheduled Bodies – Major Authorities	6.04%	80.41%	9
Academy Schools	42.28%	11.45%	63
Colleges	3.36%	5.43%	5
Other Scheduled Bodies	30.20%	0.60%	45
Admission Bodies	18.12%	2.11%	27

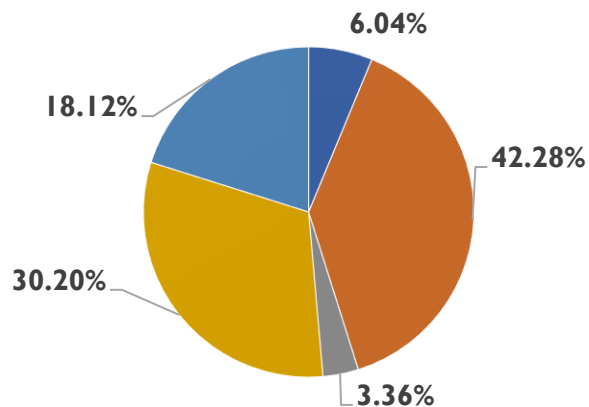
Note - all percentages have been rounded to the nearest one decimal place



The Local Government Pension Scheme Regulation 59(1) of the (Administration) Regulations 2013 covers

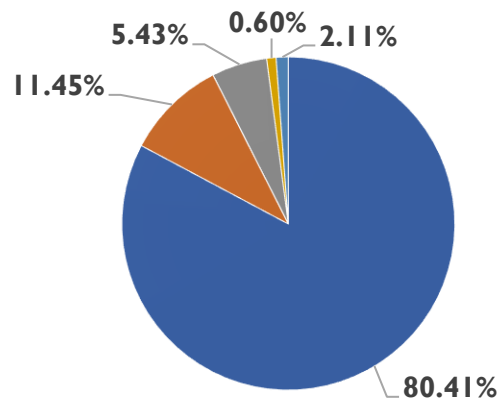
### Number of Employers as a percentage of total

- Scheduled bodies - Major Authorities
- Academy Schools
- Colleges
- Other scheduled bodies
- Admission bodies



### Percentage of total fund membership

- Scheduled bodies - Major Authorities
- Academy Schools
- Colleges
- Other scheduled bodies
- Admission bodies



the requirement for an administering authority to prepare a written statement of policies as it considers appropriate in the form of a Pensions Administration Strategy. The East Sussex Pension Fund Pensions Administration Strategy is kept under review and revised to reflect changes to LGPS regulations and Fund policies.

The Pensions Administration Strategy document sets out a framework by way of outlining the policies and performance standards to be achieved when providing a cost-effective inclusive and high-quality pensions administration service.

In particular it sets out:

- The roles and responsibilities of both the Fund and the employers within the Fund;
- The level of service the Fund and employers will provide to each other; and
- The performance measures used to evaluate the level of service.

This administration strategy statement will be reviewed in line with each valuation cycle. All scheme employers will be consulted before any changes are made to this document. The latest version of the administration strategy statement will always be available on the ESCC website.

Employers are able to contact the Pension Fund directly depending on the type of request. The Employer Engagement Team will deal with employers directly on day-to-day questions and queries. The Pensions Administration team will deal with any employee requests that come via the employer. The employers have been informed of direct contact details for all requests and questions to the Fund.

The Local Government Pension Scheme (LGPS) regulations require employers who participate in the LGPS to draw up and publish a discretions policy and to keep it under review. Discretions are powers that enable employers to choose how to apply the scheme in respect of certain provisions. All new employer admissions to the Scheme will complete a discretions policy on joining and discretion policies will be reviewed every 3 years in line with each valuation cycle.

All new admissions to the LGPS will be provided with a guide to outsourcing and admissions. This guide will provide information to all new potential admissions to the Fund and will lay out the necessary process that will need to be adhered to before admissions can be undertaken. All new admissions will be sent the relevant legal agreements and documentation that will require signing before proceeding.

Any employer with a potential TUPE or outsourcing must contact the employer engagement team where support and advice will be provided on the necessary steps that will need to be undertaken. Relevant information, timings and paperwork will need to be completed before any TUPE/outsourcing can commence. Employers will be provided a direct contact throughout the whole project to answer questions and provide support.

A reminder is sent to all employers annually to provide details of the employer's responsibilities and obligations to the Fund. The admin strategy also provides details for employers of their responsibilities.

Employers have a responsibility that they must meet as part of the East Sussex Pension Fund. The table below provides details on monthly/annual deadlines that must be met.

### Employer deadlines

Employer Responsibility	Deadline
Complete and submit LGPS31 forms (contribution forms)	18th day of the month following that to which the payment relates
Payment of correct contributions	19th day of the month following that to which the payment relates
Provide end of year data requirements	By 30th April following the year end (unless already onboarded to i-Connect)

If the above deadlines are not met, then warnings are issued. If an employer breaches the above deadlines on more than one occasion in a 12-month period, then administration charges can be levied. Employer contribution amounts are provided to all employers at the Employer's Forum following the valuation. A reminder of the new rates is also annually sent to employers in March. The new amounts are sent in March in preparation for the new rates to be applicable from the April contribution payment.

# Communications Policy

The Communication Strategy sets out how the East Sussex Pension Fund will engage, educate, and fulfil the needs of its stakeholders including members and employers. This is in line with Regulation 61 of the Local Government Pension Scheme (LGPS) Regulations 2013.

The Fund uses a range of methods for members and employers to provide key information.

## Newsletters

The Fund will advertise newsletters via email which will direct members/employers to the website. Newsletter articles can be viewed on the website itself, or a downloadable pdf is available as an alternative. The newsletter will cover current pension topics linked to the LGPS and the wider pensions industry, along with important messages. Further information may be sent on an ad-hoc basis highlighting issues of importance, such as changes in scheme regulation or operation as they arise.

### Active members

Two newsletters a year. These are typically issued around mid-year and the end of each year. The mid-year version is produced in conjunction with several other LGPS Funds and is Plain English accredited.

**Deferred members** – one newsletter, typically issued mid-year in conjunction with other Funds.

**Pensioners** – one newsletter, typically produced Q4 of each year.

**Employers** – three newsletters were issued in 2024/25 and made available on the 'employer' page of our website.

## Website

The Fund has its own website (<https://www.eastsussexpensionfund.org/>) which provides extensive information and guides about the LGPS, factsheets, forms and up to date news about the Fund's activities and achievements. This should be members main source of scheme information. There are specific sections dedicated to different types of members.

- Joining the scheme
- No longer paying in
- Paying in
- Pensioners

There is a page dedicated to retirement.

Employers also have their own dedicated page within the website.

The Fund produce a range of guides/fact sheets for both members and employers to aid understanding of the pension scheme. These are available online within an extensive forms and publications library.

In addition, members have access to the national LGPS website. This site is for members of the Local Government Pension Scheme (LGPS) in England and Wales and their families.

Please note that we use electronic communication as our primary means of contacting members, but they do have the right to opt out and receive statutory information by post.

## **‘My Pension’ - member self-service website**

Members have online access (once registered) to their current LGPS pension record held by East Sussex Pension Fund. In July 2024 we launched an upgraded, improved site designed to help members keep up to date with their pension.

‘My Pension’ offers:

- Simple registration and login – no need to remember usernames, security questions, members just login with their email address and password.
- Updated look and design – making the site easier to understand and move around.
- Online annual benefit statements – broken down into simpler chunks to help members understand what pension benefits they have.
- Retirement planning tool - this allows members to set retirement goals and identify whether they are on track to reach them.
- Benefit calculators - members can see an estimate of their benefits if they leave the Scheme or wish to consider voluntary retirement.

‘My Pension’ also offers the ability to update personal details, nominations for death benefits and more. The updated version of ‘My Pension’ transforms the way members access and engage with vital pension information online.

The new website was promoted on the website, via both email and post and through employers (on the premise they would share information with employees). A landing page was set up to aid registration, common questions and answers, video demonstrations etc.

## **Annual benefit statements**

Annual Benefit Statements are provided to active and deferred members (by the 31<sup>st</sup> of August each year) which detail members’ pension accrued to date (in the latest Scheme year) and a projection to their Normal Retirement Age (actives only). The statements are made available online via ‘My Pension’ or posted to members who have opted out of electronic communications (where addresses are known).

## **Member training**

For the first time in 2025 the Fund provided virtual training for contributing Fund members.

Name of course	What does the course cover?
Introduction to the Local Government Pension Scheme	Whether you are new to the Scheme or been a member for a while, this session covers the benefits of being in the LGPS.

Name of course	What does the course cover?
Your Pension MOT	A course designed to help you keep up to date and engaged with your pension, with lots of handy tips thrown in.
Preparing for retirement	This course will help if you are thinking ahead to retirement and want to know more about the process, how your benefits are calculated and answers to key retirement questions.

The feedback from those who have attended the sessions was extremely positive.

## Employer training

The Employer Engagement team provide support and in-person training for employers on request. The Fund also make employers aware of courses/online training available through the Local Government Association and any other information produced in the industry that may be useful to LGPS employers.

In November each year, the Fund hold a Forum The day is a fantastic opportunity for employers to learn more about the how the Fund is run, understand their responsibilities as an employer, and meet the team responsible for supporting them. The Fund also produce an employer toolkit, designed to support employers in the main processes and procedures they are responsible for under the Local Government Pension Scheme.

## Pensioners / dependants

Annual Pension Increase statements are sent to all pensioners informing them of the percentage rate their pension will increase by and their revised pension payment for the next tax year. The Fund publish the increase rate on the 'Pensioner' website page as soon as it is known.

Pensioners are also issued with payment advice slips in March, April, and May.

P60 notifications are issued annually (usually in April or May) and provide members with a breakdown of the payments they have received over the last financial year. P60s and payslips are provided by default online via our member self-service website or issued in the post for others.

## Prospective Members - Employer engagement

The Fund works with scheme employers to help them in the joining arrangements for the LGPS. The Fund will also ensure that the benefits available are highlighted regularly to employers through mention in conversations, newsletters, and the employer forum. In addition, there is a bespoke 'joining the Scheme' page available on our website.

## Internal Dispute Resolution Procedure

The LGPS is required by statute to make arrangements for the formal resolution of any disagreements on matters in relation to the Scheme that may arise between the administrators of the Scheme and the active, deferred and pensioner members or their beneficiaries or representatives.

Where complaints cannot be resolved informally, there is access to a two-stage dispute resolution procedure. The first stage of this process is for the complainant to ask the Adjudicator appointed by the Fund to consider the matter under dispute. If the complainant is not satisfied with the response they can

ask for a further review of the decision, along with any new evidence they might provide. The person responsible for reviewing stage two complaints is the ESCC Assistant Chief Executive. Ultimately the complainant has the right to refer their complaint to The Pension Ombudsman and seek assistance from the Money and Pensions Service. The following table summarises the number of disputes made through the Fund's Internal Dispute Resolution Procedure at each stage of appeal:

<b>Dispute category – First stage</b>	<b>Number in 2024/25</b>
<b>First Stage</b>	<b>4</b>
<b>Upheld</b>	<b>1</b>
<b>Declined</b>	<b>3</b>
<b>Ongoing</b>	<b>0</b>

<b>Dispute category – Second Stage</b>	<b>Number in 2024/25</b>
<b>New at Second Stage</b>	<b>0</b>
<b>Upheld – outcome change</b>	<b>0</b>
<b>Upheld – no outcome change</b>	<b>0</b>
<b>Declined</b>	<b>0</b>
<b>Ongoing</b>	<b>0</b>

This table reflects the position for the 2024/25 financial year and is not the current position. Not all complaints resolved in this timeframe were raised in the same financial year and the numbers quoted include complaints raised in 2023/24 but were not resolved in the same financial year.

# Actuarial report



## East Sussex County Council Pension Fund

### Actuary's statement as at 31 March 2025

#### Barnett Waddingham LLP

29 November 2025

#### Introduction

The last full triennial valuation of the East Sussex 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 £4.619m.
- The Fund had a funding level of 122.8% i.e. the value of assets for funding purposes was 122.8% 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 surplus of £858m.

#### Contribution rates

The employer contribution 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 20.2% 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:

The key assumptions used to value the liabilities at 31 March 2022 are summarised below		Assumptions used for the 2019 valuation	
<b>Financial assumptions</b>		<b>31 March 2022</b>	
Market date		2.9% p.a.	
CPI inflation		3.9% p.a.	
Long-term salary increases		4.6% p.a.	
Discount rate			
<b>Demographic assumptions</b>			
<b>Post-retirement mortality</b>			
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 Scheme's assets over the year to 31 March 2025 have been strong, estimated at 8% p.a. The Fund also has a positive cash flow, and so the market value of assets at 31 March 2025 has increased since the formal valuation.

### Liabilities

Inflation over the three years to 31 March 2025 has been higher than the long-term average assumed at the 2022 valuation. However, this has been largely offset by changes in financial assumptions underlying the valuation funding model and future expectations of inflation and investment returns. The value of liabilities has overall increased mainly due to interest accruing on those liabilities and due to further accrual of members' benefits over the period.

## Overall position

The 2025 valuation of the Fund is now underway, and the results will not be finalised until 31 March 2026. However, early indications suggest that the funding level will be relatively similar compared to what it was at 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.



# **External Audit Opinion**

**Independent auditor's report to the members of East Sussex County Council on the pension fund financial statements of East Sussex pension fund**

**Report To follow**

Draft

Draft

Draft

Draft

Draft

# Additional Information

## Freedom of information requests

In the financial year 2024/25 the Fund received 17 Freedom of Information requests covering 6 topics.

The topics covered were:

- 1 request relating to ESCC;
- 1 request relating to pensions in payment and the amount of pensions at various sizes (£50,000, £100,000);
- 1 request related to climate risk/modelling
- 1 request related to the percentage of pension payouts compared to the income the fund generates.
- 1 request concerning transfer out cases (main scheme and AVCs).
- 12 requests were about Fund investments

All the Freedom of Information requests received were responded within the required timeframe.

The Fund also received 13 other requests for personal information. Of these, 9 were received from representatives of members or former members of the Fund and the remaining 4 were received by the Financial Services Compensation Scheme.

10 of these requests had been responded to by the end of the financial year, with one request withdrawn. Of the outstanding requests, one has since been resolved with the other request not being fulfilled as the person raising the request did not verify their identity to show they are entitled to the data.

## **The statement of compliance with the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills**

### **CIPFA Knowledge and Skills Framework – Pension Fund Committees**

There is a developing expectation from central Government and The Pensions Regulator that members of Pension Committees should have the same level of knowledge and understanding as Pension Board members. The Fund holds the same view and the Pension Committee has committed to attending appropriate training in line with the SAB's 'good governance' project signals a much stronger requirement on Pension Committee members knowledge and understanding.

The CIPFA framework, introduced in 2010, covers six areas of knowledge identified as the core requirements:

- Pensions legislative and governance context.
- Pension accounting and auditing standards.
- Financial services procurement and relationship development.
- Investment performance and risk management.
- Financial markets and products knowledge.
- Actuarial methods, standards and practice.

Under each of the above headings the Framework sets out the knowledge required by those individuals responsible for Fund's management and decision making.

### **CIPFA Technical Knowledge and Skills Framework – Local Pension Boards**

CIPFA extended the Knowledge and Skills Framework in 2015 to specifically include Pension Board members, albeit there is an overlap with the original Framework. The 2015 Framework identifies the following areas as being key to the understanding of local pension board members:

- Pensions Legislation.
- Public Sector Pensions Governance.
- Pensions Administration.
- Pensions Accounting and Auditing Standards.
- Pensions Services Procurement and Relationship Management.
- Investment Performance and Risk Management.
- Financial markets and product knowledge.
- Actuarial methods, standards and practices.

### **Evidence to demonstrate compliance with the Knowledge Code of Practice**

The Fund invites the Pension Board, the Pension Committee and key Officers to complete a self-assessment of their knowledge and understanding of pension matters. This self-assessment is based on the guidance provided by CIPFA and The Pensions Regulator. The completed questionnaires are used by Officers to assess the training needs of both the Board and Committee as a whole and individual members and records are kept on file.

Draft



## **The role played by Internal Audit in providing assurance and managing risk, and a summary of assurance activity undertaken during the year**

The role of Internal Audit in relation to the East Sussex Pension Fund is to provide assurance on the Fund's governance, risk management and internal controls. An annual Internal Audit Strategy and Plan is developed, following discussions with the Fund's management and the chairs of the Committee and Board. The plan is prioritised around the key risks to the Fund and, following scrutiny by the Board, is approved by the Committee, incorporating any changes they may require, prior to the beginning of the year.

The plan is delivered during the year, providing an audit opinion on each of the areas identified for review. Our reports highlight any areas where controls could be strengthened and include management actions to address them. We present our reports to both the Board and the Committee and give members the chance to raise any questions they may have.

In 2024/25, we provided assurance in the following areas:

- Compliance with regulatory requirements
- The administration of pension benefits
- Investments and accounting
- Financial controls

Draft

**Report to:** Pension Committee

**Date of meeting:** 18 November 2025

**By:** Chief Finance Officer

**Title:** Pension Fund Risk Register

**Purpose:** To consider the Pension Fund Risk Register

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## **RECOMMENDATION:**

**The Pension Committee is recommended to review and note the Pension Fund Risk Register.**

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## **1 Background**

- 1.1 Risk management is the practice of identifying, analysing and controlling in the most effective manner all threats to the achievement of the strategic objectives and operational activities of the Pension Fund. It is not a process for avoiding or eliminating risks. A certain level of risk is inevitable in achieving the Fund objectives, but it must be controlled.
- 1.2 Effective risk management is an essential part of any governance framework as it identifies risks and actions required to mitigate their potential impact. For a pension fund, those risks will come from a range of sources, including the funding position, Local Government Pension Scheme (LGPS) Pooling, General Data Protection Regulation (GDPR), investment performance, membership changes, benefits administration, costs, communications and financial systems. Good information is important to help ensure the complete and effective identification of significant risks and the ability to monitor those risks.
- 1.3 Since the last meeting of the Pension Board and Pension Committee, the Risk Register has continued to be reviewed to ensure all appropriate risks and mitigations have been identified.
- 1.4 It is accepted that whilst mitigations are put in place for identified risks, it will not always be possible for all risk to be eliminated. In these cases, a level of risk is tolerated and kept under review.

## **2 Supporting Information**

- 2.1 A summary of the risk register of the Fund is included as Appendix 1. The full Risk Register is not published in this meeting pack but is available to Committee members upon request.

## **3 Changes to the Risk Register**

- 3.1 There has been a single amendment to the scores detailed on the Risk Register since the last meeting of the Committee.

- 3.2 Risk G1, Key Person Risk: The post-mitigation score has been decreased following the abolition of Deputy Head of Pensions and Governance and Compliance Manager roles. A new role of Head of Governance and Compliance has been created and an appointment made. It is envisaged that this new role, together with the Head of Pensions Administration and the Head of Investments and Accounts will deputise for the Head of Pensions where appropriate, dependent on the subject matter and business need. An appointment has been made for a Pensions Support Officer on a fixed term contract for 12 months to assist with additional work created from pension reforms and the wider governance area.
- 3.3 Risk G3, Cyber Security: Whilst the pre and post mitigation scores have remained constant, the Risk Control/Response details have been expanded to reflect the work carried out and planned to improve the resilience of the Fund to cyber risks. A contractor has now been selected to work with the Fund on cyber risk matters and further updates will be provided to the Committee as that work progresses.
- 3.4 Risk I4 and I5, Investment Pooling: whilst the risk and the attached scores remain unchanged since the last meeting of the Committee, this remains a prominent issue, given the extensive work being undertaken to facilitate movement to the new investment partnership pool. Further review of this risk will be carried out when clarity is received in relation to the likely approach to transition assets.

#### **4 Conclusion**

- 4.1 The Pension Committee is recommended to review and note the Pension Fund Risk Register.

**IAN GUTSELL**  
**Chief Finance Officer**

Contact Officer:  
Email:

Susan Greenwood, Head of Pensions  
[Susan.Greenwood@eastsussex.gov.uk](mailto:Susan.Greenwood@eastsussex.gov.uk)

## Summary Post Mitigation Risk scores

Reference Strategic Risk		Sep-23	Nov-23	Feb-24	Jun-24	Sep-24	Nov-24	Feb-25	Jun-25	Sep-25
<b>Employer</b>										
E1	<b>Contributions Funding</b> Failure to collect contributions from employers in line with Funding strategy requirements and Rates and Adjustment Certificate	4	4	4	4	4	4	4	4	4
E2	<b>Employer data</b> Employers fail to provide accurate and timely data to the PAT team	9	9	9	9	9	9	9	9	9
E3	<b>Employer Covenant</b> Delay in employers agreeing Admission Agreement, risk of insufficient security	4	4	6	6	6	6	6	6	6
<b>Administration</b>										
A1	<b>Pensions service Delivery</b> Inadequate delivery of Pensions Administration	6	6	6	6	6	6	6	6	6
A2	<b>Regulatory Change</b> Risk that new benefit structures can not be set up correctly or in time	6	6	6	6	6	6	6	6	6
A3	<b>Production of Statutory member returns</b> Risk of failure to produce ABS, annual allowance and event reports	6	6	6	6	4	4	4	4	4
A5	<b>Transfer Scams</b> Failure to comply with CETV anti scam checks	2	2	2	2	2	2	2	2	2
A7	<b>MBOS Project</b> Failure to deliver the new ERP system to effectively deliver for Pension Fund accounting and payroll requirements	6	6	6	6	6	6	6	6	6
<b>Governance</b>										
G1	<b>Key Person risk</b> Risk of loss of key / senior staff resulting in lost knowledge and skills with in the Pensions Team	4	4	6	6	8	8	6	6	9
G2	<b>Committee / Board Member</b> Lack of decision making caused by loss of Pension Committee/Pension Board members or insufficient knowledge and skills of members	9	6	6	6	6	6	6	6	6
G3	<b>Cyber Security</b> Risk of Loss of data or systems breaches through cyber attacks	8	12	12	12	12	12	12	12	12
G4	<b>Governance and Compliance</b> Inadequate governance arrangements and controls to discharge powers & duties	6	3	3	3	3	3	3	3	3
G5	<b>Data Breach</b> Failure to comply with General Data Protection Regulations	4	4	4	4	4	4	4	4	4
G6	<b>Fraud</b> Internal and External fraud risk	4	4	2	2	2	2	2	2	2
<b>Investment/Funding</b>										
I1	<b>Funding risk - poor investment returns</b> Risk that investment strategy fails to result in performance required to meet the needs of the Funding strategy discount rate	4	4	4	4	4	4	4	4	4
I3	<b>Regulatory risk</b> Failure to comply with regulations, legislation and guidance from an accounting and investment perspective	2	2	2	4	4	4	4	4	4
I4	<b>Investment Pooling</b> Inability to comply with government direction on pooling, insufficient sub funds to implement investment strategy, poor management of the pool	12	9	9	9	9	9	9	9	9
I5	<b>Investment Pooling</b> Existing arrangements agreed via ACCESS do not meet the needs of East Sussex Pension Fund								9	9
I6	<b>Funding risk - higher inflation</b> Risk of inflation leading to increased liabilities, lower asset returns and a funding gap	6	6	6	6	6	6	9	6	6
I7	<b>Environmental, Social and Governance</b> Risk of ESG factors within Investment strategy, underlying holdings and implementations of investment decisions	4	4	6	6	6	6	6	6	6
I8	<b>Climate change</b> Risk to assets and liabilities associated with Climate Change	4	4	6	6	6	6	6	6	6
I9	<b>Liquidity</b> Insufficient cash to pay benefits as they fall due	4	4	4	4	4	4	6	4	4
I10	<b>Money Purchase Additional Voluntary Contributions</b> Inadequate offering to Scheme Members	2	2	2	2	2	2	2	2	2

Ref	Strategic Risks	Pre-mitigati on RAG	Risk Control / Response	Post-mitigati on RAG	Risk Owner
<b>Employer Risk</b>					
E1	Contributions Funding Failure to collect contributions from employers in line with Funding strategy requirements and Rates and Adjustment Certificate	9	<ul style="list-style-type: none"> <li>•Monthly Employer contribution monitoring completed</li> <li>•Monitoring of breaches re. late payments by Employer engagement team (via escalation process). Chasers sent out near deadlines to prompt employers to provide prompt information and payment.</li> <li>•Contributions recorded in Finance system for each employer to track employer cashflows in line with actuarial requirements for Valuation and FRS17/IAS19 reporting requirements (can also see trends in contributions collected)</li> <li>•Pension Administration strategy: updated Feb 2023, outlining ability to charge employers for late payment, late receipt of remittance advice or poor data quality. Late payment charges as deterrent (&amp; cover Fund for late payment).</li> <li>•i-Connect: allows Fund to a) better reconcile payments &amp; b) gain more accurate employer contribution payments (i-connect functionality being improved by software provider).</li> <li>•Regular reporting to Pensions Board on late payments of contributions</li> <li>•Covenant review helps identify employers most likely to have financial difficulties (to be reviewed in 2025).</li> <li>•Triennial valuation process tries to stabilise contribution rates. Senior management involved in detailed discussions on funding assumptions. Triennial Valuation complete for 2022 and new rates set for April 2023 onwards. LGPS31 forms issued to all employers with new rates.</li> <li>•Guide to Employers on implications of Pensions on Outsourcing published and issued to all employers</li> <li>•Contribution deferral policy approved by Committee (June 2020)</li> <li>•Deferred debt and debt spreading policies approved (June 2023)</li> <li>•Employer engagement team confirms correct signatories for contribution submissions (so signed off at appropriate management level)</li> <li>•Regular communication with Employers through Employer engagement team</li> <li>•Cash Management covered by internal audit in 2022/23 and 2023/24 looking at contribution collection and cash management strategy with substantial assurance</li> </ul>	4	Head of Pensions
E2	Employer data Employers fail to provide accurate and timely data to the PAT team	12	<ul style="list-style-type: none"> <li>•Pension Administration Strategy: in place (last reviewed 2023)</li> <li>•Employing authorities contacted for outstanding/accurate information</li> <li>•User Guide and Training provided to Employers for outsourcing implications with LGPS</li> <li>•Regular communication and meeting with administration services regarding service updates etc.</li> <li>•Employer engagement team established Jan 2021 to support employers and provide training where required</li> <li>•Quarterly employer newsletter helps employers to understand ESPF current issues and activity</li> <li>•Data cleansing plan completed June 2020 (led by Hymans). PAT and other teams regularly improve Data quality</li> <li>•i-Connect system limits employer ability to submit incorrect data. Data is received monthly (not annually) to allow regular cleansing and discussion with employers</li> <li>•Meetings held between senior pensions Management team and employers where there are current or historic data concerns</li> <li>•2022 triennial valuation data cleansing: Actuary worked with PAT to check data (data cleansing ongoing for both Dashboard and 2025 triennial valuation).</li> </ul>	9	Head of Pensions

E3	Employer Covenant Delay in employers agreeing Admission Agreement, risk of insufficient security	8	<ul style="list-style-type: none"> <li>•Admission agreements ensure the Fund can provide comprehensive admission agreements when negotiating in line with the risk sharing arrangements agreed with the letting employer. New templates developed for pooling rate. Fixed rate template and Bond template in place (shared with the employers early in the process to speed up agreement of new admission agreements)</li> <li>•Outsourcing Guide to publicly available and distributed to all employers (guide tells employers what to consider/plan when making an outsourcing arrangement with TUPE staff). New employers are given a copy (part of Admission Agreement process)</li> <li>•Officers meet regularly to review status and progress on admissions. Updates at monthly team meetings ensure admissions are always complete and effective</li> <li>•Data flow and process map ensures officers request and communicate all required information promptly (and that on execution of the agreements data is supplied in line with the Administration strategy)</li> <li>•Admissions in progress reported quarterly to Board and Committee to share status updates</li> <li>•Security obtained for new admissions in form of bond or a guarantee from an appropriate body which can support the guarantee</li> </ul>	6	Head of Pensions
<b>Administration</b>					
A1	Pensions service Delivery The scheme is not administered correctly resulting in the wrong benefits being paid or benefits not being paid, including the result of poor data	9	<ul style="list-style-type: none"> <li>•In-house PAT team gives management team complete control over service delivery</li> <li>•Annual internal audit reports on pension administration (incl. regular reporting and monitoring of "red" recommendations to ensure Fund continues best practice). Fund received reasonable assurance since bringing in-house (no red recommendations).</li> <li>•Quarterly Reports to Pension Board and Committee on areas of work and KPIs, New service level KPIs now reportable within the Administration software</li> <li>•Pension Regulator Guidance acknowledged by all team members (training provided via team meetings or courses)</li> <li>•Task workflow from Senior Pension Officers to PAT staff . Helpdesk add all tasks to their workflow to ensure all tasks completed well as planned. PAT staff add tasks as appropriate.</li> <li>•Checklists in place. Activity impacting members recorded on member records for other teams members to access</li> <li>•All tasks peer reviewed. Constant monitoring / checking by team managers and senior officers for more junior staff members</li> <li>•In house risk logs cover projects</li> <li>•SAP / Altair reconciliation monthly to ensure pension payment records complete and correct</li> <li>•Calculations generally automated to reduce manual error risk</li> <li>•Task management systems in Altair ensure activity is completed and monitored</li> <li>•Regular meetings with payroll, HR, ICT and PAT</li> <li>•Pensions Admin working group discusses service delivery issues on a regular basis</li> <li>•Pensions Admin Team- skills matrix identifies training needs for processes</li> </ul>	6	Head of Pensions Administration
A2	Regulatory Change - Risk that new benefit structures can not be set up correctly or in time. - LTA replaced with max cash limits. - Introducing inheritance tax. - Change in minimum retirement age	9	<ul style="list-style-type: none"> <li>•Projects and/or working groups in place to deal with current regulatorily benefit changes</li> <li>•Attendance at networks and officer groups to stay on top of upcoming changes in regulation</li> <li>•Reports to Pension Board and Committee to ensure knowledge is shared to decision makers</li> <li>•Oversight via Pension Admin Working Group</li> </ul>	6	Head of Pensions Administration

A3	Production of Statutory member returns Risk of failure to produce ABS, annual allowance and event reports	15	<ul style="list-style-type: none"> <li>•Regular contact with employers to get data</li> <li>•Clear project plan with early communications and planning with milestones to ensure Statements created in time to allow time for staff distribution</li> <li>•Under 10 employers still to be onboarded to i-Connect, ensuring better quality &amp; speedy data including joiners/leavers. Annual Allowance data continues for cases in scope (with limit increased to £60k, cases impacted are significantly reduced)</li> <li>•Breaches policy in place. Breach reporting to Committee and Board quarterly to discuss breach reporting levels</li> <li>•McCloud remedy regularly reviewed by the Admin Working Group (and via regular meetings of Fund and software provider).</li> </ul>	4	Head of Pensions Administration
A5	Transfer Scams Failure to comply with CETV anti scam checks	6	<ul style="list-style-type: none"> <li>•Process for making checks required by law and/or recommended by TPR. Appropriate training identified and offered to staff so they understand risk and mitigate accordingly</li> <li>•Process mapping process to ensure transfers are fully documented with clear guidance to staff in carrying out this activity</li> <li>•Member informed of "red flags" identified</li> <li>•Scorpion campaign material provided to members seeking a CETV</li> <li>•Quality assurance checks ensure appropriate checks carried out</li> <li>•Reinstatement of deferred benefits for scammed cases</li> </ul>	2	Head of Pensions Administration
A7	Implementation of Oracle Failure to deliver the new ERP system to effectively deliver for Pension Fund accounting and payroll requirements	9	<ul style="list-style-type: none"> <li>•Officers are part of the project roll out and involved in testing. Needs of the Pension Fund are therefore considered</li> <li>•Officers produced process mapping for all functions within the existing finance system</li> <li>•Specific stream of planning identified in project for interface with Altair</li> <li>•S151 officer on programme board will make go/no go decision</li> <li>•Heywood's paid to produce a scheme specific payroll data output report for transfer to Oracle</li> </ul>	6	Head of Pensions
<b>Governance</b>					
G1	Key Person risk Risk of loss of key / senior staff resulting in lost knowledge and skills with in the Pensions Team	9	<ul style="list-style-type: none"> <li>•Diversified staff / team</li> <li>•Attendance at pension officers' user groups to network and exchange information</li> <li>•Procedural notes (include new systems, section meetings / appraisals)</li> <li>•Succession planning within team structure, building from within the team</li> <li>•Robust business continuity processes in place around key business processes (including disaster recovery plan)</li> <li>•Knowledge of all tasks shared by at least two team members within PAT (and can be covered by senior staff in all areas)</li> <li>•Training requirements set out in training strategy, job descriptions and reviewed prior to recruitment processes. Training officer in post.</li> <li>•Training strategy in place and regularly reviewed with training log where required</li> <li>•Recruitment project to fill vacant positions (nearly all posts now filled)</li> <li>•Apprenticeships bring new staff in to train in advance of vacancies</li> <li>•Team responsibilities reviewed to ensure appropriate coverage of workstreams</li> <li>• Fixed term contract for Interim Deputy Head of Pensions finished July 2025. Head of Pensions is considering options (recruitment or reorganisation)</li> <li>• New role of Head of Governance and Compliance has been created and filled, working alongside the Head of Pensions Administration and the Head of Investments and Accounts to deputise where required.</li> </ul>	4	Head of Pensions / Head of Pensions Administration



G2	Committee / Board Member Lack of decision making/functionality caused by loss of Pension Committee/Pension Board members or insufficient knowledge and skills of members	9	<ul style="list-style-type: none"> <li>•Record kept of terms of Office</li> <li>•Pension Board terms of Office staggered</li> <li>•Vice Chairs in place to cover chair absence</li> <li>•Officers aware of election cycles and request for officers as a preference over elected members is communicated to employers</li> <li>•Robust Terms of reference (clear and comprehensive)</li> <li>•Training plans in place for new members to build knowledge to required levels</li> </ul>	6	Head of Pensions
G3	Cyber Security Risk of Loss of data or systems breaches through cyber attacks	16	<ul style="list-style-type: none"> <li>• ICT defence - in-depth approach.</li> <li>• Utilising firewalls, passwords and ICT control procedures including system access and account deletion protocols. Network activity is monitored to identify security threats.</li> <li>• Email and content scanners</li> <li>• Anti-malware etc. regularly updated. ICT performs penetration and security tests on regular basis. Encryption used on all data transfers</li> <li>• Service level agreement with termination clause</li> <li>• Regular reports SAS 70/AAF0106</li> <li>• Industry leaders provide data protection and cyber defence systems</li> <li>• Risk assessment completed with all new contracts with data transfer and new associated systems including penetration testing at outset</li> <li>• Pensions Team specific BCP: being finalised and rolled out</li> <li>• Information security report no material vulnerabilities. Recommendations to be implemented.</li> <li>• Cyber training is provided to all staff around techniques and methods used to launch cyber attacks</li> <li>• Officers did war games training session with IT (Aug 2024) and are in procurement discussions to improve the cyber risk policy of the Fund.</li> <li>• Contractor appointed to work with the Fund on cyber risk matters goign forward.</li> </ul>	12	Head of Pensions
G4	Governance and Compliance Inadequate governance arrangements and controls to discharge powers & duties	9	<ul style="list-style-type: none"> <li>•Training strategy in place which covers Pension Committee, Pensions Board and officers</li> <li>•75 days of internal audit commissioned for each calendar year with regular reporting from IA to committee and board, including areas Governance and Compliance</li> <li>•External auditor provides audit plan at planning stage for each financial year and this is discussed by Audit committee as well as Pension Committee and Board</li> <li>•Investment regulations require proper advice</li> <li>•Procurement processes in place to ensure quality within replacement advisers</li> <li>•Review carried out against TPR General Code requirements to identify any governance gaps</li> <li>•Specialist legal advisers and governance advisers to provide clear and accurate advice to the Fund on point of law or regulation</li> <li>•Publication of annual Governance and Compliance Statement explaining governance arrangements and reviewed and approved by Board / Committee</li> <li>•Training coordinator appointed. This officer liaises with chair of Pension Board and Committee to identify training needs</li> <li>•Working groups in place, with own terms of reference, which report findings to full Board and Committee</li> <li>•Governance of meetings supported by Democratic Services</li> <li>•Governance structures held within ESCC constitution</li> <li>•Conflict of interest policy in place</li> </ul>	3	Head of Pensions

G5	Data Breach Failure to comply with General Data Protection Regulations and Disclosure Regulations	9	<ul style="list-style-type: none"> <li>•Contracts with external parties (where data role) have clear terms and conditions as part of the data processing agreements</li> <li>•Data Impact assessment carried out on all new tenders where data is involved</li> <li>•DPO in place via ESCC</li> <li>•Privacy notice on website (privacy statements refreshed yearly)</li> <li>•Memorandum of Understanding in place with employers within the fund</li> <li>•All staff complete information governance training on joining the Council (refreshed annually)</li> <li>•Information governance Internal audit completed in Q4 2020/21 with a reasonable assurance level and all recommendations were completed</li> <li>•Pensions Manager for Governance and Compliance completed review on GDPR in Q4 2020/21 resulting in a newly designed webpage, new privacy notices and change to the retention period</li> </ul>	4	Head of Pensions
G6	Fraud Internal and External fraud risk	12	<ul style="list-style-type: none"> <li>•Quarterly review of log in credentials</li> <li>•Senior officers have sight of bank account</li> <li>•Senior officers are signatories to bank account</li> <li>•Multiple sign off needed to make payment, with appropriate seniority levels</li> <li>•Mortality checks, Tell us once and NFI data</li> <li>•Contract in place with a third party to support with mortality and address training</li> <li>•Journals over £1m have to be signed off by Head of Pensions</li> </ul>	2	Head of Pensions

Investment/Funding					
I1	Funding risk - poor investment returns Risk that investment strategy fails to result in performance required to meet the needs of the Funding strategy discount rate	9	<ul style="list-style-type: none"> <li>•Strategy is supported by expert Investment consultants (challenged via Independent Advisor)</li> <li>•Triennial valuation ensures funding position is known and contribution rates are stabilised</li> <li>•Quarterly Performance monitoring, investment manager monitoring from consultants and Link for ACCESS sub funds. Officers: regularly meet and challenge investment managers</li> <li>•Annual Investment Strategy Review, with interim rebalancing</li> <li>•Quarterly Reporting to Pensions Committee, with decisions approved by committee (including Fund Manager performance)</li> <li>•Training strategy ensures officers and committee members have sufficient knowledge and skills to implement and change the investment strategy</li> <li>•Investment decisions comply with the ISS/FSS (and based on proper advice)</li> <li>•Diversified strategy to reduce correlation of manager volatility</li> <li>•Changes to investment strategy discussed with the actuary to ensure anticipated implications on funding aligned</li> <li>•Revision of the Asset Liability Model to support a viable Strategic Asset Allocation for the new valuation</li> </ul>	4	Head of Pensions
I3	Regulatory risk Failure to comply with regulations, legislation and guidance from an accounting and investment perspective	9	<ul style="list-style-type: none"> <li>•Pensions Officers are up-to-date with changes to legislative requirements via network meetings, professional press, training and internal communication procedures</li> <li>•Pension Fund financial management and administration processes meet the CIPFA Code of Practice, International Financial Reporting Standards (IFRS), and the ESSC Financial Regulations</li> <li>•Regular reconciliations between in-house records and those maintained by the custodian and investment managers</li> <li>•Internal Audits - carried out in line with the Pension Audit strategy. External Audits- review the Pension Fund's accounts annually</li> <li>•Specialist legal advisers provide clear and accurate advice to the Fund on points of law or regulation</li> <li>•Breach policy ensures breaches mapped and reported</li> </ul>	4	Head of Pensions
I4	Investment Pooling Inability to comply with government direction on pooling, insufficient sub funds to implement investment strategy, poor management of the pool	16	<ul style="list-style-type: none"> <li>•ACCESS Support Unit team provide support to the pool</li> <li>•Operator contract provided by Waystone for assets held within the ACS. Operator novation imminent.</li> <li>•ACCESS Contracts Manager monitors Waystone's progress closely.</li> <li>•KPIs introduced within revised operator agreements</li> <li>•Consultants involved in analysing the creation of sub-funds and transitioning of assets into the pool, under a variety of scenarios</li> <li>•Opportunities to transfer securities in 'specie'. Reducing cost on transition</li> <li>•Transition manager preserves asset values, manages risk and project manages the transition process to ensure that costs are monitored and controlled</li> <li>•Due Diligence completed by legal advisers to ensure no hidden costs or governance issues not known at time of decision to invest</li> <li>•S151, chair of pension committee and monitoring officer representation on respective committees, working groups or distributions to ensure ESPF involved in all decisions and concerns and questions can be raised early</li> <li>•Regular meetings between officers and ACCESS pool with officers in working groups to ensure involvement in decision making</li> <li>•ACCESS governance review completed. ACCESS stewardship consultant to support development in RI activities for the pool</li> <li>•Illiquid assets in progress for pooling</li> <li>•Fund responds to key government consultations to ensure views shared with policy makers on recommended future changes in pooling.</li> </ul>	9	Head of Pensions

15	Investment Pooling Existing arrangements agreed via ACCESS do not meet the needs of East Sussex Pension Fund (confirmed following the Fit for the Future Review) and Fund moves to another Investment Pool to ensure compliance with prevailing legislation by 1st April 2026	12	Senior officers have worked extensively with officers from West Sussex and external advisors to identify a preferred pooling partner, given the government's confirmation that it does not support the proposals put forward by ACCESS in relation to the Fit for the Future consultation. Borders to Coast Pension Partnership has been identified as the Fund's preferred pooling partner going forward and officers are working with offices from West Sussex and 5 other partner funds from ACCESS that have also identified Borders to Coast Pension Partnership as the preferred pool to ensure documentation is in place to ensure the Fund complies with the legislation from 1st April 2026 and joins an investment pool supported by the government.	9	Head of Pensions
16	Funding risk - higher inflation Risk of inflation leading to increased liabilities, lower asset returns and a funding gap	12	<ul style="list-style-type: none"> <li>•Investment strategy weights to index linked gilts, infrastructure and real estate which (inflation-linked to mitigate inflation risk)</li> <li>•Potential to further increase infrastructure weightings</li> <li>•Fund monitor portfolio sensitivity to inflation via expert investment consultants</li> <li>•Triennial Valuation assumptions include local knowledge of the Administering authority on anticipated pay inflation</li> <li>•Flexibility in the DGF mandates to react to the market and adapt the investment portfolio</li> <li>•Quarterly monitoring of funding position helps identify risk early</li> <li>•2022 Triennial Valuation completed - inflation models used to estimate the average inflation across a 20 year time horizon, including consideration of the current high inflation environment. Index linked gilt triggers introduced to benefit from market opportunities which provide alignment with changing liabilities</li> </ul>	9	Head of Pensions
17	Environmental, Social and Governance Risk of ESG factors within Investment strategy not being properly considered affecting underlying holdings and implementations of investment decisions	8	<ul style="list-style-type: none"> <li>•Statement of Responsible Investment Principles outline responsible investment beliefs, implementation of decisions and monitoring of ESG factors</li> <li>•ESG at heart of all investment decisions (not a separate function or working group)</li> <li>•Fund has reduced exposure to companies with poor ESG rating via removal of traditional index funds (ensuring active managers have a strong conviction in the underlying companies including on ESG matters. Passive indexes / smart beta funds have robust screening processes in place to include ESG principles)</li> <li>•Track portfolio (underweight in fossil fuel exposure to benchmarks)</li> <li>•Produce annual reports on Fund's carbon footprint. Review of managers from ESG perspective (incl. transition pathway of underlying companies)</li> <li>•Stewardship code submission approved in February 2024 for the 2022 reporting year</li> <li>•Membership of collaborative groups to help drive policy change</li> <li>•Officers challenge managers on holdings regarding ESG issues and query voting decisions.</li> <li>•Annual ESG impact assessment for all managers, including improvement actions on ESG methodology, reporting or collaboration.</li> <li>•Engage via managers and investor groups (including LAPFF). Drive them to comply with key ESG concerns using combined investment power</li> <li>•ESG factors incorporated into all decision making</li> </ul>	6	Head of Pensions

I8	Climate change Risk to assets and liabilities associated with Climate Change	12	<ul style="list-style-type: none"> <li>•Statement of Responsible Investment Principles (SRIP) outlines investment beliefs including Climate Risk. Fund takes SRIP into account in decisions or when monitoring investment managers, carbon emissions or climate risk</li> <li>•Restructuring equity portfolio removes structural exposure to fossil fuel companies (avoiding high risk companies from climate perspective) and minimises stranded asset risks).</li> <li>•Fund can exploit opportunities from low energy transition by investing in climate impact funds and resource efficient companies</li> <li>•Fund has trimmed unconscious exposure to companies with high Carbon emission, poor energy transition plans &amp;/or fossil fuel companies, through removal of traditional index funds</li> <li>•IIGCC (Institutional Investors group on climate change): Fund is a member and expects its managers to be members</li> <li>•Annual carbon footprinting to understand carbon exposure and energy transition plans. ESG impact assessments of all investment managers (includes climate scoring).</li> <li>•Signatory to UN PRI</li> <li>•Report in line with the TCFD framework</li> <li>•Fund investigates climate scenario modelling to better understand and allow further consider approaches in tackling these risks</li> <li>•Where exposed to fossil fuels, Fund votes to improve practices. Some Fund managers are Climate 100+ engagement partners. All managers are IIGCC members. Managers can escalate ineffective engagement eg. disinvest from the high carbon or fossil fuel company.</li> <li>•Focus on Climate change in a)Training for committee and officers b)Decision making and strategy changes</li> <li>•Limited impact to the Fund value from direct exposure to fossil fuel companies (reducing exposure to carbon taxes, valuation falls or stranded assets)</li> </ul>	6	Head of Pensions
I9	Liquidity Insufficient cash to pay benefits as they fall due	8	<ul style="list-style-type: none"> <li>•Contributions monitored on monthly basis</li> <li>•Monitoring of members close to retirement</li> <li>•Daily cash position monitored</li> <li>•Distributing investments to ensure stream of income from investment activity</li> <li>•Income from investments is considered as a key risk in all investment strategy decisions and the income profile managed</li> <li>•Liaison between administration and investment team on cash requirements</li> <li>•Cash Management internal audit completed in Q3 2022/23 and will be picked up in the 2023/24 IA plan for further review</li> <li>•Cash Management strategy in place</li> </ul>	4	Head of Pensions
I10	Money purchase AVC Inadequate offering for the scheme members on cost, return and/or risk grounds	4	<ul style="list-style-type: none"> <li>•Range of fund options provided, so members can design investment strategy for own circumstances and risk profile</li> <li>•Continuing suitability of AVC offering reviewed regularly</li> <li>•Implementation plan in place with regular monitoring and oversight. Escalation process for any delays or operational issues arising during implementation</li> </ul>	2	Head of Pensions

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**Report to:** Pension Committee

**Date:** 18 November 2025

**By:** Chief Finance Officer

**Title of report:** Investment Report

**Purpose of report:** This report provides Pension Committee with an update on the investment activities undertaken by the East Sussex Pension Fund.

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**RECOMMENDATION:**

**The Pension Committee is recommended to note the report.**

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## **1. Background**

1.1 Under the Local Government Pension Scheme (LGPS) Regulations, the Council is required to maintain a Pension Fund for its employees and other 'scheduled bodies' as defined in the Regulations. The Pension Committee is required to maintain an Investment Strategy Statement (ISS) to govern the Fund's investments and receives a quarterly investment monitoring report, from its investment consultant.

1.2 The ACCESS Joint Committee was created following changes in the 2016 LGPS Investment Regulations. These changes aimed to facilitate collective investment vehicles and enable administering authorities to pool their investments. The Fit for the Future consultation has resulted in ACCESS no longer being a supported pool by government. New pooling arrangements are being considered.

## **2. Investment Workplan**

2.1 Appendix 1 shows a workplan which will act as a reference point of all actions agreed at Pension Committee meetings and the forward investment plan.

2.2 The focus over the next 12 months is:

- LGPS Pooling
  - Finalising work to join new LGPS Pool
  - Shareholder Agreement
  - Client Agreements
  - Join Pool governance
  - Transition of assets
- Principles for Responsible Investment (PRI) Submission
- UK Stewardship code submission
- Engage with investment managers on the engagement priorities defined in the Statement of Responsible Investment Principles.

### 3. Quarterly Performance Report

3.1 The Quarterly Performance Report for Q3 2025 is attached as Appendix 2. Key highlights are:

Fund Valuation:

- 30 June 2025: £5.1bn
- 30 September 2025: £5.3bn **(+£0.2bn, +4.0% absolute return)**

Relative Performance:

- Q3 2025: **-0.9% vs benchmark**
- 12 months: **-4.4%**
- 3 years (p.a.): **-3.9%**

Asset Allocation:

- Overweight in Growth: **+3.8%**
- Overweight in Protection (including cash): **+1.4%**
- Underweight in Income: **-5.2%**

This imbalance is primarily due to the unfulfilled private debt allocation.

3.2 Performance Drivers:

Main detractors:

- Global equity strategies: Longview lagged by **-5.9%**, while impact equity mandates WHEB and Wellington underperformed by **-2.6%** and **-4.5%** respectively.
- Private equity mandates: Adams Street and HarbourVest underperformed by **-3.6%** and **-2.6%**, despite delivering positive absolute returns. These strategies faced tough comparisons against MSCI World and MSCI ACWI indices, which had an exceptionally strong quarter.

Top performers:

- Diversified growth mandates provided resilience:
  - Newton Real Return: **+2.9%**
  - BlueBay Total Return: **+1.3%**
  - Ruffer Absolute Return: **+1.8%**

These strategies benefited from flexible multi-asset positioning and tactical allocations, offering valuable diversification during the quarter.

3.3 Overall, the Fund achieved a positive absolute return despite challenging benchmarks.



#### **4. Stewardship Code**

4.1 Fund officers have submitted the 2024 Stewardship Code report to the Financial Reporting Council (FRC) within the required timeframe. The FRC will assess the submission to confirm whether the Fund retains its status as a recognised signatory. A positive outcome will reaffirm the Fund's commitment to responsible, long-term investment practices that serve the best interests of its beneficiaries. The results will be reported to the Committee at its February 2026 meeting.

#### **5. Conclusion and reasons for recommendation**

5.1 The Fund's investments are monitored regularly to ensure compliance with the strategic asset allocation set out in the ISS and to keep the Committee informed of any significant concerns regarding investment managers.

5.2 The Pension Committee is recommended to note this report.

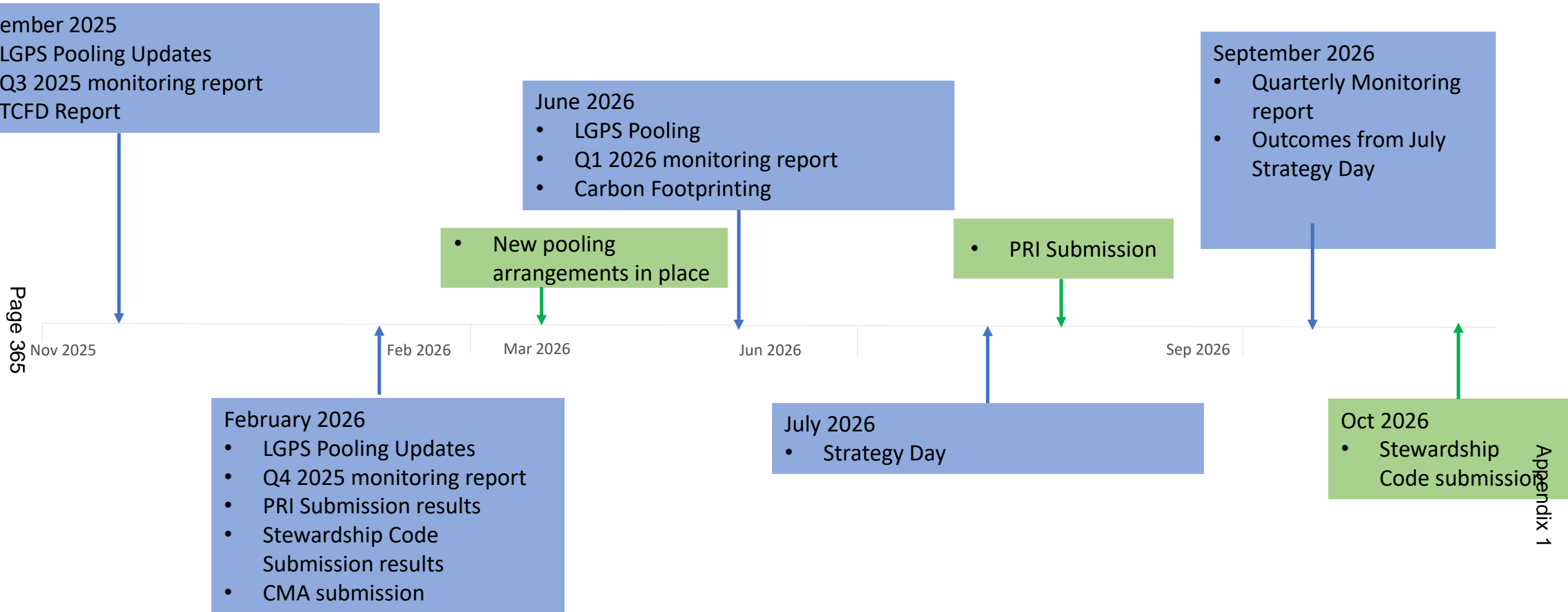
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# 12 month workplan



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# East Sussex Pension Fund

## Q3 2025 Investment Monitoring Report

Iain Campbell – Senior Investment Consultant

The person responsible for this advice is Iain Campbell. Members of the East Sussex client team who contributed to the production of this paper but are not responsible for the advice are Arfah Jawid and Luke Long.

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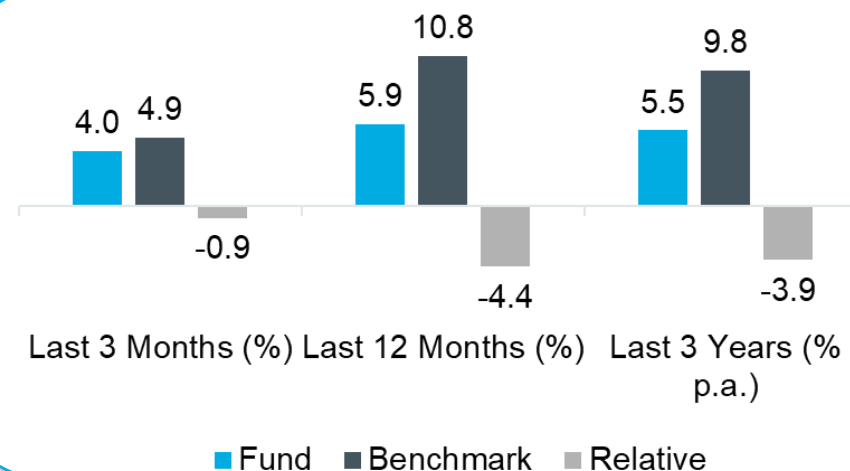
**Fund Value**  
**£5,273,833,926**

Over the quarter, the Fund's asset value increased by c.£200.2m.

**Total Net Return**  
**4.0%**

Over the quarter, the Fund returned 4.0% against its benchmark of 4.9%.

### Total fund performance



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### High-level asset allocation

	Actual	Benchmark	Relative
<b>Growth</b>	49.3%	45.5%	3.8%
<b>Income</b>	42.3%	47.5%	-5.2%
<b>Protection</b>	6.7%	7.0%	-0.3%

### Commentary

- Total Fund performance was 4.0% in absolute terms, underperforming the composite benchmark by 0.9%.
- Performance of Fund assets is similarly behind benchmark over longer time periods. Over the past 12 months and 3-years, the Fund has relative returns of -4.4% p.a. and -3.9% p.a. respectively.
- The Fund's income portfolio remains under-weight relative to the strategic asset allocation.

# Market Background

## Market update

The US economy grew at an upwardly revised annualised 3.8% in Q2, driven by consumer spending, AI investment and waning import headwinds; purchasing managers' indices (PMI) indicated continued, albeit slower, expansion in Q3. Most other economies experienced modest slowdowns.

US annual CPI inflation increased to 2.9% in August, with tariffs' effects less pronounced than anticipated. UK inflation remained elevated at 3.8%, but core inflation eased to 3.6%.

Eurozone inflation unexpectedly rose to 2.2%, with the core rate at 2.3% for a fifth month. The Federal Reserve (Fed) cut rates – by 0.25% pa, to 4.0–4.25% pa – for the first time this year.

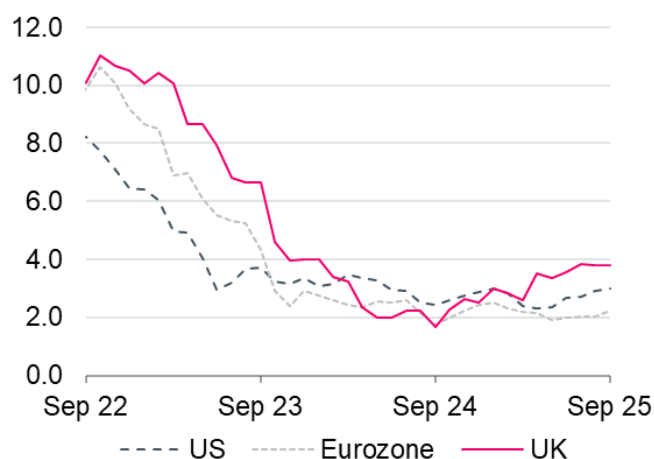
The Fed projects two more cuts in 2025 and one in 2026, while markets anticipate up to four in 2026. The Bank of England lowered rates by 0.25% pa, to 4.0% pa, in August; markets expect one more cut in 2026, amid inflation worries. The European Central Bank is likely to keep rates stable, with inflation near target and the deposit rate at 2.0% pa.

Ten-year US Treasury yields fell 0.1% pa, to 4.2% pa, as labour-market concerns suggested faster rate cuts, despite upside inflation risks.

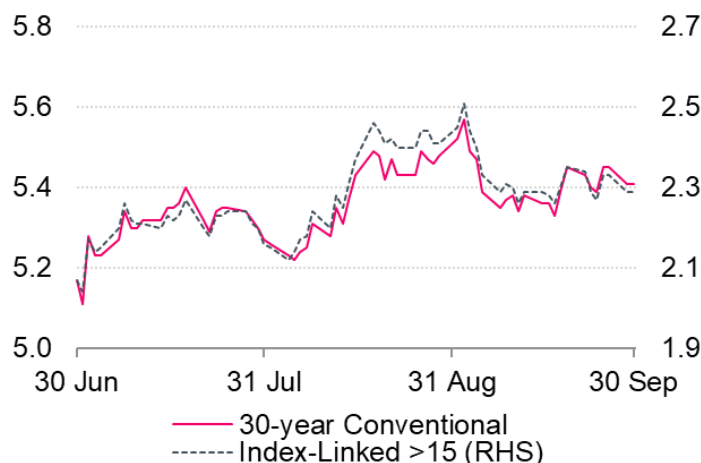
Meanwhile, UK, European and Japanese yields rose amid inflation, fiscal pressures and political uncertainty. Credit spreads tightened to historic lows across regions and ratings.

The trade-weighted US dollar rose 0.2% over Q3, despite weakening in August and September on narrowing interest-rate differentials and rate-cut expectations. The equivalent euro measure rose 0.7%, while sterling and the yen declined 1.6% and 2.1%, respectively. Gold prices rose 16.7% in Q3, taking year-to-date gains to 46.0%. Despite July's gains and intermittent strength in August and September, oil prices fell 0.8%, weighed by increased OPEC+ supply and inventory-building.

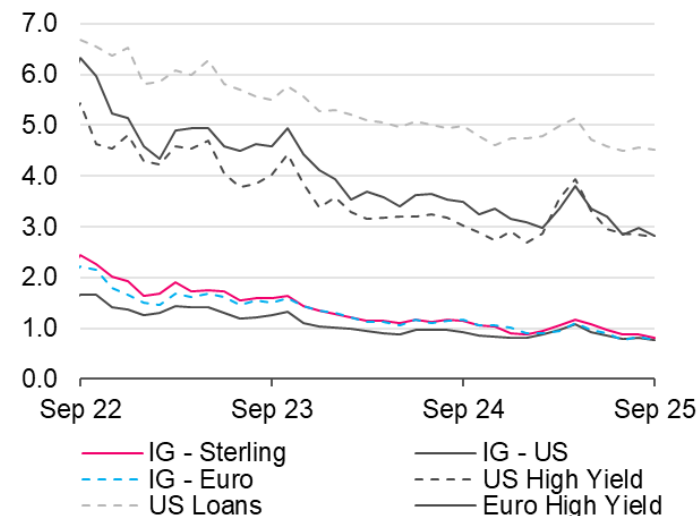
Annual CPI Inflation (% year on year)



Gilt yields chart (% p.a.)



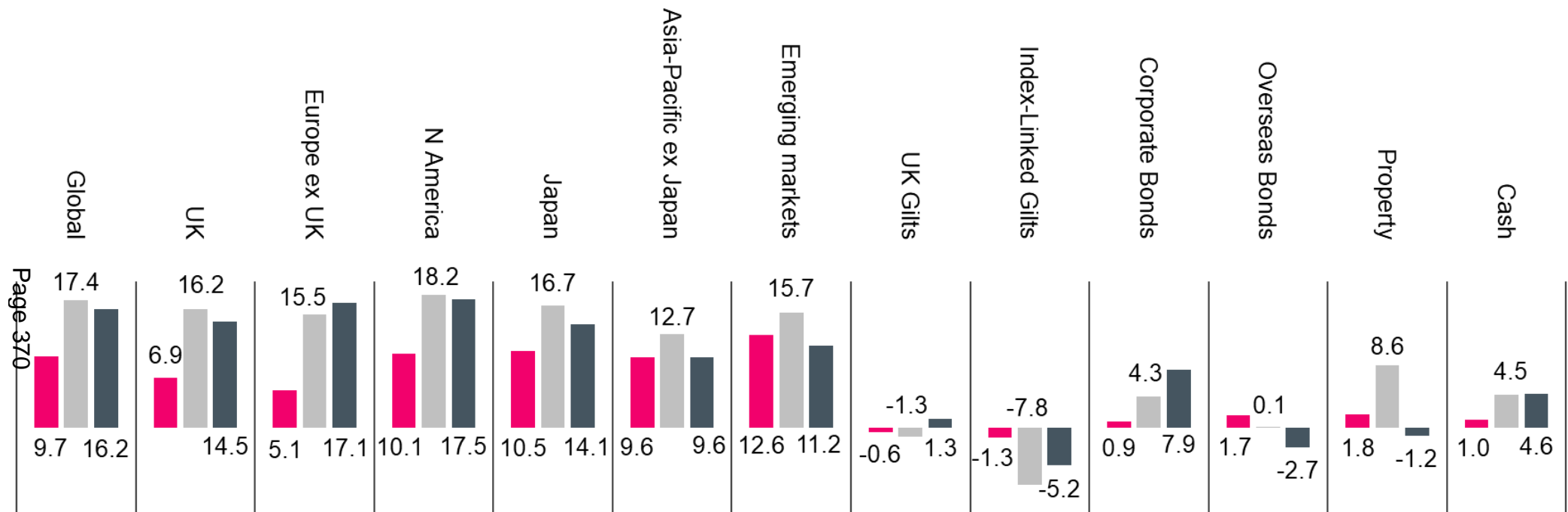
Investment and speculative grade credit spreads (% p.a.)



## Market Background

### Historical returns for world markets

■ 3 Months (%) ■ 12 Months (%) ■ 3 Years (% p.a.)

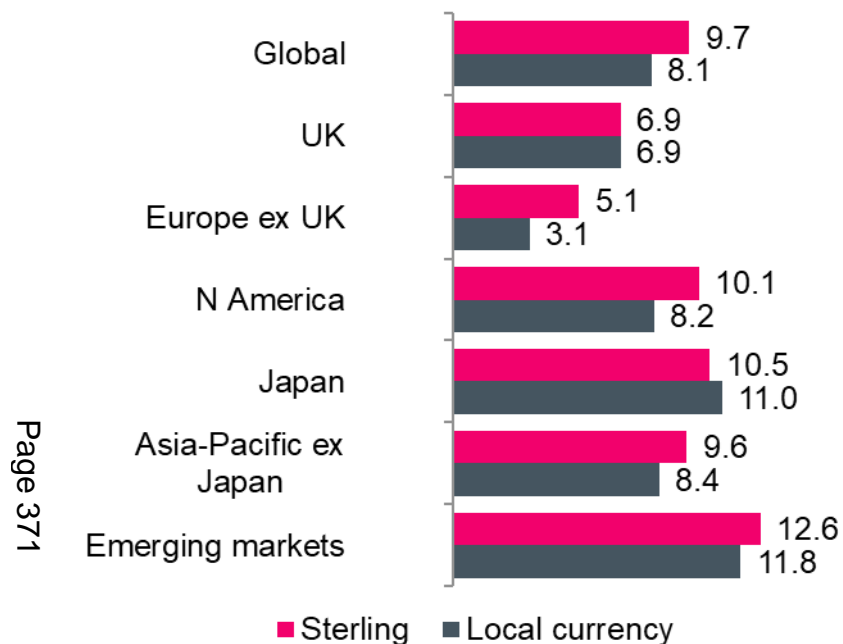


Data source: LSEG DataStream. [1] FTSE All World Indices. Commentary compares regional equity returns in local currency. [2] Returns shown in Sterling terms and relative to FTSE All World. [3] Returns shown in Sterling terms. Indices shown (from left to right) are: FTSE All World, FTSE All Share, FTSE AW Developed Europe ex-UK, FTSE North America, FTSE Japan, FTSE AW Developed Asia Pacific ex-Japan, FTSE Emerging, FTSE Fixed Gilts All Stocks, FTSE Index-Linked Gilts All Maturities, iBoxx Corporates All Investment Grade All Maturities, ICE BofA Global Government Index, MSCI UK Monthly Property; UK SONIA.

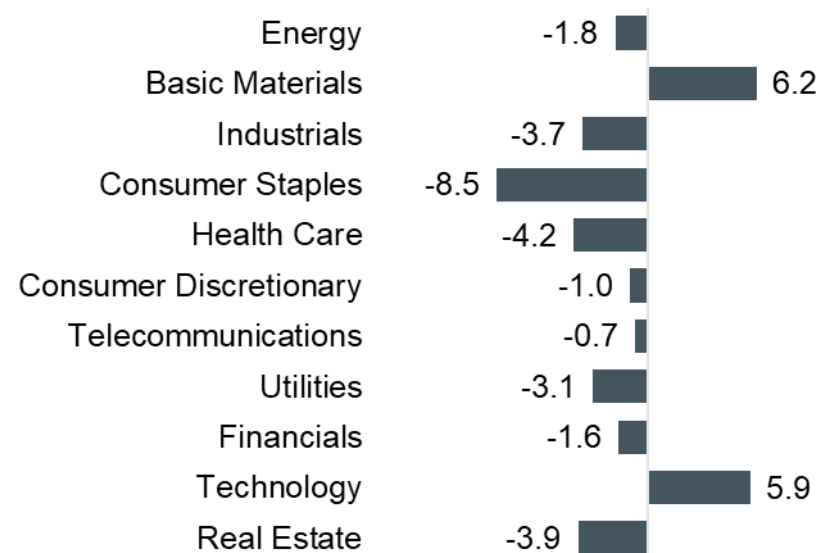


## Market Background

### Regional equity returns <sup>[1]</sup>



### Global equity sector returns <sup>[2]</sup>



### Market commentary

Global equities gained 8.1% as trade tensions subsided. Markets were boosted by Q2 corporate earnings, AI momentum, resilient growth data and the Fed's first cut of the year. Despite intra-quarter wobbles, tech stocks outperformed, lifting growth over value. Basic materials topped the sectoral rankings, while all other sectors lagged.

Emerging markets led global equity performance, buoyed by a weaker US dollar and a rebound in Chinese equities. Japanese equities posted strong gains, supported by trade developments and a softer yen. Developed Asia Pacific ex Japan and the US also modestly outperformed.

European equities underperformed. Despite an EU-US trade deal, Europe ex UK delivered modest returns, weighed down by Germany's Q2 GDP contraction and unfavourable sector composition. UK equities reached new nominal highs but also lagged.

The MSCI UK Property Total Return Index rose 1.8% in Q3 and 8.6% over 12 months, supported by steady income and 2.6% capital growth. Industrial and retail capital values rose 4.9% and 3.1%, respectively, in the 12 months to June, while offices fell by 1.4%.

## Asset allocation

	Valuation (£m)		Actual Proportion	Benchmark	+ / -
	Q2 25	Q3 25			
Longview Global Equity	499.6	510.9	9.7%	40.0%	2.6%
Storebrand Smart Beta And ESG	476.4	516.6	9.8%		
UBS Osmosis	436.7	473.6	9.0%		
Baillie Gifford Global Alpha	235.7	257.1	4.9%		
WHEB Active Impact Equity	202.8	213.6	4.0%		
Wellington Active Impact Equity	264.5	276.8	5.2%	5.5%	1.2%
Adams Street Private Equity	162.3	169.4	3.2%		
HarbourVest Private Equity	174.3	184.5	3.5%		
<b>Total Growth</b>	<b>2,452.3</b>	<b>2,602.5</b>	<b>49.3%</b>	<b>45.5%</b>	<b>3.8%</b>

## Asset allocation

	Valuation (£m)		Actual Proportion	Benchmark	+ / -
	Q2 25	Q3 25			
Bluebay Total Return	176.3	177.1	3.4%	10.5%	-0.9%
M&G Corporate Bonds	127.6	127.4	2.4%		
M&G Alpha Opportunities	196.9	200.1	3.8%		
M&G Real Estate Debt VI	24.9	24.0	0.5%	5.0%	-3.9%
Golub Capital SeniorLoan Fund	0.0	32.7	0.6%		
Newton Real Return Fund	304.4	314.2	6.0%	14.0%	1.0%
Couffer Absolute Return	466.7	477.2	9.0%		
Atlas Infrastructure	112.7	113.7	2.2%	11.0%	-0.9%
IFM Global Infrastructure Fund	274.6	272.9	5.2%		
M&G Infrastructure	42.7	43.4	0.8%		
Pantheon Infrastructure	72.1	71.7	1.4%		
UBS Infrastructure	33.3	33.1	0.6%	7.0%	-0.5%
CBRE Real Estate Fund	337.9	338.9	6.4%		
Schroders Property	3.9	4.1	0.1%		
<b>Total Income</b>	<b>2,174.1</b>	<b>2,230.4</b>	<b>42.3%</b>	<b>47.5%</b>	<b>-5.2%</b>
UBS Index Linked Gilts	359.6	353.0	6.7%	7.0%	-0.3%
<b>Total Protection</b>	<b>359.6</b>	<b>353.0</b>	<b>6.7%</b>	<b>7.0%</b>	<b>-0.3%</b>
Cash	87.5	87.9	1.7%	-	1.7%
<b>Total Fund</b>	<b>5,073.6</b>	<b>5,273.8</b>	<b>100.0%</b>	<b>100.0%</b>	

### Asset allocation commentary

During Q3 2025, the Fund met a £32.7m capital call for the Golub private debt mandate. This was achieved through a series of net distributions across multiple mandates:

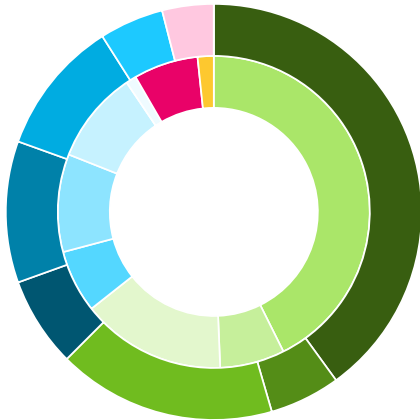
- o c. £5.2m net distribution from Atlas Infrastructure.
- o c. £5.2m net distribution from Ruffer Absolute Return.
- o c. £4.4m net distribution from Bluebay Total Return.
- o c. £4.0m net distribution from Newton Real Return.
- o c. £2.5m net distribution from Longview Global Equity.
- o c. £2.4m net distribution from Adams Street Private Equity.
- o c. £2.1m net distribution from WHEB Impact Equity.
- o c. £2.0m net distribution from CBRE Real Estate.
- o c. £1.9m net distribution from HarbourVest Private Equity.
- o c. £1.7m net distribution from Pantheon Infrastructure.
- o c. £1.4m net distribution from M&G Real Estate Debt.
- o c. £1.2m net distribution from IFM Infrastructure.

As a result, the Fund's cash position remained broadly unchanged from the previous quarter, with only a modest £0.4m increase driven by interest income.

### Asset allocation vs benchmark (agreed long-term allocation)

#### Benchmark

- Equity 40.0%
- Private Equity 5.5%
- Absolute Return 17.0%
- Balanced Property 7.0%
- Infrastructure 11.0%
- Diversified Credit 10.5%
- Private Credit 5.0%
- Index-Linked Gilts 4.0%
- Cash 0.0%



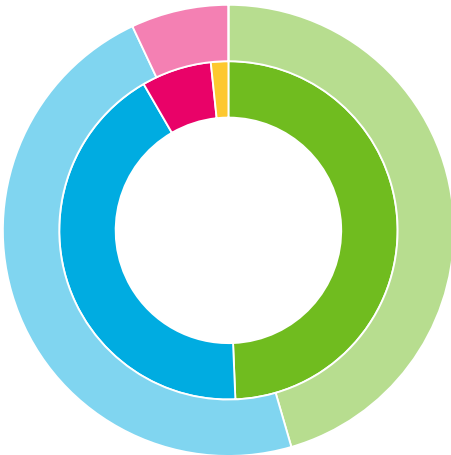
#### Actual

- Equity 42.6%
- Private Equity 6.7%
- Absolute Return 15.0%
- Balanced Property 6.5%
- Infrastructure 10.1%
- Diversified Credit 9.6%
- Private Credit 1.1%
- Index-Linked Gilts 6.7%
- Cash 1.7%

### Asset allocation vs benchmark (GrIP)

#### Benchmark

- Growth 45.5%
- Income 47.5%
- Protection 7.0%
- Cash 0.0%



#### Actual

- Growth 49.3%
- Income 42.3%
- Protection 6.7%
- Cash 1.7%

## Manager performance vs benchmark

	Last 3 Months (%)			Last 12 Months (%)			Last 3 Years (% p.a.)			Since Inception (% p.a.)		
	Fund	B'mark	+ / -	Fund	B'mark	+ / -	Fund	B'mark	+ / -	Fund	B'mark	+ / -
Longview Global Equity	2.8	9.2	-5.9	-1.3	16.8	-15.5	8.6	16.2	-6.6	11.5	11.9	-0.3
Storebrand Smart Beta And ESG	8.4	9.2	-0.7	14.2	16.8	-2.3	14.9	16.2	-1.1	11.1	12.6	-1.4
UBS Osmosis	8.5	9.2	-0.7	15.2	16.8	-1.4	16.0	16.2	-0.2	12.3	12.7	-0.4
Baillie Gifford Global Alpha	9.1	9.6	-0.4	16.6	16.8	-0.2	13.5	15.7	-1.9	2.9	9.9	-6.4
WHEB Active Impact Equity	6.4	9.2	-2.6	-4.9	16.8	-18.6	1.6	16.2	-12.6	-0.3	12.4	-11.3
Wellington Active Impact Equity	4.7	9.6	-4.5	7.6	16.8	-7.9	7.8	15.7	-6.8	5.3	11.4	-5.5
Adams Street Private Equity	6.0	9.9	-3.6	10.1	18.3	-6.9	-4.3	17.2	-18.3	10.4	11.1	-0.6
HarbourVest Private Equity	7.0	9.9	-2.6	10.1	18.3	-7.0	-2.2	17.2	-16.6	8.9	11.5	-2.3

Private  
Equity  
Growth

## Manager performance vs benchmark










































	Last 3 Months (%)			Last 12 Months (%)			Last 3 Years (% p.a.)			Since Inception (% p.a.)		
	Fund	B'mark	+ / -	Fund	B'mark	+ / -	Fund	B'mark	+ / -	Fund	B'mark	+ / -
M&G Corporate Bonds	-0.2	0.0	-0.2	0.1	0.8	-0.7	5.8	5.5	0.3	5.8	5.0	0.8
M&G Alpha Opportunities	1.6	1.7	-0.1	6.9	7.3	-0.4	8.9	7.6	1.2	4.5	2.7	1.7
M&G Real Estate Debt VI	2.1	1.9	0.2	8.9	8.3	0.6	8.1	8.6	-0.5	4.4	6.5	-1.9
Bluebay Total Return	3.0	1.7	1.3	6.2	7.4	-1.1	-	-	-	8.1	7.6	0.5
Newton Real Return Fund	4.5	1.6	2.9	8.3	6.8	1.4	7.0	7.1	-0.1	4.3	2.6	1.7
Ruffer Absolute Return	3.4	1.6	1.8	5.3	6.8	-1.5	0.7	7.1	-6.0	4.7	2.6	2.1
Atlas Infrastructure	5.6	6.2	-0.5	13.7	9.1	4.2	11.1	6.0	4.9	8.7	7.6	1.0
ISM Global Infrastructure Fund	-0.2	0.8	-1.0	7.9	5.8	2.0	-	-	-	6.8	5.4	1.3
M&G Infrastructure	1.7	0.8	0.8	-3.2	5.8	-8.5	-6.5	6.0	-11.8	2.0	5.9	-3.8
Pantheon Infrastructure	1.8	0.8	1.0	4.1	5.8	-1.6	0.9	6.0	-4.9	8.2	5.8	2.2
UBS Infrastructure	0.4	0.8	-0.5	-2.4	5.8	-7.7	-6.1	6.0	-11.4	3.8	3.0	0.8
CBRE Real Estate Fund	0.9	1.2	-0.3	-	-	-	-	-	-	0.6	6.8	-5.8
<b>Income</b>												
UBS Index Linked Gilts	-1.8	-1.9	0.0	-10.4	-10.3	-0.1	-7.2	-7.2	0.0	-4.5	-4.5	0.0
<b>Total Fund</b>	4.0	4.9	-0.9	5.9	10.8	-4.4	5.5	9.8	-3.9	8.0	-	-

- Northern Trust do not report a since inception benchmark number for total scheme, only performance which we have shown in the table.
- Golub Capital Senior Loan Fund has a since inception date of 30<sup>th</sup> June 2025.
- Infrastructure CPI benchmark data sourced directly from DataStream as these are not available from Northern Trust

## Manager performance commentary

- The main detractors on a relative basis came from the growth portfolio. Global equity strategies underperformed against their benchmarks, with Longview lagging by -5.9% and both impact equity mandates (WHEB and Wellington) behind by -2.6% and -4.5% respectively. Private equity mandates also fell short, with Adams Street and HarbourVest underperforming by -3.6% and -2.6%. These strategies delivered positive returns in absolute terms, but faced tough comparisons against the MSCI World and MSCI ACWI indices, which had an exceptionally strong quarter.
  - The top relative performers were the diversified credit mandates. Newton Real Return led the way, outperforming by +2.9%, supported by its flexible multi-asset positioning. BlueBay Total Return added +1.3% relative, while Ruffer Absolute Return delivered +1.8%, benefiting from tactical allocations. These strategies provided valuable diversification and resilience during the quarter.
  - Infrastructure performance was mixed, both in absolute and relative terms. Returns ranged from +5.6% for Atlas Infrastructure to small negatives for IFM Global Infrastructure. Dispersion reflects differences in sector exposure, valuation timing, and discount rate assumptions, which can create short-term variability even within the same asset class.
- Overall, the Fund delivered a positive absolute return, against challenging benchmarks.

## Manager ratings

Mandate	Performance vs target	Manager developments	Hymans manager ratings	Hymans RI ratings
Longview Global Equity			Preferred	Acceptable
Storebrand Smart Beta And ESG			Preferred	Strong
UBS Osmosis			Not Rated	Good
Baillie Gifford Global Alpha			Preferred	Good
WHEB Active Impact Equity			Not Rated	Not Rated
Wellington Active Impact Equity			Preferred	Good
M&G Corporate Bonds			Preferred	Good
M&G Real Estate Debt VI			Preferred	Good
Colub Capital SeniorLoan Fund			Not Rated	Not Rated
Adams Street Private Equity			Preferred	Acceptable
HarbourVest Private Equity			Preferred	Acceptable
Bluebay Total Return			Positive	Not Rated
M&G Alpha Opportunities			Not Rated	Good
Newton Real Return Fund			Not Rated	Good
Ruffer Absolute Return			Positive	Acceptable
Atlas Infrastructure			Positive	Not Rated
IFM Global Infrastructure Fund			Preferred	Good
M&G Infrastructure			Not Rated	Good
Pantheon Infrastructure			Not Rated	Good
UBS Infrastructure			Suitable	Good
CBRE Real Estate Fund			Suitable	Good
UBS Index Linked Gilts			Preferred	Good



**Performance RAG key**

Green	broadly in line with/ahead of Hymans' expectations
Amber	slightly behind expectations over an appropriate time horizon
Red	significantly behind expectations over an appropriate time horizon

**Manager developments RAG key**

Green	no ongoing concerns to raise to the Committee
Amber	moderate concerns over recent developments with further investigation required
Red	material concern where action (client discussion) required

**Manager business updates****Baillie Gifford**

Over the quarter the retirement of Spencer Adair was announced, one of the four decision makers on the Baillie Gifford Global Alpha strategy. Spencer has been part of the Global Alpha team since inception in 2005 and a partner of the firm since 2013. Spencer is due to retire on 31 March 2026 and will remain fully involved in the strategy in the interim.

From 1 April 2026, the Global Alpha portfolio will continue to be managed by three experienced decision makers: Helen Xiong, Malcolm MacColl, and Michael Taylor. Together, they have over 60 years of investment experience and are all partners of the firm. Malcolm has been a manager of Global Alpha since inception in 2005, Helen since 2021 and Mike since 2025.

Baillie Gifford were keen to stress their strong track record of managing generational change while maintaining strategy identity at Baillie Gifford. The addition of Mike prior to Spencer's retirement should provide suitable cover and a transition period.

**Ruffer**

On 30 September, Ruffer announced that their founder, Jonathan Ruffer, is retiring from his role as Chairman at the end of December 2025. Henry Maxey will become Chairman and remain as Co-Chief Investment Officer. Campbell Fleming, Deputy Chairman, will support Henry in his role as Chairman, as he has done for Jonathan, and he will continue to hold the regulatory responsibilities for the oversight and governance of the firm. These changes are part of the firm's succession plans and there will be no broader impacts on the business or investment team.

## Current issues in LGPS – October 2025 edition

Actuarial valuations, pooling, devolution, dashboards and the Pension Schemes Bill – as ever, plenty to keep the LGPS occupied as we enter the second half of the fiscal year.

### Spotlight on the actuarial valuations:

**2025 valuations in England and Wales: Early insights and employer engagement** - Having reached the half-way point in the valuation year, initial results are emerging. Our recent [webinar](#) showed positive headlines with the LGPS remaining in a strong position, although results across funds will be varied due to the impact of actual experience and beliefs about the future. As a follow up to the webinar, we also produced a [briefing note](#) giving more details. The next step in the valuation journey is employer results; clear messaging on outcomes will be important to help funds cut through the noise. Look out for the next webinar in our valuation series which will focus on employer engagement. And talking of employers...

**Engaging with academies at the 2025 valuations** - As we get closer to the employer results stage, funds are starting to hear more from academy schools. This may have been triggered by a recent [article](#) in the Education trade press. We would encourage funds to actively consider how to engage this employer group – for many it will be their largest (by number) – when communicating the 2025 valuation results. The Department for Education (DfE) also recently ran a “Power Hour” [session](#) for academies, focussing on the 2025 valuations. All four actuarial firms who advise LGPS funds presented. The DfE is happy (in fact, keen!) for funds to share this with their academy employers.

**Scottish ‘Section 13’ report (2023 valuations)** - The Government Actuary’s Department (GAD) has published its national Section 13 valuation [report](#) on the 2023 round of local Scottish LGPS valuations. The report reviews the local valuations against four key criteria (compliance, consistency, solvency, and long-term cost efficiency). No funds were flagged under these criteria; however, GAD has made general recommendations to form future reviews. Whilst we agree with the principles of this Section 13 analysis, there are some elements of the report where we will continue to engage with GAD to represent the best interests of LGPS stakeholders. If you have any questions about this report, or your own fund’s analysis, please speak to your usual Hymans consultant.

**Devolution – the first proposals are in** - Local Government Devolution isn’t just about bins and social care; it will have a significant impact on the LGPS too. The question is, how close are you to the decisions being made? Do you know who the administering authority is likely to be? What changes may be made to participating employers? The priority areas have now submitted their final proposals, with the remainder due in a couple of short months. Check out our [blog](#) here for our latest thinking on this important topic.

## Current issues in LGPS – October 2025 edition

**Dashboards – think to the future** - By now all LGPS funds will be joining the ecosystem. But what happens next? We've published a blog [here](#) which looks at lessons from the continent and outlines some points for consideration by Boards and Committees in the year ahead. Within the LGPS the only constant seems to be changes so early planning is going to be vital to keep on top of everything.

**Pension Schemes Bill** - A lot has been going on with the government's reforms of the LGPS and the progress of the Pension Schemes Bill as it winds its way through the parliamentary process. Our own Robbie McInroy spoke at the LGA's latest 'LGPS Live' webinar on 1 October, discussing the competing requirements being placed on the LGPS, including surplus management, local investment and pooling. You can watch the recording [here](#). Robbie also provided [evidence](#) on the Bill to MPs at the scrutiny committee stage. Following this, several amendments were made, most notably the removal of proposed powers for government to direct pools to make specific investments and the inclusion of the Scottish LGPS within the Bill.

**Wrapping up 2025 accounting** - As further education bodies and academies begin to receive their year-end FRS102 accounting results, we are seeing questions from employers and their auditors seeking to further understand the movement in their balance sheet from one year to the next. To help employers digest their results and give context to the current accounting landscape, we are running a 2025 accounting "wrap-up" webinar on 21 October. This is relevant for all types of LGPS employers and other stakeholders who are looking to increase their knowledge of pension accounting. To attend this webinar, please register [here](#). If you have any questions in the meantime, please reach out to our specialists at [LGPSCentralAccountingTeam@hymans.co.uk](mailto:LGPSCentralAccountingTeam@hymans.co.uk).

**Still Hot and Bothered?** - Earlier this year, our fund actuaries shared an LGPS-focused version of Club Vita's research about how climate change could reshape future longevity patterns. Club Vita has now released an updated version, offering broader insights into climate-related longevity trends for pension funds and insurers in the pensions market. Vita's paper includes new analysis on how climate change impacts may vary across socio-economic groups. You can download the updated paper [here](#).

## Current issues in LGPS – October 2025 edition

### Events, webinars & training

**Pensions UK Annual Conference 2025: 2030 Ready** - We're hoping to meet up with many of you at [this year's conference](#) in Manchester, 14 - 16 October. Ian Colvin will be joining industry experts for a panel session called 'Ofsted For Local Authorities? The Future of LGPS Governance'. They'll explore the practicalities of the triennial independent governance reviews, how these reviews will happen and who might take them on.

**LGC Investment Seminar Scotland: 30 – 31 October, Edinburgh** - As we move towards the 2026 LGPS valuations in Scotland, we've been analysing the data and developing our thinking around surplus management. With LGPS funds likely to enter a valuation year in strong funding positions for a second time, we're helping to prepare and have meaningful conversations with stakeholders. Richard Warden will be joining his fellow namesake, Richard (McIndoe), from Strathclyde Pension Fund to discuss the topic on 31 October in a session called 'Valuation Outlook: Strategy, Surpluses & What's Next'. The event is being chaired by our colleague Ben Farmer. We look forward to seeing many of you over the two days.

## Manager details

Mandate	Date appointed	Benchmark description
Longview Global Equity	30/04/2013	MSCI World
Storebrand Smart Beta And ESG	03/12/2020	MSCI World
UBS Osmosis	03/03/2022	MSCI World
Baillie Gifford Global Alpha	11/08/2021	MSCI ACWI
WHEB Active Impact Equity	01/12/2020	MSCI World
Wellington Active Impact Equity	02/12/2020	MSCI ACWI
M&G Corporate Bonds	31/12/1996	Composite Benchmark
M&G Real Estate Debt VI	11/04/2019	SONIA 3 Month +4% p.a.
Club Capital Senior Loan Fund	30/06/2025	-
Adams Street Private Equity	31/03/2003	MSCI ACWI +1.5% p.a.
HarbourVest Private Equity	31/01/2003	MSCI ACWI +1.5% p.a.
Bluebay Total Return	17/04/2024	SONIA 3 Month +3% p.a.
M&G Alpha Opportunities	30/11/2009	SONIA 3 Month +3% p.a.
Newton Real Return Fund	30/04/2010	SONIA 3 Month +2.5% p.a.
Ruffer Absolute Return	30/04/2010	SONIA 3 Month +2.5% p.a.
Atlas Infrastructure	02/12/2020	FTSE Developed Core Infrastructure 50/50
IFM Global Infrastructure Fund	03/01/2023	UK CPI +2% p.a.
M&G Infrastructure	31/10/2018	UK CPI +2% p.a.
Pantheon Infrastructure	04/05/2018	UK CPI +2% p.a.
UBS Infrastructure	31/01/2008	UK CPI +2% p.a.
CBRE Real Estate Fund	01/10/2024	MSCI UK All Balanced Property
UBS Index Linked Gilts	31/01/2018	FTA Index-Linked Gilts Over 5 years
Cash	31/12/2002	SONIA 1 Month

## Hymans manager ratings explained

<b>Preferred</b>	Our highest-rated managers in each asset class. These should be the strategies we are willing to put forward for new searches.
<b>Positive</b>	We believe there is a strong chance that the strategy will achieve its objectives, but there is some element that holds us back from providing the product with the highest rating.
<b>Suitable</b>	We believe the strategy is suitable for pension scheme investors. We have done sufficient due diligence to assess its compliance with the requirements of pension scheme investors but do not have a strong view on the investment capability. The strategy would not be put forward for new searches based on investment merits alone.
<b>Negative</b>	The strategy is not suitable for continued or future investment and alternatives should be explored.
<b>Not Rated</b>	Insufficient knowledge or due diligence to be able to form an opinion.

## Hymans Responsible Investment ratings explained

<b>Strong</b>	Strong evidence that the manager consistently demonstrates leading practices across all criteria assessed.
<b>Good</b>	Manager demonstrates that they surpass acceptable standards but fall short of leading practices.
<b>Acceptable</b>	Manager demonstrates that they meet acceptable standards.
<b>Weak</b>	Manager does not meet acceptable standards.
<b>Not Rated</b>	Insufficient knowledge to be able to form an opinion on.

## Glossary – equity manager styles

‘Style’ refers to the type of stocks a manager will typically research and select for portfolios. It is important to diversify these ‘styles’ in order to manage concentration risks.

- **Value** – this style tilt considers whether stocks held within the portfolio are discounted relative to their fundamentals, i.e. whether stocks have low market valuations versus current earnings or book value.
- **Growth** – this style tilt considers companies earning potential relative to its industry and the overall market. The key consideration within this factor is a company’s potential for growth and therefore commonly used metrics include historical earnings growth and forward earnings growth.
- **Quality** – this style tilt considers companies financial stability. A company’s quality can be evaluated using various metrics including: profitability, earnings quality, financial leverage and corporate governance.
- **Volatility** – this style tilt considers the systematic risk of the portfolio relative to the market.
- **Momentum** – this style tilt is based on the premise that stocks that have recently risen or fallen in price will continue to do so in the future.
- **Low volatility** – A low volatility equity manager will aim to construct a portfolio that exhibits significantly lower volatility than the benchmark index (low volatility is a relative, not absolute, term). A low volatility manager will generally target a volatility of around 15% p.a. versus a benchmark that exhibits a 20% p.a. volatility. A low volatility portfolio will generally be constructed through a quantitative assessment of past stock performance and correlation to select stocks that have historically exhibited low levels of volatility.
- **Neutral** - A neutral manager will aim to construct portfolios that have no significant sector or style biases relative to the benchmark index. This is more common in bottom up, in-depth research, managers (sometimes referred to as ‘stock pickers’) who aim to isolate stocks that are undervalued relative to their peers whilst avoiding taking a position on whether a country or industry itself will out or underperform. For example they might take an overweight position in BP if they believe the stock is fundamentally undervalued but remove their exposure to the more general oil market by compensating with an underweight position in Shell.

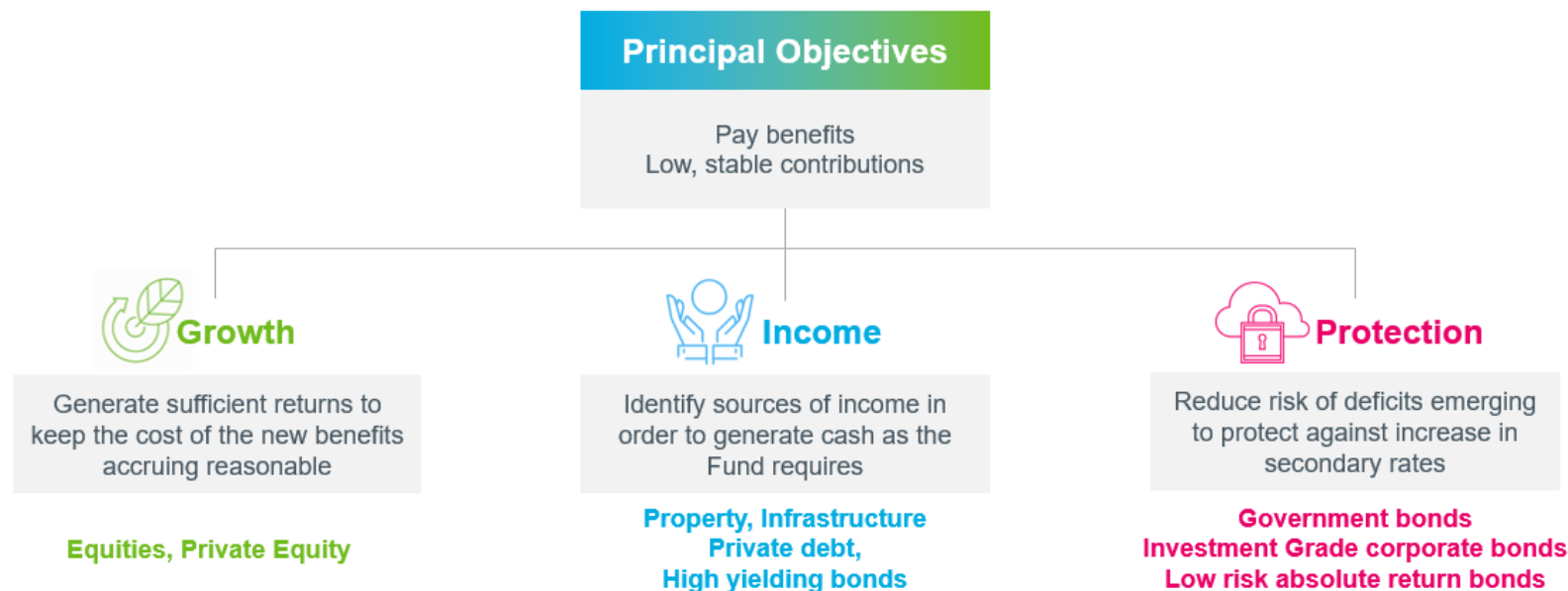
## Glossary - other

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- **Buy-out** – purchase of a more mature company usually as part of a private equity deal.
- **Capital structure** – how a company is financed through equity and debt.
- **Closed-ended** - When an investment fund has a finite lifecycle, money is invested and returned in full to the investor over a defined period (usually 5 – 8 years for private debt)
- **Commitment** – The investment amount initially made to a fund, this is then drawn by the manager over time and invested.
- **Dividend** – Annual income paid through holding an equity.
- **Duration** – A measure of the average expected life of an investment that indicates sensitivity to interest rate changes.
- **Indirect** – Access and asset via other funds rather than directly.
- **Information ratio** - This measures the risk-adjusted returns of a fund relative to its respective benchmarks. For active funds, a higher information ratio is better.
- **IRR** - a measure of performance taking into account cashflow.
- **Liquidity** – ability to sell a stock quickly at a known price.
- **MAC** – Multi Asset Credit, an investment fund made up of a mix of different types of debt/credit.
- **Mid-market** – focus on mid-sized companies.
- **Open (closed) ended investment** – Open ended investments have no end date and can be traded. Closed ended cannot usually be traded and have a finite life.
- **Senior secured** - Debt issued at a high level in a company's capital structure secured against company assets.
- **Sub-investment grade** – bond assets rated below investment grade (and therefore higher risk).
- **Tracking error** – This shows the difference in actual performance between a fund and its respective benchmark. This should be lower for passive funds tracking an index compared to active funds where the manager is trying to outperform a benchmark.
- **TVPI** - Total value (distributions plus residual values) divided by paid-in capital. An alternative measure of the return on investment for closed-end funds
- **Volatility** – a measure of risk based on 'ups and downs' of stock/portfolio over a period of time.



## Growth, Income and Protection



## Geometric v arithmetic performance

Hymans Robertson are among the investment professionals who calculate relative performance geometrically as follows:

$$\frac{(1 + \text{Fund Performance})}{(1 + \text{Benchmark Performance})} - 1$$

Some industry practitioners use the simpler arithmetic method as follows:

$$\text{Fund Performance} - \text{Benchmark Performance}$$

The geometric return is a better measure of investment performance when compared to the arithmetic return, to account for potential volatility of returns.

The difference between the arithmetic mean return and the geometric mean return increases as the volatility increases

## Risk warning

This report is provided to the Pension Fund Investment Panel ('the Panel') and Officers of the East Sussex Pension Fund ('the Fund') in our capacity as your investment adviser. Its purpose is to assist the Committee with their monitoring of the Fund's investments. The report shows how the assets have performed over various time periods, on an absolute basis and relative to the agreed benchmarks, in the context of general market movements. It also shows how the asset allocation compares with the Fund's strategic target allocation. The report may contain fund and fund manager specific research ratings and comments based on the views of our investment research team. Please speak to your investment adviser before taking any investment decisions or actions. They will advise whether formal investment advice is necessary, including a risk assessment and investment suitability information where appropriate. No investment decisions should be taken based solely on the contents of this report.

The report should not be released or otherwise disclosed to any third party except as required by law or regulatory obligation or without our prior written consent. We accept no liability where the report is used by, or released or otherwise disclosed to, a third party unless we have expressly accepted such liability in writing. Where this is permitted, the report may only be released or otherwise disclosed in a complete form which fully discloses our advice and the basis on which it is given.

Please note the value of investments, and income from them, may fall as well as rise. This includes equities, government or corporate bonds, and property, whether held directly or in a pooled or collective investment vehicle. Further, investment in developing or emerging markets may be more volatile and less marketable than in mature markets. Exchange rates may also affect the value of an investment. As a result, an investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

In some cases, we have commercial business arrangements/agreements with clients within the financial sector where we provide services. These services are entirely separate from any advice that we may provide in recommending products to our advisory clients. Our recommendations are provided as a result of clients' needs and based upon our independent research. Where there is a perceived or potential conflict, alternative recommendations can be made available.

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**Report to:** Pension Committee

**Date of meeting:** 18 November 2025

**By:** Chief Finance Officer

**Title:** Work Programme

**Purpose:** To consider the Pension Board and Pension Committee work programme.

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## **RECOMMENDATIONS:**

**The Pension Committee is recommended to:**

- 1) Consider and comment on the work programme; and
  - 2) advise of training completed, not recorded in the training log.
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## **1 Background and Supporting information**

1.1 The work programme contains the proposed reports for consideration at future Pension Board and Pension Committee meetings over the next year and beyond. It is included on the agenda for each meeting.

1.2 The work programme also provides an update on other work going on outside the Pension Board and Pension Committee's main meetings, including working groups, upcoming training and a list of any information requested by the Pension Board or Pension Committee that is circulated via email.

1.3 This item also provides an opportunity for Pension Board and Pension Committee members to reflect on any training they have attended since the last meeting.

## **2 Conclusion and reasons for recommendations**

2.1 The work programme sets out the Pension Board and Pension Committee's work both during formal meetings and outside of them. The Pension Committee is recommended to consider the updated work programme including regularity of agenda items to ensure effective governance of the Fund at the scheduled meetings; advise of training completed, not recorded in the training log.

**IAN GUTSELL**  
**Chief Finance Officer**

Contact Officer: Susan Greenwood, Head of Pension Fund

Email: [Susan.Greenwood@EastSussex.gov.uk](mailto:Susan.Greenwood@EastSussex.gov.uk)

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## Pension Board and Committee – Work Programme

Future Pension Board Agenda		
Item	Description	Author/Owner
<b>Standing items (items that appear on each agenda)</b>		
Pension Committee Update	A consideration of the draft agenda of the Pension Committee and summary minutes of the last Pension Committee meeting decisions.	Head of Pension Fund
Pension Reform Agenda	A report on progress of the Fund with regard to the reforms set out in the governments' "Fit for the Future" consultation with regard to asset pooling and consideration of the potential future impact of local democratic reforms on the Fund.	Head of Pension Fund
Governance Report	A report on governance issues affecting the fund, developments in the LGPS and regulatory environment, policy amendments and ACCESS pool updates	Head of Governance
Employer Engagement and Communications Report	A report on Employer Engagement matters to note, Employer Contributions update and Communications from the Fund	Communications Manager
Pensions Administration report	An update on the performance of the Pensions Administration Team covering KPI's and projects.	Head of Pensions Administration

Internal Audit reports	All internal audit reports on the Fund are reported to the Board	Head of Internal Audit
East Sussex Pension Fund (ESPF) Quarterly budget report	An update on the Funds budget. This is reported in Q2-4 only.	Head of Investment and Accounting
East Sussex Pension Fund (ESPF) Risk Register	A report on the Funds Risk Register	Head of Pension Fund
Work programme	A report on the Board and Committee's work programme	Head of Pension Fund
East Sussex Pension Fund (ESPF) Breaches Log	A report on the Funds breaches log	Head of Governance
Employer Admissions and Cessations	A report on the admission and cessation of employers to the Fund	Head of Governance
<b>4 November 2025</b>		
Independent Auditors Report on the Pension Fund Accounts 2024/25	As part of the Report on the Pension Fund Annual Report and Accounts, a report on the External Audit findings of the Pension Fund financial Statements for 2024/25	Head of Investment and Accounting
Pension Fund Annual Report and Accounts 2024/25	2024/25 Annual Report and Accounts for approval	Head of Investment and Accounting

Employer Forum Agenda	Discussion on Pension Fund Employer Forum Agenda topics	Head of Pension Fund
2025 Actuarial Valuation and Funding Strategy Statement	Report from the Fund Actuary on the March 2022 triennial valuation process, methodology and assumptions with a draft Funding Strategy Statement for review prior to consultation	Head of Pension Fund
Annual Training Plan	Section within the Governance Report on Training completed in the year and training recommendations for the up-coming year	Head of Governance
<b>12 February 2026</b>		
Business Plan and Budget 2026/27	Report to set the Budget for the Pension Fund for the Financial Year 2026/27 including the Business Plan with key deliverables for the year.	Head of Pension Fund
External Audit Plan for the East Sussex Pension Fund 2025/26	Draft External Audit Plan for 2025/26 Pension Fund Financial Statements	Head of Investment and Accounting
2025 Valuation report and results and Final Funding Strategy Statement (FSS)	Final report and results from the Fund Actuary of the 31 March 2025 triennial valuation with the final FSS for approval post consultation.	Head of Pension Fund
Additional Funding Strategies	Triennial review of policies that support the FSS and funding position. This includes the Exit Credit Policy, Contribution Rate review Policy and Deferred Debt and Debt Spreading agreement policies.	Head of Pension Fund
<b>4 June 2026</b>		
Governance and Compliance Review	Governance Review to ensure compliance with Fit for the Future requirements	Head of Governance

<b>10 September 2026</b>		
Supplier Update	Update on supplier contracts and procurements	Head of Governance
<b>6 November 2026</b>		
Independent Auditors Report on the Pension Fund Accounts 2025/26	A report on the External Audit findings of the Pension Fund financial Statements for 2025/26	Head of Investment and Accounting
Pension Fund Annual Report and Accounts 2025/26	2026/27 Annual Report and Accounts for approval	Head of Investment and Accounting
Employer Forum Agenda	Discussion on Pension Fund Employer Forum Agenda topics	Head of Pension Fund
Annual Training Plan	The Governance Report will include details of the training completed in the year and training recommendations for the up-coming year	Head of Pension Fund

### **Actions requested by the Pensions Board**

<b>Subject Area</b>	<b>Detail</b>	<b>Status</b>
Ill Health insurance review	The Board requested a review to be carried out on the Ill Health Insurance provision in place in terms of commercial arrangements.	Ongoing 2025
Risk Register Full review	The Board have requested for a meeting to walk through all risks on the risk register as detail is usually only discussed on changes to the register. The	Completed in March 2025



	summary risk register is presented to each Board and Committee, with the full risk register available on request.	
AVC – Default fund/ review of option	Further investigation into the best default option for AVC investors through the Prudential.	Report completed and presented in February 2025. Work to implement recommend changes ongoing.

### Future Pension Committee Agenda

Item	Description	Author
<b>Standing items (items that appear on each agenda)</b>		
Governance Report	A report on governance issues effecting the fund, developments in the LGPS and regulatory environment, policy amendments and requirement to ensure compliance with the governance changes proposed in the 'Fit for the Future' consultation.	Head of Governance
Pension Reform Agenda	A report on progress of the Fund with regard to the reforms set out in the governments' "Fit for the Future" consultation with regard to asset pooling and consideration of the potential future impact of local democratic reforms on the Fund.	Head of Pension Fund
Pensions Administration report	An update on the performance of the Pensions Administration Team covering KPI's and projects.	Head of Pensions Administration

Internal Audit reports	Internal audit reports on the Fund and annual audit plan.	Head of Internal Audit
East Sussex Pension Fund (ESPF) Quarterly budget report	An update on the Funds budget - <i>reported Q2-4 only</i>	Head of Investment and Accounting
East Sussex Pension Fund (ESPF) Risk Register	A report on the Funds Risk Register	Head of Pension Fund
Work programme	A report on the Board and Committee's work programme	Head of Pension Fund
Investment Report	A Quarterly performance report of the investment managers	Head of Investment and Accounting
East Sussex Pension Fund (ESPF) Breaches Log	A report on the Funds breaches log – <i>reported only when a new breach is recognised, or status changed. Report goes quarterly to Board.</i>	Head of Governance
Employer Admissions and Cessations	A report on the admission and cessation of employers to the Fund - <i>reported only when outstanding admissions or cessations.</i>	Head of Governance
<b>18 November 2025</b>		
Independent Auditors Report on the Pension Fund Accounts 2024/25	A report on the External Audit findings of the Pension Fund financial Statements for 2024/25	Head of Investment and Accounting

Pension Fund Annual Report and Accounts 2024/25	2024/25 Annual Report and Accounts for approval	Head of Investment and Accounting
Employer Forum Agenda	Discussion on Pension Fund Employer Forum Agenda topics	Head of Pension Fund
2025 Actuarial Valuation and Funding Strategy Statement	Report from the Fund Actuary on the March 2025 triennial valuation process, methodology and assumptions with a draft Funding Strategy Statement for approval prior to consultation	Head of Pension Fund
Annual Training Plan	Report on Training completed in the year and training recommendations for the up-coming year	Head of Governance
<b>26 February 2026</b>		
External Audit Plan for the East Sussex Pension Fund 2025/26	Draft External Audit Plan for 2025/6 Pension Fund Financial Statements	Head of Investment and Accounting
2025 Valuation report and results and Final Funding Strategy Statement (FSS)	Final report and results from the Fund Actuary of the 31 March 2025 triennial valuation with the final FSS for approval post consultation.	Head of Pension Fund
Additional Funding Strategies	Triennial review of policies that support the FSS and funding position. This includes the Exit Credit Policy, Contribution Rate review Policy and Deferred Debt and Debt Spreading agreement policies.	Head of Pension Fund

Business Plan and Budget 2026/27	Report to set the Budget for the Pension Fund for the Financial Year 2026/27 including the Business Plan with key deliverables for the year.	Head of Investment and Accounting
<b>18 June 2026</b>		
Governance and Compliance Statement	Annual Review of Governance and Compliance Statement	Head of Governance
Annual Report of the Pension Board	Annual report of the Pension Board to the Scheme manager outlining the work throughout the year	Head of Pension Fund with the Chair of the Board
Governance Review	Review of all Governance approaches to ensure compliance with requirement of 'Fit for the Future' consultation.	Head of Governance
<b>23 July 2026 – Strategy training day</b>		
<b>24 September 2026</b>		
External Audit Report for the East Sussex Pension Fund 2025/26	Draft External Audit Report for 2025/26 Pension Fund Financial Statements	Head of Investment and Accounting
Carbon Footprinting	A report on the carbon footprint of the portfolio of ESPF including whether investments are in line with transition pathways.	Head of Investment and Accounting
ESG Impact Assessment	Annual assessment by Investment consultants on the ESG standing of Investment managers with action plan	Head of Investment and Accounting

Investment Strategy Statement	Review of the Investment Strategy Statement to take into account any revisions to the investment strategy. Review to include Statement of Investment Principles.	Head of Investment and Accounting
Stewardship Reporting	Update on status for submitting annual submission to FRC for Stewardship activities for calendar year 2025	Head of Investment and Accounting
Supplier Update	Update on supplier contracts and procurements	Head of Pension Fund
<b>26 November 2026</b>		
Independent Auditors Report on the Pension Fund Accounts 2025/26	A report on the External Audit findings of the Pension Fund financial Statements for 2025/26	Head of Investment and Accounting
Pension Fund Annual Report and Accounts 2025/26	2025/26 Annual Report and Accounts for approval	Head of Investment and Accounting
Employer Forum Agenda	Discussion on Pension Fund Employer Forum Agenda topics	Head of Pension Fund
Annual Training Plan	Report on Training completed in the year and training recommendations for the up-coming year	Head of Governance

Actions requested by the Committee		
Subject Area	Detail	Status
Training	<p>Requests were made, following the July 2023 investment workshop day for various training items</p> <p>The items still to arrange are</p> <ul style="list-style-type: none"> <li>• How to invest in the energy transition. Eg electric storage/batteries, renewables, nuclear, hydrogen, EV's. What is cost and access to markets for these investments.</li> <li>• Cost benefit implications of de-risking the portfolio</li> <li>• Core responsibilities of Councillors in their role on the Pension Committee to ensure proper exercise of its responsibilities and powers. Readdressing the need for Governance framework role of the Committee and considering strategic investment change recommendations from expert advisers, rather than directing underlying investment holdings.</li> </ul>	In progress
Review of WHEB	Review of the WHEB portfolio to be provided by investment consultant	November 2025 Meeting

Current working groups		
Title of working group	Detail and meetings since last Pensions Board and Committee meetings	Membership
Investment Implementation Working Group (IIWG)	<p>The Investment Working Group and ESG working group have been amalgamated, as agreed at Pensions Committee 21 September 2020.</p> <p>The IIWG has an advisory role to over oversee the implementation of decisions by the Pension Committee in relation to investment decisions and carry out detailed research and analysis for Pensions Committee.</p>	<p>William Bourne, Russell Wood, Susan Greenwood, James Sweeney, Representatives from Investment Consultant</p> <p>Cllr Fox or substitute committee member is invited to attend</p>
Administration Working Group	The Administration Working Group was set up in 2021 following the conclusion of the ABS and Data Improvement Working Group. The group discuss ongoing administration projects and areas of administration focus including McCloud implementation.	Cllr Fox, Ray Martin, Neil Simpson, Zoe O'Sullivan, Paul Punter, Susan Greenwood, Ian Gutsell

## Training and Development – attendance at recent events

Date	Topic	Committee	Board
16 Sep	<b>ESPF Pension Dashboard data and member experience</b> Covered the connection of East Sussex Pension Fund data to the Pension Dashboard ecosystem and the member experience.	Cllrs Taylor, Hollidge, Redstone	Neil, Zoe, Ray, Pippa, Trevor
16-17 Sep	<b>DB Strategic Summit</b> Topics discussed: <ul style="list-style-type: none"> <li>• Securing benefits and investing for growth: the changing nature of defined benefit pensions</li> <li>• A year on from the US election. What is the outlook for fixed income?</li> <li>• How to enhance your passive equity portfolio</li> <li>• Delivering patient, mission impact investment to the Scottish economy</li> <li>• Delivering better pensions and investment through effective collaboration</li> <li>• Delivering better performance while also creating a positive societal impact: housing</li> <li>• Digital real estate</li> <li>• Dashboard masterclass: Looking under the bonnet – making sure you're ready for pensions dashboards</li> <li>• Managing currency risk</li> <li>• Playing the (anti) Trump card: the future of Sustainability and ESG in pensions investing</li> <li>• Infrastructure (natural capital)</li> <li>• Consolidation reprised – where are we at and where are we going?</li> <li>• The future of defined benefit pensions</li> </ul>		Ray

## Training and Development – members registered to attend future events

Date	Topic	Committee	Board
22 Oct	<b>Cyber Resilience for the LGPS: Managing Risk in a Connected World</b> The Panel of experts will examine: <ul style="list-style-type: none"> <li>• The current cyber threat landscape and emerging risks</li> <li>• The role of third-party suppliers and partners in cyber exposure</li> <li>• The importance of cyber insurance and what it really covers</li> </ul>		Neil, Pippa



	<ul style="list-style-type: none"> <li>• Best practices in incident response and crisis management</li> <li>• Regulatory expectations and governance considerations</li> </ul>		
26 Nov	<p><b>2025 Budget and its impact on pensions</b></p> <p>A panel of experts to explore exactly what changes have been announced and the consequences they will have for the UK's pension system.</p> <p>This webinar provides an opportunity to discuss what changes have been announced within hours of the Chancellor, Rachel Reeves having delivered her Budget.</p>		Zoe, Linda

## Training and Development – Future Training Offered to Pension Board

06 Nov	<b>Introduction to LGPS</b> With so many changes in the scheme proposed by the Government and so many new personnel on Boards and Committees, this is a must-attend event for anyone new to the scheme or looking to refresh their knowledge. <ul style="list-style-type: none"> <li>• A sound foundation in the basics of the Scheme</li> <li>• A look at recent developments and likely future changes</li> <li>• An opportunity to ask the experts</li> </ul>
06 Nov	<b>Cyber Resilience: Practical Strategies for a Stronger Future</b> Practical strategies to strengthen your defences and build resilience that goes beyond the firewall - through every partner, vendor, and supplier you rely on. Key takeaways: <ul style="list-style-type: none"> <li>• Clear insight on real cyber risks vs. myths, so you can focus on what makes a real difference</li> <li>• Practical steps to embed resilience into your third-party/vendor management</li> <li>• How certifications and insurance fit into your risk strategy</li> </ul>
19 Nov	<b>Meeting Tomorrow's Investment Challenges - 2026 update on Policy, Investing in the UK and AI</b> Topics to be addressed: <ul style="list-style-type: none"> <li>• What Does the Future Hold? - Legal and Regulatory Update: Consolidation and Highlights from the Pension Schemes Bill</li> <li>• Transformative Implications of AI</li> <li>• Investing in the UK – Where Are the Opportunities?</li> </ul>
26 Nov	<b>2025 Budget and its impact on pensions</b> A panel of experts to explore exactly what changes have been announced and the consequences they will have for the UK's pension system. This webinar provides an opportunity to discuss what changes have been announced within hours of the Chancellor, Rachel Reeves having delivered her Budget.
29-30 Jan 2026	<b>2026 LGPS Governance Conference</b>

## Training and Development – Future Training Offered to Pension Committee

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	<ul style="list-style-type: none"> <li>• A sound foundation in the basics of the Scheme</li> <li>• A look at recent developments and likely future changes</li> <li>• An opportunity to ask the experts</li> </ul>
06 Nov	<p><b>Cyber Resilience: Practical Strategies for a Stronger Future</b></p> <p>Practical strategies to strengthen your defences and build resilience that goes beyond the firewall - through every partner, vendor, and supplier you rely on. Key takeaways:</p> <ul style="list-style-type: none"> <li>• Clear insight on real cyber risks vs. myths, so you can focus on what makes a real difference</li> <li>• Practical steps to embed resilience into your third-party/vendor management</li> <li>• How certifications and insurance fit into your risk strategy</li> </ul>
13 Nov	<p><b>Synthesis Forum</b></p> <p>We are living in a whirlwind of change. Established orders are dissolving and being replaced, while our physical and digital worlds are converging. Amidst the upheaval, there are incredible opportunities for those interested in finding them. At the event will be discussed innovation, adaptation, and long-termism in a rapidly changing world.</p>
19 Nov	<p>Meeting Tomorrow's Investment Challenges - 2026 update on Policy, Investing in the UK and AI</p> <p>Topics to be addressed:</p> <ul style="list-style-type: none"> <li>• What Does the Future Hold? - Legal and Regulatory Update: Consolidation and Highlights from the Pension Schemes Bill</li> <li>• Transformative Implications of AI</li> <li>• Investing in the UK – Where Are the Opportunities?</li> </ul>
26 Nov	<p><b>2025 Budget and its impact on pensions</b></p> <p>A panel of experts to explore exactly what changes have been announced and the consequences they will have for the UK's pension system.</p> <p>This webinar provides an opportunity to discuss what changes have been announced within hours of the Chancellor, Rachel Reeves having delivered her Budget.</p>
26-27 Nov	<p>Pensions Expert Annual Conference</p> <p>The speakers will debate the implications of the tectonic shifts taking place across the UK pensions landscape, the investment strategies that will be necessary to deliver future performance, and whether lasting solutions can be found to retirement funding needs on a nationwide basis.</p> <ul style="list-style-type: none"> <li>• Delivering a modern regulatory system that drives better outcomes for savers</li> <li>• Navigating a minefield – delivering better pensions and investments in a world of policy and regulatory upheaval and change</li> <li>• Fixed income</li> <li>• The case for real estate debt</li> <li>• Investing in private markets – panacea or red herring?</li> <li>• Budget reaction</li> <li>• Investing in digital infrastructure</li> <li>• Is sustainable led investing truly dead?</li> <li>• The future of defined benefit pensions</li> </ul>

	<ul style="list-style-type: none"><li>• Dashboards – the clock is ticking – we’re nearly there!</li><li>• How pension dashboards will change the face of member communication</li><li>• How UK pensions is leading the way for AI adoption at Ford</li></ul>
29-30 Jan 2026	<b>2026 LGPS Governance Conference</b>

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