Cheshire Pension Fund

Annual Report

2024-25

Published by: **Cheshire West and Chester Council**
The Portal, Wellington Road, Ellesmere Port, CH65 0BA

Accessing Cheshire Pension Fund information and services

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Tel: **01244 976000**

www.**cheshirepensionfund**.org

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Introduction

Welcome to the Annual Report of the Cheshire Pension Fund for the year ending 31 March 2025.

The Fund has been focused on a number of key areas of work in 2024-25:

Modernising and improving the way we communicate and interact with scheme members

The roll out of the Fund's online members portal – "My Cheshire Pension" - continued throughout the year, with 32% of members who are still paying into the scheme having now signed up.

Work will continue to increase the level of enrolment, and roll out will now expand to include all those members who have left a scheme employer and who are no longer actively paying in, as well as pensioner members. New functionality is being added all the time, and My Cheshire Pension will increasingly become the main way for members to gain information about their pension and to communicate with the Fund. Annual Benefit Statements will be provided via this portal, and paper copies will only be provided via the post if members specifically request this. In addition, the Fund has been developing a brighter, more interactive and easier to use website and this is aimed to be available for all members to use later in 2025.

Adapting to regulatory changes and national developments

As a national statutory scheme, the Fund has to make sure it stays fully aligned with policy and regulatory changes.

The LGPS has been an area of focus for the new Government during 2024 and 2025. The Fit for the Future consultation and the resulting Pension Scheme Bill are driving significant changes in the roles of LGPS funds and the asset pooling companies who have been partially responsible for investing Fund assets for almost a decade. LGPS Central Ltd will become entirely responsible for managing the Fund's investments from April 2026, and changes to the structure of the pooling landscape in England and Wales seems likely to result in changes to the partner funds who co-own LGPS Central Ltd alongside Cheshire West & Chester Council on behalf of the Cheshire Pension Fund.

The Fund has also responded to the launch of The Pension Regulator's General Code of Practice, completing a full self-assessment with positive results, and developing an action plan to ensure improvements are delivered where required. The Pension Schemes Bill has introduced a requirement for a triennial independent governance review, and we await details of how this will be implemented.

Work has continued on two more of the most impactful changes to the Fund, which are the McCloud ruling and the National Pensions Dashboards Programme. The first of these, McCloud, is a court ruling that seeks to remove age discrimination created by the 2014-15 LGPS reforms which changed the scheme from a final salary to a career average scheme. The Government introduced a McCloud remedy to remove the age discrimination created - this will involve the Fund examining the records of over 30,000 members to ensure they gain the benefit of the best possible benefits package. Members do not need to contact the Fund – any members who benefit from the McCloud remedy will be contacted by the Fund and have their benefits amended automatically.

The National Pensions Dashboard will enable all UK citizens to access information about all the pension benefits (including the state pension and all employer and private schemes) they are entitled to, in one place. The Fund will link up to the Dashboard by October 2026 at the latest. This is a major IT infrastructure project, and the Cheshire Pension Fund has put in place a programme of work to ensure the Fund is ready for the October 2026 go live date.

Improving data ahead of the 2025 Valuation

The Fund's next triennial valuation will happen on 31 March 2025; this exercise will value the Fund's assets and liabilities at that date and set employer contributions for the Fund's 392 employers for the next three years (from 1 April 2026). Funding levels have continued to improve since the March 2022 valuation figure of 113%. Should these conditions prevail then it may be possible to offer some employers an element of contribution relief from April 2026 onwards.

Improving data quality remains a high priority for the Fund – this is not only essential for the valuation exercise but also underpins everything the Fund does. Put simply, if we don't hold the right information about our members, we can't provide an effective service. We are therefore working closely with employers to drive up the quality of the data we hold.

Strong investment returns and stretching climate change targets

The value of the Fund's investments increased by £63m to £6.7bn by the end of the year, achieving a return of 1.6% compared to the target of 0.2%.

The Fund invests over a long term horizon and Fund returns remained ahead of target over three, five and ten years making a vital contribution to meeting our pension promises to scheme members. Fund members increasingly stress to us the importance of managing these investments responsibly in line with our stated investment aims. At the start of the year the Fund set new ambitious climate change targets for the period 2025-2030 and is making positive progress in achieving them. As well as continuing the Fund's progress in decarbonising its investment portfolio, the new targets also address the extent to which our investment assets align with a successful net zero transition pathway. In addition, in December 2024 the Fund published it's fifth annual Climate Risk Report in line with the requirements of the Taskforce on Climate-Related Financial Disclosures (TCFD).

UK Stewardship Code

In July 2024, the Fund became an official signatory of the Financial Reporting Council's UK Stewardship Code (2020). This achievement demonstrates the Fund's commitment to the highest standards of governance within our investments, and demonstrates our commitment to considering Environmental, Social and Governance (ESG) issues in all of our investment decisions.

The membership of the Pension Fund Committee has seen some changes during the year. Cllr Snowball was replaced by Cllr Smith and Cllr Bailey by Cllr Posnett, both now representing Cheshire East Council on the Committee.

On the Local Pension Board, our long-standing independent Chair, Peter Raynes, who has fulfilled this role since the Board was first formed in 2015, has stepped down from the role. We welcome Amanda Stott, formerly an elected member for Cheshire East Council and a former Pension Fund Committee member, as our new Board Chair. I would like to warmly welcome the new members of the Committee and the Board, and place on record my thanks to our departing members, in particular to Peter for his nine years of valued service to the Board.

As always, I thank everyone who has worked for, or with the Cheshire Pension Fund over the last twelve months for their support and continued commitment.

Simon Riley
Chief Operating Officer
Cheshire West and Chester Council

Overall Fund Management

Scheme Management and Advisors (as at 31 March 2025)

Administering Authority

Cheshire West and Chester Council
The Portal, Wellington Road, Ellesmere Port, CH65 0BA

Cheshire West and Chester Council Officers

Simon Riley - Chief Operating Officer

Position vacant - Head of Pension Fund*

Vanessa Whiting - Director of Governance and Monitoring Officer

*On 4 August 2025 Sean Greene was appointed as Head of Pension Fund

Pension Fund Committee

Councillor Myles Hogg
Cheshire West and Chester Council (Chair)

Councillor Gareth Gould Cheshire West and Chester Council

Councillor Arthur Neil Cheshire West and Chester Council

Councillor Phil Rimmer Cheshire West and Chester Council

Councillor Rachel Bailey* Cheshire East Council

Councillor Sam Corcoran Cheshire East Council

Councillor Michael Gorman Cheshire East Council

Councillor Judy Snowball* Cheshire East Council

Councillor Denis Matthews Warrington Borough Council

Councillor Mark Dennett Halton Borough Council

Neil Harvey Member Representative

*Councillor Posnett replaced Councillor Bailey in May 2025 and Councillor Smith replaced Councillor Snowball in March 2025 on the Pension Fund Committee.

Local Pension Board members

Amanda Stott Chair (Independent)

Councillor Robert Bisset Employer Representative (Cheshire West and Chester Council)

Kay Lennon Employer Representative (Cheshire West and Chester Council)

Geoff Wright Member Representative (UNISON)

Jason Lambert Member Representative (Cheshire West and Chester Council)

Asset Pool Operator

LGPS Central Limited
First Floor, i9, Wolverhampton Interchange, Wolverhampton, WV1 1LD

Investment Managers

Adams Street Partners UK LLP
7th Floor, One Great Cumberland Place, London, W1H 7AL

Baillie Gifford & Co
Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN

Blackstone
The Blackstone Group, 40 Berkeley Square, London, W1J 5AL

BlueBay Asset Management
100 Bishopsgate, London, EC2N 4AA

Darwin Property Investment Management Limited
11 New Street, St Peter Port, Guernsey, GY1 3EG

Janus Henderson Global Investors
201 Bishopsgate, London, EC2M 3AE

Legal & General Investment Management
One Coleman Street, London, EC2R 5AA

Lexington Partners UK LLP
1 Medici Courtyard, 2nd Floor, London, W1S 1BR

M&G Investments
10 Fenchurch Avenue, London, EC3M 5AG

Pantheon Ventures (UK) LLP
10 Finsbury Square, 4th Floor, London, EC2A 1AF

Patrizia UK Ltd
24 Endell Street, London, WC2H 9HQ

Custodian

BNY Mellon Asset Servicing
160 Victoria Street, London, EC4V 4LA

AVC Providers

Standard Life
1 Baileyfield Cresent, Edinburgh, EH15 1ET

Scottish Widows
PO Box 902, 15 Dalkeith Road, Edinburgh, EH16 9AS

Utmost
PO Box 484, Walton Street, Aylesbury, Bucks, HP21 7WW

Actuary

Hymans Robertson LLP
20 Waterloo Street, Glasgow, G2 6DB

Investment Advisor

Mercer
Belvedere, 12 Booth Street, Manchester, M2 4AW

Legal Advisor

Cheshire West and Chester Council
Director of Governance, The Portal, Wellington Road, Ellesmere Port, CH65 0BA

Pinsent Masons
3 Hardman Steet, Manchester, M3 3AU

Auditors

Grant Thornton
Audit and Assurance, Public Sector, Royal Liver Building, Liverpool, L3 1PS

Banker

Lloyds Bank plc
Chester Branch, Foregate Street, Chester, CH1 1XP

Financial Performance

In the following pages we provide a range of high-level information on the Fund's key financial metrics for the year and commencing with a recap on the results of the last triennial valuation. This is required content as specified by CIPFA (the Chartered Institute of Public Finance and Accounting)

2022 Triennial Valuation

Every three years the Pension Fund is subject to a formal valuation by the Fund Actuary which produces two key outputs.

- Firstly, it quantifies the funding Level i.e. the level to which the Fund's pension liabilities for the accrued benefits of current employees, deferred pensions and pensions in payment are matched by the market value of the Fund's assets. A funding level of less/more than 100% implies that there is a deficit/surplus in the Fund at the valuation date.
- Secondly, it sets the rate at which employers should contribute to the Fund for the following three years.

The formal valuation report by the Fund Actuary, including the minimum contribution rates to be paid by each employer from 1 April 2023 to 31 March 2026 is available on the Fund's website at the following link:

https://www.cheshirepensionfund.org/members/wp-content/uploads/sites/2/2023/03/230330-Cheshire-Pension-Fund-2022-Final-valuation-report.pdf

The table below summarises the funding position of the Cheshire Pension Fund as at 2022 in respect of benefits earned by members up to this date (along with a comparison at the last formal valuation at 31 March 2019).

Summary Valuation Results

	31 March 2022	31 March 2019
Total past service liability (£m)	6,146	5,739
Fund assets (£m)	6,968	5,583
Surplus/(deficit) (£m)	822	(156)
Funding level	113%	97%

The main changes highlighted by the 2022 valuation were:

- There has been an improvement in the reported funding level of the Fund from 97% to 113% and an improvement in funding position from a deficit of £156m to a surplus of £822m.
- Liabilities have increased by £407m to £6.146bn over the valuation period.
- The increase in the value of liabilities has however been more than offset by the £1.385bn increase in the value of the Fund's assets from stronger than expected investment returns. This was some £957m higher than expected at the 2019 valuation.

Fund Account- Comparison of 2024-25 Forecasts to Actual

The following table outlines the Fund's performance for key financial variables against forecast for the 12 months to 31 March 2025.

Fund Account 2024-25	Forecast	Actual	Variance
	£000	£000	£000
Contributions	225,978	225,880	(98)
Payments	(254,078)	(260,837)	(6,759)
Admin/Oversight and Governance expenses	(5,754)	(5,531)	223
Transfers in/(out)	0	(8,595)	(8,595)
Net investment income	39,312	40,622	1,310
Investment expenses	(23,276)	(24,846)	(1,570)
Change in market value	171,903	97,526	(74,377)
Net increase in the fund	**154,085**	**64,219**	**(89,866)**

Operational Expenses – Comparison of 2024-25 Forecasts to Actual

	Forecast	Actual	Variance
	£000	£000	£000
Administration/Oversight and Governance			
Employees	2,677	2,479	(198)
LGPS Central running costs	1,360	1,198	(162)
Supplies and Services	807	794	(13)
Actuarial Fees	215	343	128
Investment Advisor Expenses	138	131	(7)
IT Costs	319	283	(36)
Printing and Postage	93	102	9
External Audit Fees	105	114	9
Legal Fees	40	87	47
Total	**5,754**	**5,531**	**(223)**
Investment Management			
External Fund Managers	23,166	24,741	1,575
Custodian	110	105	(5)
Total	**23,276**	**24,846**	**1,570**

Administration/Oversight and Governance costs were £0.223m less than forecast primarily due to staffing costs being underspent due to staff vacancies. Savings in staff costs, IT costs and LGPS Central running costs have been offset against additional costs incurred in legal fees and actuarial fees, which have increased in preparation for the Fund's triennial valuation.

Forecast for 3 Years – 2025-26 to 2027-28

The following tables show the forecasts for the Fund Account and Net Assets Statement for the three years to 31 March 2028 based on the most up to date information.

Forecast Fund Account for 3 Years – 2025-26 to 2027-28

	2025-26	2026-27	2027-28
	£000	**£000**	**£000**
Contributions	232,655	232,409	237,056
Payments	(267,358)	(274,042)	(280,893)
Admin / Oversight and Governance expenses	(6,165)	(6,143)	(6,305)
Net investment income	42,403	42,557	43,636
Investment expenses	(24,550)	(23,630)	(24,407)
Change in market value	156,288	149,534	154,430
Net increase in the fund	**133,273**	**120,685**	**123,517**

Note: Contributions and payments are based on current expectations; administration and investment management expenses are based on current budgets, and net investment income and change in market value are based on the long term forecast returns for each asset class held.

The forecasts for total investment assets are based on the actual allocations at 31 March 2025 figure multiplied by the forecast returns for each asset class as provided by the Fund's investment advisor.

Three Year Forecast Management Expenses – 2025-26 to 2027-28

	2025-26	2026-27	2027-28
	Restated*	Restated*	
	£000	£000	£000
Administration / Oversight and Governance			
Employees	2,789	2,860	2,932
Asset Pool running costs	1,351	1,392	1,434
Supplies and Services	785	797	813
Actuarial Fees **	358	260	270
Investment Advisor Expenses	146	149	152
IT Costs	386	402	414
Audit Fees	124	127	129
Printing and Postage	86	106	106
Legal Fees	40	50	55
	6,165	**6,143**	**6,305**
Investment Management			
External Fund Managers	24,442	23,520	24,297
Custodian	108	110	110
Total	**24,550**	**23,630**	**24,407**

*Figures for 2025-26 and 2026-27 are restated as the three year forecasts are recalculated each year
**Actuarial fees in 2025-26 are higher due to this being a valuation year.

Analysis of Pension Contributions

The table below shows the value of primary pension contributions received on time and late for 2024-25.

	Total	On Time		Late	
	£000	£000	% (by value)	£000	% (by value)
Employee	50,492	50,442	99.87%	50	0.13%
Employer	175,388	175,214		174	
Total	**225,880**	**225,656**		**224**	

The Fund classes contributions income as being received on time when it is received within 22 days (if received electronically), commencing from the end of the month in which the amount is deducted from the earnings. Contributions received over 22 days are classed as late.

No interest charges were applied to employers during the year as a result of late payments.

The Fund continues to monitor the timeliness of contribution receipts from all employers and will charge a mandatory penalty when an employer breaches on three or more occasions over a six month rolling period. Material (Red) breaches will also be reported to The Pensions Regulator.

In total the Fund recorded 46 late payments of contributions on the Breaches Log in 2024-25, 35 of these relate to employers who have small numbers of staff and so are easily affected by unexpected staff absences. These breaches were all green status and have been quickly rectified by the employer. The remaining were 9 'monitor' breaches and 2 'report' breaches in relation to two employers, both employers were reported to The Pensions Regulator in February 2025.

Pension Overpayments

The Cheshire Pension Fund pays around 30,000 pensioners every month, with a monthly net payroll in excess of £14 million. With such a large volume of pensioner payments, it is inevitable that there will be times when a member has been receiving more pension than they are entitled to.

Wherever possible the Fund will recover any overpayment and will only write off an overpayment as a last resort when all other avenues have been exhausted.

Analysis of Pension Overpayments

	2024-25	2023-24	2022-23	2021-22	2020-2021	Total
	£000	£000	£000	£000	£000	£000
Overpayments Recovered	34	67	89	67	55	312
Written off due to death	40	5	7	18	17	87
Annual Pension Payroll	211,395	192,989	173,099	165,183	161,135	903,801
Write offs as % of payroll	0.002%	0.002%	0.004%	0.010%	0.010%	

National Fraud Initiative

The Fund participates in the National Fraud Initiative (NFI), which is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud.

The NFI is biennial with the last initiative being in 2024-25. It identified only nine cases that required investigation. Following initial investigation, only one case has shown an overpayment was made and we are in the process of trying to recover this.

- In three cases no overpayment was made and the cases have been closed
- In five cases, the member has been suspended for a while so the likelihood is there will be monies owing to Next of Kin rather than overpayments to recover however we are still trying to locate NOK's for these members
- For the remaining one case the fund is liaising with the General Registry Office to obtain the death certificate as we haven't been able to obtain these from the local registry office.

Investigation procedures involve writing to members where a mismatch is identified, performing DWP traces on members that cannot be contacted or writing to registrar offices to confirm and obtain a copy of the death certificate. Overpayments recovered or written off as a result of the National Fraud Initiative are included in the pensions overpayments table above.

Administration

The Fund has been undertaking a thorough data cleansing exercise ahead of the 2025 Triennial Valuation. Preparation for the two major regulatory changes of McCloud and Pensions Dashboards has continued throughout the year.

The Fund has introduced digital Annual Benefit Statements for active members, and "My Pension Modeller" which allows members to obtain their own estimate of retirement benefits at different ages, assisting with retirement planning.

Pensions Transformation Programme

Progress has continued with the Fund's transformation programme, and a summary of our delivery achievements in 2024-25 is outlined below. The programme centres around a key theme of moving to a "digital first" Fund where we provide stakeholders with self-serve options which are accessible around the clock.

The Fund has made significant inroads into reducing our backlog of historic administration casework and this will continue into 2025-26. Progress has also been made with improving data quality, which meant the Fund was able to increase the percentage of active members who had received an Annual Benefit Statement (ABS) from an initial 85% to 94.5%.

There are 94.2% of employers (representing 98% of members) providing monthly 'per member' data to the Fund via the Monthly Interfacing system, with the remaining circa 6% due to join in mid 2025.

The number of members registering for the Fund's self-serve member portal, "My Cheshire Pension", continues to grow. By 31 March 2025 around 20,100 members had registered (9,400 members as at 31 March 2024), and 84% of registered users had logged on to the service during the financial year.

A summary of the number of registered users by age is shown in the following table:

Age	Count of users
0-4	0
5-10	0
11-15	0
16-20	64
21-25	454
26-30	840
31-35	1,191
36-40	1,550
41-45	1,949
46-50	2,137
51-55	3,422
56-60	4,091
61-65	2,870
66-70	1,035
71-75	276
76-80	151
81-85	39
86-90	22
91-95	9
96-100	0
101-105	0
Total	**20,100**

Deferred members were invited to register for My Cheshire Pension during 2024. By 31 March 2025, around 6,100 deferred members had registered for the Portal.

A key development in the Fund's transition to "digital first" is to provide active members with their ABS online rather than providing physical copies in the post. The Fund rolled out "digital ABS" to all active members in August 2024. Members access their online ABS via the "My Cheshire Pension" portal.

In addition to the rollout of digital ABSs for active members, the Fund has also introduced "My Pension Modeller", also available via My Cheshire Pension. Modeller allows members to obtain their own estimates of benefits at different ages. It also allows members to model the amount of lump sum they would like to take versus the monthly pension, to assist with retirement planning.

The Fund has also introduced a "Deferred Retirement Quote" for deferred members, which allows members to produce an estimate of their deferred pension benefits, based on a given retirement date.

These three developments represent a major step forward in the Fund's "digital first" agenda, and provide a solid foundation for increasing engagement with our members online.

The Fund will be introducing "digital ABS" for deferred members during 2025-26.

Similar to My Cheshire Pension for members, the Fund also introduced a new self-serve portal for employers, called "Cheshire Employer Hub".

Cheshire Employer Hub provides a secure portal which the Fund and employers can use to engage with each other. It can also be used to deliver work processes for employers, for instance to guide an employer in rectifying a member file if any data is missing from it. The work processes will make it easier, clearer and more secure for the Fund and employers to share data and to keep track of any outstanding tasks.

Cheshire Employer Hub is being implemented in phases. Phase 1 saw the replacement of the legacy "Web 1" system for employers to load their monthly interfacing files with a modern replacement. Phase 1 went live in June 2024.

Further development of Cheshire Employer Hub in phases 2 and 3 will progress during 2025-26, and will facilitate a transformational channel shift in how the Fund engages with our employers.

Value for Money Statement

The Fund has continued the transition to becoming a "digital first" provider with the number of members using the self-service portal, "My Cheshire Pension", continuing to grow. The introduction of digital Annual Benefit Statements has encouraged more of our members to register, along with "My Pension Modeller", which allows our members to obtain their own estimate of benefits at different ages.

There are a number of other systems and processes embedded within the Fund that ensure the effectiveness of the Fund's administration service. Some examples are outlined below.

Internal Audit conduct a 5 year rolling programme of audits on all administration casework processes which result in a payment. During 2024-25, Internal Audit conducted an audit on the "deaths" process. The outcome of this review was a substantial assurance rating, the highest rating available.

The Internal Audit report recommended that the Fund should introduce counter fraud training to the team, which is being explored and will be implemented later this year.

The Fund engages a third party supplier to conduct monthly mortality tracing, to limit the impact of any potential pension overpayments. The same supplier also conducts an annual "overseas proof of life" exercise for pensioners who live abroad.

The Fund has conducted a review of its compliance with the Pensions Regulator's General Code of Practice and identified a limited number of areas where further work is required to ensure the Fund's compliance.

During the year the Fund spent £30.3m on Investment Management Fees, Administration and Oversight and Governance costs. This equates to a cost of £257 per member. More detail can be found in the Unit Cost Per Member table later in the administration update.

The Fund continues to invest in resources and technology as detailed throughout this report, which demonstrates our commitment to ensure value for money for our stakeholders.

Regulatory Changes

McCloud

The McCloud judgement, generally referred to as "McCloud", refers to the case in which the Supreme Court found that transitional protections introduced in the firefighters' and judges' pensions schemes in 2015 were age discriminatory to younger workers.

Similar protections were introduced in other public sector schemes, including the LGPS, and the Government confirmed the ruling applies to those schemes as well.

Following a consultation in 2020, the government proposed that the remedy to resolve the age discrimination was that, for each affected member, Funds will need to undertake two calculations to determine which set of regulations (pre- or post-2014) provides them with the most advantageous benefits. The remedy is known as the "underpin".

For the majority of members, the post-2014 Career Average Revalued Earnings scheme offers improved benefits, meaning that implementation of the underpin will not require any rectification of their benefits.

To enact the remedy, the "Local Government Pension Scheme (Amendment) (No. 3) Regulations 2023" were introduced and took effect from 1 October 2023.

These regulations provide the framework for the Fund to apply the underpin to all eligible members, and to revisit benefit calculations dating back to 1 April 2014, where required.

In order to apply the remedy, the Fund requires changes to our administration system to allow the underpin to be applied to all eligible members, and to potentially rectify the benefits of any members who had already received a benefit since 1 April 2014.

The Fund has been working with our administration system provider, Civica, to develop this functionality. There have been severe delays in the system provider being able to introduce the necessary changes, which has delayed the Fund's ability to introduce the necessary changes to benefit calculations.

As such the Fund, along with other pension funds in the sector, has not yet been able to implement this functionality, and does not expect to be able to do so until the autumn of 2025.

The Fund is developing a detailed implementation plan, so that when the required functionality is available, we will be able to apply the remedy and rectify any previous benefits where required.

Pensions Dashboards Programme

Pensions Dashboards are digital services that allow pension savers to see their benefits in one place, including their state pension.

The Pensions Dashboards Programme was established by the Money and Pensions Service in 2019 to deliver pensions dashboards and the digital architecture that will enable dashboards to work. Further information about pensions dashboards can be found on the Programme's website: **https://www.pensionsdashboardsprogramme.org.uk/**

There is a single connection deadline of 31 October 2026 for all eligible schemes in the UK to connect to pensions dashboards. Ahead of that date, individual schemes have been given an earlier "staging date" to achieve their own connection. For the LGPS, the staging date is 31 October 2025.

The Fund has appointed its administration system provider, Civica, as its Integrated Service Provider ("ISP"). Our ISP sits between the Fund and the national pensions dashboards infrastructure, and will create their own connection to the dashboards. They will take a regular extract of the Fund's data, and make that available to the dashboards, so that members can be matched to records held by the Fund, and they can then view their own relevant data.

Before becoming an approved ISP, all such providers are required to be officially signed off by the national programme. Civica are nearing the end of this process, and the Fund expects to be able to start the onboarding phase with Civica during the summer of 2025.

In the meantime, the Fund is focussing on cleansing data and working with Civica to complete all necessary steps required to register for the national dashboards.

Data Quality

The Fund has continued with its key focus of enhancing data quality. Progress in this area is closely monitored by our Local Pension Board.

2025 Valuation – Data Cleansing

Ahead of the 2025 valuation the Fund has been conducting a thorough data cleansing exercise to identify and resolve as many data issues as possible. This will better enable the actuary to use the Fund's membership data to determine contribution rates payable by employers from 1 April 2026.

This data cleansing exercise commenced in the autumn of 2024, and is looking at all types of data issues, including missing starters / leavers, missing monthly interfacing files from employers, and unprocessed casework.

The data cleansing exercise will continue into the summer of 2025, so that the Fund can resolve as many issues as possible before the data needs to be extracted for the formal valuation exercise (and before the Fund needs to produce the 2025 Annual Benefit Statements for active members).

Annual Benefit Statements (ABS)

In 2024 the Fund issued an Annual Benefit Statement (ABS) to 27,300 active members, representing 85.28% of eligible members, by the 31 August deadline. This shows an improvement from 2023, when the Fund issued over 25,500 active members their ABS, representing 81% of eligible members by the 31 August deadline.

The reason for the improvement between the two years was largely due to the work undertaken by the Fund to obtain and process the necessary membership information from the two largest employers in the Fund. This follows their replacement of back-office systems in 2021, which has led to problems in extracting data in a consistent format.

The Fund continued to work with Cheshire West and Chester Council's Transactional Shared Services team, who provide payroll services on behalf of both of these employers, to rectify these issues in order that missing members could receive their ABS. The Fund also worked with other employers where data issues had also prevented their members from receiving their ABS.

By 31 March 2024 the Fund had increased the percentage of active members who had received an ABS from 85.28% to 94%, a considerable improvement.

From 2024 all active members receive their ABS online. Members can opt out of this service if they still wish to receive a paper version.

In addition to sending out an ABS to active members, we also issued an ABS to 98.51% (98% in 2023) of eligible deferred members by the statutory deadline of 31 August.

The c1.5% of deferred members who did not receive their statement arose simply because we had not been provided with a current address for those members.

Over the past few years the Fund has used the services of a third party tracing company to locate members who we had lost contact with, who are typically deferred members. This has been successful and there are now far fewer members where the Fund does not hold their current address. We estimate there are around 400 remaining deferred members where the Fund does not hold a current address, and could not locate this through tracing, which equates to just over 1% of deferred members.

The Pensions Regulator (TPR) - Data Scores

We are required to provide "data scores" to The Pensions Regulator ("TPR") on an annual basis as part of the scheme return. The "common data" and "scheme specific data" scores which have been submitted for the past four years are shown in the following table, along with the sores as at 31 March 2025:

	TPR Scheme Return				
	25-Sep-20	**1-Nov-21**	**10-Oct-22**	**2-Jan-24**	**31-Mar-25**
Common Data	98.73%	98.95%	99.31%	99.74%	96.46%
Scheme Specific Data	74.01%	80.09%	72.33%	85.62%	74.62%

The "Common Data" score relates to information such as name, address, national insurance number etc. and the Fund is over 96% for this information. As noted above, deferred members who have not notified us of a change in their address, resulting in the Fund being unable to trace them, will be one reason why our common data scores are not at 100%.

The "Scheme Specific Data" score reflects information specific to a member which is required to process their benefits, such as a member's active or deferred status, or events that have taken place during membership. Scheme specific data scores are typically lower at the end of the financial year than at other times of the year, as the Fund works through year-end data files received from employers.

The data quality workstream, as part of the Fund's transformation programme, has a specific focus on resolving any remaining data issues to improve our data scores. This is also aligned with the data quality requirements in support of the Pensions Dashboards programme.

Member contact

In keeping with the Fund's "digital first" strategy, and with the introduction of the My Cheshire Pension and Cheshire Employer Hub portals, the Fund is increasingly contacting members and employers electronically rather than by post.

The table below shows the number of email addresses that the Fund currently holds for its members. Where a member has more than one record with the Fund, the email address has been counted once. Therefore, the overall percentage of members where an email address is held by the Fund is 33%, after removing any duplications.

The Fund will continue to seek to collect email addresses for its members, to facilitate more efficient contact methods.

Status	Total Number Members (Folder Records)	Total Number Members (Actual Persons only)	Number with Email Addresses	% with email held	Number with Email Addresses	% with one held (based on persons)
Active	50,395	39,291	28,220	60%	23,492	60%
Deferred	31,030	30,063	10,320	30%	5,149	17%
Pensioners	36,834	32,900	6,416	17%	4,753	14%
Totals	**118,259**	**102,254**	**44,956**	**38%**	**33,394**	**33%**

Technology and Pensions Administration System Development

We use the Universal Pensions Management pensions administration software supplied by Civica, utilising benefits calculation, task management, document imaging, document production and workflow functionality.

As mentioned above, the Fund successfully completed the introduction of the "My Cheshire Pension" portal and rolled this out to all active and deferred members.

The portal originally went live with a basic set of standard functionality, which allowed members to view their pension record, amend their personal details, and update their death grant nominations, all online.

During the financial year the Fund made a number of improvements to the system, including the introduction of "digital ABS" and allowing members to view documents relevant to their membership.

We also introduced My Pension Modeller, which is functionality that allows members to model their retirement benefits at different ages. It also allows members to model the amount of lump sum they would like to take versus monthly pension, to assist with retirement planning.This will assist members with their retirement planning.

All these developments were made available to members in 2024-25.

Deferred members were invited to register for My Cheshire Pension when they received their last paper ABS in 2024. Deferred members will receive their first digital ABS in 2025, unless they opt to receive a paper one.

Using the portal, deferred members can also calculate their own retirement estimate online, without requiring the Fund to produce it for them. This will assist with retirement planning for members.

Cheshire Employer Hub will become the central place for sharing and storing employer information such as contact details, admission agreements, discretions policies and authorised signatories. It will also provide a medium through which the Fund and employers can communicate securely with each other.

The Fund was plans to extend the self-serve functionality to employers during 2025-26.

Cheshire Employer Hub will present a transformational channel shift in how the Fund engages with employers in the future.

It can also be used to deliver work processes for employers, for instance to guide an employer in rectifying a member file if any data is missing from it. The work processes will make it easier, clearer and more secure for the Fund and employers to share data and to keep track of any outstanding tasks.

The developments outlined above are intended to speed up the processing of casework and free up capacity within the team to concentrate on more complex casework and administration casework backlogs.

The Fund operates a helpdesk for members who want to speak to us directly. We typically receive around 1,300 member calls per month. These numbers typically increase at certain times of the the year, for instance after we issue members' Annual Benefit Statements.

The telephone helpdesk is open twice a day:

Telephone: **01244 976 000**

Opening Hours:	**Monday to Friday**
	9.30am to 11.30am
	2.30pm to 4.30pm

We also have a dedicated email address for members and employers to contact us: **pensions@cheshirewest andchester.gov.uk**. The Fund typically receives around 5,000 emails per month. We aim to provide an initial response to all enquiries within 10 working days, although the majority are dealt with far sooner than that.

The Pension Fund has a dedicated website **www.cheshirepensionfund.org** which provides information on all aspects of the LGPS and has dedicated sections for the Fund's customer groups - including active members, deferred members, pensioners, councillor members and employers. It also contains key publications such as policy statements and a back collection of annual reports.

The Fund's communications strategy is to be "digital first", not digital only. We recognise that not all of our members prefer to engage digitially. Members can opt to continue to receive paper communications, including their Annual Benefit Statement.

The Fund's approach to communication is set out in its Communications Strategy, which provides an overview of how the Fund will communicate with its stakeholders.

The Fund's communications strategy can be viewed on our website: **Cheshirepensionfund.org**

During 2023-24 the Fund issued a new Employer Engagement Strategy setting out specifically how and when it would engage with our employers. The strategy highlights our "digital first" ethos and emphasises that the Fund will look to communicate via digital and online methods as standard.

Along with the Employer Engagement Strategy, the Fund produces an annual engagement calendar which clearly sets out the key employer engagement events and dates for the year.

A number of communications have been issued to members throughout the year. All active and deferred members received an Annual Benefit Statement along with an accompanying newsletter. The Fund also produces two pensioner newsletters each year. All newsletters are available on the Fund's website.

Cyber security – the Fund continues to assess its cyber risk management arrangements and those of key third party service providers. A Cyber Risk Strategy is in place and has been updated, and arrangements for how the Fund would respond to a cyber attack have been improved, with a clear response plan in place which is subject to testing. Regular progress updates are provided to the Pension Fund Committee and Local Pension Board. Cyber risk awareness training is provided to Committee and Board members and to all Fund officers.

Member and Employer Engagement

The Fund conducted a number of roadshows during June, October and November 2024. There were three roadshows, and in total 90 members attended in person. The roadshows were held across the Fund's geographic area, and provided an opportunity for members of the Fund to raise queries and ask questions about their own pension on a 'drop in' basis.

The roadshows took place in the Cheshire West and Chester and Cheshire East boroughs, and were open to all members of the Fund to attend. Bookings were advertised via the Fund's website. Further roadshows are being planned for 2025-26.

The Fund also facilitated six pre-retirement courses to provide members with information ahead of their retirement. In addition, the Fund hosted a number of online webinars, designed to help members understand more about their pension and to plan for their retirement.

There were eight such webinars across three subjects, as outlined in the following table.

Subject	"Just Joined"	"Mid life MOT"	"Thinking of retiring"
Dates	20 February 2025	25 February 2025	5 March 2025
	25 March 2025	20 March 2025	19 March 2025
		26 March 2025	27 March 2025

Total number of attendees across the eight sessions was 1,540, which is an average of 193 members per session. The Fund intends to run further webinars in 2025-26 and beyond.

The Fund held a number of employer engagement events, including three meetings with the Pensions Employer Forum, a group representing employers and employers groups within the Fund. The Forum assists with ensuring the efficient and effective administration of the Fund.

The Fund also held an Employer Meeting on 28 February, to inform employers about the upcoming triennial valuation process and the importance of data quality.

Key Performance Data

The following tables summarise our performance in processing key casework over the year, and have been produced in line with Central Government's guidance note 'Preparing the Pension Fund Annual Report Guidance for Local Government Pension Scheme Funds April 2024'. The tables present this information in two formats:

1. Number of cases completed for each category during the year, including opening and closing balances for the year.
2. Outlining compliance against local key performance indicators and against disclosure regulation requirements.

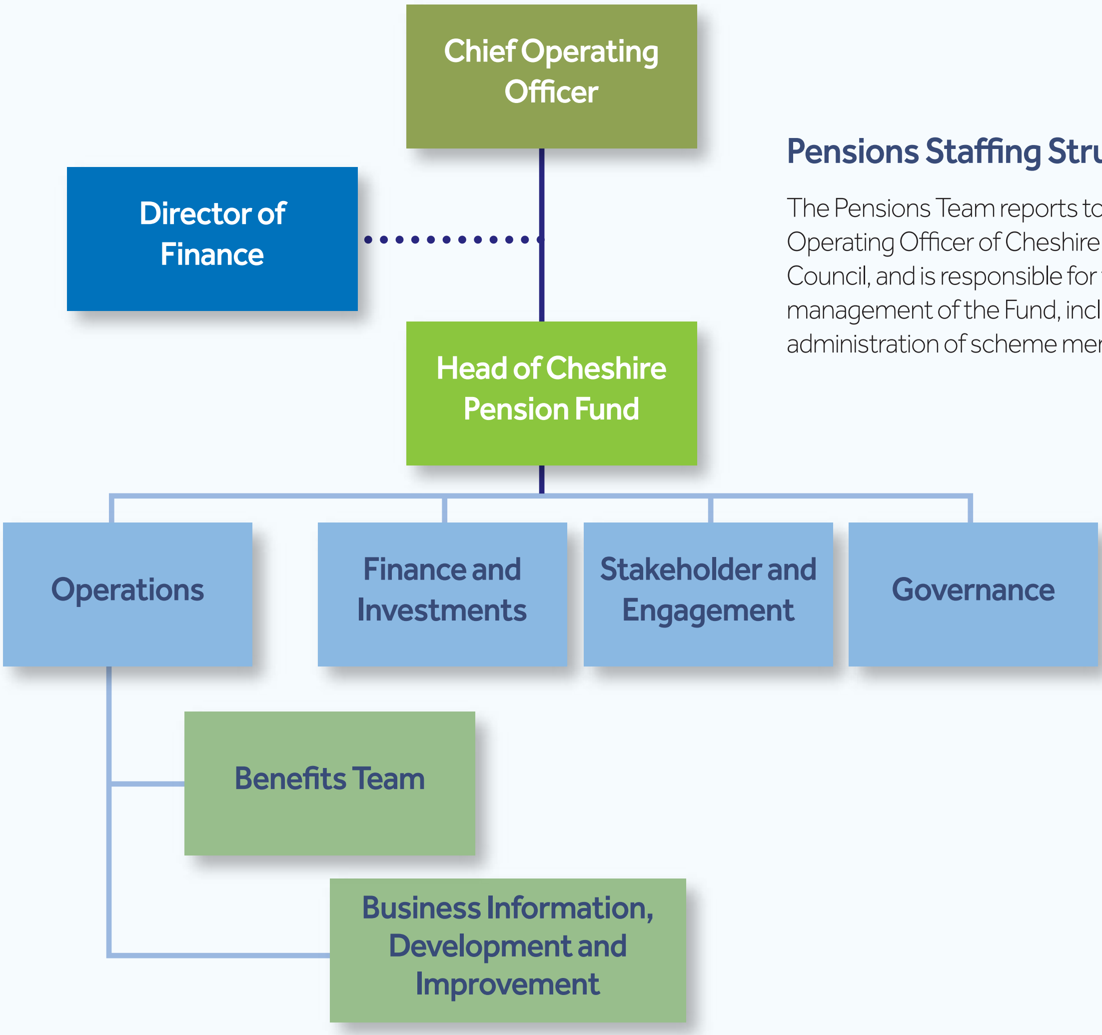
In addition to the annual summary in the Annual Report, the Local Pension Board receives quarterly updates on administrative performance.

Table 1: Casework activity in the year

		2024-25			
Casework Type	**Completed 2023-24 Cases**	**Cases Outstanding at start of period**	**Cases commenced in year**	**Cases completed in year**	**Cases outstanding at year end**
Deaths	1,411	231	1,494	1,482	243
Retirement Estimates	9,367	812	9,566	9,583	795
Retirements	3,432	268	3,812	3,877	203
Deferments	3,461	4,278	4,074	3,680	4,672
Transfers In	1,288	698	1,133	1,187	644
Transfers Out	1,762	722	2,129	2,138	713
Joiners	1,426	301	1,279	1,276	304
Aggregation	2,101	8,638	2,488	3,622	7,504
Refunds	1,934	444	2,822	2,773	493
Leavers	8,489	3,213	8,932	8,704	3,441
Totals	**34,671**	**19,605**	**37,729**	**38,322**	**19,012**

Table 2: KPI Performance in year

2024-25	Local KPI Target	Achieved	Cases Completed within KPI	Legal Requirement from notification	Achieved
	No. of Days	%			%
Deaths (Active)	5	89	25	2 Months	93
Deaths (Deferred)	5	94	66	2 Months	96
Deaths (Acknowledgement)	5	93	778	2 Months	94
Deaths (Dependant Benefit)	10	82	672	2 Months	75
Retirements (Active members)	5	85	945	2 Months	85
Retirements (Deferred members)	5	85	947	2 Months	85
Deferment	30	94	2,568	2 Months	97
Transfer In	10	98	217	2 Months	99
Transfer Out	10	93	222	2 Months	96
Refunds	10	65	110	2 Months	73



Pensions Staffing Structure

The Pensions Team reports to the Chief Operating Officer of Cheshire West and Chester Council, and is responsible for the day to day management of the Fund, including the administration of scheme membership.

The main responsibilities of the four teams are:

- **Operations Team** – which is further split between two teams:
  - **Benefits Team** – responsible for the calculation of retirement benefits, early leavers, deceased members, transfers for divorced members, and transfers in and out of the fund and arranging additional contributions contracts.
  - **Business Information**, **Development, and Improvement Team** – responsible for maintaining the pension's administration database, research and delivery of the IT development roadmap and providing support to staff members in the most efficient use of the pensions database. The team are also responsible for the production of reports to satisfy all statutory and operating requirements, and to assist in continually improving the data held by the Fund.
- **Stakeholder and Engagement Team** – responsible for processing scheme admissions and cessations, notifying new employers of their responsibilities to the Cheshire Pension Fund, organising dates for training to new employers and managing the Fund's communication strategy.
- **Finance and Investments Team** – responsible for the management of investments, production of the Statement of Accounts and maintaining a Fund overview of all financial activity.
- **Governance Team** – responsible for governance, compliance and reporting, which includes governance strategy, regulatory and Data Protection Act compliance, cyber security risk management, and shareholder oversight of the Fund's investment pooling company.

There are 58 (2023-24: 58) full time equivalent (FTE) posts in the Pensions section, with 46 (2023-24: 46) staff responsible for pensions administration. This equates to an administration staff to fund-member ratio of one FTE employee to 2,492 (2023-24: 2,494) members including management, based on the total fund membership of 118,259 (2023-24: 114,735). The ratio equates to 2,547 (2023-24: 2,550) when excluding management.

As at 31 March 2025 the Fund had five staff vacancies within the administration section, a vacancy rate of 11%. The Head of Fund post is also currently vacant and will be filled during 2025-26. The average length of service for administration staff is nine years.

Of the remaining 12 staff, five are based in the Finance and Investments team and five in the Stakeholder Relations team, with the Head of Pension Fund and Governance Manager bringing the total to 58.

Unit Cost Per Member

The table shows the main categories of Fund costs in total each year and by member over the five years since April 2020. Total membership has increased by over 12% over the five years, while total costs have risen by 13%.

Process	2020-21	2021-22	2022-23	2023-24	2024-25
Total Membership (Number)	**105,694**	**107,882**	**110,520**	**114,735**	**118,259**
Investment Management					
Cost (£000)	22,532	23,102	21,285	22,319	24,846
Per Member (£)	213	214	193	195	210
Administration					
Cost (£000)	2,226	2,627	2,774	3,112	3,282
Per Member (£)	21	24	25	27	28
Oversight and Governance					
Cost (£000)	2,030	1,856	2,093	2,252	2,249
Per Member (£)	19	17	19	20	19
Total Costs (£000)	**26,788**	**27,585**	**26,152**	**27,683**	**30,377**
Total Cost Per Member (£)	**253**	**255**	**237**	**242**	**257**

Membership and Employer Movement and Scheme Complexity

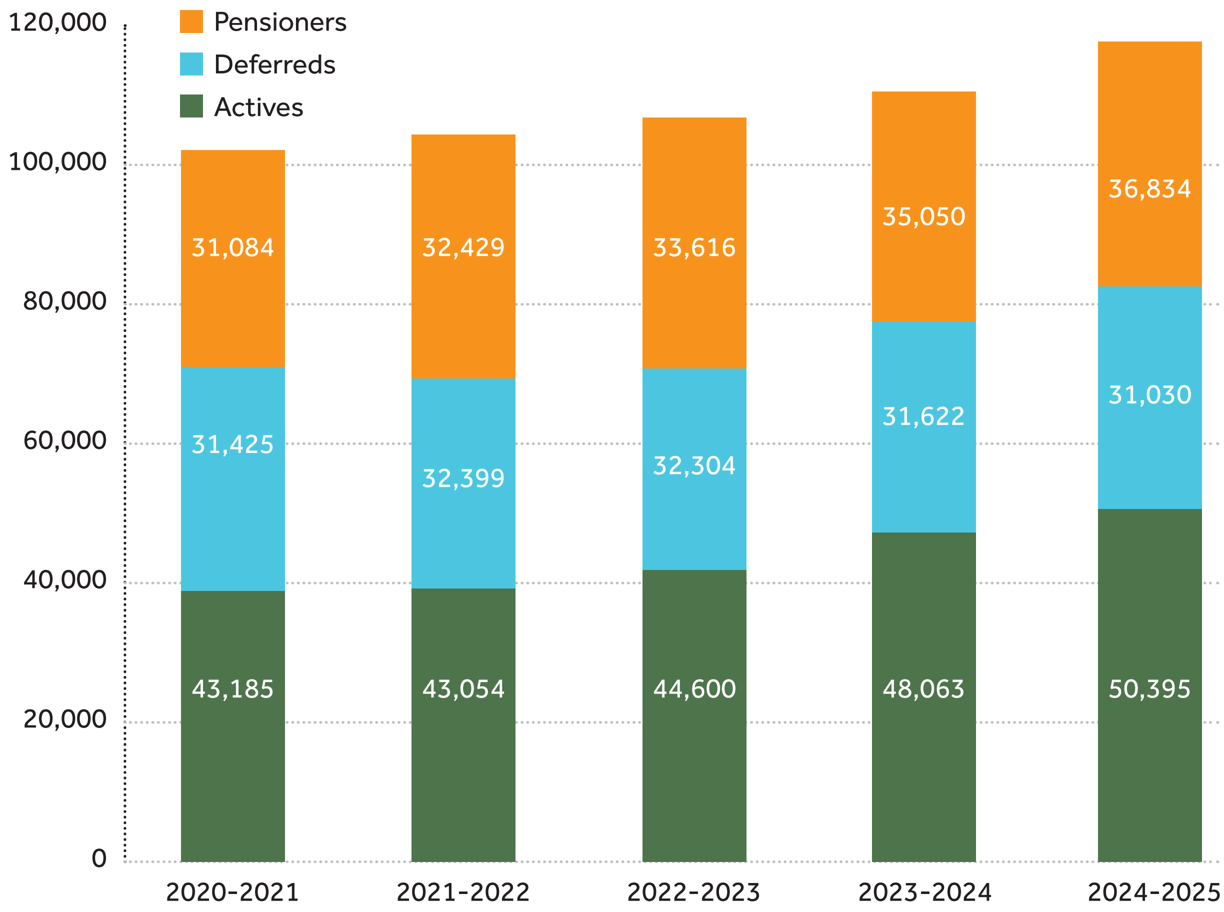
Membership numbers have increased year on year for active and pensioner members. There has been a slight reduction in the number of deferred members as the Fund works through casework backlogs, specifically targeting backlogs in unprocessed leavers, and combining records for members with multiple membership records.

The table and chart show the membership movements for the past five years:

Membership	2020-21	2021-22	2022-23	2023-24	2024-25
Active	43,185	43,054	44,600	48,063	50,395
Deferred	31,425	32,399	32,304	31,622	31,030
Pensioners	31,084	32,429	33,616	35,050	36,834
Total Membership	**105,694**	**107,882**	**110,520**	**114,735**	**118,259**

Membership and Employer Movement and Scheme Complexity

The Fund continues to experience a year on year increase in the number of members as illustrated in the following chart.



The number of Employers participating in the Fund also continues to grow as the table illustrates.

	2020-21	2021-22	2022-23	2023-24	2024-25
Number of Employers (who paid contributions during the year)	308	321	328	341	392

The continuing fluctuations in member and employer numbes adds to the already challenging workload of the Fund.

This is compounded by the increased complexity of the scheme with the introduction of the Career Average Revalued Earnings version of the LGPS in 2014 which means that the Fund is effectively managing 3 separate benefit structures as summarised here:

Pre April 2008	April 2008 to March 2014	April 2014 onwards
Membership based	Membership based	Earnings based
Final Salary link	Final Salary link	Career Average Revalued Earnings
1/80th accrual	1/60th accrual	1/49th accrual
3/80th Mandatory Lump Sum	Convert pension for lump sum 1:12	Convert pension for lump sum 1:12

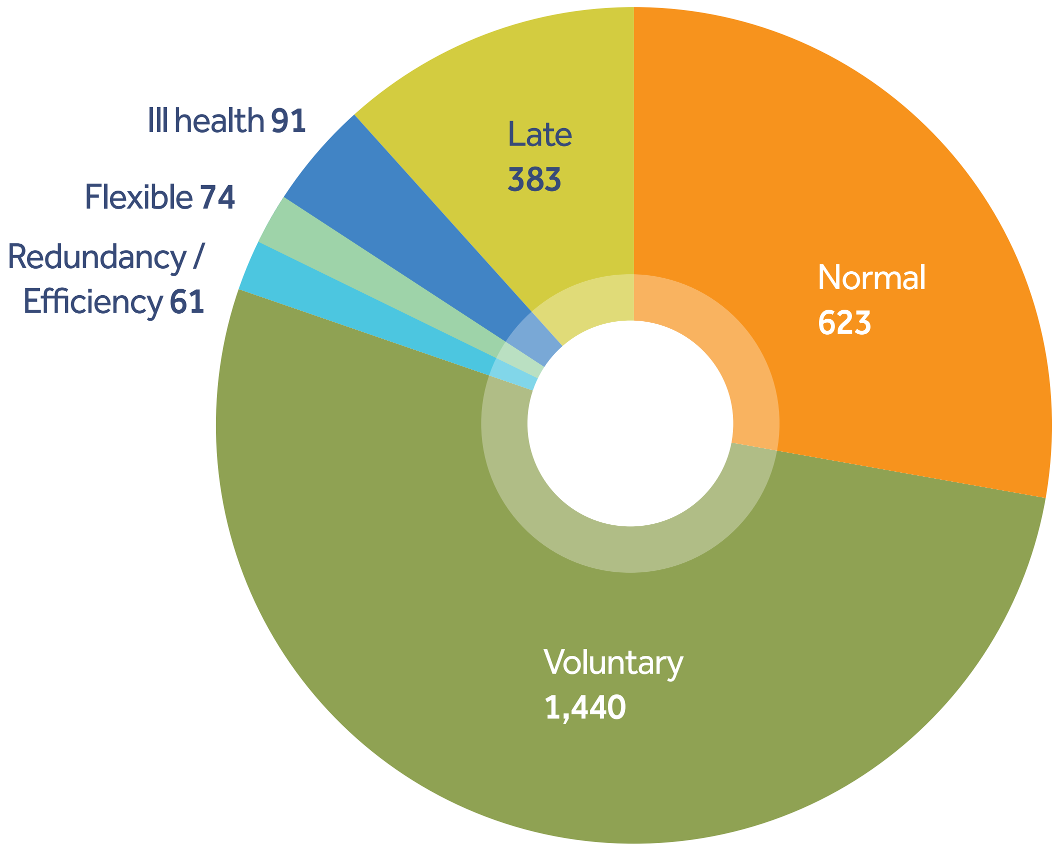
Fund's Membership demographic

The table summarises the age ranges of the membership at the end of 2024-25 over the three categories of Active, Pensioner and Deferred.

	Active		Deferred		Pensioner	
Age Group	**Number**	**%**	**Number**	**%**	**Number**	**%**
0 -4	**0**	0.00	**0**	0.00	**1**	0.00
5-10	**0**	0.00	**0**	0.00	**24**	0.07
11-15	**0**	0.00	**0**	0.00	**57**	0.16
16-20	**327**	0.69	**2**	0.01	**95**	0.26
21-25	**1,780**	3.7	**105**	0.34	**21**	0.06
26-30	**3,411**	7.01	**693**	2.23	**2**	0.01
31-35	**4,619**	9.35	**1,855**	5.98	**5**	0.01
36-40	**5,803**	11.44	**3,257**	10.50	**12**	0.03
41-45	**6,954**	13.45	**4,170**	13.44	**27**	0.07
46-50	**6,960**	13.17	**4,701**	15.15	**78**	0.21
51-55	**5,701**	12.07	**4,997**	16.11	**109**	0.3
56-60	**9,029**	16.97	**7,720**	24.88	**1,841**	5.06
61-65	**4,376**	9.18	**2,955**	9.52	**6,389**	17.01
66-70	**1,176**	2.43	**466**	1.5	**8,744**	23.48
71-75	**259**	0.54	**109**	0.34	**7,156**	19.5
76-80	**0**	0.00	**0**	0.00	**6,153**	16.94
81-85	**0**	0.00	**0**	0.00	**3,251**	8.94
86-90	**0**	0.00	**0**	0.00	**1,837**	5.05
91-95	**0**	0.00	**0**	0.00	**822**	2.26
96-100	**0**	0.00	**0**	0.00	**182**	0.5
101-105	**0**	0.00	**0**	0.00	**22**	0.06
105+	**0**	0.00	**0**	0.00	**6**	0.02
Totals	**50,395**	**100**	**31,030**	**100**	**36,834**	**100**

Retirements during 2024-25

There were 2,672 retirements during 2024-25 as summarised in the following chart:



Internal Dispute Resolution Procedure

There are times when Scheme members, employers and the Administering Authority may find themselves in disagreement about a pension issue. The first and preferred approach in these situations is for those involved to talk to each other to reach a resolution. However, should this not prove possible, the Fund has established an Internal Disputes Resolution Procedure ("IDRP").

The IDRP is a two stage process. When the Fund or an Employer makes a decision about a beneficiary's benefit under the LGPS rules, if for any reason a member, pensioner, deferred pensioner or potential beneficiary is not satisfied about the decision made, they can apply to the employer or the Fund to have their complaint reviewed under "stage 1" of the IDRP. If the beneficiary is dissatisfied with the decision arising from stage 1, they may invoke "stage 2" of the IDRP within six months of the stage 1 decision.

If after the stage 2 decision the beneficiary is still dissatisfied, they can contact The Pensions Ombudsman for help when dealing with a complaint.

The Internal Dispute Resolution Process is described in much more detail on the Fund's website.

In the last year there have been six new IDRP applications. There were two stage 2 cases against an employer, and two stage 2 cases against the Fund, all of which were determined as "not upheld". There were two stage 1 cases against the Fund, one of which was upheld and one partly upheld.

There were no cases referred to the Pension Ombudsman in 2024-25.

Outside of the IDRP, There were two other formal complaints received by the Fund in 2024-25. All were responded to in line with our Administering Authority's complaints procedure. The subject of the complaints were:

- Changes to personal details and options such as death grant beneficiaries
- Issues with AVC provider
- Options in relation to benefits paid
- Amendments to benefits paid

Investments and Funding

Investment Management

Management of Cheshire Pension Fund's assets is determined within the context of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the "Regulations"). The regulations require the Fund to publish its Investment Strategy Statement which documents the current investment strategy, provides transparency in relation to how the Fund's investments are managed and acts as a high-level risk register. This document can be found on the Fund's website and provides further detailed information about how the Fund manages its assets.

In summary, the Fund currently groups all of its employers into one of four groups: Open, Academies, Exiting and Exited. Each employer group can then be allocated to an appropriate investment strategy which gives the constituent employers access to an investment strategy that meets their long-term funding objectives. The appropriateness of the investment strategy to the needs of each employer group is kept under review and where necessary different strategies will be developed and implemented. This ensures that each of the Fund's 562 scheme employers (392 employers who contributed to the fund in year) has access to an investment strategy that meets their long-term funding requirements.

Each investment strategy has a strategic asset allocation, which targets the required long-term rate of return, whilst ensuring that the portfolio maintains an acceptable level of risk and an appropriate level of diversification.

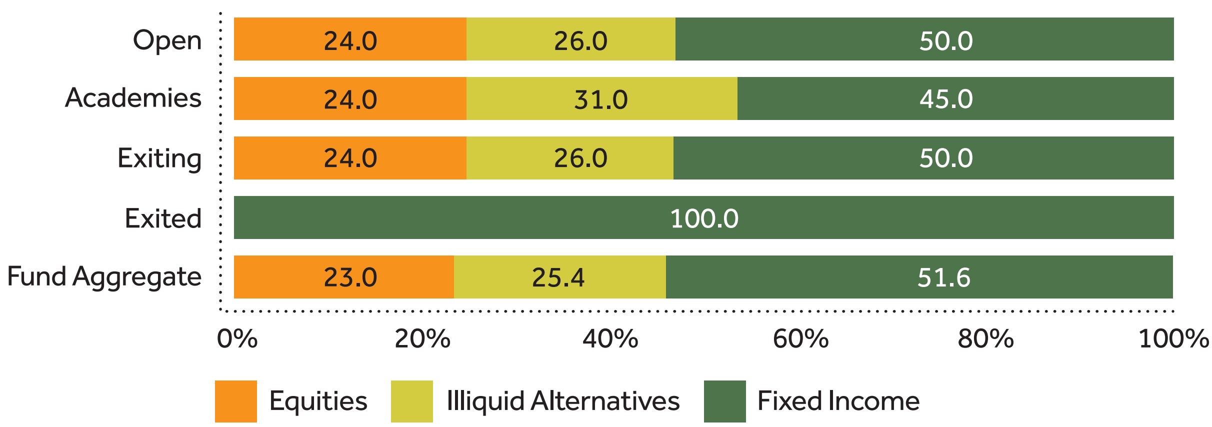
The strategic asset allocation is formally reviewed every three years alongside the actuarial valuation. It is considered and endorsed by the Pension Fund Committee after taking advice from the Fund's professional advisers.

Further details on the Fund's investment strategy, Responsible Investment policy, Risk Management Policy and governance arrangements are available on the Fund's website.

www.cheshirepensionfund.org

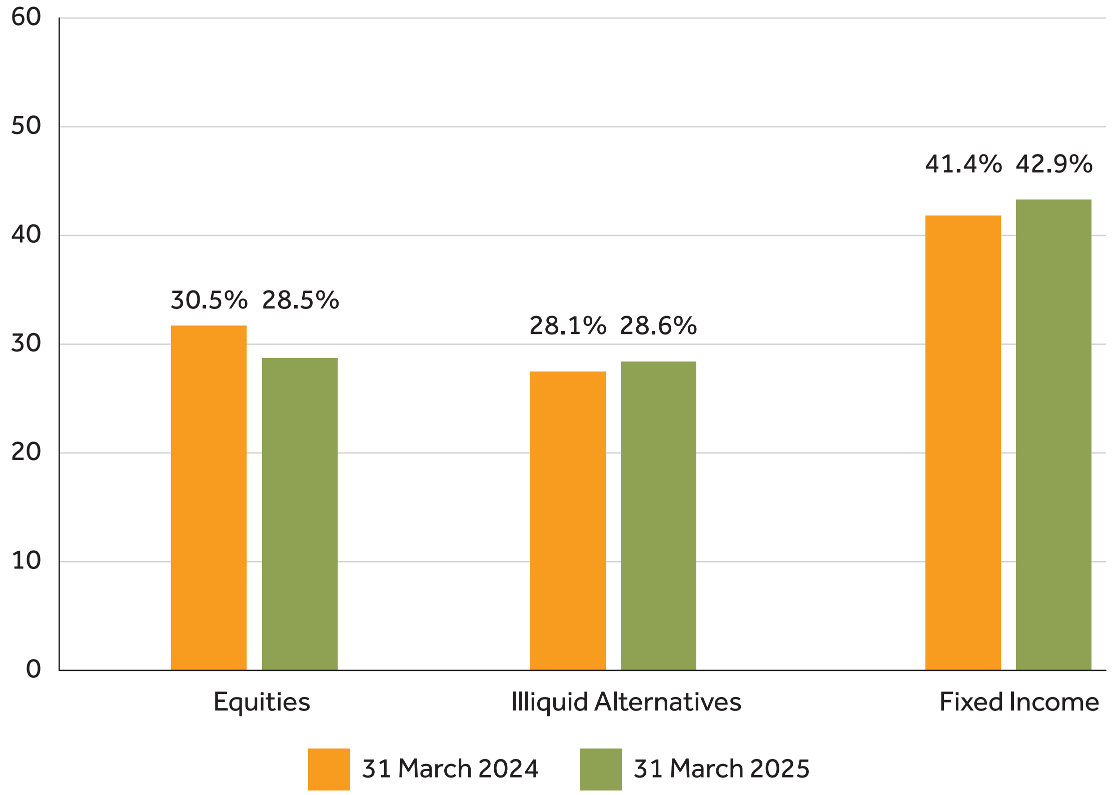
Strategic Asset Allocation

The strategic asset allocation for 2024-25 for each investment strategy is shown in the following chart, alongside a weighted aggregated asset allocation at whole fund level.

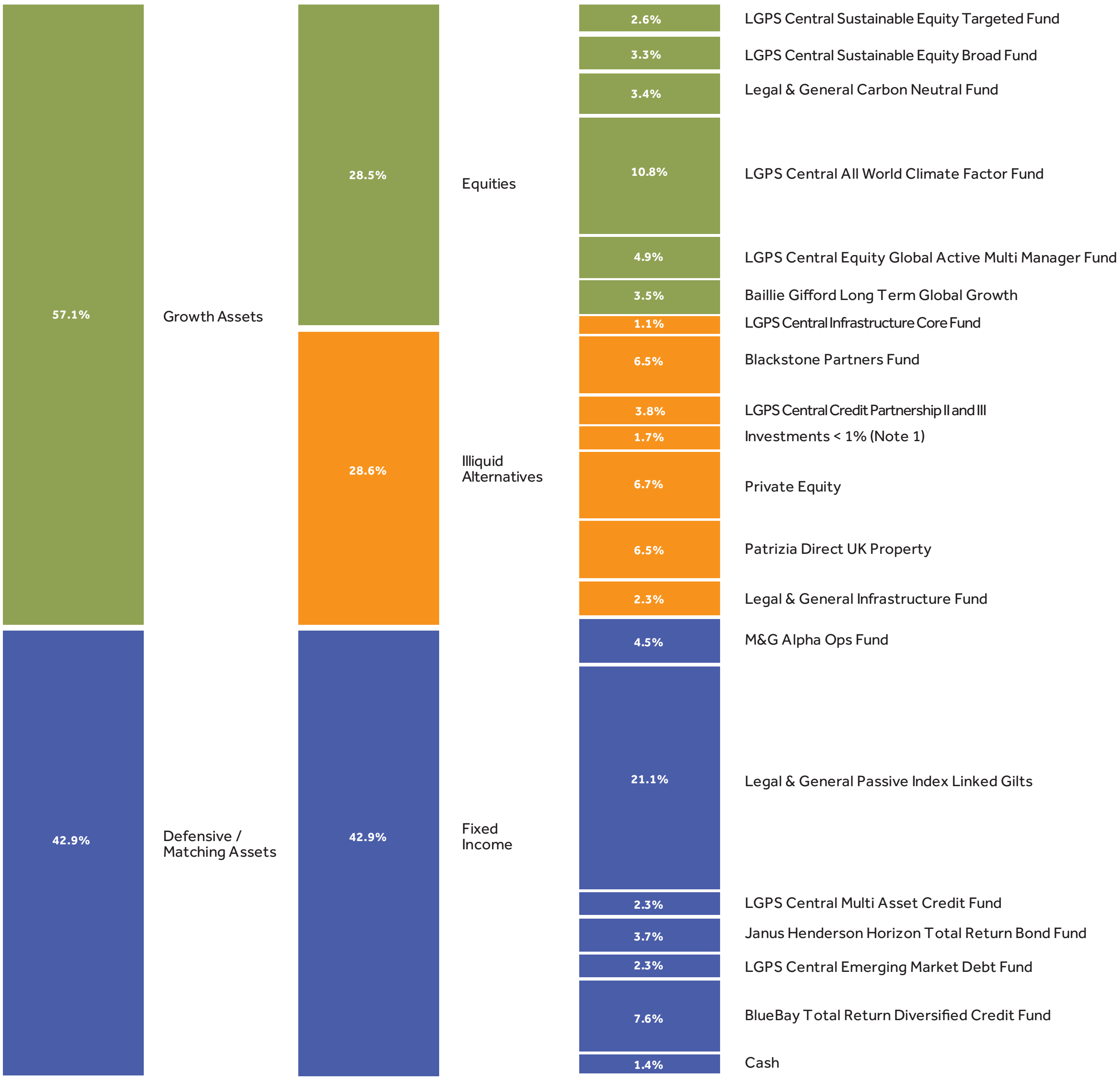


Actual Asset Allocation

The market value of the Fund's investments, cash and other assets, as at 31 March 2025, was £6.701billion, compared with a value of £6.637billion as at 31 March 2024. The following chart shows the distribution of assets across the main investment categories. These change year on year as a result of changes to the strategic asset allocation, the performance of the underlying asset classes and managers, and rebalancing across managers and asset classes.



The detailed distribution of assets by category and by manager at 31 March 2025 is set out in the following chart.



(Note 1)

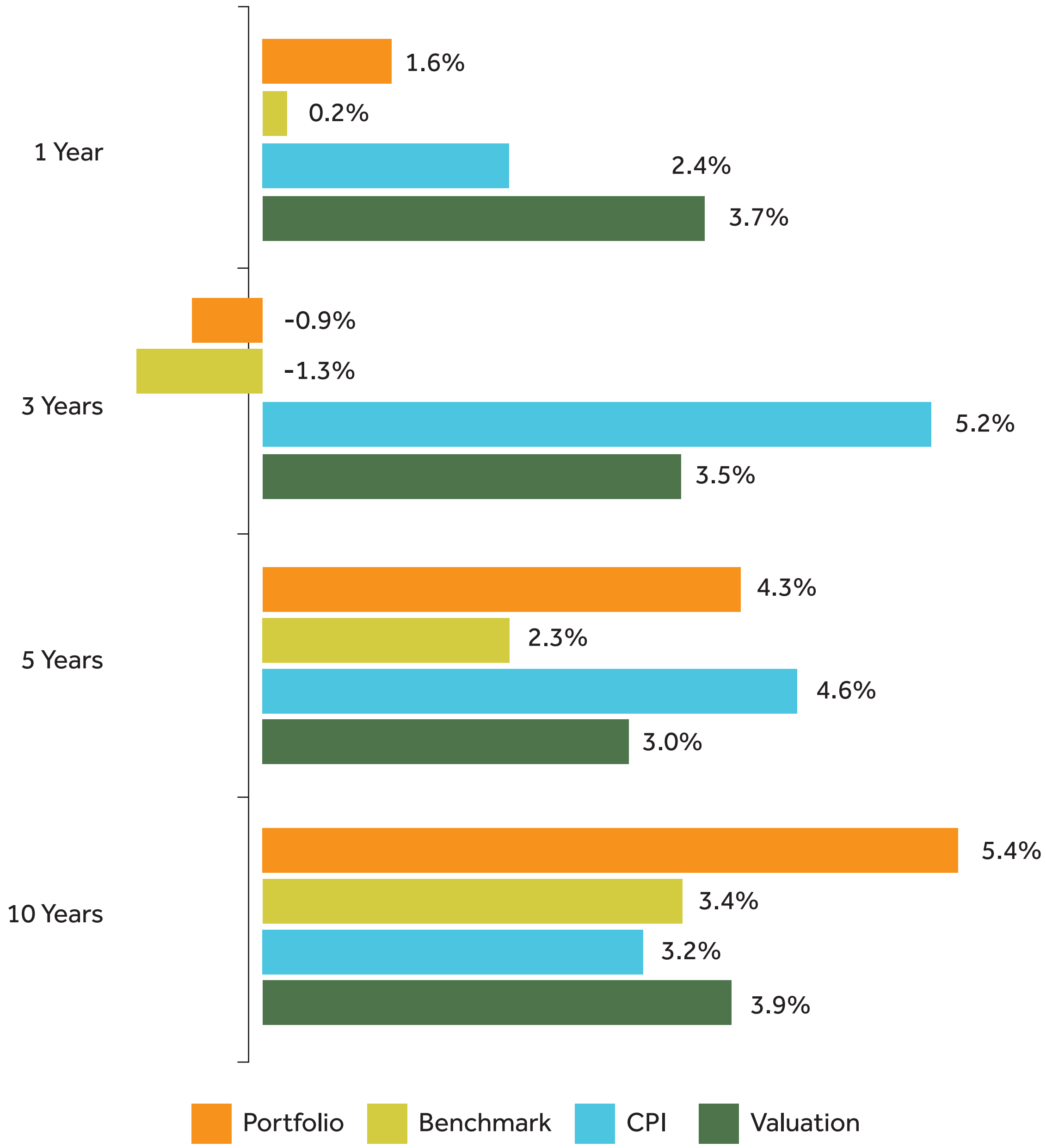
Investments which make up less than 1% of the funds total assets include:

Arrowgrass Capital Partners
Darwin K Class
Darwin Leisure Fund
Darwin Property Development Fund

LGPS Central Single Asset Credit
LGPS Central Infrastructure Value Add / Opportunistic Fund
LGPS Central Indirect Property Fund

Total Fund Investment Performance

The Fund uses a tailored strategic benchmark that reflects its specific asset allocation. The following chart shows the performance of the Fund relative to its strategic benchmark, inflation (CPI) and the return assumption used by the Actuary as part of the triennial valuation. Returns for periods of greater than one year are annualised.



Investment Fees

The Fund is committed to transparency in relation to the fees it pays to investment managers. It believes that it is important to assess the value delivered by asset managers by evaluating fees in relation to investment performance over the long term. The following table shows the fees paid to managers in each asset class, including those underlying fees that the Fund is not required to report in the Statement of Accounts. The table also shows the combined returns of those managers and the net impact (i.e. taking into account both fees and performance) on the value of Fund assets.

	Management Fees (£000)	Performance and Other Fees (£000)	Underlying fees within Fund of Fund Structures (£000)	Total Fees inc. Underlying (£000)	Estimated 12 Month Performance	Net Impact on Asset Value of Investment Returns, minus all fees (£)
Pooled Investment Vehicles	10,598	-	-	10,598	+2.8%	+54m
Equities	4,160	2,284	-	6,444	+2.7%	+33m
Pooled Property Investments	432	104	-	536	-22.8%	-18m
Private Equity	3,634	858	5,548	10,040	+0.0%	+7m
Direct Property	1,187	41	-	1,228	+7.7%	+4m
Loans	1,444	-	-	1,444	+1.6%	+6m
Cash and Other	105	-	-	105	-	-
Total Fund	**21,560**	**3,287**	**5,548**	**30,395**	**+1.6%**	**+86m**

In addition to the investment fees shown in the table, the Fund was also charged £1.200m for its share of the running costs of LGPS Central. These costs were in respect of product development, governance costs and operator costs. These costs have been included within the Fund's Statement of Accounts under the category of oversight and governance costs.

Asset Allocations and Investment Manager Performance

The Fund utilises external investment managers to undertake the day-to-day management of the Fund's assets. Each manager has a specific benchmark and performance target against which their performance is regularly monitored. These are set out in the following table.

Manager/Mandate	Description	Benchmark	Performance Target per annum	Inception
Baillie Gifford Long Term Global Growth	Active global equities	FTSE All World Index	b/m +3%	2005
LGIM Equities	Passive global equities	RAFI Fundamental Global Carbon Neutral Net Index	Track index	2022
LGPS Central Ltd All World Equity Climate Multi Factor Fund	Passive global equities	FTSE All World Climate Balanced Comprehensive Factor Index	Track index	2019
LGPS Central Ltd Global Equity	Active global equities	FTSE ALL World Index	b/m +1.5%	2019
LGPS Central Ltd Sustainable Broad Fund	Active global equities	FTSE All World Total Return Index	b/m +1.5-2%	2022
LGPS Central Ltd Sustainable Targeted Fund	Active global equities	FTSE All World Total Return Index	b/m +2-3%	2022
Private Equity - Various*	Private Equity fund of fund and direct	LIBID	10%	2003
Janus Henderson	Total return fixed income	SONIA	4%	2012
Bluebay	Multi asset credit	SONIA	5-10%	2015
M&G Alpha	Multi asset credit	SONIA	b/m +3-5%	2018
LGPS Central Ltd	Multi asset credit	3 month SONIA GBP	b/m +4%	2021
LGPS Central Ltd	Emerging Market Debt	JP Morgan EMBI Global Diversified Index	b/m +1%	2021
LGIM Gilts	Passive index linked gilts and fixed gilts	FTSE A Index-Linked > 5 Years	Track index	2013
LGIM - Infrastructure Equity	Passive Infrastructure Equity	FTSE Developed Core Infrastructure Index	Track index	2020
Patrizia	UK direct property	BNY Property Median	Main portfolio 6.5%, Index linked portfolio CPI +1.5%	1988
Blackstone	Fund of hedge fund	CPI	b/m +5%	2016

Note - The table provides information on those managers that manage fund assets >2%.
*The private equity mandates are managed by Pantheon Ventures and Adams Street Partners. The Fund has also committed £122m to five LGPS Central Ltd private equity funds.

The following table provides details of the investment performance of each individual fund, both gross and net of fees, against their respective benchmark and performance target. Opening and closing values for each fund are also shown (31 March 2024 and 31 March 2025 respectively), along with the value as a percentage of total Fund assets.

Asset category	Opening value 31 March 2024		Opening value 31 March 2025		Performance 1 year		Benchmark	Local
					Gross	Net		Target
	£000s	%	£000s	%	%	%	%	%
Asset Pool Managed Investments								
Active Listed Equity	312,248	4.7	324,716	4.9	4.17	3.94	5.50	7.00
Sustainable Equity Fund 1	181,879	2.7	174,093	2.6	2.92	-4.37	5.50	7.50
Sustainable Equity Fund 2	221,949	3.3	221,056	3.3	3.54	-0.43	5.50	7.00
Multi-asset funds/diversified growth funds	142,005	2.1	151,005	2.3	6.51	6.29	6.40	7.40
Multi-asset funds/diversified growth funds	149,310	2.2	157,080	2.3	6.02	5.81	5.00	9.00
Passive Fund	696,383	10.4	723,607	10.8	3.99	3.93	3.70	5.00
Passive Fund 1	0	0.0	150,890	2.3	-	16.18	15.60	15.60
Passive Fund 2	0	0.0	224,528	3.4	-	5.71	5.80	5.80
Passive Listed Fixed Income 1	0	0.0	1,409,270	21.1	-	-10.44	-10.50	-10.50
Infrastructure	111,546	1.7	128,700	1.9	N/A	N/A	N/A	N/A
Private Debt	182,401	2.7	254,724	3.8	N/A	N/A	N/A	N/A
Unlisted Equity Fund	38,557	0.6	55,922	0.8	N/A	N/A	N/A	N/A
Indirect Property			8,094	0.1	N/A	N/A	N/A	N/A
Other*	2,065	0.0	2,065	0.0	N/A	N/A	N/A	N/A
Total	**2,038,343**	**30.5**	**3,985,750**	**59.5**	N/A	N/A	N/A	N/A
Non Asset Pool Managed Investments								
Active Listed Equity:								
Global Fund 1	335	0.0	255	0.0	N/A	N/A	N/A	N/A
Global Fund 2	333,913	5.0	235,088	3.5	5.15	4.16	5.50	8.50
Global Fund 3	14	0.0	100	0.0	N/A	N/A	N/A	N/A
Passive Listed Equity:								
Passive 1	225,035	3.4	0	0.0	-	N/A	N/A	N/A
Passive 2	273,066	4.1	0	0.0	-	N/A	N/A	N/A
Passive Listed Fixed Income 1	1,362,490	20.4	0	0.0	-	N/A	N/A	N/A
Property								
Direct-Core and Index Linked	375,881	5.6	440,307	6.6	-		5.77	5.77
Indirect Property Fund 1	24,884	0.4	17,932	0.3	-22.60	-25.10	N/A	8.00
Indirect Property Fund 2	37,657	0.6	28,188	0.4	-27.90	-27.90	N/A	10.00
Indirect Property Fund 3	7,317	0.1	5,311	0.1	-27.20	-27.40	N/A	8.00
Unlisted Equity Fund	410,352	6.1	386,966	5.8	N/A	N/A	N/A	N/A
Cash	83,113	1.2	92,248	1.4	N/A	N/A	N/A	N/A
Multi-asset funds/diversified groth funds:								
Diversified credit fund	473,386	7.1	511,336	7.6	8.10	7.75	N/A	5.00
Total Return Bond Fund	235,653	3.5	244,581	3.7	-	3.75	N/A	4.00
Opportunities Fund	294,610	4.4	306,137	4.6	-	8.02	4.90	7.90
Hedge Funds:								
Multi-Strategy	2,433	0.0	2,433	0.0	N/A	N/A	N/A	N/A
Hedge Fund of Funds	450,017	6.7	434,809	6.5	9.80	8.53	2.40	7.40
Total	**4,590,156**	**68.6**	**2,705,691**	**40.5**	N/A	N/A		
Overall Total	**6,628,499**	**100**	**6,691,441**	**100**	N/A	N/A	-	N/A

*Relates to equity share of £1.315m in LGPS Central Ltd and Loan advanced to LGPS Central Ltd of £685k plus £65k interest

In response to the Scheme Advisory Board Transparency Code the Fund has contacted all managers regardless of whether they have signed up to the Code and requested that they complete the Transparency Code template for 2024-25 and future years to allow more transparent reporting. LGPS Central Ltd, in selecting Managers for the pool, also set as a requirement that the Fund Managers they select are signed up to the Transparency Code. The previous table includes information from all managers who returned the transparency code template in time for inclusion in the Annual Report.

Pooling

LGPS Central Ltd ("LGPS Central") is an arms-length company, accredited by the Financial Conduct Authority, that was set up to manage the pooled investment assets of eight LGPS funds across the centre of England.

The Cheshire Pension Fund is one of the eight partner funds, all of whom hold equal shares in the company. The other partner LGPS pension funds are Derbyshire, Leicestershire, Nottinghamshire, Staffordshire, Shropshire, West Midlands and Worcestershire.

LGPS Central started trading on 3 April 2018 and partner funds have migrated assets to the company as and when appropriate investment products become available. As at the end of March 2025, the Cheshire Pension Fund had transitioned or committed 60% of its total investment assets to LGPS Central. In line with Government requirements, as set out in the Government's response to the "Fit for the Future" consultation, all of the Fund's assets will be pooled or under pool management by 31 March 2026.

The Fund retains full responsibility and control over its strategic investment allocation policy.

The following table sets out the values of the Fund's assets allocated to each underlying asset class at 31 March 2025, along with the value of pooled assets. An explanation is provided for those assets that are currently not pooled.

Asset values as at 31 March 2025	Pooled £m	Under pool management £m	Not pooled £m	Total £m	Explanation / further information
Equities					
In pooled funds	720	-	-	**720**	
In passive equity funds	724	225	-	**949**	
Global long term growth active equity mandate	-	-	235	**235**	Strategy not currently provided by the pool. Will transfer to pool management under a discretionary mandate by March 2026.
	1,444	**225**	**235**	**1,904**	
Bonds					
UK Index Linked gilts	-	1,409	-	**1,409**	
	-	**1,409**	**-**	**1,409**	

Asset values as at 31 March 2025	Pooled £m	Under pool management £m	Not pooled £m	Total £m	Explanation / further information
Property					
Direct property	-	-	440	**440**	UK Legacy assets – will transfer to pool management under a discretionary mandate by March 2026.
Indirect property	8	-	52	**60**	Specialist funds - will transfer to pool management under a discretionary mandate by March 2026.
	8	**-**	**492**	**500**	
Undrawn commitments	*42*	-	-	*42*	
Diversified Growth Funds					
In pooled funds	308	-	-	**308**	
Diversifying fixed income – multi asset funds		-	1,062	**1,062**	Multi asset class fixed income funds. Will transfer to pooled funds by March 2026.
	308	**-**	**1,062**	**1,370**	
Hedge Funds					
Hedge fund	-	-	437	**437**	Strategy not currently provided by the pool. Will transfer to pool management under a discretionary mandate by March 2026.
	-	**-**	**437**	**437**	
Private Equity					
In pooled funds	56	-	-	**56**	
Private equity	-	-	387	**387**	Legacy assets which will wind down over time. Will transfer to pool management under a discretionary mandate by March 2026.
	56	**-**	**387**	**443**	
Undrawn commitments	*72*	-	*139*	*217*	*Excluded from total*
Private Debt					
In pooled funds	255	-	-	**255**	
	255	**-**	**-**	**255**	
Undrawn commitments	*248*	-	-	*248*	*Excluded from total*

Asset values as at 31 March 2025	Pooled £m	Under pool management £m	Not pooled £m	Total £m	Explanation / further information
Infrastructure					
In pooled funds	128	-	-	**128**	
Infrastructure		151	-	**151**	
	128	**151**	**-**	**279**	
Undrawn commitments	*15*	-	-	*15*	*Excluded from total*
Cash	-	-	**92**	**92**	
Other	**2**	**-**	**-**	**2**	Equity share in, and loan advanced to LGPS Central Ltd
Total	**2,201**	**1,785**	**2,705**	**6,691**	

As at the end of March 2025, assets valued at £3.986bn had transitioned to the Fund's pooling company, LGPS Central Limited, or were under pool management. A further £377m of commitments are yet to be drawn down. This equates to 65%, by value, of the Fund's total investment assets. In line with Government requirements, as set out in the response to the "Fit for the Future" consultation, all of the Fund's assets will be pooled or under pool management by 31 March 2026.

UK Investment

The following table provides additional information on the Fund investments in the UK.

Asset values as at 31 March 2025	Pooled £m	Under pool management £m	Not pooled £m	Total £m
UK Listed Equities	71	11	5	**87**
UK Government Bonds	-	1,409	-	**1,409**
UK Private Equity*	12	-	49	**61**
UK Infrastructure*	28	6	-	**34**
UK Private Credit (Infrastructure)*	361	-	-	**361**
Total	**472**	**1,426**	**54**	**1,952**

*Includes estimates of undrawn commitments that will be invested in the UK based on current UK allocations

The information provided is in line with annual report guidance and therefore covers some, but not all, of the Fund's assets. The value of total Fund assets invested in the UK is £2.718bn, including undrawn commitments, which represents 41%, by value, of the Fund's total investment assets.

Costs and savings from asset pooling

The table shows the costs and savings from asset pooling to date:

Costs	31/03/19	31/03/20	31/03/21	31/03/22	31/03/23	31/03/24	31/03/25	Total
Transition fees	177,500	246,750	418,500	-	2,012,584	-	-	**2,855,334**
Fee savings: after savings								**-**
Management fee	-16,164	-89,000	-79,251	-97,351	-183,468	-232,419	-297,116	**-994,769**
Performance fee		-842,947	-894,498	-875,000	-875,000	-780,000	-875,000	**-5,142,445**
Total	**161,336**	**-685,197**	**-555,249**	**-972,351**	**954,116**	**-1,012,419**	**-1,172,116**	**-3,281,880**

Fee savings shown are calculated by comparing fee rates charged by legacy managers vs. those charged by LGPS Central in respect of transitioned assets. They do not include additional fee saving reductions from strategic asset allocation changes or general downward pressure on investment manager fees facilitated by asset pooling.

Additional costs relating to pooling Governance, Operator and Product Developments costs are excluded as these are not charged directly to an investment product (these costs totalled £1.200m in 2024-25).

Investment Administration and Custody

Whilst the Fund's appointed investment managers make and implement investment decisions, particularly in respect of the purchase and sale of stock, the practical consequences of their decisions in terms of the Fund's rights to, and benefits of, ownership of investments and cash are handled by custodians who are independent of the investment managers.

The Fund's custodian is Bank of New York Mellon who is responsible for the custody and safekeeping of assets within the segregated equity mandates managed by Baillie Gifford. The Fund's custodian is also employed to undertake an independent review and validation of the assets held in unit trusts with other investment managers and their own custodians. A full list of the custodians used by the Fund and its investment managers is provided below:

Investment Manager / Sub Fund	Asset Class	Custodian
Baillie Gifford	Segregated Equity	Bank of New York Mellon
BlueBay Asset Management	Fixed Income	Brown Brothers Harriman
Janus Henderson	Fixed Income	BNP Paribas
M&G	Fixed Income	State Street
Arrowgrass	Absolute Return	CITCO Fund Services
Blackstone	Absolute Return	CITCO Fund Services
Legal & General	Passive Equity / Gilts	HSBC
LGPS Central	Pooled Equity/Fixed Income	Northern Trust

Statement of Responsible Investment

The Cheshire Pension Fund ("the Fund") is a long-term investor aiming to deliver a sustainable Pension Fund for all stakeholders.

Cheshire West and Chester Council ("the Council") as the Administering Authority of the Fund has a fiduciary duty to act in the best, long-term, interests of the Fund's employers and scheme members. The Fund believes that in order to fulfil this duty, it must have a clear policy on how it invests in a responsible manner.

Responsible Investment is a fundamental part of the Fund's overarching investment strategy as set out in the Investment Strategy Statement. That is, to maximise returns subject to an acceptable level of risk whilst increasing certainty of cost for employers and minimising the long-term cost of the scheme. The Fund believes that consideration of Environmental, Social and Corporate Governance ("ESG") factors are fundamental to this, particularly where they are likely to impact on the overarching investment objective.

The Fund's approach aims to ensure that consideration of ESG factors is embedded in the investment process, utilising the various tools available to manage ESG risks and to harness opportunities presented by ESG factors.

The Fund reviews its Responsible Investment Policy annually and consults with stakeholders on its policy every three years. The latest policy was reviewed and consulted on in March 2024. A link to the Responsible Investment Policy is below:

https://www.cheshirepensionfund.org/members/wp-content/uploads/sites/2/2024/08/Responsible-Investment-Policy-March-2024.pdf (**cheshirepensionfund.org**)

Climate Change

In recognition of the unique risk posed by climate change the Fund undertakes an annual exercise to identify, evaluate and manage the climate-related risk to its investment portfolio.

The results from this annual exercise are published each year in a climate risk report which complies with industry best practice as defined by the Taskforce on Climate-Related Financial Disclosures (TCFD). The Fund's fifth annual Climate Risk Management report was published in December 2024 and is available on the Fund's website at the link below:

https://www.cheshirepensionfund.org/members/wp-content/uploads/sites/2/2024/12/Climate-Risk-Management-Report-2024.pdf (**cheshirepensionfund.org**)

The report assessed the Fund's progress against its climate change targets as follows:

Performance against the Fund's Climate Targets as of 31st December 2024

Target	Status
42% reduction in the carbon footprint of the Fund's equity portfolio (scope 1 and 2 emissions) by 2025 increasing to 50% by 2030.	Since 2019 the carbon footprint of the Fund's equity portfolio has decreased by 43.5%. This is ahead of the Fund's target for 2025 and well on track to achieve a 50% reduction by 2030.
Engagement target of at least 90% of financed emissions in material sectors assessed as net zero, aligned, aligning, or the subject of direct or collective engagement and stewardship actions, by 2030.	66.5% of the Fund's financed emissions which arise from Material Sectors are currently either classified as net zero, aligned, or aligning, or are the subject of an engagement. The Fund is therefore making good progress to achieve this target by 2030.
50% of assets under management (AUM) in material sectors that are achieving net zero, 'aligned' or 'aligning' to net zero by 2030.	45.9% of the Fund's AUM (within material sectors) is currently classified as net zero, aligned, or aligning, as per LGPS Central's methodology. The Fund is therefore well placed to achieve this target by 2030.
25% of total Fund assets invested in low carbon and sustainable assets by 2026.	As of December 2024, 21.6% of the Fund's total investments in were in low carbon and sustainable portfolios.

In addition, the report also evaluated the risk and return characteristics of the Fund's investment portfolio under various climate scenarios including an increase in global temperatures of 2, 3 and 4 degrees centigrade. Under all scenarios the review found there would be a minimal impact on the expected annual investment returns for the Fund projected to 2050. This was due to the Fund's well diversified portfolio and significant allocation to UK Government debt.

The publication of an annual TCFD report is intended to demonstrate the Fund's progress towards delivering against its Climate Change commitments and beliefs as set out in its Climate Change Strategy, also available on the Fund's website:

https://www.cheshirepensionfund.org/members/wp-content/uploads/sites/2/2024/08/Climate-Change-Strategy-2024.pdf (**cheshirepensionfund.org**)

The Fund believes that its climate change commitments can be delivered without jeopardising its fiduciary duty to act in the best long-term financial interests of members and employers. However, when considering all investment decisions which are presented to the Committee with a view to reducing the Fund's carbon footprint or closer alignment with net zero, additional analysis will be presented to show, as far as possible, any likely positive or negative impact on investment returns. In this way, the Fund has sought to clearly demonstrate that it is acting in accordance with the requirements of the LGPS Investment Regulations.

The Fund's approach and further information relating to Responsible Investment are available on the Fund's website at:

https://www.cheshirepensionfund.org/members/about-us/how-we-manage-our-investments/responsible-investment-policy/ (**cheshirepensionfund.org**)

Policies Adopted

The Fund adopts a policy of positive engagement with the companies in which it invests in order to promote high standards of corporate governance. It believes that this will help to raise standards across all markets and that this is in the best long-term interests of the Fund, its beneficiaries and other stakeholders.

Investment performance is monitored on a quarterly basis and the Fund expects investment managers to engage with companies to address concerns affecting performance.

The Fund believes that the greatest impact on behaviour can be achieved when working together with others. It is a member of the Local Authority Pension Fund Forum (LAPFF) which exists to promote the investment interests of local authority pension funds and to maximise their influence as shareholders in promoting corporate social responsibility and high standards of corporate governance amongst the companies in which they invest. The Fund actively supports the work of LAPFF and sees this as an important element of its stewardship responsibilities.

The Fund continues to exercise its ownership rights by adopting a policy of actively voting stock it holds. The Fund delegates responsibility for voting to its directly appointed investment managers who are required to vote wherever the Fund has a voting interest. Wherever practicable, votes must be cast in accordance with industry best practice as set out in the Combined Code of Corporate Governance with a clear focus on enhancing long term shareholder value.

In order to ensure that the governance practices employed by the Fund's investment managers are aligned to that of the fund, investment manager's quarterly performance reports are required to include a specific briefing on corporate governance, detailing all votes cast on the Fund's behalf. This is reported to the Investment Sub-Committee on a quarterly basis and any exceptions or examples of non-compliance are addressed directly with the Fund's managers.

The following table summarises the voting activity for the Fund over the 12 months to 31 March 2025:

	UK	Overseas	Total	%
Number of Companies	0	44	44	N/A
Votes Cast in Favour	0	350	350	94.59
Votes Cast Against	0	17	17	4.59
Votes Abstained / Withheld	0	3	3	0.81
Total number of Resolutions	0	370	370	100.0

The Fund also invests in a number of Funds managed by its pooling fund company, LGPS Central Ltd ('LGPSC'). LGPSC have a 'Responsible Investment and Engagement Framework' which contains two key objectives:

1) To support the company's investment objectives;

2) To be an exemplar for Responsible Investment within the financial services industry and raise standards across the market.

LGPSC also publish a Quarterly and Annual Stewardship Report setting out in full their stewardship, engagement and voting activities.

This information is available on the LGPS Central website at: **https://www.lgpscentral.co.uk/responsible-investment**

Statement of Compliance with the UK Stewardship Code for Institutional Investors

The UK Stewardship Code 2020 (the Code) is a voluntary code for asset managers (investment managers), asset owners, and service providers (such as proxy advisers, investment consultants, and data providers). Its stated aim is to encourage active and engaged monitoring of corporate governance in the interests of beneficiaries.

The Code comprises a set of 12 'apply and explain' Principles for asset managers and asset owners. To become a signatory to the Code, organisations must submit a Stewardship Report to the Financial Reporting Council (FRC) demonstrating how they have applied the Code's Principles in the previous 12 months.

The Fund submitted its Stewardship Report on 31 May 2024, covering the period from 1 January 2022 to 31 December 2023, and is now a signatory to the UK Stewardship Code. The next submission will be in October 2025 and will cover the 15 month period from 1 January 2024 to 31 March 2025.

The 2023 Stewardship Report is available on the Fund's website at:

https://www.cheshirepensionfund.org/members/wp-content/uploads/sites/2/2024/08/Cheshire-Pension-Fund-Stewardship-Report-2023.pdf (**cheshirepensionfund.org**)

Myners' Principles

The Myners' Principles are a set of principles for good investment governance, originally created in 2001 and subsequently updated in 2008. Local government pension funds are required to produce a statement in their annual report regarding compliance with these Principles on a 'comply or explain' basis. The Myners' Principles are:

The Myners' Principles are:

Principle 1: Effective Decision-Making

Principle 2: Clear Objectives

Principle 3: Risk and Liabilities

Principle 4: Performance Assessment

Principle 5: Responsible Ownership

Principle 6: Transparency and Reporting

The Pension Fund's compliance with the Myners' Principles is shown in the following table:

Principle	Evidence of Compliance
Principle 1 Effective Decision Making: Administering authorities should ensure: • That decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to make them effectively and monitor their implementation; and • That those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive, and manage conflicts of interest.	**Partially compliant** Decisions are taken by the Section 151 Officer of the Administering Authority, advised by the Pension Fund Committee. The Section 151 Officer and the Committee has support from Council officers with sufficient experience to assist them. The Fund is also advised by professional actuarial and investment advisers. The Committee makes robust challenges to advice and is aware of where potential conflicts of interest may reside within the Committee and in relation to service providers.
Principle 2 Clear objectives: An overall investment objective should be set out for the fund that takes account of the scheme's liabilities, the potential impact on local taxpayers, the strength of the covenant for non-local authority employers, and the attitude to risk of both the administering authority and scheme employers, and these should be clearly communicated to advisers and investment managers.	**Compliant** The Fund has established investment objectives, which take account of the nature of Fund liabilities and the contribution strategy. The objectives are set based on advice from the Fund Actuary and Strategic Investment Advisor, which informs the overall risk budget for the Fund. The overarching objective is reflected in the investment mandates awarded to the asset managers. There is dialogue with admitted bodies within the Fund in relation to the contributions they pay, their capacity to pay these contributions and the level of guarantees they can provide.
Principle 3 Risk and liabilities: • In setting and reviewing their investment strategy, administering authorities should take account of the form and structure of liabilities. • These include the implications for local taxpayers, the strength of the covenant for participating employers, the risk of their default and longevity risk.	**Compliant** The investment strategy is considered in the light of the nature of the Fund liabilities, the timescale over which benefits will be paid, and financial and demographic factors affecting the liabilities, such as inflation and improving longevity The Pension Fund Committee and Council officers discuss and agree the contribution strategy with the Actuary, taking into account of risk factors for all employers including strength of covenant.

Principle	Evidence of Compliance
Principle 4 Performance assessment: • Arrangements should be in place for the formal measurement of performance of the investments, investment managers and advisers. • Administering authorities should also periodically make a formal assessment of their own effectiveness as a decision-making body and report on this to scheme members.	**Partially compliant** The performance of the Fund and its individual managers are monitored on a regular basis. The quality of advisers is assessed on a qualitative basis and is subject to periodic retender in order to ensure value for money. Independent external reviews of the Fund's governance arrangements are undertaken periodically and recommendations implemented.
Principle 5 Responsible Ownership: Administering authorities should • adopt, or ensure their investment managers adopt, the Financial Reporting Council's (FRC) Stewardship Code on the responsibilities of shareholders and agents. • include a statement of their policy on responsible ownership in the Statement of Investment Principles. • report periodically to scheme members on the discharge of such responsibilities.	**Compliant** The Pension Fund Committee encourages its investment managers to adopt the Financial Reporting Council's (FRC) Stewardship Code on the responsibilities of shareholders and agents on the Fund's behalf and all relevant managers comply. The Fund is also a signatory to the Stewardship Code. The Investment Strategy Statement includes a statement on the Fund's policy on responsible ownership. The Fund's asset pooling company, LGPS Central Ltd, has its own Responsible Investment and Engagement policy and publishes quarterly update reports on its website.
Principle 6 Transparency and Reporting: Administering authorities should • act in a transparent manner, communicating with stakeholders on issues relating to their management of investment, its governance and risks, including performance against stated objectives. • provide regular communication to scheme members in the form they consider most appropriate.	**Compliant** The Fund maintains minutes of all Pension Fund Committee meetings and publishes them on the Fund website. The Council meets regularly with sponsoring employers and a member representative attends Committee meetings. The Investment Strategy Statement is published on the Fund's website and is available to members on request. Other information on the Scheme including comprehensive quarterly information on the Fund's investment holdings, is available to members on the Fund's website.

Funding

Employees' benefits are guaranteed by the LGPS Regulations, and do not change with market values or employer contributions. Investment returns will help pay for some of the benefits, but probably not all, and certainly with no guarantee. Employees' contributions are fixed in those Regulations also, at a level which covers only part of the cost of the benefits.

Therefore, employers need to pay the balance of the cost of delivering the benefits to members and their dependants.

The primary objective of the Fund is to ensure that over the long term the Fund will be able to pay all pension liabilities as they fall due. Key to delivery of this objective is development of funding and investment on an integrated basis.

The Funding Strategy (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. A full copy of the FSS can be found on the Fund's website at the following link:

https://www.cheshirepensionfund.org/members/wp-content/uploads/sites/2/2024/03/Funding-Strategy-Statement-March-2024.pdf

The FSS sets out the objectives of the Fund's funding strategy, such as:

- Ensuring the long-term solvency of the Fund, using a prudent long-term view. This will ensure that sufficient funds are available to meet all members'/dependants' benefits as they fall due for payment;
- Ensuring that employer contribution rates are reasonably stable where appropriate;
- Minimising the long-term cash contributions which employers need to pay to the Fund, by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return;
- Reflecting the different characteristics of different employers in determining contribution rates. This involves the Fund having a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years; and
- Using reasonable measures to reduce the risk to other employers and ultimately to the Council Tax payer from an employer defaulting on its pension obligations.

How does contribution rate vary for different employers?

1. The **funding target** is based on a set of assumptions about the future, (e.g. investment returns, inflation, pensioners' life expectancies). However, if an employer is approaching the end of its participation in the Fund, then its funding target may be set on a more prudent basis, so that its liabilities are less likely to be spread among other employers after its cessation;

2. The **time horizon** required is, in broad terms, the period over which any deficit is to be recovered. A shorter period will lead to higher contributions, and vice versa (all other things being equal). Employers may be given a lower time horizon if they have a less permanent anticipated membership, or do not have tax-raising powers to increase contributions if investment returns under-perform; and

3. The **probability of achieving** the funding target over that time horizon will be dependent on the Fund's view of the strength of employer covenant and its funding profile. Where an employer is considered to be weaker, or potentially ceasing from the Fund, then the required probability will be set higher, which in turn will increase the required contributions (and vice versa).

Stabilisation

Stabilisation is a mechanism where employer contribution rate variations from year to year are kept within a pre-determined range, thus allowing those employers' rates to be relatively stable. This stabilisation mechanism allows short term investment market volatility to be managed without directly impacting employer contribution rates, on the basis that a long-term view can be taken on net cash inflow, investment returns and strength of employer covenant.

The Administering Authority, on the advice of the Fund Actuary, believes that stabilising contributions can still be viewed as a prudent longer-term approach. However, employers whose contribution rates have been "stabilised" should be aware of the risks of this approach and should consider making additional payments to the Fund if possible.

The current stabilisation mechanism applies if:

- the employer satisfies the eligibility criteria set by the Administering Authority (see below) and;
- there are no material events which cause the employer to become ineligible, e.g. significant reductions in active membership (e.g. due to outsourcing or redundancies), changes in the nature of the employer (perhaps due to Government restructuring) or changes in the security of an employer.

On the basis of extensive modelling carried out for the 2022 valuation exercise, the stabilised details are as follows:

Type of employer	Stabilisation Mechanism
Tax Raising bodies excluding Cheshire East Council (including Police, Fire and Parish Councils)	+1.0%pa/-1.0%pa
Cheshire East Council	+1.5%pa/-1.5%pa

All other employers were set an appropriate individual employer rate based on their own individual characteristics. This contribution rate may be different to their theoretical contribution rate. Any deviation will be based on their own circumstances and a range of factors including (amongst other things) their perceived security or covenant, any budgetary constraints that they may be bound by and their likely time horizon as an LGPS employer etc.

The minimum contributions to be paid by each employer from 1 April 2023 to 31 March 2026 are shown in the Rates and Adjustment Certificate which is available on the Fund's website as an appendix to the 2022 Actuarial Valuation Report.

During the year the Fund welcomed 72 new employers into the scheme, 21 schools converted to academies, 50 admitted bodies and 1 parish council.

The LGPS regulations require that admitted bodies carry out, to the satisfaction of the Administering Authority, an assessment taking account of actuarial advice, of the level of risk arising on the premature termination of the provision of service or assets by reason of insolvency, winding up or liquidation of the admission body.

Such risk assessments were carried out for each of the 50 new admitted bodies. Admission agreements and pension indemnity bonds are in place, or in the process of being put in place, for the new bodies. These are to be reviewed on an annual basis.

During the year the fund had 10 employers who ceased membership of the Cheshire Pension Fund, all of whom were admitted bodies.

Governance and Training

1. Introduction

1.1 Cheshire West and Chester Council ("the Council") is the designated Administering Authority for the Cheshire Pension Fund ("the Fund"). The Council has established effective governance arrangements for the Fund.

Governance Compliance Statement

1.2 Governance structure, roles and responsibilities, and the terms of reference of the Pension Fund Committee, Investment Sub-Committee, Local Pension Board, Pensions Employer Forum, and other relevant bodies, are set out in the Fund's Governance Compliance Statement included on page xx of this Annual Report. This Statement also sets out the Council's approach to training for those in governance roles.

Governance in action 2024-25

2. Pension Fund Committee

2.1 The Pension Fund Committee is made up of ten elected Member representatives from the four local councils who participate in the Cheshire Pension Fund (Cheshire East, Cheshire West and Chester, Halton, and Warrington) and a non-voting scheme member representative.

2.2 Members of the Committee as at 31 March 2025 were:

- **Cllr Myles Hogg** (Committee Chair) – Cheshire West and Chester Council
- **Cllr Rachel Bailey** – Cheshire East Council
- **Cllr Sam Corcoran** – Cheshire East Council
- **Cllr Mark Dennett** – Halton Borough Council
- **Cllr Michael Gorman** – Cheshire East Council
- **Cllr Gareth Gould** – Cheshire West and Chester Council
- **Neil Harvey** – scheme member representative
- **Cllr Denis Matthews** – Warrington Borough Council
- **Cllr Arthur Neil** – Cheshire West and Chester Council
- **Cllr Phil Rimmer** – Cheshire West and Chester Council
- **Cllr Geoff Smith** – Cheshire East Council*

* Cheshire East Council was also represented by Cllr Judy Snowball during 2024-25.

2.3 Information about the membership of the Pension Fund Committee can be found on the Fund's website, in the section "About us > How we manage the Fund > Governance structure".

2.4 The Committee met four times during the year, and Committee members were also invited to three joint training events alongside members of the Local Pension Board. Meeting dates and attendance for Committee members are shown in the following table:

Committee Member	12 July 2024 (training)	19 July 2024	6 Sept 2024	25 Oct 2024 (training)	6 Dec 2024	21 Feb 2025 (training)	7 Mar 2025
Cllr Hogg (Chair)	✔	✔	✔	✔	✔	-	-
Cllr Bailey	-	-	-	✔	-	✔	-
Cllr Corcoran	-	-	✔	✔	✔	-	✔
Cllr Dennett	-	✔	-	-	✔	✔	✔
Cllr Gorman	✔	✔	✔	-	✔	-	✔
Cllr Gould	✔	✔	✔	✔	-	✔	✔
Neil Harvey	✔	✔	✔	✔	✔	✔	✔
Cllr Matthews	-	✔	✔	✔	✔	✔	✔
Cllr Neil	-	-	✔	-	-	-	-
Cllr Rimmer	-	✔	-	-	✔	✔	-
Cllr Smith							✔
Cllr Snowball	✔	-	✔	-			

2.5 At each Pension Fund Committee meeting, the Committee reviewed the minutes and recommendations of the Investment Sub-Committee, the Local Pension Board, and the Pensions Employer Forum.

2.6 The Committee received regular reports updating on:

- Employer admissions, cessations and other related issues
- Compliance (including Breaches Log)
- Regulatory developments
- Progress against Business Plan targets
- Investment pooling updates
- Fund Risk Register

2.7 Topical issues during 2024-25 on which Committee made recommendations or received key updates included:

- Updates to the Fund's Communications Strategy, Responsible Investment Policy, Climate Change Strategy, Contributions Policy, Breaches Policy, Personal Data Retention Policy, Investment Strategy, and Training Policy
- Updates on the Fund's approach to UK and local investing
- Updates from and in relation to the Fund's asset pooling company, LGPS Central Ltd
- Specific investment related recommendations
- Reports on the annual Statement of Accounts and supporting audit process
- Updates relating to the 2025 Triennial Valuation exercise and associated impacts on contribution rates
- Updates on the Fund's efforts to manage the threat of cyber attack
- Updates on the McCloud remedy
- Update on the national Pensions Dashboard programme
- The Fund's business plan for the period 2025-29

Investment Sub–Committee

2.8 The Investment Sub-Committee strengthens governance and oversight by providing focus on investment strategy and investment performance.

2.9 The Sub-Committee met four times during the year. All members of the Pension Fund Committee are invited to attend the Investment Sub-Committee, but attendance is voluntary. Attendance at Sub-Committee meetings in 2024-25 is shown below:

Name	19 July 2024	6 September 2024	6 December 2024	7 March 2025
Cllr Hogg (Chair)	✔	✔	✔	-
Cllr Bailey	-	✔	-	-
Cllr Corcoran	✔	✔	✔	✔
Cllr Dennett	-	✔	-	✔
Cllr Gorman	-	✔	-	✔
Cllr Gould	✔	-	✔	✔
Neil Harvey	✔	✔	-	-
Cllr Matthews	✔	✔	✔	-
Cllr Neil	-	-	✔	-
Cllr Rimmer	-	-	✔	-
Cllr Smith				
Cllr Snowball	-	-	-	

2.10 At each meeting, the Sub-Committee reviewed the performance of the Fund's investment and funding strategy and the performance contribution of each appointed investment manager. Regular reports included:

- Investment performance and monitoring reports
- Fund cash flow monitoring
- A summary of Responsible Investment issues, equity voting activity and engagement

Local Pension Board

2.11 The Local Pension Board prepares an Annual Report of its activity each year, and this is included on page xx of this Annual Report:

Pensions Employer Forum

2.12 The Pensions Employer Forum provides an opportunity to engage with participating employers.

2.13 The Chair of the Local Pension Board also chairs the Forum. The Forum met three times during 2024-25. Attendance at the Forum for 2024-25 is shown in the table below:

Name	14 June 2024	11 Oct 2024	7 Feb 2025
Peter Raynes (Chair)	✔		
Amanda Stott (Chair)		✔	✔
Cheshire West and Chester Council	✔	✔	-
Cheshire East Council	✔	✔	✔
Halton Borough Council	✔	✔	-
Warrington Borough Council	✔	✔	✔
Cheshire Police	✔	✔	✔
Cheshire Fire and Rescue	✔	✔	✔
Town and Parish Councils	-	-	-
Housing Trusts / Associations	-	-	-
Universities / Further Education Colleges	✔	✔	✔
Schools / Academies	-	-	-
Council-owned companies	✔	✔	✔
Other employers	✔	✔	✔
Cheshire Association of Local Councils	✔	-	✔

2.14 In addition to regular updates on scheme developments and administrative performance, the Forum has input into the design and development of changes to benefits administration processes and information flows between employers and the Fund.

2.15 During 2024-25 key areas of discussion were as follows:

- Preparation for the 2025 triennial valuation, including data quality issues
- Development and rollout of the Cheshire Employer Hub online portal and the Monthly Interfacing process
- The Fund's Communication's Strategy, Breaches Policy
- Cyber threats and approaches to risk reduction
- Relevant regulatory updates including relating to the McCloud Remedy
- The Pensions Dashboard Programme
- General communication updates and feedback from the Forum

Committee and Board Training 2024-25

3.1 In relation to Pension Fund Committee and Local Pension Board member training, the Cheshire Pension Fund's objectives are to ensure that:

- Those persons charged with the financial management and decision-making with regard to the Fund are fully equipped with the knowledge and skills required to discharge the duties and responsibilities allocated to them;
- Those persons responsible for the day-to-day administration and running of the Fund are appropriately equipped with the knowledge and skills required to discharge their duties and responsibilities in relation to the Fund;
- Those persons responsible for providing governance and assurance of the Fund have sufficient expertise to be able to evaluate and challenge the advice they receive, to ensure their decisions are robust and soundly based, and to manage any potential conflicts of interest

3.2 To help meet these objectives the Fund has published a Training Policy, which details the training strategy for members of the Pension Fund Committee, the Local Pension Board, and senior officers involved in the management of the Fund.

3.3 The Fund fully supports the use of the CIPFA Knowledge and Skills Framework, and adopts the principles contained in this publication in relation to the Fund. The Pensions Regulator has issued a new General Code of Practice, and the Fund has undertaken a self-assessment against the knowledge and skills requirements of the Code in order to identify any gaps between those requirements and current practice. The Fund has determined that applying the CIPFA Knowledge and Skills Framework ensures the requirements of the Code are also met.

3.4 In line with the agreed Training Plan, three joint Pension Fund Committee and Local Pension Board training events were held in the year. The table below summarises the topics covered and attendees:

Date	Training topic	Delivered by	Attendees	Attendees
			Pension Fund Committee	**Local Pension Board**
12 July 2024	Financial Markets and Products Cheshire Pension Fund Annual Report Actuarial Valuations 2025 Triennial Valuation	Mercer Claire Jones / Debbie Darlington Hymans Robertson Hymans Robertson	Cllr Hogg Cllr Dennett Cllr Gorman Cllr Gould Neil Harvey Cllr Matthews Cllr Snowball	Peter Raynes Cllr Bisset Jason Lambert
25 October 2024	Investment Strategy, Asset Allocation, Pooling, Performance and Risk Management Climate Risk Report 2025 Triennial Valuation Fund Breaches Policy Training Plan Update	Mercer LGPS Central Ltd Hymans Robertson Aaron Thomas Heidi Catherall	Cllr Hogg Cllr Bailey Cllr Corcoran Cllr Gould Neil Harvey Cllr Matthews	Amanda Stott Geoff Wright
21 February 2025	Pensions Legislation and Guidance Valuation – Council Contribution Modelling Valuation – Longevity Assumptions Fund Business Plan Managing Cyber Risk	Hymans Robertson Hymans Robertson Hymans Robertson Fund Officers Aaron Thomas	Cllr Gould Cllr Bailey Cllr Dennett Neil Harvey Cllr Matthews Cllr Rimmer	Amanda Stott Cllr Bisset

Risk Management

The Fund has adopted a Risk Management Policy, which details the approach to delivery of risk management for the Fund. This policy defines risk as "the effect of uncertainty on the Fund's aims and objectives", and risk management as "the activities designed and operated to manage risk and exercise internal control within the Fund".

The policy identifies and categorises risks as "strategic" or "operational":

- Strategic risks are those which relate to the Fund's approved objectives, as set out in the Fund's strategic business plan; and
- Operational risks relate to the delivery of day-to-day Fund "business as usual" activities.

The risk assessment process will evaluate what Fund officers consider to be the "target" risk score for each identified risk, in other words, how much risk is the Fund prepared to accept. This will help determine whether any additional actions are required to further control each risk.

Having identified and documented key risks and controls, risk monitoring will be carried out operationally by Fund officers. Progress in managing risks will be monitored and recorded on the Fund's risk register, and information (focussing on strategic risks) will be provided on at least a biannual basis to the Committee and the Board as part of regular publicly available update reports on governance, investments and funding, and administration and communications.

Investment Risk

The Investment Sub-Committee regularly reviews investment risk and manager performance at its quarterly meetings, and is assisted in doing so by the Fund's investment advisors, Mercer Ltd.

LGPS Central Pool

There is a specific Central Pool risk register relating to investment pooling in the Central region. This considers risks to the Pool as a whole (including the Partner Funds and the asset pooling company). This Central Pool risk register is maintained by the Practitioner Advisory Forum, which is the main Partner Fund officer working group. The LGPS Central Joint Committee oversees the Central Pool risk register and receives regular reports on this subject.

LGPS Central Ltd, the asset pooling company for the Central Pool, maintains its own internal corporate risk register, which is overseen by the company's Board and Audit Risk & Compliance Committee. This focusses on company-specific risks.

Systems of Internal Control

The Fund's Statement of Accounts and Annual Report are subject to external audit by Grant Thornton, who provide a separate opinion for both the accounts and the annual report. Grant Thornton also conduct interim audits throughout the year to test the design and effectiveness of the Fund's internal controls.

In addition to external audit, the Fund receives regular reviews from the Council's Internal Audit service, who assess the Fund's internal control systems and processes. Internal Audit obtain assurance on the internal control environment through a series of audits of key areas. The outputs from these audits are presented to the Local Pension Board.

During 2024-25 Internal Audit completed a review of the Fund's death notifications process and obtained substantial assurance over the effectiveness of the system of governance. Their report set out one recommendation to improve relevant systems and processes, on the matter of provision of counter fraud training to Fund staff.

Funding and Investments

In addition to the strategic and operational risks described above, the Fund is exposed to a range of specific investment and funding risks. These are explained in detail, along with the risk management measures the Fund has put in place, in Note 19 of the Statement of Accounts.

In April 2020 the Fund elevated and prioritised the management of Climate Change related investment risk in its revised Investment Strategy Statement and Responsible Investment policy.

In December 2020 the Fund published its first Climate Change strategy, which consolidated all the Fund's climate change related beliefs, policies and targets into one document. This explained that the Fund formally acknowledges that there is a risk from holding investment assets with a high carbon footprint and/or a high level of exposure to fossil fuel assets.

These assets pose a particular risk in that markets may re-price fossil fuel and high carbon emitting assets in response to growing public concerns over climate change and the response of policy makers to this concern.

Therefore, the Fund has adopted a precautionary approach to climate change investment risk and will pro-actively manage the risk by:

- Every year an independent assessment of publicly listed investment assets is commissioned to determine the Fund's overall carbon footprint and assess potential climate change impacts and opportunities. To minimise its investment risk, the Fund has set a target of reducing the carbon footprint of its listed equity portfolio (scope 1 and 2 emissions) by 42% by 2025, increasing to 50% by 2030. The Fund is ahead of the target for 2025 and well on track to achieve the 2030 target.
- Each year the Fund will publish a Climate Risk Management Report, which will fully comply with the requirements of the Task Force on Climate-Related Financial Disclosures (TCFD). This report will report on the Fund's carbon footprint and assess the likely impact of different climate scenarios on expected investment returns.
- Based on the findings of previous Climate Reports, the Fund has developed a priority list for climate engagements which is included in the Climate Risk Management report. These companies are chosen following an assessment of issuer contributions to financed emissions and the Fund's capacity to leverage change through engagement. The Fund believes that all companies should fully adhere to the requirements of the Paris Agreement on climate change and will actively engage with companies, ideally in partnership with like-minded investors, to ensure companies align their business plans with the 1.5C target.

The Fund believes the above mitigating actions have reduced the Fund's level of climate change related investment risk to within an acceptable tolerance level.

The Fund obtains independent assurance about the internal control frameworks of its investment managers and custodian by obtaining copies of their audit reports, as set out in the table below.

Fund Manager	Type of Report	Assurance Obtained	Reporting Accountant
Legal & General	ISAE 3402	Reasonable assurance	KPMG LLP
Baillie Gifford & Co	ISAE 3402	Reasonable assurance	PricewaterhouseCoopers LLP
Patrizia	ISAE 3402	Reasonable assurance	BDO LLP
Bluebay	ISAE 3402	Reasonable assurance	PricewaterhouseCoopers LLP
Janus Henderson	ISAE 3402	Reasonable assurance	PricewaterhouseCoopers LLP
Blackstone	SOC 1	Reasonable assurance	Deloitte LLP
M&G Investments	SOC 1	Reasonable assurance	Ernst & Young LLP
Pantheon Ventures	ISAE 3402	Reasonable assurance	KPMG LLP
Adams Street Partners	SOC 1	Reasonable assurance	KPMG LLP
Darwin	ISAE 3402	Reasonable assurance	BDO LLP
Bank of New York Mellon	SOC 1	Reasonable assurance	KPMG LLP
Lexington Capital Partners	SOC 1	Reasonable assurance	Ernst & Young LLP
LGPS Central Ltd	AAF01/20	Reasonable assurance	Grant Thornton

Employer Fund Level Monitoring and Investment Strategies

The Fund has recognised that over time, the characteristics and funding objectives of its participating employers have become increasingly diverse. Therefore, it has divided employers into four separate groups and operated a distinct investment strategy for each group. This approach was taken to recognise the different characteristics, cash flows, maturity of liabilities and funding levels of different employers.

In April 2020, following a review of the current groupings of employers, the Fund re-organised the employers into the following groups:

- **Open Employers**
- **Academies**
- **Exiting Employers**
- **Exited Employers**

The funding levels of each employer group and the appropriateness of their investment strategy are regularly monitored, and changes to investment strategies implemented when it is considered appropriate to do so. The appropriateness of the four employer groups and their investment strategies will form an integral part of the 2025 triennial valuation.

Governance Compliance Statement

March 2025

1. Introduction

1.1 Public service pension schemes do not have trustees. Instead, they are governed by regulation and statutory guidance. The principal legislation and regulations governing the Local Government Pension Scheme (LGPS) are the Superannuation Act 1972, the Public Service Pensions Act 2013, and the Local Government Pensions Scheme Regulations 2013, which build on previous iterations of the Regulations issued since 1974.

1.2 The Local Government Pension Scheme Regulations provide that the responsibilities of Scheme Manager are fulfilled by the designated local Administering Authority for each local LGPS fund. Cheshire West and Chester Council ("the Council") is the designated Administering Authority for the Cheshire Pension Fund ("the Fund").

1.3 LGPS regulations require an Administering Authority to prepare, maintain, publish, and keep under review a written statement setting out:

- whether it delegates its functions, or part of its functions under these Regulations to a committee, a sub-committee, or an officer of the authority.
- If it does delegate,
  - the terms, structure, and operational procedures of the delegation,
  - the frequency of any committee or sub-committee meetings
  - whether such a committee or sub-committee includes representatives of Scheme employers or members, and if so, whether those representatives have voting rights.
- the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying; and
- details of the terms, structure, and operational procedures of the Local Pension Board.

1.4 The Council has produced this Governance Compliance Statement to set out the local governance arrangements in place for the Fund to ensure compliance with regulations and ensure effective management of the Fund's affairs.

1.5 The Council is committed to the core principles of governance set out in the CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) 'Delivering Good Governance in Local Government (2016)' framework. Compliance with these principles is shown in Appendix 2 of this statement.

2. Statement of the Chief Operating Officer

2.1 I confirm, as the officer responsible for the Cheshire Pension Fund, that this Governance Compliance Statement reflects the Administering Authority's governance arrangements for the Fund.

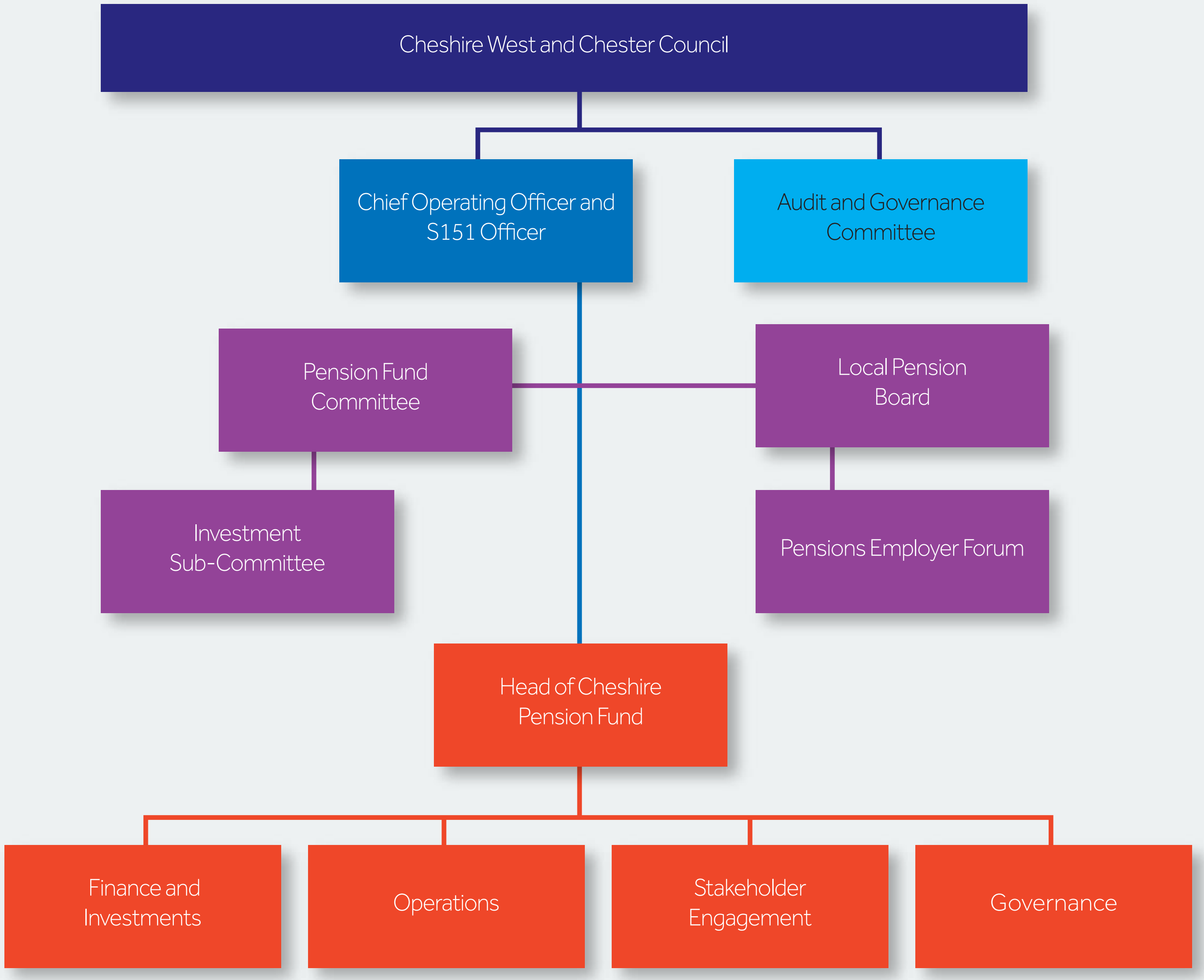
2.2 I also confirm that the training policies and strategies are implemented, such that the officers and members charged with the financial management and decision-making of the pension scheme collectively possessed the requisite knowledge and skills necessary to discharge those duties and make the decisions required during the reporting period.

Simon Riley

Chief Operating Officer and S151 Officer
Cheshire West and Chester Council

3. Local Governance Structure

3.1 The chart below summarises the local governance structure the Council has established for the Cheshire Pension Fund.



Chief Operating Officer and S151 Officer

3.2 The Council has delegated responsibility for the management and administration of the Cheshire Pension Fund to the Chief Operating Officer, who is also the Council's Section 151 officer.

Pension Fund Committee and Investment Sub-Committee

3.3 The Chief Operating Officer has established an advisory panel, known as the Pension Fund Committee, which advises the Chief Operating Officer on all matters relating to the Fund as required.

3.4 The Pension Fund Committee has formed an Investment Sub-Committee to provide greater focus and oversight on the delivery of the strategic investment outcomes set out in the Investment Strategy Statement. The Investment Sub-Committee is not decision-making, but may make recommendations to the Pension Fund Committee.

3.5 The Pension Fund Committee may also receive recommendations from the Pensions Employer Forum and Local Pension Board to enable it to advise the Chief Operating Officer on effective discharge of the Council's Administering Authority responsibilities.

3.6 The Pension Fund Committee and the Investment Sub-Committee both meet quarterly, and may call additional meetings if required. All members of the Pension Fund Committee are invited to, and can attend meetings of, the Investment Sub-Committee.

3.7 The Pension Fund Committee has eleven members as summarised below.

Body	Representation	Voting rights
Cheshire West and Chester Council	Four Councillors	Yes
Cheshire East Council	Four Councillors	Yes
Halton Borough Council	One Councillor	Yes
Warrington Borough Council	One Councillor	Yes
Employee/Union Representative	Union Representative	No

3.8 Pension Fund Committee agendas and papers are published on the Cheshire Pension Fund website (**www.cheshirepensionfund.org**) in the section "About us > How we manage the fund > Governance structure".

LGPS Senior Officer and the Pensions Service

3.9 The Chief Operating Officer and Pension Fund Committee are supported by the Pensions Service, the officer team lead by the Head of Cheshire Pension Fund.

3.10 Draft recommendations relating to LGPS governance arrangements recommend that "each administering authority must have a single named officer who is responsible for the delivery of all LGPS related activity for that fund ("the LGPS Senior Officer")". The role of the LGPS Senior Officer is to "lead and take responsibility for the delivery of the LGPS function".

3.11 The proposed core functions of the LGPS Senior Officer role are:

- Following appropriate advice, developing the fund's strategic approach to funding, investment, administration, governance and communication;
- Ensuring that there is a robust LGPS specific risk management framework in place which embeds risk management into the culture of the fund and identifies, assesses and mitigates the risks facing the fund;
- Ensuring the pension fund is organised and structured in such a way as to deliver its statutory responsibilities and compliance with The Pensions Regulator's codes of practice;
- Managing delivery of the LGPS function to meet service level agreements;
- Providing advice to members of committees that have a delegated decision-making responsibility in respect of LGPS matters;
- Providing advice and information to members of local pensions board to assist them in carrying out their responsibilities;
- Ensuring that the role of the pension fund and LGPS matters are understood and represented at the local authority's senior leadership level;
- Working with partner funds and the pool company (if appropriate) to ensure effective governance in respect of investment pooling arrangements;
- Where the LGPS Senior Officer is not themselves the local authority's s151 officer, support the s151 officer to ensure the proper administration of the fund's financial affairs; and
- Acting with the highest integrity in the interests of the fund's members and employers.

3.12 Within the overall governance arrangements for the Fund, the LGPS Senior Officer role is held by the Head of Cheshire Pension Fund. The LGPS Senior Officer is responsible for the day-to-day management and delivery of the Fund's functions on behalf of the Chief Operating Officer.

3.13 The Chief Operating Officer, Pension Fund Committee and the Head of Cheshire Pension Fund are supported by the Pensions Service, the officer team led by the Head of Cheshire Pension Fund. The Pensions Service has day to day responsibility for the management and operation of the Fund's affairs, including benefits administration, investments and accounting, stakeholder engagement, and governance.

Audit and Governance Committee

3.14 The Council reviews the discharge of its responsibilities for the Fund through the Council's Audit and Governance Committee.

3.15 Pension Fund Committee minutes are reported to the Council's Audit and Governance Committee, who discharge Council oversight of the Fund.

3.16 Audit and Governance agenda and papers are publicly available via the Council's website (**www.cheshirewestandchester.gov.uk**) in the section "Your Council > Councillors and committees > Committees".

Local Pension Board

3.17 The Local Pension Board is a statutory body and its role, as defined by the Public Service Pensions Act 2013, is to assist the Council in ensuring effective governance and administration of the Fund and compliance with all relevant legislation and guidance, and the requirements of the Pensions Regulator.

3.18 The Board has a membership of five: an independent, non-voting Chair, along with two employer and two scheme member representatives. The Board meets quarterly, and Board minutes are published on the Pension Fund website (**www.cheshirepensionfund.org**) in the section "About us > How we manage the fund > Governance structure". Scheme members or members of the public may submit questions to the Local Pension Board via the same website page.

3.19 The Board produces its own Annual Report which is published within the Cheshire Pension Fund Annual Report on page XX.

Pensions Employer Forum

3.20 The Council has established a Pensions Employer Forum, made up of representatives from participating employers. The Forum typically meets up to four times per year, and provides important engagement with and feedback from employers on the operation of the Fund and development of administrative policy.

Terms of Reference

3.21 The terms of reference of the Pension Fund Committee, Investment Sub-Committee, Local Pensions Board and Pensions Employer Forum are attached at Appendix 3 to this Governance Compliance Statement.

External Advisers

3.22 Recognising the complexity of pensions investment, funding and administration, the Council has retained independent external investment consulting and actuarial advice to support the Chief Operating Officer, the Pension Fund Committee, and the Local Pension Board.

3.23 The Council's appointed Actuary, Hymans Robertson, and Strategic Investment Advisor, Mercer, are invited to all Pension Fund Committee meetings, and to other meetings with Fund officers.

3.24 Specialist external legal advice is retained as required.

Other Council input

3.25 Other Council officers, including the Director of Governance (and Monitoring Officer) and the Council's Legal Services also advise the Chief Operating Officer.

4. Investment Pooling Governance

Background

4.1 In April 2018, Cheshire West and Chester Council was a co-founder of the LGPS Central Pool in response to the LGPS (Management and Investment of Funds) Regulations 2016 and associated statutory guidance which require all Administering Authorities to commit to a suitable pool and to "set out their approach to pooling investments, including the use of collective investment vehicles and shared services".

4.2 The LGPS Central pool is a partnership of eight Administering Authorities, Cheshire, Derbyshire, Leicestershire, Nottinghamshire, Shropshire, Staffordshire, West Midlands, and Worcestershire Pension Funds (the "Partner Funds") to enter into collective arrangements for the investment of their LGPS fund assets.

4.3 The Partner Funds have established LGPS Central Ltd ("the Company"), an arms-length investment company that manages the partner funds' pooled investments. The Company is regulated by the Financial Conduct Authority and is controlled within the meaning of the Public Contract Regulations 2015.

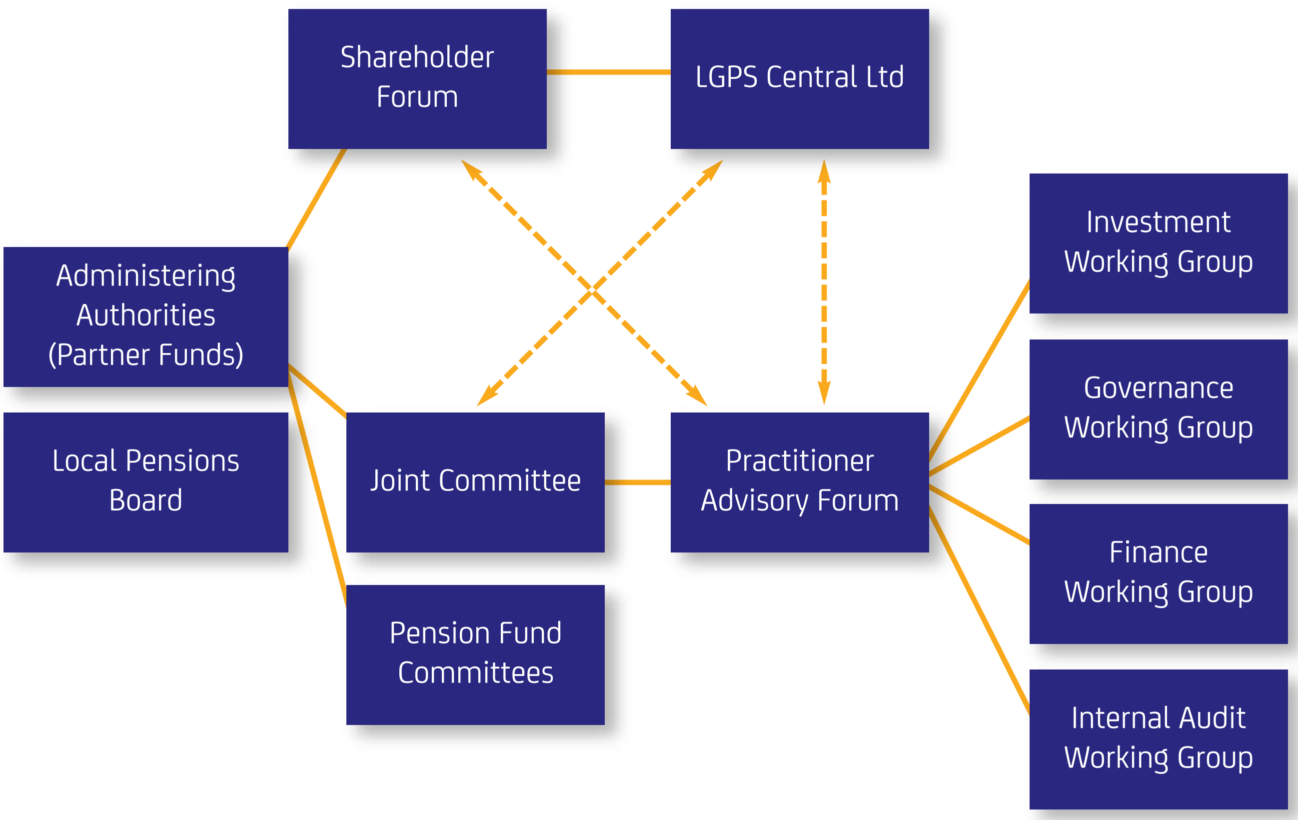
4.4 The Partner Funds and the Company work together to develop pooled investment approaches which meet LGPS pooling requirements and Partner Funds' strategic investment aims, and which deliver the benefits of pooling.

4.5 The Fund's assets will transfer to the Company's management on a phased basis. Prior to transition, assets remain managed under legacy arrangements with appointed external managers. The Pension Fund Committee, advised by the Investment Sub-Committee, oversees the investment performance of the Company and legacy external managers.

4.6 In November 2024, the Government issued a consultation entitled "Local Government Pension Scheme (England and Wales): Fit for the future". This set out a range of proposal relating to asset pooling, UK and local investment, and governance. The outcome of this consultation is expected to lead to relevant legislation and/or regulations which change the relationship between LGPS funds and their pooling companies, and the role of the Company in investing the Fund's assets.

Investment Pooling Governance Structure

4.7 The current investment pooling governance structure is shown in the diagram below. There are separate governance arrangements reflecting Partner Funds' roles as both shareholder and customer of the Company.



Shareholder role

4.8 Partner Funds are joint and equal shareholders in the Company. They have entered into a Shareholder Agreement that governs how Partner Funds manage their collective relationship with, and ownership of, the Company.

4.9 The Shareholder Agreement also sets out areas of Company decision making which require shareholder approval, known as Reserved Matters. The Shareholder Agreement specifies which Reserved Matters require unanimous partner fund approval, and which may be decided by a majority of shareholders (at least six out of eight or 75% of shareholders). The Shareholder Agreement was last updated during 2023-24.

4.10 A Shareholder Forum, comprising the nominated shareholder representatives from the eight Partner Funds meets at least twice yearly, with meetings aligned with the timetable for Company general meetings.

4.11 The Council, acting through the Fund, has separated its shareholder and client representatives, reflecting the different roles and responsibilities each undertake.

Shareholder Role

4.12 The Council's Shareholder Representative is the Cabinet Member for Finance and Legal, who has discretion to exercise its shareholder voting rights at Company meetings, with advice from the Chief Operating Officer and the LGPS Senior Officer as required.

Client Role

4.13 The LGPS Central Joint Committee oversees client matters, including pooling progress, delivery of pooling benefits and scrutiny of the investment performance of the Company's pooled investment funds.

4.14 The Joint Committee is made up of nominated representatives from the Partner Funds, usually elected members, plus a scheme member representative nominated by the trade unions.

4.15 The Joint Committee is a public meeting. It typically meets twice yearly and its agenda and papers are available on the Cheshire Pension Fund website (**www.cheshirepensionfund.org**) in the section "About us > How we manage the fund > Governance structure".

4.16 The Joint Committee is not a decision-making body, but can make recommendations to the individual Partner Funds.

4.17 The Administering Authority's representative on the Joint Committee is the Chair of the Pension Fund Committee, as set out in Cheshire West and Chester Council's Constitution.

Practitioner Advisory Forum

4.18 The Practitioners Advisory Forum is an officer working group made up of senior pension officers of the eight Partner Funds. It oversees the delivery of investment pooling and the transition of Partner Fund assets, and supports the Shareholder Forum and Joint Committee.

5. Governance – review of effectiveness

5.1 The Council commissions independent review of the effectiveness of Fund governance arrangements.

5.2 The last independent review was undertaken in 2018-19 by Barnett Waddingham, whose overall conclusion was that the governance and decision-making arrangements in place, were 'effective, and considered to be among the most well informed'. Several recommendations were made and implemented, but no fundamental changes were proposed.

5.3 During 2023-24, The Pensions Regulator issued their new General Code of Practice. The Fund has completed an internal self-assessment against the requirements of the new Code during 2024-25, and reports the outcome of this review as part of this Governance Compliance Statement.

5.4 Arrangements for commissioning an independent review of the Fund's compliance with the General Code are contingent on the outcome of the "Fit for the future" consultation and the governance proposals therein.

5.5 The Fund continues to await the outcome of the SAB Good Governance review and resulting changes to regulations and guidance. Timescales for the outcome of this review are uncertain at the time of reporting. Elements of the Good Governance proposals were included in the "Fit for the future" consultation.

5.6 Administering Authorities are required to assess current practice against statutory guidance, and the latest assessment is attached at Appendix 1.

5.7 The Council also assesses its arrangements against the seven principles set out in the CIPFA/SOLACE 'Delivering Good Governance Framework 2016". The latest assessment is included in Appendix 2 to this statement.

6. Knowledge & Skills

6.1 The Council recognises the need for Fund Officers as well as Pension Fund Committee and Local Pension Board members to have an appropriate level of skill to undertake their roles effectively. Local Pension Board members are required under the Pensions Act 2004 to be conversant with the rules and regulations of the LGPS, the administration policy of the Fund, and the law relating to pensions. Furthermore, The Pension Regulator requires that "all people involved in governing and administering public service schemes should have the appropriate skills and expertise".

6.2 To this end the Council's objectives are to ensure that:

- Those charged with financial management and decision-making regarding the Fund are fully equipped with the knowledge and skills required to discharge the duties and responsibilities allocated to them.
- Those responsible for the day-to-day administration and running of the Fund are appropriately equipped with the knowledge and skills required to discharge their duties and responsibilities in relation to the Fund.
- Those responsible for providing governance and assurance of the Fund have sufficient expertise to be able to evaluate and challenge the advice they receive, to ensure their decisions are robust and soundly based, and to manage any potential conflicts of interest.

6.3 To help meet these objectives, the Council has adopted the CIPFA Knowledge and Skills Framework as the basis for assessing training and development requirements and for ongoing delivery planning. This has informed the development and publication of the Fund's Training Policy, which details the training strategy for members of the Pension Fund Committee, the Local Pension Board, and senior officers involved in the management of the Fund. The Pensions Regulator has issued a new General Code of Practice, and the Fund has undertaken a self-assessment against the requirements of the new Code in order to identify and close any gaps between those requirements and current practice.

6.4 The Training Policy is reviewed annually and is supported by regular re-assessment of individual knowledge and skills. These inform annual Training Plans which are based on the following key elements:

	Training plan	How delivered
Individual Training Needs	A training needs analysis, based on the CIPFA Knowledge and Skills Framework, will be developed for each member and officer. Training plans will be developed based on the priorities identified.	• Hymans Robinson LGPS Online Learning Academy (online learning) • External courses e.g. LGA Fundamentals training (for new members) • In-house training led by officers, external advisors, or third-party experts
All-member Training	Appropriate training will be provided at critical times to support specific decisions that the Committee need to make (i.e. valuation training, specific investment training)	• In-house training days provided by officers and/or external providers • Training as part of meetings • External training events • Attendance at seminars / conferences
Continued Awareness	Members and Officers will be required to maintain a general level of awareness of topical issues facing the wider pensions industry	• Industry publications • Member Briefing packs • National press releases • Attendance at conferences, seminars and webinars

6.5 Newly appointed members of the Pension Fund Committee receive induction training to provide a clear understanding of the Fund's governance, policies, and performance frameworks.

6.6 The Council's Chief Operating Officer (and s151 officer) is responsible for ensuring that the policy in respect of training and education is implemented.

7. Contacts and Further Information

Pension Fund Website

Contains information about the Fund and includes all published documents and contact forms
www.cheshirepensionfund.org

You can e-mail us at
pensions@cheshirewestandchester.gov.uk

Alternative contact mechanisms can be found on our website on the "Contact Us" page.

Pensions Management team contact details

Head of Pension Fund

Sean Greene
Sean.Greene@cheshirewestandchester.gov.uk

Operations Manager

Heidi Catherall
Heidi.Catherall@cheshirewestandchester.gov.uk

Finance and Investments Manager

Claire Jones
Claire.Jones@cheshirewestandchester.gov.uk

Stakeholder Relations Manager

Nick Jones
Nick.Jones@cheshirewestandchester.gov.uk

Governance Manager

Aaron Thomas
Aaron.Thomas@cheshirewestandchester.gov.uk

Cheshire West and Chester Council Website

Contains information about the Council's constitution, scheme of delegation, committee terms of reference and agenda papers and minutes, including those of the Audit and Governance Committee.

www.cheshirewestandchester.gov.uk

LGPS Regulatory Compliance Assessment - Appendix 1

LGPS Regulations require pension funds to issue a statement confirming the extent to which their governance arrangements comply with guidance issued by the Secretary of State. The statement below confirms the mechanisms in place in relation to the Cheshire Pension Fund to satisfy each requirement.

Principle	Compliance	Evidence of Compliance
Delegation		
The Management of the administration of benefits and strategic management of the Fund assets clearly rests with the main committee established by the appointing Council.	Compliant	• The Council has delegated responsibility for the Cheshire Pension Fund to the Chief Operating Officer who is also the Section 151 Officer. • The Chief Operating Officer is advised by the Pension Fund Committee, which in turn has established an Investment Sub-Committee. • The day to day responsibility for management and delivery of the Fund's functions on behalf of the Chief Operating Officer is held by the Head of Cheshire Pension Fund, who is designated the LGPS Senior Officer. The Head of Cheshire Pension Fund is supported by the Pensions Service. • These arrangements reflect the position following several local government reorganisations in Cheshire, and ensure that Administering Authority and Non- Administering Authority Council representatives have equal status and voting rights on the Pension Fund Committee. Independent review has previously assessed these local arrangements as sound and effective.
Where a secondary Committee or Board has been established, the structure ensures effective communication across both levels.	Compliant	• An Investment Sub-Committee, reporting to the Pension Fund Committee has been established to provide greater focus and oversight on delivery of the investment outcomes set out in the Investment Strategy Statement.
Representation		
All key stakeholders are afforded the opportunity to be represented within the governance structure. These include: • Scheme employers (including non-local government employers e.g. admitted bodies) • Scheme members (including deferred and pensioner scheme members) • Independent professional observers, and • Expert advisors (on an ad hoc basis)	Compliant	• All participating employers and scheme members are represented on either one or more of the Pension Fund Committee, the Local Pension Board, or Pensions Employer Forum, as summarised below. • Local Councils are represented on the Pension Fund Committee (the advisory panel to the Chief Operating Officer) and the Pensions Employer Forum. • Non-local government employers are represented on the Pensions Employer Forum. • Nominated Trade Union representatives represent scheme members on the Pension Fund Committee, Local Pension Board, and Pensions Employer Forum. • There is no formal representation for independent professional observers, but current governance arrangements have been independently assessed as effective. • Expert actuarial and investment advisors regularly attend meetings of the Pension Fund Committee and Investment Sub-Committee. Other advisors attend on specific issues as and when required.

Principle	Compliance	Evidence of Compliance
Voting		
The policy on voting rights is clear and transparent.	Compliant	• Voting rights are clearly set out in the terms of reference for each of the governance bodies.
Training / Facility time / Expenses		
In relation to the way in which statutory and related decisions are taken by the administering authority there is a clear policy on training, facility time, and re-imbursement of expenses in respect of members involved in the decision-making process.	Compliant	• There is a clear published policy on training for both Committee and Board members, facility time, and reimbursement of expenses in respect of those involved in the decision-making process.
Where such a policy exists, it applies equally to all members of the main and sub committees and Board.	Compliant	• The policy applies equally to all members of Pension Fund Committee, Investment Sub-Committee and Local Pensions Board.
Meetings (Frequency / Quorum)		
Meetings are held regularly	Compliant	• The Pension Fund Committee meets quarterly, with additional meetings when required. • Investment Sub-Committee meetings are quarterly, and are synchronised with the Pension Fund Committee. • The Pensions Employer Forum will meet up to a maximum of four times per year. • The Local Pension Board meets four times per year. • Local Pension Board meeting minutes are reviewed by the Pension Fund Committee, and vice versa.

Principle	Compliance	Evidence of Compliance
Access		
Subject to any rules in the council's constitution, all members of main and secondary committees, Boards, or forums have equal access to committee papers, documents, and advice that is considered at meetings of the main committee.	Compliant	• All members of Pension Fund Committee and Investment Sub-Committee have equal access to meeting papers, documents, and advice. • Pension Fund Committee papers and minutes are published on the Fund's website. • Local Pension Board papers and minutes are equally available to all Board members, and are also published on the Fund's website.
Scope		
Administering Authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Compliant	• The Council has included benefits administration, investments, and wider governance issues under the remit of the Pension Fund Committee. All aspects of Fund management and performance are reported to Pension Fund Committee.
Publicity		
The Administering Authority has published details of their governance arrangements in such a way, that those stakeholders with an interest in the way the scheme is governed can express an interest to be part of those arrangements.	Compliant	• The Council publishes its policy and other documents of interest, including this Annual Report, on the Fund's website. • Information on consultations about changes to policy or strategy are advertised via the website.

CIPFA/SOLACE Compliance Assessment - Appendix 2

Supporting principles	How we demonstrate in practice
Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	
• Behaving with integrity • Demonstrating strong commitment to ethical values • Respecting the rule of law	• Codes of Conduct sets out standards of behaviour for Pension Fund Committee members and Fund officers • Declarations of interest – standing item on all meetings, and all disclosures recorded • Conflicts of Interest Policy – ensures impartiality of Local Pension Board / Pension Fund Committee members and Fund officers • THRIVE values – (Teamwork, Honesty, Respect, Innovation, Value for Money, Empowerment) underpin staff performance management framework via our "Play Your Part" charter • Clear breach reporting and monitoring in place with regular quarterly updates to Local Pension Board and Pension Fund Committee • Independent Dispute Resolution Process (IDRP) ensures complaints dealt with fairly and impartially • Investment Strategy Statement (ISS) and Responsible Investment (RI) policy set out approach to investment stewardship and how environmental, social and governance factors are considered in investment decision making and ongoing monitoring.
Principle 2 : Ensuring openness and comprehensive stakeholder engagement	
• Openness • Engaging comprehensively with institutional stakeholders • Engaging with individual citizens and service users effectively	• Communication & Engagement Strategy identifies key stakeholders, priority themes for engagement and communication media. • Website – all key policy documents, committee agenda papers and investment holding details published on Fund website. Significant redesign and relaunch of website is underway and will launch during 2025-26. 24-hour online access to key membership information and forms. • Pensions Employer Forum – regular engagement with employer representatives to consult on Fund developments and gather feedback. • Employer meetings – at least one meeting per year held to update employers on Fund performance. • Employer Engagement Strategy and supporting Annual Communications Calendar in place to improve Fund / employer interface. • Benefit Roadshows and 'drop-in' sessions for scheme members held as required. • Staff Bulletin and team away days to keep staff up to date and informed of key issues / developments and to provide an opportunity for feedback.

Supporting principles	How we demonstrate in practice
Principle 3: Delivering outcomes in terms of sustainable economic, social, and environmental benefits	
• Defining outcomes • Defining sustainable economic, social, and environmental benefits	• Pension Fund Business plan (approved annually) sets out vision, principles, objective and strategic deliverables. • Staff have performance objectives (linked to the Pension Fund Business plan and our "Play Your Part" Charter) which inform appraisal conversations with team members. • Specific investment performance targets and benchmarks set for all investment portfolios, aligned to the Fund's long-term funding strategy. • Investment Strategy Statement and Responsible Investment Policy set out the Fund's approach to long term, sustainable investment. • The Fund is a signatory to the UK Stewardship Code, the aim of which is to encourage active and engaged monitoring of corporate governance in the interests of beneficiaries. The Fund submits an annual Stewardship Report to the Financial Reporting Council (FRC) demonstrating how they have applied the Code's Principles in the previous 12 months.
Principle 4: Determining the interventions necessary to optimise the achievement of intended outcomes	
• Determining interventions • Planning interventions • Optimising achievement of intended outcomes	• Investment Risk / Performance trigger monitoring in place to prompt review of investment mandates and overall asset allocation when agreed thresholds are triggered. • Ongoing review of employer covenants, indemnity bonds, guarantees etc to ensure exposure to employer default is managed proactively. • Business Continuity Plan and Cyber Incident Response Plan in place and subject to regular review. • Fund Risk Register reviewed monthly and updated as required, and control actions reviewed to mitigate potential threats to delivery of business plan objectives. • Pensions Programme – transformational change programme ongoing to modernise and improve service operating model in response to changing demands and expectations. • Pensions administration system - development roadmap in place to ensure that the benefits of new technology are harnessed effectively in the delivery of planned outcomes. • Regular monitoring of funding levels to assess appropriateness of existing strategic asset allocations.
Principle 5: Developing the Fund's capacity including the capability of its leadership and individuals within it	
• Developing the Fund's capacity • Developing the capability of the Fund's leadership and individuals within it.	• CIPFA Knowledge and Skills Framework used to systematically identify training and development needs for Pension Fund Committee and Local Pension Board members and senior officers. • Targeted induction training for new Pension Fund Committee and Local Pension Board members. • Career Grades introduced into the team structure, linked to professional training programme and the National Apprenticeship Scheme as a means of opening up structured learning opportunities and career pathways. • Corporate Council programme of Management and Leadership training available to junior and middle managers. • Regular formal and informal collaboration and experience sharing with other LGPS Funds, to maximise capacity and resources.

Supporting principles	How we demonstrate in practice
Principle 6: Managing risk and performance through robust internal control and strong public financial management	
• Managing risk • Managing performance • Robust internal control • Managing data • Strong public financial management	• Fund Risk Management Policy in place. Fund Strategic Risk Register in place and reviewed monthly at Fund officer level and at least biannually by Pension Fund Committee and Local Pension Board. • Fund Business Plan updated annually and includes Key Performance Indicator targets. • Quarterly reporting to Local Pension Board, Investment Sub-Committee and Pension Fund Committee on investment and budgetary performance and progress against business plan delivery targets and key performance indicators. • Leadership team has established operational performance indicators (to complement the business plan Key Performance Indicators) and review performance and progress against these quarterly. • Staff have regular one to one supervisory meetings and formal six-monthly performance reviews. • Independent internal and external audit review of internal control processes. • Data quality management plan in place and subject to ongoing monitoring and reporting. • Any identified data breaches are formally logged and reported to the Council's Data Protection Officer, with remedial actions (including specific staff training) undertaken as required. • Fund has carried out a self assessment against The Pension Regulator's General Code of Practice, demonstrating a high degree of compliance. An action plan has been put in place to ensure any identified compliance gaps are addressed. The Fund's compliance position has been reported to the Local Pension Board and the Pension Fund Committee.
Principle 7: Implementing good practices in transparency, reporting and audit to deliver effective accountability	
• Implementing good practice in transparency • Implementing good practice in reporting • Assurance and effective accountability	• Fund website provides open, public access to all key policy documents, committee agenda papers / minutes, investment holdings. • Plain English standards adopted for all Fund correspondence / communications • Full compliance with Freedom of Information disclosure requirements.

Terms of Reference - Appendix 3

Pension Fund Committee

Terms of Reference

1 The Pension Fund Committee's key responsibilities are to advise the s151 Officer on the management of the Cheshire Pension Fund, including the management of the administration of the benefits and strategic management of Fund assets, taking advice from an actuarial and strategic investment advisor. The Committee principally fulfil this responsibility by:

- Meeting quarterly, or otherwise as necessary, to effectively monitor the management and administration of the Fund.
- Monitoring investment policy and overall investment performance.
- Selection, appointment, and dismissal of an investment pooling operator to manage the assets of the Fund.
- Determining what the Administering Authority requires the pool to provide to enable it to execute its local investment strategy effectively.
- Receiving and considering reports and recommendations from the Joint Committee, Shareholders Forum and Practitioners Advisory Forum, established to oversee the pool, and ensuring the Fund's investor rights and views are represented effectively.
- Identifying and managing risks associated with asset pooling.
- Ensuring that appropriate measures are in place to monitor and report on the ongoing costs of investment pooling.
- Ensuring the responsible investment, corporate governance and voting policies of the Fund are delivered effectively.
- Reviewing the Funds governance arrangements and the effective use of its advisors to ensure good decision-making.
- Overseeing the Pensions Employer Forum arrangement and compliance with best practice.
- Receiving recommendation from the Pensions Employer Forum on ways to improve the administration and communication between the scheme, its employers, and members; and
- Reviewing and advising on the development of an Investment Strategy Statement, Funding Strategy Statement, Communication Policy, Administration Policy, Governance Compliance Statement and publishing a Pension Fund Annual Report

2 In respect of non-pooled, legacy assets; the Pension Fund Committee is also responsible for: -

- Overseeing the appointment and termination of investment managers
- Reviewing the performance benchmarks and targets for investment managers

3 The Committee receive recommendations from the Investment Sub-Committee, the Local Pension Board, and Pensions Employer Forum to enable it to discharge its responsibilities effectively.

Committee Membership and Representation

Body	Representation	Voting Rights
Cheshire West and Chester Council	Four Councillors	Yes
Cheshire East Council	Four Councillors	Yes
Halton Borough Council	One Councillor	Yes
Warrington Borough Council	One Councillor	Yes
Employee representative	Union Representative	No

4 Cheshire West and Chester Council as the Administering Authority ensure that the correct political balance is maintained where applicable.

5 Decisions are usually made by consensus, should a vote be required then decisions are made by a clear majority and the Chair of the Committee has a casting vote should there be a tie in the voting.

Investment Sub-Committee

Terms of Reference

1 The Sub-Committee is open to all members of the Full Committee and ensures that the Pension Fund Committee limited governance time is utilised in the most efficient manner, with this Sub-Committee focussing on more complex investment issues.

2 The Sub-Committee fulfils this responsibility by: -

- On a quarterly basis, reviewing the performance of the Pension Fund and the pool operator against the objectives, benchmarks and targets set.

- After taking appropriate advice, identifying, and implementing any tactical asset switches (within ranges prescribed by the Pension Fund Committee).
- Receiving reports from the Fund's investment managers and other service providers on issues that may affect the Fund's investment strategy and objectives and considering if, and to what extent, any recommendations to the Pension Fund Committee may be necessary to ensure the efficient and effective performance of the Pension Fund.
- Receiving reports on Responsible Investment issues impacting the Fund's investment portfolio.

3 On an interim basis, in respect of non-pooled, legacy assets the Investment Sub-Committee is also responsible for:

- On a quarterly basis, reviewing the performance of Fund managers against the objectives, benchmarks and targets set
- Receiving and considering any investment manager or service provider issues escalated to the Sub-Committee by key officers

Sub-Committee Membership & Representation

Body	Representation	Voting Rights
Cheshire West and Chester Council	Four Councillors	Yes
Cheshire East Council	Four Councillors	Yes
Halton Borough Council	One Councillor	Yes
Warrington Borough Council	One Councillor	Yes

4 Cheshire West and Chester Council as Administering Authority ensure that the correct political balance is maintained.

5 The Investment Sub-Committee are not a decision-making body but may make recommendations to the main Pension Fund Committee.

Local Pension Board

Terms of Reference

1 The role of an LGPS Board is defined by Public Service Pensions legislation and LGPS Regulations.

2 The Board's aim is to assist the Administering Authority to ensure the effective and efficient governance and administration of the LGPS, including:

- Securing compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS.
- Securing compliance with requirements imposed in relation to the LGPS by The Pensions Regulator.
- Such other matters as the LGPS regulations may specify.

3 The Board will ensure it effectively and efficiently complies with the Guidance issued by the LGPS Scheme Advisory Board and may determine the areas it wishes to consider including:

- Meeting for a minimum of two occasions during a twelve-month period
- Reviewing regular compliance monitoring reports which shall include reports to, and recommendations of, the Committee and delegated decisions made under the Regulations
- Monitoring complaints and performance on the administration and governance of the scheme.
- Reviewing the implementation of revised policies and procedures following changes to the scheme.
- Reviewing the arrangements for the development of Board members and those elected members and officers with delegated responsibilities for the management and administration of the scheme.
- Reviewing the exercise of employer and Administering Authority discretions.
- Reviewing the outcome of internal and external audit reports, review the draft accounts and the scheme Annual Report.
- Any other area within the core function (i.e. assisting the Administering Authority) the Board deems appropriate.

4 The Board will also help ensure that the Cheshire Pension Fund is managed and administered effectively and efficiently and complies with the Codes issued by The Pensions Regulator.

5 The Board will assist the Scheme Manager to be satisfied that a person to be appointed as a member of the Board does not have a conflict of interest, and to be satisfied from time to time that none of the members of the Board have a conflict of interest.

6 The Board will assist the Administering Authority to include undertaking work requested by the Administering Authority for the purposes of scrutiny of Scheme Manager and Pension Fund Committee decisions including funding and investments. However, the Board does not replace the Administering Authority or make decisions which are the responsibility of the Scheme Manager or the Pension Fund Committee.

Membership & Representation

Body	Representation	Voting Rights
Independent Chair	One	No
Employer Representative	Two	Yes
Scheme Member Representative	Two	Yes

Pensions Employer Forum

Terms of Reference

1 The Council is keen for all employers to participate in the efficient and effective administration of the Fund and achieves this through the Pensions Employer Forum, which consists of employer representatives from Local Authorities, Council Owned Companies, Cheshire Police, Fire and Rescue Authorities, Parish and Town Councils, Housing Associations, Admitted Bodies, Academies, Colleges and the Trades Unions.

2 The Forum allows these stakeholders to bring their own perspective to the management of the Fund. The Forum's key responsibilities are set out below.

3 The Forum determine the frequency of meetings, subject to a maximum of three meetings per year, or otherwise as necessary to:

- Enable the Fund to work collaboratively with employers.
- Share best practice.
- Discuss current pensions issues and their impact on the Fund, the LGPS and the wider pensions industry.
- Encourage engagement between the Fund and employers to improve the exchange of data and communication.
- Provide feedback to the Fund to assist them when implementing new initiatives / developments.
- Where possible, disseminate and share outputs from the Forum with other employers in the same sector.
- Consult on and review performance against the Fund's administration strategy to ensure it clearly outlines all responsibilities of both the Fund and employers including any applicable charges / penalties for non-compliance.
- Consult on and review performance against the Fund's communication policy and suggest improvements for the efficient and effective flow of information between the Fund and employers.
- Make and implement recommendations on the administration strategy and communication policy of the Fund.
- Assist the Fund and employers to comply with all requirements of the Pensions Regulator's Code of Practice, in particular reporting breaches of the law and record keeping.

Membership & Representation

Membership	Representation
Chair	One
Cheshire West and Chester Council	Two
Cheshire East Council	Two
Warrington Borough Council	One
Halton Borough Council	One
Cheshire Police, Cheshire Fire and Rescue	One
Academies, Colleges, Admitted Bodies, and the Housing Trusts	One rep per body

LGPS Central Joint Committee

Terms of Reference

1 The Joint Committee is a public forum for the Administering Authorities (the Authorities) within the LGPS Central Pool (the Pool) to provide oversight of the delivery of the objectives of the Pool, the delivery of client service, the delivery against the LGPS Central business case and to deal with common investor issues.

2 The Joint Committee shall provide assistance, guidance, and recommendations to the individual Authorities in connection with the functions set out below taking into consideration the conflicting demands and interests of the participants within the Pool. The Joint Committee does not have delegated authority to make binding decisions on behalf of the participating Authorities.

Membership

3 The Joint Committee shall consist of one elected member from each Authority.

4 Each Authority may nominate one or more elected member(s) to attend any meeting of the Joint Committee or its sub-committees in place of an appointed member from an Authority, subject to prior notification being given to the Clerk to the Joint Committee or his or her nominee.

5 Each Authority may remove its appointed members or substitute members and appoint different members and substitutes by giving written notice to the Clerk to the Joint Committee or his or her nominee.

6 Each appointed member or substitute shall be entitled to remain on the Joint Committee for so long as the Authority appointing them so wishes but shall cease to be a member or substitute if he or she ceases to be a member of the appointing Authority or if that Authority removes the appointed member.

7 Any casual vacancies will be filled as soon as reasonably practicable by the Authority from which such vacancy arises by giving written notice to the Clerk to the Joint Committee or his or her nominee.

8 Each member of the Joint Committee shall comply with any relevant codes of conduct of their Authority when acting as a member of the Joint Committee.

9 A Trade Union representative shall be appointed as a non-voting member of the Joint Committee to represent the scheme members across the Authorities' pension funds.

Role and function

10 To provide oversight of the objectives of the Pool as detailed in the Inter Authority Agreement, currently being:

- to meet the investment objectives of the participating LGPS funds;
- to establish a collaborative platform through which the Authorities can aggregate their pension assets with a view to providing scale economies and improved investment efficiency;
- to develop internal investment management capabilities for the collective benefit of the Authorities in order to provide wider investment choice and market competition;
- to create capacity to invest in asset classes which individual funds may find difficult to access;
- to stimulate innovation, and provide an opportunity for funds to engage with the investment industry in finding new and creative approaches to the funding challenges faced by the LGPS (and the wider pensions sector);
- to act as a responsible, long term investor, using its influence to promote the highest standards of corporate stewardship;
- to create a regional centre of excellence for investment management, able (in the long term) to offer services to other pension funds, charities and endowments; and
- Following transitioning arrangements, to invest each Shareholder's pension assets including any assets administered for and on behalf of other parties either through the collective investment vehicle(s) operated by LGPS Central Ltd, as the primary and exclusive collective investment vehicle(s) for all eligible pension assets, or by appointing LGPS Central Ltd to manage any non-eligible pension assets outside of such vehicle(s).

11 To provide oversight of the delivery of client service.

12 To provide oversight of delivery against the LGPS Central business case.

13 To deal with common investor issues, with a particular focus on Responsible Investment.

Practitioners' Advisory Forum

14 The Practitioners' Advisory Forum (PAF) shall provide a central resource for advice, assistance, guidance, and support for the Joint Committee and shall support the functions of the Joint Committee. PAF shall provide technical support at meetings of the Joint Committee and shall act as a conduit for the Joint Committee to communicate back to the respective Authorities and/or direct to LGPS Central Ltd as appropriate.

Meetings

15 The Clerk to the Joint Committee will be the Head of Paid Service or nominee of Cheshire West and Chester Council who will work within a budget set by the Authorities.

16 The Joint Committee will meet twice a year in June and December with the location to be rotated around the Authorities.

17 The Clerk to the Joint Committee or his or her nominee will give notice to the public of the time and place of the meeting in accordance with Part VA of the Local Government Act 1972. At least five clear working days before a meeting, the clerk to the Joint Committee or his or her nominee will send a summons signed by the Clerk to the Joint Committee or his or her nominee electronically to every Member. The summons will give the date, time and place of each meeting and specify the business to be transacted and will be accompanied by such reports as are available.

18 Each Authority will publish a link on its own website to the relevant page on Cheshire West and Chester Council's website providing access to the Joint Committee's agendas and minutes.

19 The Chair and Vice Chair of the Joint Committee will be elected by the Joint Committee from amongst its members and shall hold those offices until the first meeting after 1st May in the following year. Both the initial and subsequent Chairs and Vice Chairs may be re-appointed to serve a further term or terms.

20 If there is a quorum of members present but neither the Chair nor the Vice Chair is present at the meeting of the Joint Committee, the other members of the Joint Committee shall elect one of the members of the Joint Committee as Chair of the Joint Committee for that meeting only.

21 The quorum of a meeting will be at least five members who are entitled to attend and vote.

22 Each elected member shall have one vote on any recommendations. Any matter will be decided by a simple majority of those members of the Authorities represented in the room at the time the question was put. In the case of an equality of votes the Chair shall have a second or casting vote but before exercising this, the Chair shall consider whether it is appropriate to defer the matter to the next meeting of the Joint Committee. The Chair shall take account of the governing principles to the LGPS Central pooling agreement when exercising the casting vote.

23 The member appointed as a substitute shall have the same voting rights as the member for whom he or she is substituting and who does not attend. Where the appointed member attends the substitute member shall not have any right to vote after the conclusion of the item of business being discussed when the appointed member arrives but may remain at the meeting as an observer.

24 The Chair will take the vote by show of hands, or if there is no dissent, by the affirmation of the meeting.

25 The Clerk to the Joint Committee or his or her nominee shall arrange for written minutes to be taken at each meeting of the Joint Committee and shall send them to the members of the Joint Committee for online approval within three weeks of the meeting. At the next meeting of the Joint Committee, the Chair shall move that the minutes of the previous meeting be ratified as a correct record. If this is agreed, the Chair of the Joint Committee shall sign the minutes.

26 Any elected member of the Authorities who is not a member of the Joint Committee may speak at a meeting of the Joint Committee if the Chair of the Joint Committee invites him or her to do so but an elected member of the Authorities who is not a member of the Joint Committee shall not be entitled to vote at a meeting of the Joint Committee.

27 Meetings of the Joint Committee shall be open for members of the public to attend unless the Joint Committee determines that it is necessary to exclude members of the public in accordance with Part VA of the Local Government Act 1972 or the Joint Committee determines that it is necessary to take action because of a disturbance. Copies of the agenda for meetings of the Joint Committee and any reports for its meetings shall be open to inspection by members of the public at the offices of all the Authorities unless the Clerk to the Joint Committee determines that any report relates to items in which his or her opinion are likely not to be open to the public.

28 In accordance with Part VA of the Local Government Act 1972, the Joint Committee shall exclude the public from its meetings whenever it is likely, in view of the nature of the business to be discussed or the nature of the proceedings that, if members of the public were present, confidential information would be disclosed to them in breach of the obligation of confidence.

29 If any member of the public interrupts proceedings, the Chair will warn the person concerned. If they continue to interrupt, the Chair will arrange for their removal from the meeting room and will suspend the meeting until the member of the public has left or been removed.

30 If there is a general disturbance in any part of the meeting room open to the public, the Chair may call for that part to be cleared.

31 Each Authority will undertake the overview and scrutiny function on its own behalf in accordance with their constitutions.

32 As a guide the items that may be included in the meetings, but not limited to, are as follows:

- Update on delivery against the objectives of the Pool
- Investment Performance, Responsible Investment & Cost Reporting
- Risk Register
- Key Performance Indicators
- Benchmark Reporting
- Update on delivery against the LGPS Central Business Case
- Department for Levelling Up, Housing & Communities (DLUHC) & Scheme Advisory Board (SAB) Reporting
- Investment Outlook
- Training / LGPS Central Events Programme
- Other Relevant Common Investor Issues

Terms of Reference Review

33 These terms of reference will be reviewed annually at the first meeting after 1st May in each year.

LGPS Central Shareholders' Forum

Terms of Reference

1. The primary role of the Shareholders' Forum is to oversee the operation and performance of LGPS Central Ltd ("the Company"), and to represent the ownership rights and interests of the Shareholding Administering Authorities ("the Authorities") within the LGPS Central Pool ("the Pool"). The Shareholders' Forum is independent of the Company, and its meetings and decisions are distinct from Company general meetings and Shareholder decisions at such meetings; however, members of the Shareholders' Forum will also represent the Authorities at Company general meetings. Members of the Company may be invited to attend the Shareholders' Forum.

2. The Authorities are individual investors in the Company. Each Authority will have in place local delegations to enable its Shareholder representative to vote at Company meetings (separately from the Shareholders' Forum). The Inter Authority Agreement ensures that the Authorities act in a unified way, having agreed to a common set of principles. Collective Shareholder discussions will take place in the Shareholders' Forum on Forum matters.

3. In compliance with procurement rules, the Company operates under "vertical arrangements", with the Authorities acting jointly in ownership and control, as demonstrated via the Reserved Matters which are contained in the Shareholders' Agreement.

Membership

4. Membership of the Shareholders' Forum will consist of one representative from each Authority, to be determined locally by the individual Authority using their relevant internal delegation processes.

5. Each Authority may nominate one or more representative(s) to attend any meeting of the Shareholders' Forum in place of or alongside an appointed representative from an Authority.

Role and function

A To debate, discuss and feed back to the Company on matters relevant to the Shareholders as set out in this Terms of Reference. Items of annual business will include but are not limited to:

- a Business Plan for each Financial Year
- an Annual Budget including:

1. an estimate of the working capital requirements of the Company incorporated within a cashflow forecast;
2. a projected profit and loss account;
3. an operating budget (including estimated revenue and capital expenditure requirements and balance sheet forecast);
4. a summary of business objectives and outcomes including key performance measures; and
5. A financial report which includes an analysis of the results of the Company and the established collective vehicles for the previous Financial Year compared with the Business Plan for that Financial Year, identifying variations in revenues, costs and other material matters.

- Reserved Matters; and
- Changes to the governance arrangements of the Company.

B To debate and discuss Company matters requiring authorization by the Shareholders at forthcoming Company general meetings, in order to act as a forum for collective engagement in support of roles as Joint Owners of the Company.

C To procure the Board to formally review and report (the "Governance Report") on the corporate structure of LGPS Central and any of its Group Companies and the operation of their respective boards of Directors and board committees on each anniversary of the original Shareholders' Agreement (11th August 2017). To consider the resulting Governance Report and any recommendations regarding more efficient governance, any reductions of costs and/or improvements of performance and seek to agree a common response to the recommendations requiring authorization. The Governance Report also forms part of the Company's Annual Report which is formally approved annually at the Company general meeting.

D To procure from the Company and consider such financial information as is necessary to keep each Shareholder informed about how the business of the Company is performing.

This information will include:

- quarterly management accounts and reports containing information which the Shareholders may reasonably require;
- unaudited annual accounts;
- audited annual accounts;
- an annual Business Plan; and
- a report on the Company's progress against objectives / milestones / key performance measures set out in the annual Business Plan.

E To procure from the Company and consider other information relating to the operations and management of the Company, having regard to the Shared Objectives of the LGPS Central Pool, the Company's annual Business Plan, and the duties and responsibilities of the Shareholders. Such information is likely to include but is not limited to:

- staffing structures;
- changes in key personnel;
- internal controls;
- compliance and regulatory matters;
- customer feedback and complaints; and
- staff surveys.

Practitioners' Advisory Forum

Terms of Reference

1. Purpose

1.1 Practitioners Advisory Forum (PAF) is the collective group of senior officers from each Partner Fund, who, through their own Authority's scheme of delegation, have responsibility for the management and administration (including investment matters) of their respective LGPS Funds.

1.2 As persons charged with the responsibility for their LGPS Funds, in the context of LGPS Investment Pooling they have three areas of responsibility:

a) Statutory responsibility to ensure the legal obligations imposed on LGPS Funds are met, this includes the obligation to provide for pooling arrangements in their investment strategies.

b) Owner of the investment pooling company created to deliver investment products and services which meet individual client needs in line with their individual investment strategies.

c) Client / Customer of the investment pooling company with products and services delivered through individual client services agreements.

1.3 It is in the context of these three levels of responsibility that PAF meets and structures its workplan according to each "role" of responsibility, supported by the specific working groups with individual, specialist focus. The overriding objectives of which are to:

a) Collectively meet the statutory requirement for investment pooling

b) Collectively own and ensure the investment pooling company performs its statutory roles as a Company and service provider to partner funds, with collective oversight and challenge in the normal corporate role of Shareholder, ensuring delivery and performance for LGPS Central Limited (the Company)'s Customers.

c) Collectively agree LGPS the Company's business plan which aims to meet the individual but collective needs of all partner funds in the delivery of their investment strategies.

1.4 Through the collective approach, PAF will engage with the company as single voice to effectively delivery on all three objectives from a strategic level, individual client relationships and investment strategies remain with individual partner funds.

1.5 PAF is a working group of senior officers appointed by the Administering Authorities (the Partner Funds) to collectively deliver the LGPS Central Investment Pool (the Pool), its overall aim being to guide, support and ensure delivery of the Investment Pooling Programme. In the context of its three areas of responsibility, PAF as individual officers and a collective group of senior officers have responsibility to provide support and advice to their individual representatives who sit on the LGPS Central Pool's Joint Committee and their Shareholder representatives.

1.6 PAF's overriding objectives (for all three areas of responsibility) is to guide and support and the focussed delivery of investment pooling through the Joint Committee and Shareholder Forum, together with their own individual authority role in the management of their individual investment strategy. In delivering this objective, PAF will seek to manage conflicts, which have the potential to impact the overriding aim. Conflicts may arise either between the participating Authorities or between the Authorities (collectively) and LGPSC Ltd (the company), recognising that speaking with "one voice" will reduce the duplication of costs and resources and maximise the benefits of scale.

1.7 PAF will be supported by the Partner Fund Support Office (PFSO), appointed collectively by the Authorities and is directly accountable to PAF. The role and purpose of the PFSO is to facilitate the work of PAF through secretariat, stakeholder engagement and the drafting of papers / reports as appropriate.

2. Roles and Functions

2.1 PAF supports Partner Funds' representatives in their roles as Shareholders owning the Company and as Clients of investment pooling services through LGPS Central Ltd.

Role as Shareholder

2.2 To oversee, challenge and ensure the Company's goals, ambitions and overall performance achieve the objectives set out in its annual business plan (including the budget), ensuring such business plan is fit for purpose in the context of its customers, their needs and ambitions, including the creation and delivery of products which meet those needs.

Role as Client / Customer

2.3 To receive investment services (under individual client services agreements) and to manage the performance of that agreement under normal contract management processes.

2.4 PAF's key responsibilities for each are summarised below:

Shareholder Roles and Responsibilities	Client Roles and Responsibilities
Supporting shareholders with decisions required under Shareholder Agreement, at both a collective and local Fund level, with provision of information to support decision making	Customers of investment pooling services
Advising Shareholders' Forum meetings and briefings	Supporting and advising Joint Committee
Company KPI review and oversight	Client KPIs and risk management
Company commercial sustainability	Product development – (working as a collective with CIO and Investment Directors) develop, scope evaluate and approve pooled product business cases
Company risks from a shareholder perspective	Monitoring investment performance
Resourcing to advise on Strategic Business Plan and budget setting and ensuring sufficient to meet regulatory requirements and client needs	Compliance assurance – to include AAF 01/20 Control Reports
Client satisfaction	Consideration of individual Funds' Responsible Investment and Climate Strategies to deliver common goals and objectives.
	Transition management approach facilitating optimal outcomes with LGPSC Ltd
	Assessment of investment costs and savings – Pool level and individual authority
	Internal audit assurance
	PAF working groups

2.5 PAF provides a central resource for advice, assistance, guidance and support for the Joint Committee and the Shareholders' Forum and for the Authorities working collaboratively with the Company to deliver investment pooling.

2.6 PAF will act as a conduit for communication, utilising the PFSO function, back to the respective Authorities and/or direct to the Company as appropriate on progressing investment pooling.

3. Membership and Chair of PAF

3.1 Each of the eight Partner Funds will be represented on PAF by their designated senior Officer(s) in accordance with that individual authority's scheme of delegation. Each Authority may send up to two representatives to ensure consistent representation. Additional Partner Fund officers may be invited to attend in support of matters under consideration at meetings.

3.2 When it is not possible for a representative to attend PAF, an email detailing their views on Agenda items they wish to be raised in the meeting should be sent to the PFSO and the Chair of the meeting in advance of the meeting. These views shall be presented by the Chair of the respective PAF meeting.

3.3 At least five out of eight Partner Funds must be represented at PAF in order for the meeting to be quorate.

3.4 PAF may, from time to time invite officers from any Partner Fund to provide specific advice or expertise as required (e.g. Legal or Financial). Such invited officers' members do not have any decision-making responsibility, unless delegated to do so by the relevant Authority.

3.5 The Company will be invited to attend PAF meetings for relevant business items.

3.6 The Chair of PAF will be chosen from one of the Partner Fund Officers of PAF, with the position of Chair rotating on a six-monthly basis between Partner Funds unless agreed otherwise by the constituent Authorities.

3.7 The Vice Chair of PAF will be the Officer expected to succeed the Chair on the rotational basis from the Partner Funds.

4. Meetings

4.1 PAF will meet monthly, unless otherwise agreed. One PAF meeting each quarter will include a focus on the Shareholder Role described above, notwithstanding more frequent discussion in the normal course of PAF's workplan. The "hat" of responsibility will be clearly outlined in the meeting agenda to provide clarity on which role senior officers are taking in the consideration of matters to be determined or actioned.

4.2 Meetings will be held either in person at one of the eight Administering Authority offices (as agreed) or virtually, with any cost of holding the meetings shared amongst the Partner Funds.

4.3 The agenda for each PAF meeting is co-ordinated by the PFSO and agreed with the Chair.

4.4 Agendas shall be issued, along with relevant papers, four working days before the meeting.

5. Working Groups

5.1 PAF may set up working groups and task and finish groups on either an interim or permanent basis according to requirements.

5.2 Working Groups shall report back into PAF following meetings of the working group and recommendations for taking actions forwards. PAF may delegate actions and some elements of decision making to be taken forward by individual working groups.

6. Partner Fund Support Office

6.1 6.1 The Partner Fund Support Office (PFSO) will provide services to PAF to facilitate progressing investment pooling. This can include project management and finance support as well as administration and secretariat support.

This includes (but is not limited to):

a) Coordinating dates, agendas and papers and attendance at meetings of PAF in liaison with Partner Funds and LGPSC Ltd.

b) Coordinating dates, agendas, and papers, and attendance at meetings of the Shareholders' Forum.

c) Assist with coordinating the Joint Committee meetings, agendas and papers in conjunction with the Clerk to the Committee and in liaison with Partner Funds and LGPSC Ltd and PAF with LGPSC Ltd and the Clerk of the Joint Committee.

d) Liaising between the Partner Funds, and on their collective behalf, with LGPS Central Ltd and other agencies when authorised to do so by the Partner Funds.

7. Terms of Reference Review

7.1 These Terms of Reference will be reviewed annually.

Cheshire Pension Fund Local Pension Board Annual Report 2024-25

Introduction

Welcome to the tenth annual report for the Local Pension Board ("the Board") for the year ending 31 March 2025.

The Board assists Cheshire West and Chester Council, as Administering Authority and Scheme Manager to the Cheshire Pension Fund ("the Fund"), with the efficient governance and administration of the Fund.

The Board said goodbye to Peter Raynes, who had chaired the Board for over 9 years from inception in August 2015 through to September 2024.

The Board and the Fund are grateful for Peter's contribution over the years and wish him well for the future.

I took over as Chair in September 2024 and am pleased to have joined the Board.

The Board would like to record its appreciation for the support provided by the Fund during another challenging year. The Board has been fully supported and informed of arising developments even as the Fund face ever-growing pressures from regulatory and other statutory developments

The Board met five times in the year and Board members also attended three joint training sessions with the Pension Fund Committee to maintain and develop their knowledge and understanding.

The Board places great importance on being open and transparent. A wealth of information relating to the Board, including minutes of meetings, can be found on the Fund's website. There is also a facility for members to contact the Board for any questions / issues relating to the Board's role:

https://www.cheshirepensionfund.org/members/resources/forms/contact-the-pension-board/

A summary of the work undertaken by the Board in the past year, along with information about the work plan for the year ahead, is included in this report.

Amanda Stott
Local Pension Board Chair

1. Board Membership

1.1 The Board currently consists of five members - two scheme members and two employer representatives - and an independent Chair. All members are unpaid volunteers.

1.2 Terms of office are staggered to ensure business continuity.

1.3 Further information, including biographies of each member, is available on the Fund's website.

Role	Name	Organisation	Date Appointed	Term End Date
Employer representative	Kay Lennon	Cheshire West and Chester Council	26/06/23	25/06/26
Employer representative	Cllr Robert Bisset	Cheshire West and Chester Council	26/06/24	25/06/27
Member representative	Geoff Wright	UNISON	26/06/24	25/06/27
Member representative	Jason Lambert	Cheshire West and Chester Council	26/06/23	25/06/26
Chair	Amanda Stott	Independent (non-voting)	26/09/24	25/09/27

1.4 During the year, Peter Raynes, Chair, reached the end of his tenure and was replaced by Amanda Stott. Peter held the role until 25 September 2024.

2. Review of 2024-25

2.1 Below is a summary of key areas of activity for the Board during the year and an outline of the plans for the year ahead.

Joint Chairs Meetings

2.2 The Chair of the Board and the Chair of the Pension Fund Committee ("the Committee") continue to meet quarterly to discuss common issues.

2.3 These meetings provide the Chairs with a regular opportunity to discuss important topics and to ensure that their work is complimentary and avoids duplication of effort.

Pensions Employer Forum

2.4 The Pensions Employer Forum ("the Forum") is made up of representatives from the main employers and employer groups within the fund. Members of the Board regularly attend Forum meetings, providing an important link between the Board and the Forum.

2.5 The Forum works with the Fund to ensure an efficient service is delivered for all stakeholders, with particular emphasis on administration and communication.

2.6 The Forum is key to assisting the Fund in developing new ways of working which improve efficiency for both the Fund and its Employers, and to assist the Fund in developing its transformation agenda which aims for services to be delivered with a 'digital first' ethos.

LGPS Central Board Chairs / Scheme Advisory Board Engagement

2.7 The Board's Chair meets with Chairs from the Local Pension Boards of the other LGPS funds within the Central Pool (these are Derbyshire, Leicestershire, Nottinghamshire, Shropshire, Staffordshire, West Midlands and Worcestershire LGPS funds).

2.8 These meetings allow the respective Board Chairs to discuss important topics, share ideas and receive first hand updates on national regulatory developments.

2.9 The Scheme Advisory Board ("the SAB") plays an important role in this group. A SAB representative attends the meetings and provides regular updates on regulatory and other relevant issues. The updates are helpful as they provide an overview of the upcoming issues that all Local Pension Board members need to consider.

2.10 Two meetings of this group took place during the year, on 21 October 2024 and 2 April 2025 (moved from 24 March 2025).

Knowledge and Skills

2.11 The Committee endorsed the Fund's training policy at its meeting on 13 March 2020. The policy was effective from 1 April 2020 and covers the collective training requirements for Committee and Board members.

2.12 A joint training plan was developed for the 2024-25 year. This was based upon the results of CIPFA knowledge and skills self-assessment questionnaires which had been completed by Committee and Board members.

2.13 In addition, the Fund maintained a record of any additional training and development opportunities which were attended by individual members of the Board and Committee to further their own knowledge and understanding.

2.14 Individual training opportunities are available through attendance at conferences and seminars, along with online learning facilities, such as The Pensions Regulator's (TPR) Trustee Toolkit and the Hymans Robertson LGPS Online Learning Academy (LOLA).

2.15 In the autumn the Board and Committee Chairs again undertook their review of the collective training which had been delivered to members, the summary of the individual training and development, and the results from the further self-assessment questionnaire which had been completed by members.

2.16 The training plan for 2025-26 was derived from these results and approved by the Chairs.

Terms of Reference and Conflicts of Interest Review

2.17 The Board undertook its annual review of the Terms of Reference at its meeting on 22 October 2024. The Board did not identify any required changes.

2.18 The Board also reviewed the Fund's Conflicts of Interest Policy at the same meeting, and again did not identify any required amendments.

2.19 The Board note that there may be changes required to the Conflicts of Interest Policy once the outcomes from the SAB's Good Governance review are published. A further review of the policy will be undertaken during 2025 and in response to any required changes.

Regulatory Changes

2.20 The Board continued to receive detailed briefings on regulatory changes during the year with a specific focus on the two main developments (explained in 2.21 – 2.28 below), which the Fund is currently working on.

McCloud Judgement

2.21 The McCloud judgement refers to a legal ruling which found that transitional protections introduced in public sector pension schemes, when they changed from final salary to career average in 2014-2015, amounted to age discrimination to younger workers.

2.22 This regulatory change presents a significant challenge and will require input from all areas of the Fund. The McCloud remedy regulations came into effect from 1 October 2023.

2.23 The Fund is developing a plan to implement any necessary changes required because of the regulatory change, including the rectification of casework processed since 1 April 2014.

2.24 The Fund's progress on implementing the McCloud remedy has been delayed due to issues with receiving the necessary functionality from the administration system provider. The functionality is expected to be implemented in 2025.

2.25 The Board regularly monitor the Fund's progress in preparing for and meeting the requirements of this significant regulatory change.

Pensions Dashboard Programme

2.26 The Pensions Dashboard Programme requires all pension funds in the UK to onboard to a centralised dashboard service to allow members to view all of their pensions, including their LGPS membership, in one place.

2.27 The onboarding date for the LGPS is October 2025 and the Fund is working on the steps required to register for the dashboard service, to ensure all data is ready for use with the dashboards, and to implement back-office systems to accommodate any operational changes required as a result.

2.28 Again, the Board receives regular progress updates from the Fund in preparing for this significant regulatory change.

Risk Register

2.29 The Board undertakes regular reviews of its own risk register several times per year.

2.30 The Board risk register contains six risks that relate specifically to the Board itself. The register identifies additional actions which could be taken in future to further mitigate the risks. The Board seek to implement these where possible.

2.31 A high-level summary of the risks outlined in the Board's risk register along with their current rating is shown below:

Risk	RAG Status
Conflicts of Interest	**Green**
Maintaining knowledge and skills	**Amber**
Changes to Board membership	**Amber**
Monitoring compliance effectively	**Green**
Support to the Board	**Green**
National developments	**Green**

2.32 The Risk Register was reviewed at the Board meeting on 30 July 2024 and it was agreed that it contained all necessary risks.

2.33 At the July meeting Board members also undertook a review of the Fund's overall strategic risk register. The Board did not recommend any changes to the register.

The Pensions Regulator – General Code of Practice

2.34 On 10 January 2024 TPR published their General Code of Practice ("the GCoP"). The GCoP replaced ten specific Codes of Practice, including Code 14 The Public Services Pensions Code of Practice, which the Board has monitored the Fund's compliance against since 2015.

2.35 The Fund assessed compliance with the new GCoP during 2024-25 and developed an action plan to close identified gaps between required elements of the GCoP and current practice. Work continued on closing these compliance gaps during 2024-25.

2.36 The Board received regular updates on the Fund's compliance with the GCoP during 2024-25 and will continue to receive further updates in 2025-26.

Cyber Security

2.37 The Board have received regular updates on the Fund's progress of assessing and mitigating cyber security risk.

2.38 The Fund commissioned external support to assist with this work and has been providing regular updates to the Board throughout the year.

Internal Audit Reports

2.39 Another role of the Board is to review the outcomes from reviews carried out on Fund activities by the Administering Authority's Internal Audit ("IA") service. During 2024-25 there was one report completed by IA.

2.40 This related to the Fund's processes for managing deaths of members. The report assessed that there is 'Substantial Assurance' in the deaths process, the highest rating available.

2.41 The report did include one recommendation which centred around additional training relating to fraud. The Fund is developing a training course for staff members to meet this recommendation.

2.42 At the meeting which took place on 18 February 2025, the Board also received a report from IA which provided an overview of its role and approach to assessing the Fund's internal control framework.

2.43 The IA report covered all areas that TPR's General Code of Practice expects from an independent assurance provider, which is demonstrating independence, managing conflicts of interests, and having suitable knowledge to undertake the assessments.

Data Quality

2.44 The Board has a key role in managing oversight of the Fund's essential work to improve the quality of data held in relation to our members.

2.45 A quarterly report is presented to the Board confirming the Fund's TPR "common" and "scheme specific" data scores.

2.46 The Fund has a workstream in its transformation programme dedicated to improving data quality and continues to provide progress updates to the Board on a regular basis.

Transformation Programme

2.47 The Board undertake a quarterly review of the Fund's progress in meeting targets set within the transformation programme. This includes workstreams to tackle historic casework backlogs, improve data quality and further develop tools to progress the Fund's "digital first" agenda.

2.48 The Fund implemented the first phase of the new Cheshire Employer Hub, which is an online portal that allows employers to send member data to the Fund securely.

2.49 Further phases of development are planned for the future, which are expected to transform the way the Fund engages with our employers, furthering our "digital first" agenda.

2.50 The Fund introduced its first digital Annual Benefit Statements (ABS) for active members during 2024. Members can log on to the member portal, "My Cheshire Pension", and view their ABS digitally. "Digital ABS" will be implemented for deferred members in 2025.

2.51 As part of the Business Planning process for 2025-26, Fund officers identified that actions required to meet key objectives have been captured in different ways, many being held as actions within the transformation programme, and others being captured elsewhere within the overall Business Plan and supporting action plan.

2.52 This makes it more complicated to keep the Board, and the Committee, up to date on progress in delivering these multiple actions. Therefore, from 2025-26 the Fund will be implementing a Service Delivery Plan which will include all key objectives from across the Fund, in one place.

2.53 Both the Board and Committee will receive regular updates on meeting the objectives set out in the plan.

Breaches Policy/Log

2.54 With the introduction of the GCoP, the Fund has reviewed the requirements for logging and reporting breaches and has made a number of changes to the process. These changes were approved by the Board at its meeting on 30 July 2024.

2.55 The changes streamline the role of the Board to approving only those which require reporting to TPR.

2.56 The Board will continue to undertake a quarterly review to identify any trends which require further investigation.

2.57 The Breaches Policy is available on the Fund's website.

Member Engagement

2.58 The Board has a dedicated facility on the Fund's website to allow members to contact the Board with any questions.

2.59 The Board received three questions from the same group during the year, and provided a response to each. The subjects covered included:

- Pension Fund Committee attendance
- The September 2024 Pension Fund Committee meeting summary
- Appointment of the new Local Pension Board Chair
- Meeting the new Local Pension Board Chair
- IT issues associated with contacting the Board

3. Board Attendance at Meetings 2024-25

3.1 The terms of reference for the Board state that there should a minimum of four meetings per year. There were five meetings held during 2024-25.

3.2 The table below summarises the meetings which have taken place including attendance by members of the Board. (A tick denotes the Board member was present).

Members	14 May 2024	21 May 2024 SoA/AR	16 Jul 2024	22 Oct 2024	18 Feb 2025	Percentage
Peter Raynes	✔	✔	✔			100
Amanda Stott				✔	✔	100
Cllr Rob Bisset		✔		✔		40
Kay Lennon	✔		✔		✔	60
Geoff Wright	✔	✔	✔	✔	✔	100
Jason Lambert	✔	✔		✔	✔	80

3.3 The meeting on the 21 May was dedicated to the review of the fund's draft Statement of Accounts and Annual Report for 2023-24, so that the Board could ensure these had been produced in accordance with statutory and best practice requirements. This is an important part of the Fund's governance process to produce the Statement of Accounts and Annual Report.

3.4 The Board's review provided assurance to the Committee that they could recommend the draft accounts to be presented to the Council's Audit and Governance Committee.

Skills and Development Activities

3.5 The Board and Committee have attended joint training sessions during the year which, as well as developing Board members' knowledge, have helped the Board to gain assurance that the Committee decision making processes are robust and properly informed, and are in accordance with regulations and best practice.

3.6 A summary of the training provided for the Board, including attendance, during 2024-25 is shown below.

Date	Topic	Delivered by	Board Attendees
12 July 2024	Financial Markets and Products	Mercer	Peter Raynes Geoff Wright Jason Lambert
	Cheshire Pension Fund Annual Report 2023-24	Officers	
	Actuarial Valuations	Hymans Robertson	
	Valuation 2025	Hymans Robertson	
25 October 2024	Investment Strategy, Asset Allocation, Pooling, Performance and Risk Management	Mercer	Amanda Stott Geoff Wright
	Climate Risk Report	LGPS Central Limited	
	Valuation 2025	Hymans Robertson	
	Breaches Policy	Officers	
	Training Plan Update 2025-26	Officers	
21 February 2025	Pensions Legislation and Guidance	Hymans Robertson	Amanda Stott Councillor Bisset
	Valuation 2025 – Council Contribution Modelling	Hymans Robertson	
	Valuation – Longevity Assumptions	Hymans Robertson	
	Business Plan 2025-29	Officers	
	Managing Cyber Risk	Officers	

External training events

3.7 Board members also attended a number of conferences, seminars and other training events in order to maintain knowledge and keep up to date with current issues facing the LGPS.

Event Date	Organised by	Topic
16 August 2024	Officers	Induction to LGPS
October – December 2024	LGA	Fundamentals
30-31 January 2025	LGA	Governance Conference

Budget

3.8 The Board agreed a budget of £5,000 for 2024-25 to assist with its operation. This included costs for training, external advice, expenses and travel costs.

3.9 The Board incurred costs of £2,870, which was spent on attending conferences and seminars (£1,994), hospitality for meetings (£55), and travel and accommodation costs (£821). Budgeted provisions for external advice were not required in 2024-25.

4. 2025-26 Work Plan

4.1 The Board already has a detailed work plan for 2025-26 which includes a number of key tasks for the Fund, as outlined below.

4.2 During the autumn of 2024 the Government launched a consultation: "Local Government Pension Scheme (England and Wales): Fit for the Future". The consultation had a closing date of 16 January 2025.

4.3 The consultation largely focussed on the future of pooling of investment assets, but did also contain proposals aimed at implementing the findings from the SAB's "Good Governance" review.

4.4 The response to the consultation is expected in the summer of 2025, and the Board will monitor the Fund's progress in complying with any statutory and/or regulatory changes that may arise from it.

4.5 The Government have committed to introducing a new Pensions Bill in the summer of 2025. This Bill is expected to include regulatory changes aimed at removing any remaining aspects of discrimination in LGPS regulations, as well as outcomes from the "Fit for the Future" consultation.

4.6 The Board will ensure that the Fund adheres to any statutory / regulatory changes which may come into effect during the year, as well as those already in progress, and will ensure that the Fund introduces clear and timely communication of those changes with members, employers and other stakeholders.

4.7 The Board will also keep a close eye on any changing guidance from TPR and SAB and ensure the Fund implements any recommendations as prescribed.

4.8 The Board will continue to monitor progress in delivering the Fund's Service Delivery Plan, including the ongoing work to improve data quality ahead of the introduction of the Pensions Dashboard.

4.9 The Board will continue with its compliance role in ensuring Fund policies and publications are produced and updated in line with statutory requirements and best practice guidance.

4.10 The Board will undertake the annual review of its own policies, such as the Terms of Reference, to ensure that they remain fit for purpose.

4.11 The Board's activity will support the Administering Authority and the Pension Fund Committee in making decisions, safe in the knowledge that the Fund is compliant with statutory and best practice, and that any areas for development will be highlighted to them by the Board.

4.12 Board members will attend external conferences and seminars, and undertake online learning, to maintain knowledge and to keep up to date with current issues facing the LGPS.

5. Further information

5.1 If you would like to further information regarding the Cheshire Pension Fund Local Pension Board or have any questions, please visit our website: **www.cheshirepensionfund.org/members/about-us/how-we-manage-the-fund/governance-structure/**

Statement of Accounts for the year ended 31 March 2025

Cheshire Pension Fund - Fund Account for the year ended 31 March 2025			
	Notes	2024-25	2023-24
		£000	£000
Contributions and Benefits			
Contributions Receivable			
From Employers		175,388	169,228
From Employees		50,492	48,059
Total Contributions Receivable	6/6a	**225,880**	**217,287**
Transfers in from Other Schemes	7	16,756	15,265
Benefits Payable			
Pensions		-211,395	-192,989
Lump Sums		-44,536	-38,288
Death Benefits		-4,906	-5,640
Total Benefits Payable	8	**-260,837**	**-236,917**
Payments to and on account of Leavers			
Refund of Contributions		-567	-538
Transfers to Other Schemes		-24,784	-12,753
	9	**-25,351**	**-13,291**
Net withdrawals from dealing with members		**-43,552**	**-17,656**
Management Expenses	10/10a	-30,377	-27,683
Returns on Investments			
Investment Income	11	40,710	39,781
Taxes on Income	12	-88	676
Profits and losses on disposal of investments and changes in the market value of investments	13f	97,526	375,981
Net Returns On Investments		**138,148**	**416,438**
Net Increase/ (Decrease) in the Fund During the Year		64,219	371,099
Opening Net Assets of the Scheme		6,636,726	6,265,627
Closing Net Assets of the Scheme		**6,700,945**	**6,636,726**

Cheshire Pension Fund - Net Assets Statement as at 31 March 2025			
	Notes	**2024-25**	**2023-24**
		£000	**£000**
Investment Assets	13/f17/18a/19	6,691,441	6,628,499
Long Term Debtors	22	873	832
Current Assets	23	23,927	20,446
Current Liabilities	24	-15,296	-13,051
Total Net Assets		**6,700,945**	**6,636,726**

Note 1 – Description of the Fund

The Cheshire Pension Fund (the Fund) is part of the Local Government Pension Scheme (LGPS) and is administered by Cheshire West and Chester Council (the Council). The Council is the reporting entity for this pension fund.

The following description is a summary only. For more detail, reference should be made to the Cheshire Pension Fund Annual Report and the underlying statutory powers underpinning the scheme.

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

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

The LGPS is a statutory, defined benefit, funded pension scheme. The Fund is administered by the Council to provide pensions and other benefits for pensionable employees of Cheshire West and Chester, Cheshire East, Halton and Warrington Borough Councils and a range of other scheduled and admitted bodies within the County of Cheshire area. The Fund excludes provision for teachers, fire fighters and police officers as they come within other national pension schemes. A full list of the employers contributing into the Fund is shown at the end of the Fund's Statement of Accounts.

Responsibility for managing the Fund lies with the full Council of Cheshire West and Chester Council. The Council has delegated responsibility for the Fund's affairs to the Chief Operating Officer, who is also the Section 151 Officer.

The Chief Operating Officer is advised by the Pension Fund Committee with external advice from Mercer, the Fund's appointed investment consultant, and Hymans Robertson the appointed actuary. The Council's Audit and Governance Committee oversees the Council's arrangements for the Fund.

The Local Pension Board was established with effect from the 1 April 2015 in accordance with the Public Service Pensions Act 2013. The role of the Board, as defined in regulations, is to assist the Administering Authority to ensure the effective and efficient governance and administration of the Fund.

The Board is comprised of two Employer Representatives (including one Cheshire West and Chester nominated Councillor), two Scheme Member representatives, and one independent chair (non-voting).

The Cheshire Pension Fund operates four investment strategies each with different allocations to growth assets and diversifying and matching assets reflecting the differing pension liabilities and funding positions of employers . At 1 April 2024 the four strategies were as follows:

	Growth	Diversifying and Matching
Open Employers	50%	50%
Academies	55%	45%
Exiting	50%	50%
Exited Employers	0%	100%

To manage the Fund's assets in accordance with its investment strategy, the Council has appointed external investment managers who each have specific responsibility for part of the Fund's investment portfolio in addition to the LGPS Central asset pool.

As part of investment pooling, the Fund is continuing to transfer assets to LGPS Central Ltd, its jointly owned pooling delivery company. As at the 31 March 2025 LGPS Central Ltd managed £3,986m (31 March 2024: £2,038m) of the Fund's assets with additional private market commitments of £377m (31 March 2024: £489m) to be drawn down.

The Council uses the services of Bank of New York Mellon Asset Servicing to independently monitor the performance of the investment strategy as a whole and the contributions of individual managers. Performance is monitored against the Fund's tailored asset allocation benchmark rather than to a peer group benchmark.

Bank of New York Mellon Asset Servicing reported that for the year ending 31 March 2025 the Fund achieved a positive return from its investments of 1.6% (2023-24: +6.4%) compared with the Fund's tailored benchmark return of 0.2% (2023-24: +4.9%). For the three years ending 31 March 2025 the Fund achieved an annualised return of -0.9% per annum against the Fund's benchmark return of -1.3% per annum.

Membership

In accordance with the Government's Automatic Enrolment Legislation, eligible employees are automatically enrolled into the LGPS from their first day of employment. However membership of the LGPS is voluntary and after auto enrolment employees are able to choose whether to remain in the scheme, opt out of the scheme, re-join at a later date or to make their own personal arrangements outside of the scheme.

Organisations participating in the Fund include:

- Scheduled bodies (scheme employers), which are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund; and
- 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 public sector authority functions following outsourcing.

In the year to 31 March 2025 a total of 392 employer organisations, including the Administering Authority itself, contributed into the Fund. The membership figures as at 31 March 2024 and 2025 are a snapshot of the Funds pensions administration database at this date and the categorisation of members between the active, deferred and pensioner categories is subject to change as the Fund completes backlog casework and receives information from members and employers to complete processes in progress as at this date.

Cheshire Pension Fund	31-Mar-25	31-Mar-24
Number of employers making contributions into the fund	392	341
Number of employees in the scheme		
Cheshire West and Chester Council	9,446	8,717
Other employers	37,794	36,536
Total	**47,240**	**45,253**
Number of pensioners		
Cheshire West and Chester Council	4,365	4,003
Other employers	32,469	31,047
Total	**36,834**	**35,050**
Number of Deferred pensioners		
Cheshire West and Chester Council	4,682	4,977
Other employers	26,348	26,645
Total	**31,030**	**31,622**
Undecided Leavers	3,155	2,810
Total Membership	**118,259**	**114,735**

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.

In addition to employee contributions, employers pay contributions into the Fund which are set through triennial actuarial valuations. The last such valuation was at 31 March 2022 which set employer contribution rates for the 3 year period commencing 1 April 2023 and ending 31 March 2026. Details of employer rates can be found in the Fund valuation report available on the Fund's website.

Benefits

From 1 April 2014, the LGPS became a career average revalued earnings (CARE) scheme, whereby members accrue benefits based on their pensionable pay each year at an accrual rate of 1/49th. The accrued pension is inflated 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 details, please refer to the scheme handbook which is available from the Fund or visit the website **www.cheshirepensionfund.org**

Prior to 1 April 2014, LGPS pension benefits were based on final pensionable pay and length of pensionable service, summarised below:

	Service pre 1 April 2008	Service post 31 March 2008 to 31 March 2014
Pension	Each year worked is worth 1/80 x final pensionable salary.	Each year worked is worth 1/60 x final pensionable salary.
Lump sum	Automatic lump sum of 3 x pension. In addition, part of the annual pension can be exchanged for a one-off tax free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

Note 2 – Basis of Preparation

The Statement of Accounts summarises the Fund's transactions for the 2024-25 financial year and its position as at year ending 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 the UK public sector.

The Code requires disclosure of any accounting standards issued but not yet adopted. There are no changes in accounting requirements for 2025-26 that are anticipated to have a material impact on the Fund's financial performance or financial position.

The accounts have been prepared on a going concern basis.

Note 3 – Summary of significant accounting policies

Fund Account – revenue recognition

a) Contribution income

Normal (primary) contributions, both from the members and from the employers, are accounted for on an accruals basis at the percentage rate of pensionable pay set in regulations or recommended by the Fund actuary in the payroll period to which they relate.

Employer deficit (secondary) funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the Fund actuary or on receipt if earlier than the due date.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term assets.

b) Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year, and are calculated in accordance with the Local Government Pension Scheme regulations (see notes 7 and 9).

Individual transfers in/out are accounted for when they are received/paid, which is normally when the member liability is accepted or discharged.

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 (see Note 7).

Bulk (group) transfers are accounted for on a cash basis once terms have been agreed and payment made to/from the respective fund.

c) Investment 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.

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.

Distributions from pooled funds are recognised within investment income 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. Any other income from pooled investments is automatically reinvested within the fund and reflected in the unit price and resultant market value of these investments.

Property related income consists primarily of rental income. Rental income from operating leases on properties owned by the Fund is recognised on a straight-line basis over the term of the lease. Any lease incentives granted are recognised as an integral part of the total rental income over the term of the lease. Contingent rents based on the future amount of a factor that changes other than with the passage of time, such as turnover rents, are only recognised when contractually due.

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

Foreign income has been translated into sterling at the date of the transaction. Income from overseas investments is recorded net of any withholding tax where this cannot be recovered.

Fund account – expense items

d) 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.

e) 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.

f) Management Expenses

The CIPFA Code of Practice on Local Authority Accounting (Code) does not require any breakdown of pension fund administration expenses. However, in the interest of greater transparency, the pension fund management expenses are accounted for in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses (2016).

Investment Management Expenses

All investment management expenses are accounted for on an accruals basis.

Fees of the external investment managers and custodian are contractually 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.

In addition the Fund has negotiated with the following managers that an element of their fee be performance related:

- Baillie Gifford
- Darwin Alternatives

Performance related fees amounted to £2.4m in 2024-25 (£2.1m in 2023-24) for managers who outperformed their target.

Where an investment manager's fee invoice 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. The total of fees based on estimates in 2024-25 was £3.8m relating to fees due for the quarter ending 31 March 2025 (2023-24: £5.2m).

Administration expenses

All administration expenses are accounted for on an accruals basis. All staff costs of the pension's administration team are charged directly to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

Oversight and governance costs

All oversight and governance expenses are accounted for on an accruals basis.

All staff costs associated with governance and oversight are charged directly to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

Net Assets Statement

g) Financial assets

Cheshire West and Chester Council jointly owns an asset pooling company, LGPS Central Ltd, along with seven other Partner Funds. The Council's shareholding in the asset pool company is valued at £1.315m which is the transaction price i.e. cost of the investment. The Fund's view is that cost remains an appropriate estimate of fair value as at 31 March 2025.

All other investment assets, with the exception of the loan to LGPS Central Ltd, are included in the financial statements on a fair value basis at the reporting date. Financial assets are included in the net assets statement 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. From this date any gains or losses arising from changes in the fair value of asset are recognised by the Fund.

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 18). For the purposes of disclosing levels of fair value hierarchy, the fund has adopted the classification guidelines recommended in the Practical Guidance on Investments Disclosures (PRAG/Investment Association 2016).

h) Freehold and leasehold properties

The Scheme's freehold and leasehold investment properties were valued by an external valuer, Savills.

The valuations were in accordance with the requirements of the RICS Valuation-Professional Standards. The valuation of each property was on the basis of Fair Value, subject to the following assumptions:

(i) For investment property: that the property would be sold subject to any existing leases.

(ii) For property held for development: that the property would be sold with vacant possession in its existing condition.

The valuer's opinion of Fair Value was primarily derived using comparable recent market transactions on arm's length terms.

i) Cash and cash equivalents

Cash comprises cash in hand and on 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.

j) Loans and receivables

Financial assets classed as amortised cost are carried in the net asset statement at amortised cost i.e. the outstanding principal receivable as at the year end date, plus accrued interest.

k) Financial liabilities

The Fund recognises financial liabilities at fair value as at the reporting date, excluding creditors which are measured at amortised cost. A financial liability is recognised in the net assets statement on the date the Fund becomes party to the liability. From this date, any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

l) 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 IAS19 Employee Benefits and relevant actuarial standards.

As permitted under the Code, the Fund has opted not to disclose the actuarial present value of promised retirements in the net assets statement, instead providing the information by reference to an accompanying actuarial report. A copy of the full actuarial calculation is appended to the Statement of Accounts.

m) Additional voluntary contributions

The Fund provides an Additional Voluntary Contributions (AVC) scheme for its members, the assets of which are invested separately from those of the pension fund.

From the 1 April 2019, Standard Life were appointed as the sole AVC provider for the Fund. Prior to 1 April 2019 the AVC providers to the members of the Fund were Scottish Widows, Standard Life and Utmost, who took over Equitable Life on 1 January 2020.

Individual member's AVC contributions are paid directly to the AVC provider by their respective employers and are specifically for providing additional benefits for individual members. AVC contributors receive 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 section 4 (1) (b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (SI 2009/3093) but are disclosed as a note only (Note 25).

n) 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 the future events.

Contingent assets and liabilities are not recognised in the net assets statement but are disclosed by way of narrative in the notes.

Note 4 – Critical judgements and key sources of estimation uncertainty

In the application of the Fund's accounting policies, which are described in Note 3, those charged with governance of the Fund are required to make judgements, estimates and assumptions about the values of assets and liabilities which are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Note 4.1 – Critical Judgements in applying accounting policies

There were no material critical judgements in 2024-25.

Note 4.2 – Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains some estimated figures that are based on assumptions made by the Council about the future, or that are otherwise uncertain.

Estimates are made taking into account historical experience, current trends and other relevant factors, however, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the statement of accounts for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Pension fund liability	The pension fund liability is calculated every three years by the Fund's actuary, Hymans Robertson, with annual updates in the intervening years. The methodology used is in line with accepted guidelines and in accordance with financial standards. Assumptions underpinning the valuations are agreed with the actuary and are disclosed in the actuarial calculation which is included within the Annual Report. This estimate is not included in the net asset statement but is appended to the accounts is subject to significant variances based on changes to the underlying assumptions.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance,

The items in the net assets statement at 31 March 2025 include the following items of estimation uncertainty which are significant but not material to the accounts.

Item	Uncertainties	Effect if actual results differ from assumptions
Private market funds Consisting of Private Equity, Unlisted Infrastructure, Private Debt and Unlisted Indirect Residential Property Fund	Valuations of these investments are usually undertaken annually at the end of December. Estimated market values or cash flow adjustments are used to roll forward the valuations to 31 March as appropriate. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total of these private market investments for 2024-25 is £834m (2023-24 £743m). These assets are classified as Level 3 and the sensitivity of the valuation methods employed is described in Note 18.
Absolute Return funds	Absolute Return funds are valued at the sum of the fair values provided by the administrators of the underlying funds plus adjustments that the funds' directors or independent administrators judge necessary. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total value of absolute return funds in the financial statements is £435m (£450m in 2023-24). There is a risk due to estimation techniques that the values may change over the forthcoming 12 months. A potential under or over statement of the value of these investments of 10% would equate to £43.5m increase or decrease to the market value of these investments.
Property valuations	The Scheme's freehold and leasehold investment properties are valued by an external valuer, Savills, who operate entirely independently from the Fund's appointed property manager Patrizia. The valuations are made in accordance with the requirements of the RICS Valuation-Professional Standards. The valuer's opinion of Fair Value is primarily derived using comparable recent market transactions and therefore involves a degree of judgement and estimation.	The total value of direct property investments in the financial statements is £436m (£369m in 2023-24). There is a risk due to estimation techniques that the values may change over the forthcoming 12 months. The sensitivity of this valuation is disclosed in Note 18.

See Note 18 for a full list of possible market movements.

Note 5 – Events after the Balance Sheet date

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

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

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

Non-Adjusting Events

In June 2023, the High Court ruled in the case of Virgin Media v NTL Pension Trustees. The ruling was that certain defined benefit pension scheme amendments were invalid as they were not accompanied by the correct actuarial certification. This ruling was appealed and on the 25th of July 2024, the Court of Appeal upheld the decision of the High Court. This ruling may have resulted in implications for other UK defined benefit plans.

On 5 June 2025, the Government announced that it was aware of the uncertainty this had created and recognised that schemes and sponsoring employers need clarity around scheme liabilities and member benefit levels in order to plan for the future. It was therefore confirmed that the Government will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards and that scheme obligations would be otherwise unaffected. It is anticipated that this will result in there being no impact on the LGPS and the Fund from the appeal court's ruling.

Developments are being monitored. In the current circumstances, it is not considered necessary to make any allowance for the potential impact of the Virgin Media case in the disclosure of the value of retirement benefits in the financial statements.

Note 6 Contributions Receivable

	2024-25	2023-24
	£000	£000
Employees Normal Contributions	50,492	48,059
Employers Normal Contributions	168,962	163,923
Employers Deficit Funding	2,731	2,873
Employers Cost of Early Retirements (pension strain)	3,695	2,432
Total Employers Contributions	**175,388**	**169,228**
Total Employees and Employers Contributions	**225,880**	**217,287**

The cost of early retirements represents the contributions from Employers to meet the capitalised costs of discretionary early retirements. The Fund recharges Employers for such costs and the income received is made up of both one-off lump sum payments and instalments.

The accounts recognise the full cost due from employers for early retirement contributions based on the date the scheme member left the scheme regardless of whether scheme employers have the option of paying over more than one year.

Note 6a – Analysis of Contributions Receivable

	2024-25		2023-24	
	Employers	Employees	Employers	Employees
	£000	£000	£000	£000
Scheme Employers	131,911	37,167	125,554	34,663
Cheshire West and Chester Council	32,230	10,132	31,652	9,645
Community Admission Bodies	9,167	2,677	9,411	3,254
Transferee Admission Bodies	2,080	516	2,611	497
Total	**175,388**	**50,492**	**169,228**	**48,059**

Note 7 – Transfers in from other Pension Funds

	2024-25	2023-24
	£000	£000
Transfers from other Local Authorities	14,284	9,546
Transfers from other pension funds	2,472	5,719
Total	**16,756**	**15,265**

Note 8 – Benefits payable

	2024-25	2023-24
	£000	£000
Scheme Employers	164,012	149,534
Cheshire West and Chester Council	68,121	61,734
Community Admission Bodies	22,219	19,677
Transferee Admission Bodies	6,485	5,972
Total	**260,837**	**236,917**

Note 9 – Payment to and on account of leavers

	2024-25	2023-24
	£000	£000
Individual transfers out	24,784	12,753
Refunds to Members leaving service	567	538
Total	**25,351**	**13,291**

The transfer out figure will vary year on year depending on the number of people that move to employers outside of the Fund and the value of the pension accrued for these individuals.

The refunds to members leaving service relates to members who opted out of the scheme within two years of joining.

Note 10 – Management Expenses

	2024-25	2023-24
	£000	£000
Investment management expenses	24,846	22,319
Administration costs	3,282	3,112
Oversight and governance costs	2,249	2,252
Total	**30,377**	**27,683**

No costs have been included for carried interest. Included within the investment management expenses and oversight and governance costs are fees paid to LGPS Central Ltd, further details of these fees paid and the amounts are included in Note 26- Related Party Transactions.

In addition to these costs, indirect costs are incurred through the bid-offer spread on investment sales and purchases. These are reflected in the cost of investment acquisitions and in the proceeds of sales from investments (see Note 13f).

Note 10a – Investment Management Expenses

2024-25	Total	Management Fees	Performance related fees	Transaction Costs
	£000	£000	£000	£000
Equities	3,241	963	2,177	101
Pooled Investments	13,800	13,800	0	0
Pooled Property	536	536	0	0
Private Equity	4,492	4,276	216	0
Private Debt	1,444	1,444	0	0
Property	1,228	1,228	0	0
	24,741	**22,247**	**2,393**	**101**
Custody fees	**105**			
Total	**24,846**			

2023-24	Total	Management Fees	Performance related fees	Transaction Costs
	£000	£000	£000	£000
Equities	5,540	3,334	2,069	137
Pooled Investments	9,331	9,331	0	0
Pooled Property	505	505	0	0
Private Equity	4,988	4,988	0	0
Private Debt	739	739	0	0
Property	1,108	1,108	0	0
	22,211	**20,005**	**2,069**	**137**
Custody fees	**108**			
Total	**22,319**			

Note 10b – External Audit Costs

	2024-25	2023-24
	£000	£000
Payable in respect of external audit	114	107
Payable in respect of other services	0	1
Total	**114**	**108**

Fees in respect of other services relates to work completed in respect of the IAS19 process which is an audit related non-audit service.

Note 11 – Investment Income

	2024-25	2023-24
	£000	£000
Net Rents from Properties	25,392	21,466
Income from Fixed Interest Securities	11,038	13,179
Dividends from Equities	535	410
Other	124	6
Interest from Cash Deposits	3,598	4,699
Income from Pooled Property	7	3
Stock Lending	16	18
Total	**40,710**	**39,781**

No investment income has been recognised for private market investments. Calls and distributions in relation to these investments are accounted for within the private equity sales and purchases figures in Note 13f.

Note 12 – Taxes on income

	2024-25	2023-24
	£000	£000
Withholding tax - Equities	88	-676
Total	**88**	**-676**

The Fund is exempt from UK income tax on interest and from capital gains tax on the profits resulting from the sale of investments.

The Fund is exempt from United States withholding tax on dividends and can recover all or part of the withholding tax deducted in some other countries. The amount of withholding tax deducted from overseas dividends which the Fund is unable to reclaim in 2024-25 amounted to £88k. In 2023-24 the withholding tax was £65k, however the Fund received income of £741k as a result of a successful reclaim of French tax in relation to prior years leading to an income figure in the year for tax of £676k.

As Cheshire West and Chester Council is the administering authority for the Fund, VAT input tax is recoverable on all Fund activities including expenditure on investment and property expenses.

Note 13 – Investments

	2024-25	2023-24
Investment Assets	**£000**	**£000**
Equities	**233,516**	**332,508**
Pooled Investments		
UK Government Index Linked Gilts	1,409,269	1,362,490
Fixed Income - Multi Strategy	1,367,536	1,291,863
UK Equity Listed	1,818,890	1,910,559
Infrastructure	128,700	111,547
Hedge Funds	434,809	450,017
	5,159,204	**5,126,476**
Other Investments		
Pooled Property Investments	59,659	70,062
Directly Managed Property	436,400	368,910
Private Equity	442,888	448,909
Private Debt	254,724	182,401
	1,193,671	**1,070,282**
Cash Deposits	100,394	94,084
Loans	685	685
Other Investment Balances:		
Outstanding dividends entitlements and withholding tax claims	3,971	4,464
Total	**6,691,441**	**6,628,499**

Note 13a – Fixed Income Multi Strategy

The Fund has invested in five pooled fixed income investment vehicles managed separately by Janus Henderson Investors, BlueBay, M&G and LGPS Central. The market value of investments with each manager as at the 31 March 2025 was:

- £245m in Janus Henderson Investors (2023-24: £236m),
- £511m (2023-24: £473m) in BlueBay,
- £304m in M&G Alpha Opportunities Fund (2023-24: £292m),
- £151m in LGPS Central Emerging Market Debt Fund (2023-24: £142m)
- £157m in LGPS Central Multi Asset Credit Fund (2023-24 £149m)

The underlying assets of these pooled vehicles are invested by the managers in diversified portfolios of a wide range of fixed income assets including Government Bonds (UK and Overseas), Corporate Bonds, High Yield Bonds, Emerging Market Bonds, Asset and Mortgage Backed Securities, Secured Loans and currency. Within these mandates, each manager may use derivative instruments to manage their exposure to specific risks arising from its investment activities.

Note 13b – Absolute Return Funds

	Strategy	2024-25	2023-24
		£000	£000
Blackstone	Hedge Fund of Funds	434,809	450,017
Total		**439,809**	**450,017**

Note 13c – Private Equity

	Number of Funds	2024-25	2023-24
		£000	£000
Pantheon Ventures	13	231,328	245,136
Adams Street Partners	21	155,571	165,123
LGPS Central Ltd	5	55,922	35,557
Lexington Partners	1	67	93
Total	**40**	**442,888**	**448,909**

Note 13d – Loans

The Fund has a £685k loan advanced to LGPS Central Ltd in January 2018. The interest accrued on the loan for the year is £65k. The loan is held at amortised cost in the statement of accounts at a value of £750k at 31 March 2025 (31 March 2024: £750k).

Note 13e – Cash

	2024-25	2023-24
	£000	£000
Cash Instruments	69,624	61,543
Cash Deposits	30,770	32,541
Total	**100,394**	**94,084**

Note 13f – Reconciliation of movements in Investments

	Fair Value at 31 March 2024	Purchases at cost and derivative payments	Sales proceeds and derivative receipts	Change in Fair value	Fair Value at 31 March 2025
	£000	£000	£000	£000	£000
Equities	**332,508**	59,094	-193,981	35,895	**233,516**
Pooled Investments	**5,126,476**	213,224	-235,892	55,396	**5,159,204**
Pooled Property Investments	**70,062**	8,094	-484	-18,013	**59,659**
Directly Managed Property	**368,910**	63,120	-745	5,115	**436,400**
Private Equity	**448,909**	30,263	-49,110	12,826	**442,888**
Private Debt	**182,401**	82,266	-16,250	6,307	**254,724**
Loans	**685**	0	0	0	**685**
	6,529,951	456,061	-496,462	97,526	**6,587,076**
Derivatives	**0**				**0**
Cash and Cash Equivalents	**94,084**				**100,394**
	6,624,035	**456,061**	**-496,462**	**97,526**	**6,687,470**
Outstanding dividend entitlements, accrued interest and recoverable withholding tax	**4,464**				**3,971**
Net Investments	**6,628,499**	**456,061**	**-496,462**	**97,526**	**6,691,441**

	Fair Value at 31 March 2023	Purchases at cost and derivative payments	Sales proceeds and derivative receipts	Change in Fair value	Fair Value at 31 March 2024
	£000	£000	£000	£000	£000
Equities	**263,818**	50,799	-50,010	67,901	**332,508**
Pooled Investments	**4,800,061**	179,173	-174,625	321,867	**5,126,476**
Pooled Property Investments	**91,177**	0	-757	-20,358	**70,062**
Directly Managed Property	**383,235**	1,399	-350	-15,374	**368,910**
Private Equity	**436,522**	42,272	-42,257	12,372	**448,909**
Private Debt	**92,034**	85,527	-4,733	9,573	**182,401**
Loans	**686**	0	-1	0	**685**
	6,067,533	359,170	-272,733	375,981	**6,529,951**
Derivatives	**0**				**0**
Cash and Cash Equivalents	**181,298**				**94,084**
	6,248,831	**359,170**	**-272,733**	**375,981**	**6,624,035**
Outstanding dividend entitlements, accrued interest and recoverable withholding tax	**5,209**				**4,464**
Net Investments	**6,254,040**	**359,170**	**-272,733**	**375,981**	**6,628,499**

Note 14 – Stock Lending

In accordance with the LGPS (Management and Investment of Funds) Regulations 2016, the Fund allows its stock to be lent, provided that the total value of the securities loaned out does not exceed 25% of the total Fund value.

The Fund has entered into a stock lending programme managed by its custodian the Bank of New York Mellon. The market value of the securities at year end is taken from prices from a number of reputable vendors in accordance with the Bank of New York Mellon pricing policy.

In addition, LGPS Central Ltd operate a stock lending programme in respect of their pooled equity funds such as the Global Active Equity Fund, in which the Cheshire Pension Fund invests.

During the year ended 31 March 2025 the Fund earned £16k (2023-24: £18k) of income from its stock lending activities.

At the balance sheet date, the value of aggregate stock on loan was £7.6m (2023-24: £3.3m) and the value of collateral held was £8.0m (2023-24: £3.5m).

Note 15 Property Holdings

The Fund's investment in property comprises investments in pooled property funds and a number of directly owned properties which are leased commercially to various tenants. Details of income from these directly owned properties are below:

Note 15a – Property Income

	2024-25	2023-24
	£000	£000
Rental Income	28,199	23,897
Direct Operating Expenses	-2,807	-2,431
Balance at the end of the year	**25,392**	**21,466**

Note 15b – Fair Value of Investment Properties

	2024-25	2023-24
	£000	£000
Balance at the start of the year	368,910	383,235
Purchases	59,837	0
Disposals	-744	-350
Capital Expenditure	3,282	1,399
Net gain/loss on fair value	5,115	-15,374
Balance at the end of the year	**436,400**	**368,910**

During the year the Fund purchased two properties, one was a hotel and the other was a retail park. The Fund also disposed of one retail property.

Investment properties were independently valued by Savills as at 31 March 2025.

At the year-end there were no restrictions on the Fund's ability to realise investment property or the remittance of proceeds of disposals.

Contractual obligations for development, repairs and maintenance amount to £2.0m (£4.0m in 2023-24).

Note 16 – Operating Leases

The Fund's property portfolio comprises a variety of units which are leased to organisations with the objective of generating an appropriate investment return.

These leases are all categorised as operating leases due to the relatively short length of the agreements i.e. relative to the overall life of the asset and proportion of the assets overall value. The leases do not meet the assessment criteria for finance leases, and the risks and rewards of ownership of the leased assets are retained by the Fund (and reflected in the Net Assets Statement).

The properties comprise a mix of office, retail and industrial buildings. These leases vary in length from short term to over 25 years.

The future minimum lease payments receivable under non-cancellable leases in future years are:

Age profile of lease income	2024-25	2023-24
	£000	£000
No later than one year	24,884	27,911
Between one and five years	83,398	90,784
Later than five years	133,070	106,708
Total	**241,352**	**225,403**

The above disclosure for 2024-25 and 2023-24 has been reduced by a credit loss allowance of 5% for income due within one year and 3% for the second year onwards reflecting the Fund's expected loss from late or non-recovery of rents from tenants.

With regards to the properties owned and leased by the Fund, all are leased to tenants under contracts that have been assessed as operating leases and which may include periodic rent reviews etc. The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease entered into, such as adjustments following rent reviews.

Note 17 – Investment by Fund Manager

	2024-25	2024-25	2023-24	2023-24
	£000	%	£000	%
Investments managed by LGPS Central Limited Asset Pool:				
Legal & General*	1,784,688	26.7	0	0.0
All World Equity Climate Multi Factor Fund	723,607	10.8	696,383	10.5
Global Equity Active Multi Manager Fund				
- Schroders	103,909	1.6	120,528	1.8
- Union	88,842	1.3	107,476	1.6
- Harris	83,842	1.3	84,244	1.3
- Longview	48,123	0.7	0	0.0
Sustainable Equity Broad Fund	221,056	3.3	221,949	3.4
Sustainable Equity Target Fund	174,093	2.6	181,879	2.7

Note 17 – Investment by Fund Manager (continued)

	2024-25	2024-25	2023-24	2023-24
	£000	%	£000	%
Investments managed by LGPS Central Limited Asset Pool:				
Multi Asset Credit Fund	157,080	2.3	149,310	2.3
Emerging Market Debt Fund	151,005	2.3	142,005	2.1
Credit Partnership III (Private Debt) Fund	142,744	2.1	86,957	1.3
Credit Partnership II (Private Debt) Fund	111,980	1.7	95,444	1.4
Infrastructure Core / Core Plus Fund	74,513	1.1	62,056	0.9
Infrastructure Single Asset Credit Fund	49,247	0.7	45,929	0.7
Private Equity Funds	55,922	0.8	38,557	0.6
Indirect Property Fund	8,094	0.1	0	0.0
Infrastructure Value Add / Opportunistic	4,940	0.1	3,561	0.1
LGPS Central Ltd Asset Pool	2,065	0.0	2,065	0.0
Total	**3,985,750**	**59.5**	**2,038,343**	**30.7**
Investments managed outside of LGPS Central Limited Asset Pool:				
Legal & General*	0	0.0	1,860,590	28.1
Bluebay	511,336	7.6	473,386	7.1
Patrizia	440,307	6.6	375,881	5.7
Blackstone	434,809	6.5	450,017	6.8
Baillie Gifford and Co	235,343	3.5	334,248	5.0
M&G Investments	306,137	4.6	294,610	4.4
Pantheon Ventures	231,328	3.5	245,136	3.7
Janus Henderson	244,581	3.7	235,654	3.6
Adams Street Partners	155,571	2.3	165,123	2.5
Deutsche Bank (Money Market)	33,207	0.5	27,199	0.4
Darwin	51,431	0.8	69.858	1.1
Fidelity (Money Market)	32,903	0.5	30,946	0.5
Bank of New York Mellon	26,138	0.4	24,968	0.4
Arrowgrass Capital Partners	2,433	0.0	2,433	0.0
Lexington Capital Partners	67	0.0	93	0.0
GMO	100	0.0	14	0.0
Total	**2,705,691**	**40.5**	**4,590,156**	**69.3**
Total	**6,691,441**	**100.0**	**6,628,499**	**100.0**

*In January 2025 the Fund entered an agreement with LGPS Central to provide investment advisory oversight and stewardship services in respect of the Fund's holdings in Legal & General.

In line with Government requirements, as set out in the "Fit for the Future" consultation, all of the Fund's assets will be required to be under pool management by 31 March 2026.

Note 17a – Concentration of Investments

The CIPFA Code of Practice requires disclosure where there is a concentration of investment which exceeds 5% of the total value of the net assets of the scheme. Four investments fall into this category as follows:

Security Description	Market Value 31 Mar 2025	Total Fund	Market Value 31 Mar 2024	Total Fund
	£000	%	£000	%
Legal & General - Over 5 Yr Index Linked Gilts	1,409,269	21.06%	1,362,490	20.56%
LGPS Central Limited - All World Equity Climate Multi Factor Fund	273,607	10.81%	696,383	10.51%
Bluebay - Total Return Diversified Fund	511,336	7.64%	473,386	7.14%
Blackstone Partners - Class A1 Initial Series	434,809	6.50%	450,017	6.79%

Note 18 – Fair Value – Basis of Valuation

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

Description of Assets	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
Pooled investments	Level 2	Fair value based on the weekly / monthly market quoted prices of the respective underlying securities	Evaluated price feeds	Not required
Pooled investments - property funds	Level 3	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV based pricing set on a forward pricing basis	Not required
Pooled investments - absolute return funds	Level 3	These are Fund of Fund investments the underlying securities are valued at fair value using closing bid price where bid and offer prices are published. Closing single price where single price published	NAV based pricing set on a forward pricing basis	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts
Freehold and leasehold properties	Level 3	Valued at fair value at the year-end using the investment method of valuation by Savills in accordance with the RICS valuation professional standards	Existing lease terms and rentals. Independent market research. Nature of tenancies Covenant strength for existing tenants. Assumed vacancy levels. Estimated rental growth. Discount rate	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations as could more general changes to market prices

Description of Assets	Valuation Hierarchy	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Private equity	Level 3	Comparable valuation of similar companies in accordance with Private Equity and Venture Capital Valuation Guidelines (2022)	EBITDA multiple. Revenue multiple. Discount for lack of marketability. Control premium	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts
Private Debt	Level 3	Valued at fair value in accordance with the principles set out under the relevant Financial Accounting Standards Board codification, as supplemented by detailed manager valuation policies which include but are not limited to, enterprise valuation, discounted cash flows and comparable to valuations of similar assets.	Comparable valuation of similar assets EBITDA multiple. Revenue multiple. Discounted cash flows. Enterprise value estimation	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts
Pooled investments- Unquoted Infrastructure and Unquoted Property Funds	Level 3	At the price or net asset value advised by the manager using the latest financial information available from the respective manager, adjusted for drawdowns and distributions to the final date of the accounting period, if the latest financial information is not produced at that date.	EBITDA multiple Revenue multiple Discount for lack of marketability Discounted cash flows	Valuations could be impacted by material events occurring between the date of the financial statements provided and the year end, by changes to expected cash flows, and any differences between the audited and unaudited accounts

Sensitivity of Assets Valued at Level 3

The Fund has determined that the valuation methods described above for level 3 investments are likely to be accurate to within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2025 and 31 March 2024.

	Potential variation on fair value	Value at 31 Mar 2025	Potential value on increase	Potential value on decrease
	%	£000	£000	£000
Pooled investments	+/- 5	1,074,845	53,742	53,742
Pooled Property	+/- 5	59,526	2,976	2,976
Private Equity	+/- 5	442,888	22,144	22,144
Private Debt	+/- 5	254,724	12,736	12,736
Property	+/- 5	436,400	21,820	21,820
Total		**2,268,383**	**113,418**	**113,418**

	Potential variation on fair value	Value at 31 Mar 2024	Potential value on increase	Potential value on decrease
	%	£000	£000	£000
Pooled investments	+/- 5	1,034,950	51,748	51,748
Pooled Property	+/- 5	69,858	3,493	3,493
Private Equity	+/- 5	448,909	22,445	22,445
Private Debt	+/- 5	182,401	9,120	9,120
Property	+/- 5	368,910	18,445	18,445
Total		**2,105,028**	**105,251**	**105,251**

Note 18a – Fair Value Hierarchy

The valuation of investment assets and liabilities has been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

Level 1

Assets and liabilities at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Fair value measurement defines an active market as a market in which transactions for the financial instrument occur with sufficient frequency and volume to provide pricing information on an ongoing basis, as well as the reporting date. Products classified as level 1 comprise listed equities.

Level 2

Assets and liabilities at level 2 are those whose values are based on quoted market prices that are not as active as level 1 markets, or based on models whose inputs are observable either directly or indirectly for substantially the full term of the asset or liability. Funds classified as level 2 comprise of fixed income multi strategy funds, UK Government Index Linked Gilts, loans, pooled equity funds and listed infrastructure.

Level 3

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

Such instruments would primarily include private equity, absolute return funds, pooled property, fixed income multi strategy funds with less observable inputs than level 2, private debt and unlisted infrastructure investments which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

Valuations for private market funds including private equity, private debt, unlisted infrastructure and unlisted indirect residential property are usually undertaken annually at the end of December. Estimated market values or cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

The values of the investment in absolute return funds are based on the net asset value provided by the fund manager. Assurances over the valuation are gained from the independent external audit of the individual funds.

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

Note 18a – Assets carried at fair value

Assets carried at Fair Value:

	Quoted Market Price	Using observable inputs	With significant unobservable inputs	
Values at 31 March 2025	**Level 1**	**Level 2**	**Level 3**	**Total**
	£000	**£000**	**£000**	**£000**
Financial assets at fair value through profit and loss				
Equities	232,201	0	0	232,201
Pooled investments	0	4,084,359	1,074,845	5,159,204
Pooled Property	0	133	59,526	59,659
Private Equity	0	0	442,888	442,888
Private Debt	0	0	254,724	254,724
Loans	0	685	0	685
Cash	100,394	0	0	100,394
Accrued Investment Income	3,971	0	0	3,971
Net Investment Assets	**336,566**	**4,085,177**	**1,831,983**	**6,253,726**
Non-financial assets at fair value through profit and loss				
Property	0	0	436,400	436,400
Total	**336,566**	**4,085,177**	**2,268,383**	**6,690,126**

Assets carried at cost:

	Quoted Market Price	Using observable inputs	With significant unobservable inputs	
Values at 31 March 2025	**Level 1**	**Level 2**	**Level 3**	**Total**
	£000	**£000**	**£000**	**£000**
Investments in LGPS Central Ltd	0	0	1,315	1,315
Investments held at cost	**0**	**0**	**1,315**	**1,315**

Assets carried at Fair Value:

	Quoted Market Price	Using observable inputs	With significant unobservable inputs	
Values at 31 March 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
	£000	**£000**	**£000**	**£000**
Financial assets at fair value through profit and loss				
Equities	331,193	0	0	331,193
Pooled investments	0	4,091,526	1,034,950	5,126,476
Pooled Property	0	204	69,858	70,062
Private Equity	0	0	448,909	448,909
Private Debt	0	0	182,401	182,401
Loans	0	685	0	685
Cash	94,084	0	0	94,084
Accrued Investment Income	4,464	0	0	4,464
Net Investment Assets	**429,741**	**4,092,415**	**1,736,118**	**6,258,274**
Non-financial assets at fair value through profit and loss				
Property	0	0	368,910	368,910
Total	**429,741**	**4,092,415**	**2,105,028**	**6,627,184**

Assets carried at cost:

	Quoted Market Price	Using observable inputs	With significant unobservable inputs	
Values at 31 March 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
	£000	**£000**	**£000**	**£000**
Investments in LGPS Central Ltd	0	0	1,315	1,315
Investments held at cost	**0**	**0**	**1,315**	**1,315**

Note 18b – Transfers between levels 1 and 2

No assets were transferred between level 1 and 2 during the year.

Note 18c – Reconciliation of fair value measurements within level 3

	Market Value 1 April 2024	Transfers into Level 3	Transfers out of Level 3	Purchases at cost and derivative payments	Sales	Unrealised Gains /(Losses)	Realised Gains /(Losses)	Market Value 31 March 2025
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Absolute return funds	450,017				-53,709	21,685	16,816	434,809
Direct Property	368,910			63,120	-744	7,914	-2,800	436,400
Private equity	448,909			30,263	-53,093	4,497	12,312	442,888
Pooled Property	69,858			8,094	-424	-18,426	424	59,526
Fixed income	473,386			1,228	-3,375	36,722	3,375	511,336
Infrastructure	111,547			11,996	-8,956	12,377	1,736	128,700
Private Debt	182,401			82,266	-16,250	4,379	1,928	254,724
	2,105,028	**-**	**-**	**196,967**	**-136,551**	**69,148**	**33,791**	**2,268,383**

Absolute return funds, fixed income and infrastructure funds are included within the pooled investment figure shown in Note 18a.

Note 18d – 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 market value of financial assets and liabilities (excluding cash) by category and net assets statement heading. No financial instruments were reclassified during the accounting period.

	Fair value through profit and loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Fair value through profit and loss	Financial assets at amortised cost	Financial liabilities at amortised cost
	31 March 2025			31 March 2024		
	£000	£000	£000	£000	£000	£000
Financial Assets						
Equities	233,516			332,508		
Pooled Investments	5,159,204			5,126,476		
Pooled Property	59,659			70,062		
Private Equity and Joint Venture	442,888			448,909		
Private Debt	254,724			182,401		
Loans	0	685		0	685	
Cash		97,492			88,050	
Other Investment balances		3,099			3,732	
Debtors		24,227			21,278	
	6,149,991	**125,503**	**0**	**6,160,356**	**113,745**	**0**
Financial Liabilities						
Creditors			-10,415			-8,670
TOTAL	**6,149,991**	**125,503**	**-10,415**	**6,160,356**	**113,745**	**-8,670**

Note 18e – Net Gains and Losses on Financial Instruments

	2024-25	2023-24
	£000	£000
Financial Assets		
Fair value through profit and loss	92,411	391,355
Total	**92,411**	**391,355**

Cheshire West and Chester Council as administering authority has not entered into any financial guarantees that are required to be accounted for as financial instruments.

Note 19 – 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 fund portfolio.

The Fund achieves this through asset diversification to reduce risk 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 that there is sufficient liquidity to meet forecast cash flows. The Council manages these investment risks as part of its overall Pension Fund risk management programme.

Risk management policies were established to identify and analyse the risks faced by the Council's pension operations. Policies are reviewed regularly to reflect changes in activity and in market changes.

a) 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 Council and its investment advisers undertake appropriate monitoring of market conditions and benchmark analysis.

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 were 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 are 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 Council to ensure it is within limits specified in the Fund's investment strategy.

Other price risk - sensitivity analysis

In consultation with the Fund's investment advisers and, following analysis of historical data and expected investment return movement during the financial year, the Council has determined that the following movements in market price risk are reasonably possible for the 2024-25 reporting period:

Asset Type	Potential market movements 31 March 2025	Potential market movements 31 March 2024
	% (+ / -)	% (+ / -)
Private Equity	25.0	25.4
Global Equities - Emerging	21.4	23.8
Global Equities - Developed	18.7	18.5
Infrastructure (Listed)	16.5	16.5
Infrastructure (Unlisted)	11.0	16.3
UK Equities	18.7	16.5
Pooled Property Funds	25.0	25.4
Property Unit Trusts	13.0	15.2
Private Debt	9.9	10.8
High Yield	10.5	11.8
Absolute Return Funds	7.1	7.4
Corporate Bonds	8.1	7.6
Government Bonds	10.9	9.6
Cash	0.7	0.0

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 adviser's 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's 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	Value at 31 March 2025	Percentage Change	Change in Value on increase	Change in Value on decrease
	£000	%	£000	£000
Government Bonds	1,409,269	10.90	153,610	-153,610
Global Equities - Developed	1,685,114	18.70	315,116	-315,116
Corporate Bonds	856,200	8.10	69,352	-69,352
High Yield	511,336	10.50	53,690	-53,690
Cash	98,761	0.70	691	-691
Private Equity	442,888	25.00	110,722	-110,722
Absolute Return Funds	434,809	7.10	30,871	-30,871
Global Equities - Emerging	139,928	21.40	29,945	-29,945
UK Equities	73,891	18.70	13,818	-13,818
Investment Income Due	3,034	0.00	0	0
Private Debt	254,724	9.90	25,218	-25,218
Infrastructure (Listed)	150,890	16.50	24,897	-24,897
Infrastructure (Unlisted)	128,700	11.00	14,157	-14,157
Pooled Property Funds	51,432	25.00	12,858	-12,858
Pooled Unit Trusts	8,227	13.00	1,070	-1,070
Equities - LGPS Central Ltd	1,315	0.00	0	0
Loans - LGPS Central Ltd	750	0.00	0	0
Total assets available to pay benefits	**6,251,268**		**856,015**	**-856,015**

Asset Type	Value at 31 March 2024	Percentage Change	Change in Value on increase	Change in Value on decrease
	£000	%	£000	£000
Government Bonds	1,362,490	9.60	130,799	-130,799
Global Equities - Developed	1,773,883	18.50	328,168	-328,168
Corporate Bonds	888,334	7.60	67,513	-67,513
High Yield	473,386	11.80	55,860	-55,860
Cash	109,210	0.00	0	0
Private Equity	448,909	25.40	114,023	-114,023
Absolute Return Funds	450,017	7.40	33,301	-33,301
Global Equities - Emerging	141,331	23.80	33,637	-33,637
UK Equities	80,343	16.50	13,257	-13,257
Investment Income Due	3,666	0.00	0	0
Private Debt	182,401	10.80	19,699	-19,699
Infrastructure (Listed)	225,035	16.50	37,131	-37,131
Infrastructure (Unlisted)	111,547	16.30	18,182	-18,182
Property Unit Trusts	205	15.20	31	-31
Equities - LGPS Central Ltd	1,315	0.00	0	0
Loans - LGPS Central Ltd	750	0.00	0	0
Total assets available to pay benefits	**6,252,822**		**851,601**	**-851,601**

The above table excludes direct property due to the illiquidity of this asset type.

Interest rate risk

The Fund invests in a number of interest bearing instruments such as Government bonds, corporate bonds and secured oans for the primary purpose of obtaining a return on those investments. These investments were subject to interest rate risks, which represent the risk that the fair value of 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 Council and its investment advisers in accordance with the Fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

The Fund's assets which have direct exposure to interest rate movements as at 31 March 2025 and 31 March 2024 are set out below. These disclosures present interest rate risk based on the underlying financial asset at fair value:

Asset Type	2024-25	2023-24
	£000	£000
Corporate and Government Bonds	2,776,805	2,654,352
Cash balances	65,978	58,022
Cash and cash equivalents	34,416	36,062
Total	**2,877,199**	**2,748,436**

Interest rate risk sensitivity analysis

The Fund recognises that interest rates can vary and can affect both income to the Fund and the carrying value of fund assets, both of which affect the value of the net assets available to pay benefits. A 100 basis points (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 advisor has advised that long term average rates are expected to move less than 100 basis points from one year to the next and experience suggests that such movements are likely.

The £2,777m fair value of the bond mandates managed by M&G Alpha Opportunities Fund, Janus Henderson Investors, BlueBay, Legal and General and the Emerging Market Debt Fund and Multi Asset Credit Fund managed by LGPS Central are particularly sensitive to movements in interest rates. This sensitivity is measured by their duration of 2.54, 4.12, 3.46, 17.60, 6.99 and 4.50 years respectively.

A 100BPS increase in the prevailing level of interest rates would decrease the aggregate fair value of these mandates by £301.0m (£321.3m in 2023-24). Likewise a 100BPS decrease in the level of interest would be expected to increase the fair value of these mandates by a similar amount.

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	Duration	Carrying amount at 31 March 2025	Effect of Asset Values	
		£000	+100 BPS	-100 BPS
Cash and Cash Equivalents		34,416		
Cash Balances		65,978		
Fixed Income - M&G	2.54	303,534	-7,710	7,710
Fixed Income - Janus Henderson	4.12	244,581	-10,077	10,077
Fixed Income - BlueBay	3.46	511,336	-17,692	17,692
Fixed Income - Legal and General	17.60	1,409,269	-248,031	248,031
Fixed Income - LGPSC EMD Fund	6.99	151,005	-10,555	10,555
Fixed Income - LGPSC MAC Fund	4.50	157,080	-7,069	7,069
Total change in assets available		**2,877,199**	**-301,134**	**301,134**

Asset Type	Duration	Carrying amount at 31 March 2024	Effect of Asset Values	
		£000	+100 BPS	-100 BPS
Cash and Cash Equivalents		36,062		
Cash Balances		58,022		
Fixed Income - M&G	2.98	291,508	-8,687	8,687
Fixed Income - Janus Henderson	5.52	235,654	-13,008	13,008
Fixed Income - BlueBay	2.9	473,386	-13,728	13,728
Fixed Income - Legal and General	19.42	1,362,490	-264,596	264,596
Fixed Income - LGPSC EMD Fund	7.07	142,005	-10,040	10,040
Fixed Income - LGPSC MAC Fund	5.13	149,310	-7,660	7,660
Total change in assets available		**2,748,437**	**-317,719**	**317,719**

A 1% increase in interest rates will not affect the interest received on fixed interest assets but could 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. Any cash surplus to the Funds immediate requirements is held in money market funds which earn interest for the Fund. In the year to 31 March 2025 interest earned in these funds equated to £3.1m (2023-24: £4m) a change of 1% to the interest rate during the year would have increased or decreased interest received by approximately £621k (2023-24: £1m).

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the fund (GBP). The Fund holds both monetary and non-monetary assets denominated in currencies other than GBP.

The Fund's liabilities are denominated in GBP but as part of its investment strategy the Fund invests in assets denominated in foreign currencies, which exposes the Fund to the risk of movement in exchange rates. The Fund's investment managers may, at their own discretion, hedge part or all of the foreign exchange risk inherent in their portfolio.

The Fund's currency rate risk is routinely monitored by the Fund and its investment advisers in accordance with the Fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

The following tables summarise the Fund's net currency exposure, after hedging, as at 31 March 2025 and 31 March 2024:

Currency Exposure - Asset Type 2024-25

Currency Exposure - Asset Type	Gross Exposure	Hedging Exposure	Net Exposure
2024-25	**£000**	**£000**	**£000**
Overseas Listed Equities	235,312		235,312
Overseas Unquoted Securities	386,966		386,966
Overseas Unit Trusts	133		133
Total	**622,411**	**0**	**622,411**

Currency Exposure - Asset Type 2023-24

Currency Exposure - Asset Type	Gross Exposure	Hedging Exposure	Net Exposure
2023-24	**£000**	**£000**	**£000**
Overseas Listed Equities	334,190		334,190
Overseas Unquoted Securities	410,352		410,352
Overseas Unit Trusts	205		205
Total	**744,747**	**0**	**744,747**

Currency risk - sensitivity analysis

Following analysis of historical data in consultation with the Fund investment advisers, the Fund considers the likely volatility associated with foreign exchange rate movements to be 5.0% (as measured by one standard deviation) for 2023-24 this was 7.5%.

A 5.0% fluctuation in the currency risk is considered reasonable based on the Fund adviser's analysis of long-term historical movements in the month-end exchange rates over a rolling 36-month period. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 5.0% strengthening/weakening of the GBP against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows.

Net Currency Exposure - Asset Type	Asset Values	Change to net Assets available to pay benefits	
	2024-25	+5.0%	-5.0%
	£000	£000	£000
Overseas Listed Equities:	**235,312**	**11,765**	**-11,765**
Of which from United States Dollar	179,081	8,954	-8,954
Of which from Hong Kong Dollar	21,227	1,061	-1,061
Of which from other currencies	35,004	1,750	-1,750
Overseas Unquoted Securities:	**386,966**	**19,348**	**-19,348**
Of which from United States Dollar	380,559	19,028	-19,028
Of which from Euro	6,407	320	-320
Overseas Unit Trusts:	**133**	**7**	**-7**
Of which from Euro	133	7	-7
Total	**622,411**	**31,120**	**-31,120**

Net Currency Exposure - Asset Type	Asset Values	Change to net Assets available to pay benefits	
	2023-24	+7.5%	-7.5%
	£000	£000	£000
Overseas Listed Equities:	**334,190**	**25,064**	**-25,064**
Of which from United States Dollar	264,106	19,808	-19,808
Of which from Hong Kong Dollar	13,259	994	-994
Of which from other currencies	56,825	4,262	-4,262
Overseas Unquoted Securities:	**410,352**	**30,777**	**-30,777**
Of which from United States Dollar	403,810	30,286	-30,286
Of which from Euro	6,542	491	-491
Overseas Unit Trusts:			
Of which from Euro	205	15	-15
Total	**744,747**	**55,856**	**-55,856**

b) 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 risk in their pricing and consequently the risk of loss is implicitly provided for in the market value of the Fund's financial assets and liabilities.

In essence the Fund's 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 minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

The primary credit risk to the Fund is through its fixed interest instruments managed by Janus Henderson Investors, BlueBay, M & G Alpha Opportunities Fund and LGPS Central. However, the majority of the Fund's fixed income assets are investment grade quality (above BBB rated) sovereign or corporate bonds rated.

Multi Asset

The Fund's aggregate exposure to credit risk through these six mandates as measured by the credit rating of external agencies is summarised in the table below:

S&P Quality Rating	Fair Value 2024-25	% of Fair Value of Fixed Income Assets
	£000	£000
AAA	75,426	3
AA	1,508,892	54
A	383,889	14
BBB	228,766	8
Below BBB	478,133	17
Cash	67,014	2
NR	34,685	2
Total	**2,776,805**	**100**

S&P Quality Rating	Fair Value 2023-24	% of Fair Value of Fixed Income Assets
	£000	£000
AAA	68,739	3
AA	1,490,648	56
A	381,363	14
BBB	221,991	8
Below BBB	386,505	15
Cash	69,441	3
NR	35,665	1
Total	**2,654,352**	**100**

Deposits were not made with banks and financial institutions unless they were rated independently and met the Fund's credit criteria. The Fund also set limits as to the maximum percentage of the deposits placed with any one class of financial institution. In addition, the Fund invests an agreed percentage of its assets in the money markets to provide diversification. Money market funds chosen all have at least an AA rating from a leading ratings agency.

The Fund believes it has managed its exposure to credit risk and has experienced only a very small amount of non collectable debt in recent years. Any recognised credit losses are disclosed in Note 28. The Fund's cash holding under its treasury management arrangements as at 31 March 2025 was £66.0m (31 March 2024: £58.0m) and was held in the Deutsche Bank and Fidelity money market accounts. The remainder of the cash was held by the Fund's custodian, Bank of New York Mellon with a small amount of cash in transit which was held by the Fund's property investment manager.

2024-25 Counterparty	Moodys Rating	£000	% of cash balances
Bank of New York Mellon (Money Market Cash / Cash Accounts)	P-1	31,513	31.4
Fidelity Worldwide Investment (Money Market)	Aaa-mf	32,903	32.8
Deutsche Bank Advisors (Money Market)	A1	33,075	33.0
Cash in Transit	NR	2,903	2.8
Total		**100,394**	**100.0**

2023-24 Counterparty	Moodys Rating	£000	% of cash balances
Bank of New York Mellon (Money Market Cash / Cash Accounts)	P-1	30,028	31.9
Fidelity Worldwide Investment (Money Market)	Aaa-mf	30,946	32.9
Deutsche Bank Advisors (Money Market)	A1	27,076	28.8
Cash in Transit	NR	6,034	6.4
Total		**94,084**	**100.0**

c) 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 the Fund has adequate cash resources to meet its commitments.

The Fund has immediate access to its Pension Fund cash holdings.

The Fund defines liquid assets as assets that can be converted to cash within three months, subject to normal market conditions. Illiquid assets can include assets where:

a) there are no highly liquid active markets, such as investment properties and private equity or,

b) individual fund structures, where the Fund's investment is locked in for a specific period or where the investment manager may have the ability to 'gate' or limit investors withdrawal from the fund.

As at 31 March 2025 the value of illiquid assets was £1,270.8m, which represented 17% of the total fund assets (31 March 2024: £1,111.8m which represented 17% of the total fund assets).

In terms of liquidity risk, the Fund had £100.4m (2023-24: £94.1m) of cash balances as at 31 March 2025 and net current assets of £8.6m (£7.4m in 2023-24). The Fund's net cash flow, before taking account of investments and excluding management expenses, as at 31 March 2025 was -£43.6m (-£17.7m in 2023-24). Income from investments supports the cash flow for the year to ensure there is no significant risk that the Fund will be unable to meet its current commitments.

All current liabilities are due to be paid in less than one year.

Other risks

Financial mismatch	1. The risk that Fund assets fail to grow in line with the developing cost of meeting Fund liabilities. 2. The risk that unexpected inflation increases the pension and benefit payments and the Fund assets do not grow fast enough to meet the increased cost.
Changing demographics	The risk that longevity improves and other demographic factors change increasing the cost of Fund benefits.
Systemic risk	The possibility of an interlinked and simultaneous failure of several asset classes and/or investment managers, possibly compounded by financial 'contagion', resulting in an increase in the cost of meeting Fund liabilities.

The Council measures and manages financial mismatch in two ways. As indicated above, it has set a strategic asset allocation benchmark for the Fund. It assesses risk relative to that benchmark by monitoring the Fund's asset allocation and investment returns relative to the benchmark. It also assesses risk relative to liabilities by monitoring the delivery of benchmark returns relative to liabilities.

The Fund prepares regular cash flow forecasts to understand and manage the timing of cash flows. The appropriate strategic level of cash balances to be held is a central consideration in preparing the Fund's annual investment strategy.

The Council keeps under review mortality and other demographic assumptions which could influence the cost of the benefits. These assumptions were considered formally at the triennial valuation.

The Council seeks to mitigate systemic risk through a diversified portfolio but it is not possible to make specific provision for all possible eventualities that may arise under this heading.

Stock Lending

The Fund has entered into a stock lending programme managed by its custodian the Bank of New York Mellon and only accepts government and quasi government bonds as collateral against loaned stock to safeguard the Fund's assets. The credit rating of the collateral accepted is summarised below.

	Fair Value of collateral 31 March 2025	% of Fair Value of collateral 31 March 2024	Fair Value of collateral 31 March 2025	% of Fair Value of collateral 31 March 2024
Moody's rating	**£000**	**%**	**£000**	**%**
Aaa	2,376	29.7	2,097	59.9
Aa1	0	0.0	0	0.0
Aa2	0	0.0	40	1.1
Aa3	5,625	70.3	1,363	39.0
Grand Total	**8,001**	**100.0**	**3,500**	**100.0**
Value of Stock on Loan	**7,561**		**3,337**	

During the year ended 31 March 2025 the Fund earned £16k (2023-24: £18k) of income from its stock lending activities.

Note 20 – Funding Arrangements

In line with the LGPS Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2022. The next valuation is at 31 March 2025.

The key elements of the funding policy are:

- To ensure long-term solvency of the Fund
- To ensure that sufficient funds are available to meet all members/dependants' benefits as they fall due for payment;
- To ensure that employer contribution rates are reasonably stable where appropriate;
- To minimise the long-term cash contributions which employers need to pay to the Fund, by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return;
- To reflect the different characteristics of employers in determining contributions rates;
- To have a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years; and
- To use reasonable measures to reduce risk to other employers including tax raising employers from an employer defaulting on its pension obligations.

The aim is to achieve 100% solvency over each employer's payment period and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions are sufficient to meet expected future pension benefits payable.

At the 2022 valuation, the fund was assessed as 113% funded (97% at the March 2019 valuation). This corresponded to a surplus of £822m (2019 valuation: deficit of £156m) at that time.

Each employer had contribution requirements set at the valuation, with the aim of achieving full funding within a time horizon and probability measure as per the Funding Strategy Statement. Individual employer's contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in the Funding Strategy Statement.

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date, and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership. A market related approach was taken to valuing the liabilities for consistency with the valuation of the Fund assets at their market value.

The principal assumptions were:

Financial assumptions	Real
Discount rate	3.70%
Salary increase assumption	3.40%
Benefit Increase assumption (CPI)	2.70%

Longevity assumptions

Assumed life expectancy at age 65	Current Pensioners	
	Male	Female
Current Pensioners	21.1 Years	24.1 Years
Future Pensioners*	21.8 Years	25.5 Years

*Aged 45 at the valuation date

Note 21 – Actuarial value of promised retirement benefits

CIPFA's Code of Practice on Local Authority Accounting 2024-25 requires administering authorities of LGPS funds that prepare pension fund accounts to disclose what IAS26 Accounting and Reporting by Retirement Benefit Plans refers to as the actuarial present value of promised retirement benefits. There are three options for disclosure.

The Fund has opted not to disclose the actuarial present value of promised retirements in the net assets statement, instead providing the information by reference to an accompanying actuarial report. A copy of the full actuarial calculation is appended to the Statement of Accounts.

Note 22 – Long term assets

	2024-25	2023-24
	£000	£000
Long Term Debtors:		
Reimbursement of lifetime tax allowances	831	832
Employer contributions	42	0
Total	**873**	**832**

Note 23 – Current Assets

	2024-25	2023-24
	£000	£000
Current Debtors and cash:		
Contributions due - Employers	17,498	16,297
Contributions Due - Employees	4,080	3,535
Sundry Debtors	3,724	2,714
Provision for Doubtful Debt	-2,175	-2,309
Payments in advance	228	209
Cash and cash equivalents	572	0
Total	**23,927**	**20,446**

Note 24 – Current Liabilities

	2024-25	2023-24
	£000	£000
Sundry Creditors	5,599	4,623
Benefits Payable	4,816	4,047
Receipts in Advance	4,881	4,243
Cash and cash equivalents	0	138
Total	**15,296**	**13,051**

Note 25 – Additional Voluntary Contributions (AVCs)

From the 1 April 2019 Standard Life were appointed as the sole AVC provider for the Fund. Prior to 1 April 2019 the AVC providers to the members of the Fund were Scottish Widows, Standard Life and Utmost who took over Equitable Life on 1 January 2020.

The AVCs are invested separately from the Fund's main assets and used to acquire additional pension benefits and therefore are not included in the Fund's accounts in accordance with regulation 4 (1) (a) of the LGPS (Management and Investment of Funds) Regulations 2016. Members participating in these AVC arrangements each receive an annual statement confirming the amounts held in their account and the movements during the year.

A summary of the information provided by Scottish Widows, Standard Life and Utmost for the year to 31 March 2025 is shown below, along with a prior year comparator. Scottish Widows were unable to provide this data for the year to 31 March 2024.

	Scottish Widows	Standard Life	Utmost	Total
	£000	£000	£000	£000
Contributions received in year 2025	63	1,684	1	**1,748**
Contributions received in year 2024	0	950	1	**951**
Fair value at 31 Mar 2025	1,829	6,086	297	**8,212**
Fair value at 31 Mar 2024	0	4,918	347	**5,265**

Note 26 – Related Party Transactions

Cheshire West and Chester Council

The Fund is administered by Cheshire West and Chester Council. During the reporting period, the Council incurred costs of £5.806m (2023-24: £4.477m) in relation to the administration and management of the fund and was reimbursed by the fund for these expenses. The Fund repays cash due to the Council for such transactions plus any interest charges on a monthly basis. In 2024-25 the Fund paid £29.3k (2023-24: £18.1k) to the Council for interest accrued on these balances.

The Council is one of the largest participating employers and contributed £32.2m into the Fund in 2024-25 (2023-24: £31.6m). At the year end, a balance of £3.624m (2023-24: £3.451m) was due to the Fund from the Council, primarily relating to contributions which were paid in April but became due in March. A balance of £193.1k was owed to the Council (2023-24: £115.1k) for recharges from the Council in relation to the administration and management of the Fund.

The Fund has not made any employer related investment at any time during the period.

Pension Fund Committee and Local Pensions Board

Specific declarations have been received from Pension Fund Committee and Local Pension Board Members regarding membership of and transactions with any parties related to the Pension Fund.

A number of Members act as Councillors or Board Members of particular employers who maintain a conventional employer relationship with the Fund. Employer representatives for the Local Pension Board also act as Trustees for employers of the Fund.

The value of transactions with each of these related parties, namely routine monthly payments to the Fund of employer's and employee's contributions is determined by the Local Government Pension Scheme Regulations, and as such no related party transactions have been declared.

A register of outside bodies that Members are appointed to, along with a register of interests is available on the websites of Cheshire West and Chester, Cheshire East, Warrington and Halton Councils.

Details of the membership of the Local Pension Board are available on the Fund's website.

Investment Pooling

LGPS Central Ltd has been established to manage investment assets on behalf of eight Local Government Pension Scheme (LGPS) administering authorities across the Midlands including Cheshire. It is jointly owned in equal shares by the eight administering authorities participating in the Pool.

In 2017-18 the fund invested £1.315m in share capital and granted a loan of £685k to LGPS Central Ltd. In 2024-25 interest of £65k (2023-24: £65k) accrued on the loan balance to give a balance at the end of the year of £750k (2023-24: £750k) The share capital was valued at cost at the end of the year at £1.315m. Investments managed by LGPS Central Ltd as at 31 March 2025 are disclosed in Note 17 to the accounts.

During the year the Fund incurred charges for the running costs of LGPS Central Ltd totalling £1.200m (2023-24: £1.237m) and joint pool governance costs of £13k (2023-24: £11k).

The Fund has £122m committed to LGPS Central Private Equity Funds. During the year the Fund paid £14.1m calls to these funds and received £3.1m in distributions (£14.1m calls were made and £1.4m distributions were received in 2023-24).

The Fund has committed £510m to the LGPS Private Debt Funds. During the year the Fund paid £82.3m calls to these funds and received £14.8m in distributions. (£85.5m calls were made and £4.0m distributions were received in 2023-24).

The Fund has committed £135m to LGPS Central Infrastructure Funds. During the year the Fund paid £12.0m calls to these funds and received £7.5m in distributions. (£18.1m calls were made and £3.8m distributions were received in 2023-24).

The Fund has committed £50m to the LGPS Central Residential Indirect Property Partnership Fund. During the year the Fund paid £8.1m calls into this fund and no distributions were received. (No calls or distributions were paid in 2023-24).

The market values at the end of the year of all investments with LGPS Central are shown in Note 17.

Investment management fees of £8.2m (2023-24: £5.9m) were incurred on the Fund's investments managed by LGPS Central Ltd.

Governance

Responsibility for managing the Fund lies with the full Council of Cheshire West and Chester Council. The Council has delegated responsibility to the Chief Operating Officer who is also the s151 officer. The Chief Operating Officer is advised by the Pension Fund Committee and external advice from Mercer the appointed investment consultant. The Fund also receives actuarial advice from Hymans Robertson. The Council's Audit and Governance Committee has oversight of the Council's governance arrangements for the Fund.

The Local Pension Board was established with effect from the 1 April 2015. The role of the Board, as defined in regulations, is to assist the Administering Authority to ensure the effective and efficient governance and administration of the LGPS.

From January 2004 elected members who were offered membership of the Scheme under their respective Council's scheme of allowances were eligible to join the Scheme. From the introduction of the new scheme in 2014 Councillors in England could only continue to accrue rights until the end of the term of office which they were serving on 1 April 2014. As a consequence, all councillors ceased membership of the scheme from 12 May 2015 including those members of the Pension Fund Committee who had been active members of the Scheme.

There are three members of the Committee who are in receipt of pension benefits from the Fund (Councillor M. Hogg, Councillor Bailey and Neil Harvey). In addition, Councillor Neil, Councillor Dennett and Neil Harvey were active members of the Fund, Councillor Corcoran had a deferred pension as at 31 March 2025.

There are three members of the Local Pension Board who were active members of the Fund as at 31 March 2025; G. Wright, J Lambert and K Lennon. P. Raynes was Chair of the Local Pension Board until 25th September 2024 also has a deferred pension with the Fund.

Each member of the Committee and Board is required to declare their interests at each meeting.

As the Fund forms part of the LGPS it does not have trustees. The members of the Committee do not receive any fees in relation to their specific responsibilities as members of the Committee, although they may be reimbursed for any out of pocket expenses incurred whilst discharging their Committee role.

Similarly the members of the Board do not receive any fees in relation to their specific responsibilities as members of the Board, although they may be reimbursed for any out of pocket expenses incurred whilst discharging their role.

Further information on Fund governance can be found in the Fund's Governance Compliance Statement available on the Fund's website at **www.cheshirepensionfund.org**.

Key Management Personnel

The key management personnel of the Fund are the Chief Operating Officer, Director of Finance and Head of Pension Fund. Short term benefits are lower for 31 March 2025 due to the Head of Pension Fund post being vacant from July 2024. As a result of this position being vacant at 31 March 2025, the long term benefits figure is also lower for 31 March 2025 as it excludes the Head of Pension Fund.

The combined financial value of their relationship with the Fund (in accordance with IAS24 Related Party Disclosures) is set out below:

	31-Mar-25	31-Mar-24
	£000	£000
Short term benefits	71	129
Long term/post-retirement benefits	191	859
Total	**262**	**988**

The long term/post-retirement benefits are calculated on an IAS19 basis and will be affected by the assumptions used for the calculation which can vary from year to year.

Note 27 – Contingent Liabilities and Contractual Commitments

The Fund has contractual commitments to the value of £939m (2023-24: £956m) in private equity funds.

As at 31 March 2025 the Fund had actually invested £738m (2023-24: £715.3m). As the Pantheon, Lexington and Adams Street Partner funds are denominated in US Dollars and Euros the commitment in Sterling is subject to changes due to currency fluctuations.

The Fund has contractual commitments to the value of £510m in private debt funds. As at 31 March 2025 the unfunded commitment to these Funds was £248m (2023-24: £329m).

The Fund has contractual commitments to the value of £135m in infrastructure funds. As at 31 March 2025 the unfunded commitment to these Funds was £15m (2023-24: £25m).

The Fund also made a £50m commitment to the LGPS Central Residential Indirect Property Partnership Fund. As at 31 March 2025 the unfunded commitment was £42m (2023-24: £50m).

There are 17 admitted bodies in the Cheshire Pension Fund who hold insurance bonds to guard against the possibility of being unable to meet their pension obligations, along with an additional 26 employers with Parent Company Guarantees or Deeds of Guarantee in place. The bonds or guarantees are drawn in favour of the Council as administering authority for the Fund and payment will only be triggered in the event of employer default.

Note 28 – Impairment of Financial Assets

During 2024-25 the Fund has recognised expected credit losses of £2.2m (2023-24: £2.3m) for possible and actual non-recovery of rental income on its investment properties.

Note 29 – Investment Strategy Statement

The Investment Strategy Statement (ISS) sets out the current investment strategy of the Fund, provides transparency in relation to how the Fund's investments are managed, acts as a high level risk register, and has been designed to be informative for all stakeholders. The ISS also includes the Fund's Responsible Investment Policy which sets out the Fund's approach to the governance and stewardship of its investment assets.

A full copy of the ISS can be obtained is available on the Fund's website at: **www.cheshirepensionfund.org**

Note 30 – Funding Strategy Statement

Under the LGPS Regulations 2013 (as amended) administering authorities are required to prepare a Funding Strategy Statement (FSS).

Fund members' accrued benefits are guaranteed by statute. Members' contributions are fixed in the Regulations at a level which covers only part of the cost of accruing benefits. Employers pay the balance of the cost of delivering the benefits to members (net of returns from the Fund's investments). The FSS focuses on the pace at which these liabilities are funded and, insofar as is practical, the measures to ensure that employers pay for their own liabilities.

The Funding Strategy Statement is available on the Fund's website at: **www.cheshirepensionfund.org**

Pension Fund Accounts Reporting Requirement Appendix

Introduction

CIPFA's Code of Practice on Local Authority Accounting 2024/25 requires Administering Authorities of LGPS funds that prepare pension fund accounts to disclose what IAS26 refers to as the actuarial present value of promised retirement benefits. I have been instructed by the Administering Authority to provide the necessary information for the Cheshire Pension Fund ("the Fund").

The actuarial present value of promised retirement benefits is to be calculated similarly to the Defined Benefit Obligation under IAS19. There are three options for its disclosure in the pension fund accounts:

- showing the figure in the Net Assets Statement, in which case it requires the statement to disclose the resulting surplus or deficit;
- as a note to the accounts; or
- by reference to this information in an accompanying actuarial report.

If an actuarial valuation has not been prepared at the date of the financial statements, IAS26 requires the most recent valuation to be used as a base and the date of the valuation disclosed. The valuation should be carried out using assumptions in line with IAS19 and not the Fund's funding assumptions.

Present value of promised retirement benefits

Year ended	31 March 2025	31 March 2024
Active members (£m)	1,907	2,139
Deferred members (£m)	900	1,082
Pensioners (£m)	2,216	2,537
Total (£m)	**5,023**	**5,758**

The promised retirement benefits at 31 March 2025 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2022. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, I am satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

The figures include both vested and non-vested benefits, although the latter is assumed to have a negligible value. Further, I have not made any allowance for unfunded benefits.

It should be noted the above figures are appropriate for the Administering Authority only for preparation of the pension fund accounts. They should not be used for any other purpose (i.e. comparing against liability measures on a funding basis or a cessation basis).

Assumptions

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2025 and 31 March 2024. I estimate that the impact of the change in financial assumptions to 31 March 2025 is to decrease the actuarial present value by £893m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £12m.

Financial assumptions

Year ended	31 March 2025	31 March 2024
	% p.a.	% p.a.
Pension Increase Rate (CPI)	2.75%	2.75%
Salary Increase Rate	3.45%	3.45%
Discount Rate	5.80%	4.85%

Demographic assumptions

The longevity assumptions have changed since the previous IAS26 disclosure for the Fund.

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	20.9 years	23.9 years
Future pensioners (assumed to be aged 45 at the latest valuation date)	21.5 years	25.2 years

All other demographic assumptions are unchanged from last year and are as per the latest funding valuation of the Fund.

Sensitivity Analysis

CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the obligations are set out below:

Change in assumption at 31 March 2025	Approximate % increase to promised retirement benefits	Approximate monetary amount (£m)
0.1% p.a. decrease in the Discount Rate	2%	86
1 year increase in member life expectancy	4%	201
0.1% p.a. increase in the Salary Increase Rate	0%	4
0.1% p.a. increase in the Rate of CPI Inflation	2%	82

Professional notes

This paper accompanies the 'Accounting Covering Report – 31 March 2025' which identifies the appropriate reliances and limitations for the use of the figures in this paper, together with further details regarding the professional requirements and assumptions.

Prepared by:-

Jamie Baxter FFA C.Act
6 May 2025
For and on behalf of Hymans Robertson LLP

Cheshire Pension Fund (the Fund) Actuarial Statement for 2024/25

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS), dated March 2024. In summary, the key funding principles are as follows:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants
- use a balanced investment strategy to meet the regulatory requirement for long-term cost efficiency (where efficiency in this context means to minimise cash contributions from employers in the long term)
- where appropriate, ensure stable employer contribution rates
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 20 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least a 70% likelihood that the Fund will achieve the funding target over 20 years.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund's assets, which at 31 March 2022 were valued at £6,968 million, were sufficient to meet 113% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £822 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure as per the FSS. Individual employers' contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2022 valuation report and FSS.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

Financial assumptions	31 March 2022
Discount rate	3.7% pa
Salary increase assumption	3.4% pa
Benefit increase assumption (CPI)	2.7% pa

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current pensioners	21.3 years	24.0 years
Future Pensioners*	22.2 years	25.5 years

*Aged 45 at the 2022 Valuation.

Copies of the 2022 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund and on the Fund's website.

Experience over the period since 31 March 2022

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. Asset performance improved in 2024 and early 2025; however the recent increase in US tariffs on imports has caused significant market volatility. The peak of this market volatility was experienced immediately after 31 March 2025, however, generally lower than expected asset returns were experienced in the month immediately prior to this.

High levels of inflation in the UK (compared to recent experience) have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, inflation has reduced towards historical levels and the Bank of England's target (2% pa), with LGPS benefits increasing by 1.7% in April 2025.

There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025, and will be finalised by 31 March 2026. The FSS will also be reviewed at that time, and a revised version will come into effect from 1 April 2026.

Jamie Baxter FFA C.Act
9 May 2025
For and on behalf of Hymans Robertson LLP

Employers that have contributed into The Cheshire Pension Fund and their applicable Investment Strategy for the financial year ending 31 March 2025.

*Employers who joined the fund during 2024-25

Employer Name	Strategy	Employers	Employees	Total
Scheme Employer		**£**	**£**	**£**
Acorns Primary School and Nursery	ACADS	-155,520.94	-40,354.01	-195,874.95
Acresfield Primary School	ACADS	-72,104.10	-20,506.58	-92,610.68
Acton CE Primary Academy	ACADS	-45,870.67	-14,478.26	-60,348.93
Adelaide Heath Academy	ACADS	-112,798.58	-32,037.27	-144,835.85
Adelaide Primary School	ACADS	-139,104.75	-43,960.36	-183,065.11
Adlington Primary Academy	ACADS	-22,753.81	-7,425.40	-30,179.21
Alderley Edge Parish Council	OPEN	-16,291.16	-4,621.33	-20,912.49
Alderman Bolton Community Primary School	ACADS	-77,026.81	-22,094.57	-99,121.38
All Hallows Catholic College	ACADS	-235,359.67	-85,266.91	-320,626.58
Alsager Highfield Community Primary School	ACADS	-67,444.46	-18,958.11	-86,402.57
Alsager School	ACADS	-396,636.45	-123,440.77	-520,077.22
Alsager Town Council	OPEN	-69,709.07	-19,523.84	-89,232.91
Appleton Parish Council	OPEN	-20,303.66	-5,667.00	-25,970.66
Appleton Thorn Primary School	ACADS	-60,149.44	-19,544.22	-79,693.66
Ash Grove Academy	ACADS	-162,779.80	-52,195.36	-214,975.16
Astbury St Mary's CoE Primary School	ACADS	-34,949.37	-9,440.38	-44,389.75
Audlem St James CE Primary School	ACADS	-23,079.82	-10,517.68	-33,597.50
Axis Academy	ACADS	-71,341.01	-24,795.07	-96,136.08
Barnton Parish Council	OPEN	-13,100.99	-3,585.34	-16,686.33
Barnton Primary School	ACADS	-193,830.57	-59,725.46	-253,556.03
Beamont Primary School	ACADS	-94,099.35	-26,922.31	-121,021.66
Beaumont Collegiate Academy	ACADS	-258,884.63	-81,464.81	-340,349.44

Employer Name	Strategy	Employers	Employees	Total
Scheme Employer		**£**	**£**	**£**
Belgrave Academy	ACADS	-51,861.69	-15,389.01	-67,250.70
Bexton Primary School	ACADS	-168,117.06	-40,500.54	-208,617.60
Birchwood High School	ACADS	-251,196.99	-76,111.66	-327,308.65
Birchwood Town Council	OPEN	-45,729.32	-13,759.76	-59,489.08
Bishops Blue Coat CofE High School	ACADS	-320,620.46	-94,178.45	-414,798.91
Black Firs Primary School	ACADS	-119,524.13	-30,640.36	-150,164.49
Blessed Carlo Acutis Catholic & CofE Academy	ACADS	-105,499.91	-27,960.83	-133,460.74
Bollington Town Council	OPEN	-15,532.78	-4,602.70	-20,135.48
Bosley St Marys CE Primary School	ACADS	-24,507.01	-6,230.34	-30,737.35
Boughton Heath Academy	ACADS	-54,506.18	-13,714.95	-68,221.13
Bradshaw Community Primary School*	ACADS	-65,373.00	-18,111.53	-83,484.53
Brereton CoE Primary School	ACADS	-60,522.95	-16,644.05	-77,167.00
Brereton Parish Council	OPEN	-2,090.30	-534.74	-2,625.04
Bridgewater High School	ACADS	-461,115.14	-120,534.15	-581,649.29
Bridgewater Park Primary School	ACADS	-31,409.13	-9,587.60	-40,996.73
Brine Leas High School	ACADS	-346,113.16	-99,035.95	-445,149.11
Brio Leisure (CWaC CIC)	OPEN	-1,182,629.56	-348,696.75	-1,531,326.31
Broken Cross Primary Academy	ACADS	-109,498.07	-29,023.62	-138,521.69
Brook Acre Community Primary School*	ACADS	-53,156.09	-15,385.06	-68,541.15
Brookfields Community School	ACADS	-199,157.45	-61,289.39	-260,446.84
Broomfields Junior School	ACADS	-66,221.52	-17,597.83	-83,819.35
Bruche Primary School	ACADS	-66,011.79	-17,435.34	-83,447.13
Bunbury Aldersey CofE Primary School	ACADS	-60,003.62	-16,264.25	-76,267.87
Burtonwood Community Primary School	ACADS	-42,920.53	-11,115.73	-54,036.26

Employer Name	Strategy	Employers	Employees	Total
Scheme Employer		**£**	**£**	**£**
Calveley Primary Academy	ACADS	-31,122.75	-9,098.70	-40,221.45
Cavendish High Academy	ACADS	-155,025.33	-45,084.11	-200,109.44
Chapelford Village Primary School	ACADS	-134,082.92	-34,586.80	-168,669.72
Chelford Parish Council	OPEN	-3,373.29	-839.50	-4,212.79
Cheshire Academies Trust	ACADS	-52,369.98	-18,709.04	-71,079.02
Cheshire College South & West	OPEN	-2,336,441.39	-590,869.10	-2,927,310.49
Cheshire East Council	OPEN	-32,710,504.32	-8,179,981.90	-40,890,486.22
Cheshire Fire Authority	OPEN	-1,260,773.45	-412,005.04	-1,672,778.49
Cheshire West & Chester Council	OPEN	-32,229,914.30	-10,131,504.36	-42,361,418.66
Childer Thornton Primary School	ACADS	-79,871.48	-22,688.39	-102,559.87
Christ The King Primary School	ACADS	-47,784.31	-10,291.84	-58,076.15
Christleton High School	ACADS	-320,577.83	-100,028.92	-420,606.75
Cledford Primary School*	ACADS	-25,205.27	-5,670.80	-30,876.07
Cloughwood Academy	ACADS	-183,759.11	-61,370.53	-245,129.64
CLTA	ACADS	-7,056.89	-2,108.97	-9,165.86
Clutton CoE Primary School	ACADS	-35,488.58	-9,874.45	-45,363.03
Comberbach Primary School	ACADS	-45,214.06	-13,564.83	-58,778.89
Congleton High School	ACADS	-459,035.97	-129,226.25	-588,262.22
Congleton Town Council	OPEN	-164,819.23	-51,949.18	-216,768.41
Cornerstone Academy	ACADS	-20,352.10	-6,163.83	-26,515.93
County High School Leftwich	ACADS	-204,794.80	-61,209.29	-266,004.09
Cranberry Academy	ACADS	-82,502.89	-24,125.33	-106,628.22
Crewe Engineering UTC	ACADS	-75,696.81	-21,842.38	-97,539.19
Crewe Town Council	OPEN	-64,719.62	-21,028.59	-85,748.21

Employer Name	Strategy	Employers	Employees	Total
Scheme Employer		**£**	**£**	**£**
Croft Primary School	ACADS	-103,810.26	-29,185.04	-132,995.30
Cuddington Parish Council	OPEN	-9,715.71	-2,865.20	-12,580.91
Cuddington Primary School	ACADS	-95,526.25	-22,260.61	-117,786.86
Culcheth Community Primary School*	ACADS	-28,535.28	-7,884.99	-36,420.27
Dallam Community Primary School*	ACADS	-90,111.89	-26,620.31	-116,732.20
Daresbury Primary School	ACADS	-30,303.67	-8,717.96	-39,021.63
Daven Primary School	ACADS	-69,044.28	-18,750.72	-87,795.00
Delamere and Oakmere Parish Council	OPEN	-1,966.72	-503.18	-2,469.90
Delamere Primary School	ACADS	-37,515.68	-10,048.27	-47,563.95
Disley Parish Council	OPEN	-20,653.93	-5,498.96	-26,152.89
Disley Primary School	ACADS	-68,237.86	-16,098.85	-84,336.71
Ditton Primary School	ACADS	-126,138.55	-35,539.93	-161,678.48
Dodleston CofE Primary School*	ACADS	-26,536.54	-7,142.73	-33,679.27
Eaton Bank High School	ACADS	-274,990.71	-82,715.39	-357,706.10
Eaton Primary School	ACADS	-40,299.15	-10,071.24	-50,370.39
Egerton Primary School	ACADS	-63,748.95	-16,352.20	80,101.15
Ellesmere Port Catholic High School	ACADS	-228,748.89	-81,693.59	-310,442.48
Elworth Hall Primary School	ACADS	-69,417.70	-16,140.72	-85,558.42
Evelyn Street Primary School	ACADS	-168,588.03	-49,338.17	-217,926.20
Excalibur Primary School	ACADS	-75,167.15	-21,065.62	-96,232.77
Frodsham Primary Academy	ACADS	-52,618.59	-13,649.99	-66,268.58
Frodsham Town Council	OPEN	-16,408.30	-4,471.12	-20,879.42
Gainsborough Primary & Nursery School*	ACADS	-29,612.90	-6,739.65	-36,352.55
Gawsworth Primary School	ACADS	-55,870.42	-14,663.26	-70,533.68
Glazebury Primary School	ACADS	-35,374.34	-10,154.74	-45,529.08

Employer Name	Strategy	Employers	Employees	Total
Scheme Employer		**£**	**£**	**£**
Gorse Covert Primary School	ACADS	-64,283.75	-17,883.82	-82,167.57
Gorseybank Primary School	ACADS	-122,338.43	-19,504.81	-141,843.24
Grange Community & Primary School	ACADS	-63,128.10	-18,586.95	-81,715.05
Grappenhall and Thelwell Parish Council	OPEN	-21,416.77	-6,389.78	-27,806.55
Great Sankey High School	ACADS	-636,219.16	-182,803.33	-819,022.49
Great Sankey Primary School	ACADS	-87,336.80	-23,845.00	-111,181.80
Grosvenor Park CoE Academy	ACADS	-38,234.13	-10,241.60	-48,475.73
Hale Parish Council*	OPEN	-3,777.44	-987.20	-4,764.64
Hallwood Park Primary School and Nursery*	ACADS	-21,152.68	-6,063.80	-27,216.48
Halton Borough Council	OPEN	-16,816,787.79	-5,235,238.57	-22,052,026.36
Halton Lodge Primary School	ACADS	-56,306.74	-21,703.73	-78,010.47
Handforth Grange Community Primary School	ACADS	-96,303.97	-25,218.91	-121,522.88
Handforth Parish Council	OPEN	-7,902.39	-2,199.90	-10,102.29
Hartford Parish Council	OPEN	-8,504.78	-2,596.47	-11,618.50
Hartford Primary School	ACADS	-76,310.28	-29,347.53	-105,657.81
Haslington Primary School	ACADS	-98,242.67	-24,684.53	-122,927.20
Highfields Community Primary School	ACADS	-75,864.95	-17,049.94	-92,914.89
Hollinhey School	ACADS	-69,179.31	-19,074.57	-88,253.88
Hollins Green St Helens CoE Primary School	ACADS	-36,065.01	-9,972.91	-46,037.92
Holmes Chapel Comprehensive School	ACADS	-354,424.50	-108,807.64	-463,232.14
Holmes Chapel Parish Council	OPEN	-11,674.04	-3,373.61	-15,047.65
Holmes Chapel Primary School	ACADS	-122,412.33	-54,477.92	-176,890.25
Hungerford Primary School	ACADS	-106,858.44	-31,916.62	-138,775.06
Huxley Church of England Primary School	ACADS	-16,631.99	-4,440.55	-21,072.54
Ivy Bank Primary School	ACADS	-134,192.00	-38,640.64	-172,832.64

Employer Name	Strategy	Employers	Employees	Total
Scheme Employer		**£**	**£**	**£**
Kelsall Primary School	ACADS	-51,639.94	-15,989.10	-67,629.04
Kings Leadership Academy	ACADS	-212,141.60	-70,437.37	-282,578.97
Kingsley Parish Council*	OPEN	-4,198.18	-1,132.53	-5,330.71
Kingsmead Parish Council	OPEN	-6,678.27	-2,019.05	-8,697.32
Knutsford Academy	ACADS	-290,259.63	-78,946.51	-369,206.14
Knutsford Town Council	OPEN	-63,662.37	-18,804.57	-82,466.94
Lacey Green Primary Academy	ACADS	-86,011.03	-25,578.78	-111,589.81
Lacey Primary School*	ACADS	-19,818.70	-5,826.86	-25,645.56
Leftwich Primary School	ACADS	-50,917.31	-15,057.56	-65,974.87
Leighton Academy	ACADS	-155,277.54	-42,981.67	-198,259.21
Little Bollington Primary School	ACADS	-41,195.40	-10,461.05	-51,656.45
Little Leigh Primary School	ACADS	-34,494.15	-9,339.25	-43,833.40
Little Sutton CoE Primary School	ACADS	-40,000.89	-10,548.57	-50,549.46
Locking Stumps Community Primary School*	ACADS	-64,427.44	-18,061.48	-82,488.92
Lostock Hall Primary School	ACADS	-60,000.02	-15,214.98	-75,215.00
Lower Park School*	ACADS	-17,119.06	-4,429.86	-21,548.92
Lymm High School	ACADS	-539,393.89	-168,236.70	-707,630.59
Lymm Parish Council	OPEN	-22,257.81	-6,565.83	-28,823.64
Macclesfield Academy	ACADS	-225,134.10	-47,887.46	-273,021.56
Macclesfield College	OPEN	-794,127.24	-210,232.57	-1,004,359.81
Macclesfield Town Council	OPEN	-43,169.76	-14,175.23	-57,344.99
Manor Park Primary School	ACADS	-74,882.69	-22,211.02	-97,093.71
Marlborough Primary School	ACADS	-129,265.92	-33,618.50	-162,884.42
Marlfields Primary Academy	ACADS	-73,176.59	-19,938.89	-93,115.48
Meadowside Community Primary School	ACADS	-119,434.78	-34,294.91	-153,729.69

Employer Name	Strategy	Employers	Employees	Total
Scheme Employer		**£**	**£**	**£**
Meadow Primary School*	ACADS	-28,996.33	-8,455.16	-37,451.49
Mersey Gateway Crossing Board	OPEN	-69,404.15	-18,463.95	-87,868.10
Middlewich High School	ACADS	-273,652.37	-62,072.95	-335,725.32
Middlewich Town Council	OPEN	-21,460.28	-5,763.39	-27,223.67
Mill View Primary School	ACADS	-62,777.27	-17,518.20	-80,295.47
Millfields Primary School and Nursery	ACADS	-59,485.17	-21,728.03	-81,213.20
Monks Coppenhall Academy	ACADS	-275,319.76	-69,830.49	-345,150.25
Mossley CE Primary School	ACADS	-145,394.13	-37,593.38	-182,987.51
Mottram St Andrew Primary Academy	ACADS	-46,592.84	-14,535.84	-61,128.68
Nantwich Primary Academy	ACADS	-64,325.90	-19,024.14	-83,350.04
Nantwich Town Council	OPEN	-128,403.41	-39,640.04	-168,043.45
Neston High School	ACADS	-432,510.35	-122,826.36	-555,336.71
Neston Town Council	OPEN	-31,759.17	-9,766.51	-41,525.68
Nether Alderley Primary School	ACADS	-28,960.15	-7,421.96	-36,382.11
New Horizons School	ACADS	-91,527.59	-26,485.27	-118,012.86
Norley CE Primary School*	ACADS	-27,944.72	-7,651.21	-35,595.93
North West Academies	ACADS	-47,666.81	-14,234.27	-61,901.08
Northwich Town Council	OPEN	-104,294.34	-27,086.84	-131,381.18
NW Fire Control Limited	OPEN	-592,172.88	-186,237.62	-778,410.50
Oak View Primary Academy	ACADS	-80,595.96	-21,124.49	-101,720.45
Oakfield Lodge Primary School	ACADS	-97,638.79	-22,933.73	-120,572.52
Oakwood Avenue Primary School	ACADS	-291,587.63	-87,664.52	-379,252.15
Odd Rode Parish Council	OPEN	-8,655.08	-2,698.24	-11,353.32
Offley Primary Academy	ACADS	-123,964.12	-36,839.26	-160,803.38

Employer Name	Strategy	Employers	Employees	Total
Scheme Employer		**£**	**£**	**£**
Oldfield Primary School*	ACADS	-14,028.22	-4,043.82	-18,072.04
Ormiston Bolingbroke Academy	ACADS	-259,509.19	-85,840.03	-345,349.22
Ormiston Chadwick Academy	ACADS	-251,920.20	-74,479.74	-326,399.94
Oughtrington Primary School	ACADS	-152,866.07	-37,841.77	-190,707.84
Our Lady's Catholic Primary School*	ACADS	-40,669.36	-11,340.29	-52,009.65
Over Hall Community School	ACADS	-84,724.73	-25,347.95	-110,072.68
Padgate Academy	ACADS	-211,671.20	-66,124.45	-277,795.65
Palacefields Academy	ACADS	-53,627.99	-15,087.65	-68,715.64
Park Road Primary School	ACADS	-62,447.78	-16,246.50	-78,694.28
Parklands Community Primary School	ACADS	-86,311.64	-24,379.14	-110,690.78
Parkroyal Community School	ACADS	-136,369.05	-39,294.48	-175,663.53
Pear Tree Primary School	ACADS	-83,464.19	-20,770.42	-104,234.61
Penketh High School	ACADS	-266,012.09	-71,374.00	-337,386.09
Penketh Primary School	ACADS	-54,126.89	-14,123.49	-68,250.38
Penketh South Primary School	ACADS	-82,540.11	-23,785.43	-106,325.54
Peover Superior Primary School	ACADS	-26,041.15	-7,243.87	-33,285.02
Pickmere Parish Council	OPEN	-323.71	-82.05	-405.76
Pikemere Primary School	ACADS	-85,953.28	-23,513.28	-109,466.56
Police & Crime Commissioner	OPEN	-12,558,182.02	-3,722,171.53	-16,280,353.55
Poulton with Fearnhead Parish Council	OPEN	-13,511.52	-3,546.00	-17,057.52
Poynton High School	ACADS	-337,100.17	-99,124.51	-436,224.68
Poynton with Worth Parish Council	OPEN	-71,175.22	-21,240.86	-92,416.08
Priestley 6th Form College	ACADS	-453,678.99	-137,425.33	-591,104.32
Puss Bank Primary School	ACADS	-135,651.83	-46,211.92	-181,863.75

Employer Name	Strategy	Employers	Employees	Total
Scheme Employer		**£**	**£**	**£**
Queens Park High School	ACADS	-232,385.44	-71,068.21	-303,453.65
Ravensbank Primary School	ACADS	-97,093.75	-24,330.07	-121,423.82
Reaseheath College	OPEN	-2,309,411.70	-601,645.73	-2,911,057.43
Riverside College	OPEN	-1,372,768.79	-345,867.08	-1,718,635.87
Rudheath Primary School	ACADS	-123,419.94	-38,000.23	-161,420.17
Rudheath Senior Academy	ACADS	-197,243.88	-43,864.05	-241,107.93
Sandbach High School & 6th Form	ACADS	-277,177.57	-87,591.34	-364,768.91
Sandbach Primary Academy School	ACADS	-56,032.94	-16,006.17	£72,039.11
Sandbach School	ACADS	-369,819.44	-122,176.77	-491,996.21
Sandbach Town Council	OPEN	-253,142.02	-17,424.28	-270,566.30
Sandiway Primary School	ACADS	-81,624.99	-20,426.41	-102,051.40
Sandymoor School	ACADS	-182,431.61	-53,813.29	-236,244.90
Sandymoor Parish Council	OPEN	-3,967.18	-1,014.95	-4,982.13
Shavingham cum-Gresty Parish Council	OPEN	-12,192.88	-3,546.75	-15,739.63
Shavington Academy	ACADS	-345,732.99	-58,701.80	-404,434.79
Shavington Primary School	ACADS	-152,681.41	-46,892.34	-199,573.75
Simms Cross Primary School	ACADS	-133,235.61	-37,932.50	-171,168.11
Sir John Deanes College	ACADS	-414,303.98	-146,557.88	-560,861.86
Sir Thomas Boteler High School	ACADS	-221,690.35	-67,527.76	-289,218.11
Sir William Stanier Community High School	ACADS	246,014.20	-68,115.73	-314,129.93
Smallwood CofE Primary Academy	ACADS	-41,810.13	-10,468.01	-52,278.14
St Albans Catholic Primary School	ACADS	-91,802.16	-20,505.54	-112,307.70

Employer Name	Strategy	Employers	Employees	Total
Scheme Employer		**£**	**£**	**£**
St Augustines Catholic Primary School	ACADS	-55,314.72	-15,432.44	-70,747.16
St Bernards RC Primary School	ACADS	-85,034.73	-22,519.69	-107,554.42
St John's CofE Academy, Sandbach*	ACADS	-18,666.10	-4,257.11	-22,923.21
St Joseph's Catholic Primary School	ACADS	-102,593.28	-39,461.60	-142,054.88
St Martins Academy	ACADS	-30,883.93	-9,787.0	-40,670.96
St Marys Catholic Primary School	ACADS	-62,425.05	-16,950.90	-79,375.95
St Mary's Church of England Primary School, Halton*	ACADS	-50,519.05	-14,182.95	-64,702.00
St Michael with St Thomas Primary School	ACADS	-65,907.82	-15,561.65	-81,469.47
St Michaels Community Academy	ACADS	-133,416.46	-40,588.48	-174,004.94
St Oswalds CofE Aided Primary School	ACADS	-32,171.67	-8,830.91	-41,002.58
St Oswalds Worleston Primary School	ACADS	-47,664.21	-12,686.00	-60,350.21
St Pauls Catholic Primary School	ACADS	-41,782.89	-10,488.12	-52,271.01
St Thomas More Catholic High School	ACADS	-115,040.14	-36,238.99	-151,279.13
Stapeley Broad Lane Primary School	ACADS	-71,597.64	-20,038.14	-91,635.78
Statham Primary School	ACADS	-70,397.83	-17,569.29	-87,967.12
Stockton Heath Parish Council	OPEN	-9,887.11	-2,532.74	-12,419.85
Stretton - St Matthews CofE Primary School*	ACADS	-49,476.53	-13,760.43	-63,236.96
Tarporley High School & 6th Form College	ACADS	-248,929.18	-69,524.12	-318,453.30
Tarvin Primary School	ACADS	-55,043.24	-15,802.49	-70,845.73
The Berkeley Academy	ACADS	-115,109.85	-36,231.46	-151,341.31
The Catholic High School - Chester	ACADS	-224,434.66	-69,180.62	-293,615.28
The Ellesmere Port C of E College	ACADS	-181,176.58	-61,558.51	-242,735.09
The Fallibroome Academy	ACADS	-548,483.15	-156,223.04	-704,706.19

Employer Name	Strategy	Employers	Employees	Total
Scheme Employer		**£**	**£**	**£**
The Fermain Academy	ACADS	-119,454.69	-46,851.41	-166,306.10
The Grange School	ACADS	-337,137.95	-101,604.03	-438,741.98
The Great Schools Trust*	ACADS	-124,628.32	-45,836.54	-170,464.86
The Heath Academy	ACADS	-383,517.74	-128,029.29	-511,547.03
The Hermitage Trust	ACADS	-60,318.61	-14,823.85	-75,142.46
The Oaks Academy	ACADS	-193,017.17	-50,678.14	-243,695.31
The Quinta Primary School	ACADS	-209,117.03	-55,969.72	-265,086.75
The Raise Academy*	ACADS	-31,565.14	-9,745.40	-41,310.54
The Russett School	ACADS	-208,621.41	-54,326.85	-262,948.26
Thelwell Primary School	ACADS	-62,282.68	-14,976.45	-77,259.13
Tytherington High School	ACADS	-400,172.94	-100,991.54	-501,164.48
Underwood West Academy	ACADS	-182,595.77	-42,053.55	-224,649.32
University Technical College (UTC) Warrington	ACADS	-85,541.63	-29,030.67	-114,572.30
Upton Heath CoE Primary School	ACADS	-126,105.10	-35,836.77	-161,941.87
Upton Priory Primary School	ACADS	-131,676.29	-34,395.23	-166,071.52
Utkinton St Pauls CofE Primary School	ACADS	-2,415.92	-644.99	-3,060.91
Victoria Road Primary School	ACADS	-39,388.40	-12,409.51	-51,797.91
Wade Deacon High School	ACADS	-512,335.24	-176,543.32	-688,878.56
Warmingham CofE Primary School	ACADS	-22,911.12	-5,492.13	-28,403.25
Warrington & Vale Royal College	OPEN	-1,114,663.91	-297,901.51	-1,412,565.42
Warrington Borough Council	OPEN	-23,118,986.52	-6,851,350.90	-29,970,337.42
Warrington Transport	OPEN	-19,655.99	-6,075.45	-25,731.44
Weaverham High School	ACADS	-201,287.24	-72,464.89	-273,752.13
Weaverham Primary Academy	ACADS	-36,437.38	-10,662.98	-47,100.36

Employer Name	Strategy	Employers	Employees	Total
Scheme Employer		**£**	**£**	**£**
Westbrook Old Hall Primary School	ACADS	-78,960.28	-20,255.75	-99,216.03
Westminster Community Primary School	ACADS	-42,918.33	-12,671.49	-55,589.82
Weston Point Primary Academy	ACADS	-48,834.23	-13,858.57	-62,692.80
Weston Village Primary School	ACADS	-67,550.50	-18,603.69	-86,154.19
Wheelock Primary School	ACADS	-99,694.44	-26,792.03	-126,486.47
Whirley Primary School	ACADS	-69,348.10	-18,213.85	-87,561.95
Whitley Village Primary School	ACADS	-24,222.61	-6,170.71	-30,393.32
Widnes Academy	ACADS	-49,954.76	-14,936.78	-64,891.54
Willaston Primary Academy	ACADS	-80,497.61	-24,273.87	-104,771.48
William Stockton Community Primary School	ACADS	-70,132.90	-25,070.18	-95,203.08
Willow Wood Community Nursery and Primary School*	ACADS	-123,956.60	-35,013.64	-158,970.24
Wilmslow Academy	ACADS	-124,643.28	-29,800.51	-154,443.79
Wilmslow Town Council	OPEN	-22,408.61	-7,624.34	-30,032.95
Wimboldsley Community Primary School	ACADS	-46,355.69	-12,949.32	-59,305.01
Winsford Academy	ACADS	-388,421.15	-107,125.39	-495,546.54
Winsford Town Council	OPEN	-61,307.54	-17,778.59	-79,086.13
Winwick Parish Council	OPEN	-30,475.78	-7,991.56	-38,467.34
Wistaston Academy	ACADS	-169,229.30	-54,399.96	-223,629.26
Wistaston Church Lane Academy	ACADS	-106,985.18	-30,177.83	-137,163.01
Wolverham Primary and Nursery School	ACADS	-148,007.11	-42,619.60	-190,626.71
Woodfall Primary and Nursery School*	ACADS	-113,665.21	-34,524.14	-148,189.35
Woolston Community Primary School	ACADS	-76,537.06	-21,541.27	-98,078.33
Worth Primary School	ACADS	-48,559.41	-12,452.70	-61,012.11
Wybunbury Delves Primary School	ACADS	-176,223.37	-76,024.59	-252,247.96

Employer Name	Strategy	Employers	Employees	Total
Scheme Employer		**£**	**£**	**£**
Wybunbury Parish Council	OPEN	-2,014.25	-515.28	-2,529.53
Scheme Employer Total		**-159,444,307.46**	**-46,091,103.55**	**-205,535,411.01**
Admitted Bodies		**£**	**£**	**£**
A.B.M Catering Limited	OPEN	-2,395.36	-590.78	-2,986.14
ABM Catering Ltd - Sandbach High School & Sixth Form College	OPEN	-6,940.38	-1,853.03	-8,793.41
Active Cheshire	OPEN	-10,044.30	-2,709.04	-12,753.34
Adoption Matters	OPEN	-647,328.06	-181,153.70	-828,481.76
ANSA Enviromental Services	OPEN	-2,780,512.29	-921,530.51	--3,702,042.80
Aramark - Cornovi Trust (Pear Tree)	OPEN	-3,508.06	-744.96	-4,253.02
Aramark - Cornovii Trust	OPEN	-24,205.16	-5,150.67	-29,355.83
Aramark - Macclesfield	OPEN	-1,583.19	-439.36	-2,022.55
Aramark - Ruskin High School	OPEN	-2,159.26	-494.83	-2,654.09
Aramark - The Learning Alliance	OPEN	-28,698.28	-7,046.02	-35,744.30
Aspens - Bickerton	OPEN	-947.43	217.13	-1,164.56
Aspens - Brierley*	OPEN	-1,913.62	-438.53	-2,352.15
Aspens - Hermitage*	OPEN	-1,516.91	-347.62	-1,864.53
Aspens – High Legh*	OPEN	-782.82	-179.39	-962.21
Aspens - Our Lady Help Of Christians Catholic MAT*	OPEN	-305.48	-67.75	-373.23
Aspens - Weaver*	OPEN	-1,793.37	-410.99	-2,204.36
Avenue Services (NW) Ltd	OPEN	-9,121.68	-2,625.84	-11,747.52
Belong Limited	CLOSED	-528,524.76	-602.22	-529,126.98
Bouygues E & S Solutions Limited	OPEN	-9,933.12	-3,311.04	-13,244.16

Employer Name	Strategy	Employers	Employees	Total
Admitted Bodies		**£**	**£**	**£**
Brandalls Facilities Management - Christ Church*	OPEN	-1,138.95	-261.01	-1,399.96
Buddies Out of School Care Ltd - JH Godwin*	OPEN	-241.40	-55.30	-296.70
Bulloughs - Cheshire College South & West	OPEN	-29,094.29	-6,541.25	-35,635.54
Bulloughs - Lymm	OPEN		-990.12	-990.12
Bulloughs - Tarporley High School	OPEN	-4,798.73	-1,227.56	-6,026.29
Bulloughs Collegiate	OPEN		-368.04	-368.04
Care Quality Commission	CLOSED	-281,485.52	-3,214.36	-284,699.88
Catalyst Choices	OPEN		-96,095.00	-96,095.00
Caterlink – Saints Peter and Paul High School*	OPEN	-22,334.63	-5,405.59	-27,740.22
Caterlink - Sir John Brunner Foundation	OPEN	-4,156.06	-1,050.68	-5,206.74
Caterlink (Ruskin)	OPEN	-1,813.32	-285.76	-2,099.08
Cheshire West Recycle Ltd	OPEN	-127,245.09	-41,143.16	-168,388.25
Churchill Services Ltd	OPEN		-635.60	-635.60
Citizens Advice	OPEN	-7,179.19	-2,299.12	-9,478.31
Clean Tec - Hartford High School	OPEN	-11,191.24	-3,017.24	-14,208.48
COLA's	OPEN	-48,502.61	-16,453.56	-64,956.17
Compass - St Barts MAT	OPEN	-3,730.91	-975.08	-4,705.99
Compass - True Learning Partnership	OPEN	-6,666.43	-1,728.89	-8,395.32
Culture Warrington	OPEN	-70.45	-72,717.55	-72,788.00
CWP NHS Trust	OPEN	-77,854.71	-24,303.71	-102,158.42
Dalkia Operations Limited	OPEN	-448.53	0.00	-448.53
Deafness Support Network	CLOSED	-50,859.60	-2,654.60	-53,514.20
Dolce - Ashdene*	OPEN	-6,273.43	-1,307.47	-7,580.90
Dolce - Meadow	OPEN	-8,968.73	-2,055.32	-11,024.05

Employer Name	Strategy	Employers	Employees	Total
Admitted Bodies		£	£	£
Dolce - Woodside	OPEN	-2,191.61	-500.16	-2,691.77
Edsential	OPEN	-1,484,248.18	-426,347.54	-1,910,595.72
Edsential - Brookvale*	OPEN	-1,211.59	-276.51	-1,488.10
Edsential - Castle View*	OPEN	-2,161.80	-493.37	-2,655.17
Edsential - Fairfield*	OPEN	-6,488.94	-1,031.57	-7,520.51
Edsential - Lunts Heath*	OPEN	-4,059.22	-917.48	-4,976.70
Edsential - Moorfield*	OPEN	-3,794.19	-865.91	-4,660.10
Edsential - St Clements*	OPEN	-2,533.39	-578.16	-3,111.55
Edsential - St Martins*	OPEN	-840.66	-188.37	-1,029.03
Edsential - St Michaels*	OPEN	-1,698.68	-194.80	-1,893.48
Everybody Sport + Recreation	OPEN	-617,688.93	-185,081.98	-802,770.91
ForHousing	OPEN	-576.82	-61,203.17	-61,779.99
Halton Housing Trust	OPEN	-1,601,835.78	-381,457.24	-1,983,293.02
Hutchison Catering	OPEN	-5,605.67	-1,434.03	-7,039.70
Innovate Services Limited - Holy Family Catholic Multi Academy Trust	OPEN	-4,854.46	-1,245.95	-6,100.41
Kings School Chester	CLOSED		-2,009.99	-2,009.99
Market Asset Management	OPEN	-1,328.47	-359.92	-1,688.39
Mellors - Elworth*	OPEN	-8,150.58	-2,208.28	-10,358.86
Mellors - Hurdsfield*	OPEN	-2,996.93	-686.80	-3,683.73
Mellors - Learning for Life	OPEN	-20,174.12	-5,465.89	-25,640.01
Mellors - St Basils	OPEN	-4,564.76	-1,237.20	-5,801.96
Mellors Frank Field Trust	OPEN		-1,975.55	-1,975.55

Employer Name	Strategy	Employers	Employees	Total
Admitted Bodies		£	£	£
Midshire Catering Services Ltd - Hartford High School	OPEN	-5,179.49	-1,396.44	-6,575.93
Midshire Signature Services - Tarvin & Eaton	OPEN	-8,182.93	-2,275.97	-10,458.90
Miquill Catering Limited - Alderley Edge*	OPEN	-2,554.11	-603.78	-3,157.89
Nationwide Property Clean Ltd - The Bridge*	OPEN	-1,606.31	-396.21	-2,002.52
Norton Priory Museum Trust	OPEN	-61,226.23	-16,626.84	-77,853.07
Orbitas Bereavement Service	OPEN	-170,680.86	-55,714.57	-226,395.43
Orian Solutions Ltd	OPEN	-1,366.95	-349.68	-1,716.63
Orian Solutions Ltd - St Bertelines*	OPEN	-4,462.90	-1,018.50	-5,481.40
Orian Solutions Ltd - All Saints*	OPEN	-3,931.50	-897.24	-4,828.74
Orian Solutions Ltd - Beechwood*	OPEN	-1,572.67	-358.91	-1,931.58
Orian Solutions Ltd - Ditton*	OPEN	-10,382.25	-2,413.39	-12,795.64
Orian Solutions Ltd - Gorsewood*	OPEN	-3,536.75	-787.34	-4,324.09
Orian Solutions Ltd - Hale*	OPEN	-7,888.90	-1,898.87	-9,787.77
Orian Solutions Ltd - Hill View*	OPEN	-11,118.31	-2,610.10	-13,728.41
Orian Solutions Ltd - Holy Spirit*	OPEN	-853.41	-198.24	-1,051.65
Orian Solutions Ltd - Kingsway*	OPEN	-8,478.93	-1,982.04	-10,460.97
Orian Solutions Ltd - Moore*	OPEN	-706.58	-161.25	-867.83
Orian Solutions Ltd - Murdishaw West*	OPEN	-4,713.15	-1,125.95	-5,839.10
Orian Solutions Ltd – Oakfield*	OPEN	-1,791.35	-408.82	-2,200.17
Orian Solutions Ltd – Our Lady of Perpetual Succor*	OPEN	-9,669.71	-2,206.79	-11,876.50
Orian Solutions Ltd - Pewithall*	OPEN	-8,327.63	-1,952.55	-10,280.18
Orian Solutions Ltd - St Mary's*	OPEN	-3,185.08	-726.91	-3,911.99

Employer Name	Strategy	Employers	Employees	Total
Admitted Bodies		**£**	**£**	**£**
Orian Solutions Ltd - Victoria Road*	OPEN	-9,054.75	-2,138.93	-11,193.68
Orian Solutions Ltd – Westfield*	OPEN	-1,557.49	-355.44	-1,912.93
QWest Services Ltd	OPEN		-33,533.60	-33,533.60
Ringway Jacobs	OPEN	-109,719.83	-37,977.67	-147,697.50
RM Estates Ltd	OPEN	-12,147.68	-2,644.78	-14,792.46
Sanctuary Housing Association	CLOSED	-387,000.00		-387,000.00
Starcare	OPEN	-29,131.98	-9,054.10	-38,186.08
Tarmac Trading Limited	OPEN	-24,331.97	-7,142.87	-31,474.84
Torus 62	OPEN	-1,447,448.44	-254,548.97	-1,701,997.41
Torus 62 Foundation	OPEN	-93,350.14	-21,232.86	-114,583.00
Trafalgar UK Theatres Crewe Limited	OPEN		-3,749.64	-3,749.64
TuVida	OPEN	-8,627.36	-2,414.65	-11,042.01
University Of Chester	OPEN	-4,888,904.81	-1,273,404.70	-6,162,309.51
Via Community Ltd	OPEN	-6,028.93	-1,920.98	-7,949.91
Warrington Housing Association	OPEN	-206,322.97	-59,355.08	-265,678.05
Weaver Vale Housing Trust	OPEN	-13,239.04	-99,956.94	-113,195.98
West Cheshire Facilities Management	OPEN		-497.07	-497.07
Your Housing Group	OPEN		-4,475.90	-4,475.90
Other Admitted Bodies Total		**-16,101,553.52**	**-4,400,973.82**	**-20,502,527.34**
Exit Payments	NA	158,000.00		158,000.00
Total Contributions 2024-2025		**-175,387,860.98**	**-50,492,077.37**	**-225,879,938.35**

Independent auditor's report

Independent auditor's statement to the members of Cheshire West and Chester Council on the pension fund financial statements of Cheshire Pension Fund included within the Cheshire Pension Fund annual report

Opinion

We have examined the pension fund financial statements of Cheshire Pension Fund (the 'pension fund') for the year ended 31 March 2025 included within the pension fund annual report, which comprise the Fund Account, the Net Assets Statement, and the notes to the financial statements, including the summary of significant accounting policies.

In our opinion, the pension fund financial statements included within the pension fund annual report are consistent, in all material respects, with the audited pension fund financial statements of Cheshire West and Chester Council for the year ended 31 March 2025 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We have not considered the effects of any events between 9 December 2025 being the date we signed our auditor's report on the audited financial statements of Cheshire West and Chester Council, and the date of this statement.

Respective responsibilities of the Chief Operating Officer and the auditor

As explained more fully in the Statement of the Chief Operating Officer's Responsibilities, the Chief Operating Officer is responsible for the preparation of the pension fund's financial statements in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Our responsibility is to state to the members of Cheshire West and Chester Council our opinion on the consistency of the pension fund financial statements within the pension fund annual report with the financial statements of Cheshire West and Chester Council.

We also read the other information contained in the pension fund annual report and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the pension fund financial statements. The other information comprises the information included in the pension fund annual report, other than the pension fund financial statements and our auditor's statement thereon.

We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office. Our report on the financial statements of Cheshire West and Chester Council describes the basis of our opinion on those financial statements.

Use of this auditor's statement

This statement is made solely to the members of Cheshire West and Chester Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our work has been undertaken so that we might state to the members of Cheshire West and Chester Council those matters we are required to state to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cheshire West and Chester Council and the members of Cheshire West and Chester Council. as a body, for our work, for this statement, or for the opinions we have formed.

Georgia Jones
Key Audit Partner for and on behalf of Grant Thornton UK LLP, Local Auditor
Liverpool, 10 December 2025

Cheshire
Pension Fund

Contacts and further information

For more information about the Cheshire Pension Fund, please contact our helpdesk as follows:

Email: **pensions@cheshirewestandchester.gov.uk**

Tel: **01244 976000**

Or use our website: **www.cheshirepensionfund.org**

To promote accessibility for all, this document can be made available in other formats upon request.