



Merseyside Pension Fund

Report & Accounts 2024/25



Contents

Chair's Introduction	3
Overall Fund Management	6
Governance & Training	10
Financial Performance	29
Fund Account, Net Assets Statement & Notes	34
Investments & Funding	65
Administration	81
Actuarial Reports on Fund	94
External Audit Opinion	98
Additional Information	100
– Statement of Responsibilities	101
– Scheme Employers with Active Members as at 31 March 2025	102
– Information Contacts	110

Fund Policies

Please click on the following hyperlinks to access the full versions of the particular fund policy.

[Communications Policy 2025](#)

[Funding Strategy Statement 2023](#)

[Governance Policy 2022](#)

[Investment Strategy Statement 2021](#)

[Pensions Administration Strategy 2024](#)



Chair's Introduction

Chair's Introduction



This Annual Report covers Merseyside Pension Fund's activities for the year ended 31 March 2025. The purpose of the report is to highlight the important matters affecting the Fund over the last twelve months and provide a look to the future.

The Overall Aim of the Fund

The principal aim of the Fund is to provide secure pensions, effectively and efficiently administered at the lowest cost to contributing employers. This requires the Fund to strike a balance between achieving the most from its investments and the need to exercise prudence in considering its future liability profile. The Pensions Committee reviews the Fund's pooling arrangements, investments, administration, strategies and policies at regular intervals, with the help of its various professional advisors and the Local Pension Board, to ensure that they remain appropriate.

Overview

There have been a considerable number of initiatives this year for the Fund to grapple with. In terms of pensions' policy, the previous and present Governments have been active in proposing and consulting on potential changes to defined contribution and defined benefit pension arrangements.

On 30 October 2024, the new Chancellor delivered her first budget. There were limited direct references to pensions and the LGPS, although the full budget report made numerous references to the Pensions Review which had been launched in September 2024 with the intention "to unlock greater investment in UK growth assets". On 14 November 2024, following the Chancellor's speech at Mansion House, the Ministry of Housing, Communities and Local Government (MHCLG) launched its formal consultation, "Fit for the future", which set out MHCLG and His Majesty's Treasury's (HMT) expectations for the Local Government Pension Scheme (LGPS) and LGPS pools.

The consultation set out a number of expectations relating to reforming the operation of the pools, encouraging local investment and improving governance at funds and pools (including implementing some of the recommendations of the Scheme Advisory Board's Good Governance review).

On 2 December 2024, HMT and MHCLG shared a further letter with pools, reiterating that, as part of their 1 March 2025 submissions, pools will need to demonstrate that their proposed approaches will be assessed with respect to benefits of scale, resilience (and capacity to grow), value for money and viability against the March 2026 implementation deadline.

The Northern LGPS submission was made by the deadline and the Government's response, received in early April, confirmed that Government is supportive of NLGPS proceeding as set out. In their written response, MHCLG expressed its appreciation for "the substantial work and thought" which had gone into producing the NLGPS proposal. The letter also notes that NLGPS has "a strong record of local investment of which you are rightly proud, and at the heart of our proposals is a determination to protect and enhance local investment by NLGPS and indeed the entire LGPS".

Work on the McCloud remedy continues, as well as ongoing preparation for the Pensions Dashboard and addressing the Pensions Regulator's Single Code of Practice. Following last year's refresh of investment strategy, the focus has been on its implementation, updating our Responsible Investment policy and preparing the Fund's submission to become a signatory of the Stewardship Code. The Stewardship Code application was made in September and was approved by the Financial Reporting Council in March 2025.

We are mindful of the growing interest of the Fund's stakeholders in sustainability and the responsible stewardship of our assets, and our Stewardship report provides a good deal of information on the various facets of our approach to stewardship. Cyber risk continues to be a priority where we have been enhancing our security protocols with the Administering Authority. Further information on all these matters is provided in the respective sections of the report.

Bulk Purchase Annuity Scheme Buy-in

We were very pleased to complete a £200 million bulk purchase annuity scheme buy-in with Aviva. The transaction was finalised in June 2024 and secures the benefits of c.2,500 MPF members, attributable to Arriva Merseyside Ltd. In selecting a counterparty, we placed a strong emphasis on Environmental, Social, and Governance (ESG) considerations. Aviva was able to demonstrate its commitment, both as a founding signatory to the Sustainability Principles Charter for Bulk Purchase Annuities, and through its track record of taking positive action on climate change and social action, to help communities get ready for the future.

Communication with Fund Employers and Members

It is important that we communicate effectively the issues arising from new legislation and the ever-evolving Scheme. We are encouraging greater use of electronic media to enhance security and efficiency of information exchange. Our annual newsletter for pensioners has been maintained and the Fund's websites continue to be updated regularly.

Investment Pooling and Local Investment

Investment Pooling through the Northern LGPS Investment Pool continues to drive efficiencies and cost savings. MPF has committed around £500m to GLIL, a collaboration of six LGPS funds and the national pension provider, NEST investing directly into infrastructure. GLIL has commitments of around £4bn of which £3bn is invested principally in core UK infrastructure particularly in renewable energy and projects supporting the energy transition. NPEP, facilitates the pooling of private equity by the three Northern partner funds and the opportunity to undertake co-investments. NPEP has commitments of £3.2bn of which £1.8bn is at work.

MPF's focus on local investment continues to provide good financial returns whilst delivering social and environmental benefits to the region. At 31 March 2025, we had extended loans of £95m to local projects, committed £10m to a fund backing locally based small and medium enterprises, and a further £20m to Northern Gritstone, a fund supporting the commercialisation of intellectual property arising from four universities in the north of England, including the University of Liverpool. We are also signatories to the Homelessness Charter; a collaborative arrangement with local businesses to alleviate homelessness on Merseyside.

As ever, the continued success of the Fund depends on the combined efforts of all those concerned with its operation. In conclusion, I should like to thank the Committee, the Board, the Scheme employers and their staff, the financial advisors, the external investment managers and all the Fund's staff for their considerable work in delivering the service to Scheme members.

Preparation of Report

This Annual Report has been produced in accordance with Regulation 57 of the Local Government Pension Scheme Regulations 2013. In preparing and publishing the Pension Fund Annual Report, the Administering Authority must have regard to guidance issued by the Secretary of State.

Brenda E Hall

Councillor Brenda Hall
Chair, Pensions Committee – July 2025

Overall Fund Management



Overall Fund Management

Scheme Management and Advisors

Senior Officers of the Fund

Peter Wallach – Director of Pensions
 Yvonne Murphy – Head of Pensions, Administration
 Donna Smith – Head of Pensions, Finance & Risk
 Adil Manzoor – Head of Pensions, Private Markets

Asset Pool & Asset Pool Operator

Northern LGPS (with GMPF and WYPF)

Investment Managers (External)

Amundi
 Blackrock
 JP Morgan
 Legal & General
 M&G
 Maple-Brown Abbot
 Nomura
 Schroders
 State Street Global Advisors
 TT International

Investment Managers (Internal)

Internal Investment Team

Fund Custodian

Northern Trust

Fund Actuary

Mercer HR Consulting

AVC Providers

Prudential
 Standard Life
 Utmost Life and Pensions

Fund Legal Advisors

Group Solicitor (Wirral Council)

Fund Bankers

Lloyds Banking Group

Director of Finance/Section 151 Officer

Matthew Bennett (Wirral Council)

External Auditor

Grant Thornton

Independent Advisors

Mr R Worrall
 Mr P Watson

Performance Measurement

Northern Trust

Property Valuers

Savills

Property Managers

CBRE Asset Services

Property Advisors

CBRE Capital Advisors

Responsible Investment Advisors

Pensions and Investment Research Consultants Ltd

Strategic Investment Advisor

Redington

Annuity Insurance Buy-in provider

Aviva

Risk Management

Overall responsibility for the Fund resides with Pensions Committee chaired by Councillor Brenda Hall.

In 2024/25, the Committee comprised Councillors from the Wirral Labour group (5), Conservatives (3), Green Party (2), Liberal Democrats (1), representatives of the four other District Authorities (Liverpool, St. Helens, Knowsley and Sefton), non-district representative (1) and employee representatives (non-voting) (1). Also in attendance is the Director of Pensions and other officers of the Fund. Committee meets at least four times annually to review administrative and investment issues affecting the Fund.

The Committee ensures the administration of the Fund accords with the statutory framework within which the LGPS operates. The Fund publishes a Governance Compliance Statement confirming that it complies fully with best practice guidance issued by its regulator, the Ministry of Housing, Communities and Local Government. Committee also ensures that the management of the Fund's assets falls within the requirements of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. These regulations require the Fund to have regard to both diversification and suitability of investments and stipulate the requirement to take proper advice when making investment decisions. The Fund's Funding Strategy Statement (FSS), Investment Strategy Statement (ISS) and Responsible Investment policy provide further information on the Fund's investment philosophy and investment framework. They also detail the principal risks and the steps taken to manage or mitigate them.

The activities of Pensions Committee are supported by three working parties: the Investment Monitoring Working Party (IMWP); the Governance and Risk Working Party (GRWP); and the Responsible Investment Working Party (RIWP). The working parties convene between two and four times a year, allowing in depth consideration of all aspects of the operations of the Fund and the associated risks. In addition to elected members and officers, the IMWP and RIWP include two independent advisors, the Fund's strategic advisors, Redington. The GRWP involves the Fund's actuary and other external advisors from time to time; the risk register is a standing agenda item.

An additional source of assurance is provided by the Local Pension Board (the Board). The purpose of the Board is to assist the Administering Authority in its role as Scheme manager in securing compliance with legislation and ensuring the effective governance and administration of the Fund. A separate report on the Board's activities is contained within this report. The risk register is a standing agenda item for the Board.

Wirral Council has signed a memorandum of understanding with the Administering Authorities of the Greater Manchester Pension Fund and the West Yorkshire Pension Fund to create the Northern LGPS Investment Pool ('the Pool') in order to meet the criteria for pooling investments set by Government. The Northern LGPS Joint Committee is created via the approval of an inter-authority agreement between the Administering Authorities to the participating funds. The role of the Joint Committee is to provide monitoring and oversight of the Northern LGPS to ensure that the Pool is effectively implementing the participating authorities' strategic asset allocation decisions, and monitoring performance, risk and costs.

The Fund uses a combination of internal and external management, active and passive strategies across the various asset classes in which it invests. Investment managers have specific benchmarks against which performance is measured, monitored and reported. Internal investment managers report to the Director of Pensions through regular investment meetings and follow procedures laid down in a Compliance Manual reviewed and approved by Pensions Committee. Comprehensive details of the Fund's investment managers, mandates and advisors are set out in its Investment Strategy Statement.

Risk Management framework and supporting policies

The Fund's governance arrangements, set out in the preceding section, ensure that the management of pension-related administrative, management and investment risk is undertaken at the highest levels. The Fund recognises that risk is inherent in many of its activities and makes extensive use of external advisors and industry best practice in assessing and establishing policies to identify and mitigate those risks.

The principal Fund documents relating to risk management and control are:

- Governance Policy
- Funding Strategy Statement (FSS)
- Investment Strategy Statement (ISS)
- Pension Administration Strategy (PAS)
- Responsible Investment Policy
- Risk Policy
- Cyber Governance Policy
- Data Protection Policy
- Investment Monitoring Policy
- Conflict of Interest Policy
- Health & Safety Policy

Copies of these documents are available from the Fund and are published on the Fund website at:

[MPF Risk Documents](#)

In addition, the Fund maintains a risk register which lists and scores the Fund's principal risks and a compliance manual for employees. The compliance manual is wide-ranging in scope including risk areas such as management of investments, personal conduct arrangements and reporting & notification requirements. Investment risks are addressed mainly through the FSS and ISS and included at a high level in the risk register. The risk register also captures the principal administration and operational risks such as payroll, staffing, counterparty, cyber, cashflow and fraud.

These documents are subject to regular scrutiny by Pensions Committee, the Local Pension Board and officers, and provide details of the key risks and explanations of the policies and controls adopted to mitigate them. These arrangements are assessed at least annually by the Fund's external and internal auditors who report to those charged with governance.

Additionally, and where applicable, the Fund adheres to the Administering Authority's constitution in managing its operations. Legal support and advice are provided by Wirral Council's legal team and from external sources where necessary.

DRAFT

A woman with long dark hair and glasses, wearing a patterned blazer, is seated at a table. She is looking towards the left of the frame, appearing to be in a meeting or discussion. On the table in front of her are several documents, including one with a grid or table. The background is blurred, showing what appears to be an office or meeting room. The overall lighting is warm and yellowish.

Governance & Training

Governance & Training

Scheme Management and Advisers

Governance Structure

Overall responsibility for the Fund resides with Pensions Committee chaired by Councillor Brenda Hall. Details of the Fund's Governance arrangements are set out in its [Governance Policy](#).

Pensions Committee as at 31 March 2025

Chair

Cllr. Brenda Hall

Vice Chair

Cllr. Jeff Green

Cllr. Chris Carubia (Spokesperson)

Cllr. Pat Cleary (Spokesperson)

Cllr. Ann Ainsworth

Cllr. Helen Cameron

Cllr. Tony Cox

Cllr. George Davies

Cllr. Brian Kenny

Cllr. Ruth Molyneux

Cllr. Sue Powell-Wilde

Cllr. Jayne Lonergan

Cllr. Ruth Bennett

Cllr. Christine Howard

Cllr. Martin Bond

Mr. Jon Rae (LGA)

Non-district Representative

Employee Representatives (Non-voting)

Roger Bannister

UNISON

Working Parties

Investment Monitoring Working Party

Governance & Risk Working Party

Responsible Investment Working Party

Advisors to Investment Monitoring Working Party

Director of Pensions

Head of Pensions – Private Markets

Redington

Mr. R Worrall

Mr. P Watson

Wirral

Wirral

Advisors to Governance & Risk Working Party

Director of Pensions

Head of Pensions – Administration

Head of Pensions – Finance & Risk

Wirral

Wirral

Wirral

Wirral

Advisors to Responsible Investment Working Party

Director of Pensions

Head of Pensions – Private Markets

Redington

Mr. R Worrall

Mr. P Watson

Wirral

Wirral

Wirral

Wirral

Wirral

Knowsley

Liverpool

Sefton

St Helens

Representatives on the Northern LGPS Investment Pool Joint Committee

Chair, Wirral Pensions Committee

Vice Chair, Wirral Pensions Committee

Director of Pensions (Advisor)

Members of Pensions Committee

There were changes to the membership of Committee. For the new municipal year, as Mayor of Wirral, Cllr. Povall was ineligible for Committee and was replaced by Cllr. Green. Cllr. Gardner was replaced by Cllr. Cameron, and Cllr. Howard replaced Cllr. Lappin as Sefton Council's representative.

Pensions Committee Items

30 July 2024

External Audit Plan 2023/24
Local Government Pension Scheme Update
Merseyside Pension Fund Budget Out-Turn 2023/24 and Final Budget 2024/25
Letter from Minister
Draft Responsible Investment Policy
Net Zero Investment Targets
Members' Learning and Development
Northern LGPS Update
Wirral Local Pension Board Minutes
Minutes of Working Party Meetings

24 September 2024

Grant Thornton – The Audit Findings Report for Merseyside Pension Fund
Merseyside Pension Fund Annual Report & Accounts 2023/24 and Letter of Representation
Local Government Pension Scheme Update
Pensions Administration Strategy
Pensions Investment Review: Call For Evidence
Merseyside Pension Fund Conflict of Interest Policy
NLGPS Update
Wirral Local Pension Board Minutes
Merseyside Pension Fund Authorised Signatories
Minutes of Working Party Meetings
Death Grant

9 December 2024

Pension Board Review 2023/24 and Work Plan 2024/25
Local Government Pension Scheme Consultation: Fit for the Future
Local Government Pension Scheme Update
Pensions Investment Review: Call For Evidence
Wirral Local Pension Board Minutes
Minutes of Working Party Meetings
Catalyst Fund Update
Update on Investments in Defence Companies
Payment of Death Grant

18 March 2025

Local Government Pension Scheme Update
Treasury Management Policy for 2025/26 and Annual Report for 2023/24
Cyber Governance Policy
Risk Policy
Northern LGPS Update
Wirral Local Pension Board Minutes
Minutes of Working Party Meetings
Actuarial Contract Award
Local Government Pension Scheme Consultation: Fit for the Future
Merseyside Pension Fund Budget Financial Year 2025/26

Pensions Committee, Working Parties, Conferences and Training Events Attendance

2024/25	Pensions Committee					IMWP			RIWP			GRWP		
	30 Jul	24 Sep	9 Dec	18 Mar	5 Jun	18 Sep	19 Nov	11 Mar	15 May	5 Sep	30 Oct	19 Feb	4 Apr	14 Nov
Cllr. Brenda Hall (Chair)
Cllr. Jeff Green (Vice Chair)	.	.	#
Cllr. Brian Kenny (Spokesperson)
Cllr. Chris Carubia (Spokesperson)
Cllr. Pat Cleary (Spokesperson)
Cllr. George Davies
Cllr. Helen Cameron
Cllr. Ann Ainsworth
Cllr. Tony Cox
Cllr. Ruth Molyneux	.	.	#
Cllr. Sue Powell-Wilde
Cllr. Andrew Gardner
Cllr. Jo Bird
Cllr. Stephen Bennett
Cllr. Ruth Bennett (Liverpool City Council Co-optee)
Cllr. Martin Bond (St Helens MBC Co-optee)
Cllr. Jayne Lonergan (Knowsley MBC Co-optee)
Cllr. Christine Howard (Sefton MBC Co-optee)
Roger Bannister (UNISON retired member) (Co-optee)
Jon Rae (Non district Representative) (LGA) (Co-optee)

Deputy Attended

Cllr. Tom Cardwell retired from Pensions Committee 17 January 2024

Cllr. Ruth Bennett appointed to Pensions Committee 17 January 2024

Mr. Jon Rae appointed to Pensions Committee 29 January 2024

Conferences 2024/25

	PLSA (Local Authority)	LAPFF (Mid-year)	LGC Investment & Pension Summit	PLSA (Annual)	MPF (Annual)	NLGPS (Away Day)	LAPFF (Annual)	PLSA (Investment, Edinburgh)
	11/13 June 2024	10 July 2024	11/13 September 2024	15/17 October 2024	21 November 2024	22 November 2024	4/6 December 2024	11-13 March 2025
Cllr. Brenda Hall (Chair)			•	•	•	•	•	
Cllr. Jeff Green (Vice Chair)			•		•	•	•	
Cllr. Brian Kenny (Spokesperson)				•				
Cllr. Chris Carubia (Spokesperson)	•		•	•		•		
Cllr. Sue Powell-Wilde							•	
Roger Bannister (UNISON retired member Co-optee)					•		•	
Cllr. Julie McManus (previous Chair)	•							
Cllr. Stephen Bennett (previous Chair)		•						

Summary of activities undertaken by Pensions Committee

The Pensions Committee agenda has four standing items which are of importance to both the good governance and operational effectiveness of the Fund. These are: The Local Government Pension Scheme update; the Pooling update; minutes of the Local Pension Board; and Working Party Minutes. During 2024/25, Committee considered and debated the reports and papers presented in respect of these items.

Other important matters are the subject of annual reports to Committee. These include the Audit Plan; the Budget; the Annual Report and Accounts; the Treasury Management Policy; and the Learning & Development programme. In addition, the independent chair of the Local Pension Board presents a review of the Board's activities for the previous year.

As set out in the Governance report, a number of matters are considered in greater depth at the three working parties whose minutes and recommendations are brought to Committee. Revisions to Fund policies and responses to consultations are also considered by Committee. This year, notable investment-related items included setting net zero targets for the Fund, the Pensions Investment Review: call for evidence; the Fit for the Future consultation, and consideration of investments in defence companies. With regards to administrative matters, items included several Fund policies including; conflict of interest, cyber governance, and risk.

Risk Management is fundamental to effective pension fund governance and operations across the Pensions Administration, Finance, and Investment functions. Management of Risk is a key responsibility of those charged with the governance and management of an LGPS fund. While the ultimate responsibility lies with Pensions Committee, the Pension Board also plays an important part in oversight. As mentioned above, the Fund's Risk Policy was considered and approved by Committee.

Cyber risk is a major issue facing all pension funds. The Pensions Regulator (TPR) has included very clear expectations in relation to cyber risk and controls in its new "General code of practice". Fund officers continue to work actively on this in conjunction with Wirral Council's IT Team.

More detail on these matters can be found in the Scheme Administration Report and the Pension Board report. The Pension Board continues its activities in support of the Administering Authority.

For the twelve months to 31 March 2024, the Fund increased in value by 3.3% against its benchmark, which rose by 4.2%. The funding level improved further. More detail is provided in the Investment Report, including information on the distribution of assets and performance.

Pension Board Report

Purpose and Constitution of the Merseyside Local Pension Board

Under its Terms of Reference, the purpose of the Merseyside Local Pension Board is to assist the Administering Authority (Wirral Council) in its role as a Scheme Manager under the Public Service Pensions Act 2013 and the Local Government Pension Scheme (LGPS) Regulations.

The Board consists of nine members and is constituted of four Employer representatives, four Employee representatives and an Independent, non-voting Chair, who has responsibility for the co-ordination and operation of the Board. The Board provides a specific forum for Employers and Employees to be actively involved in the governance of Merseyside Pension Fund on an ongoing basis.

Summary of issues considered at Board Meetings 2024/2025

Issues considered at each Board meeting, in addition to the Minutes of the previous meeting and Declarations of Interest, are shown in the Table below:

Agenda item	9 Jul	24 Sep	10 Dec	31 Mar
Risk Register	•	•	•	•
Pensions Administration Report	•	•	•	•
Working Party (IMWP/GRWP) Minutes	•	•	•	•
LGPS Update	•	•	•	•
Investment Pooling/Northern LGPS Pool Update	•	•		•
Responsible Investment Policy	•			
Pension Board Review 2023/24 & Plan 2024/25	•			
External Audit Plan 2023/24	•			
Members Learning and Development Programme	•			
Future of the LGPS (Ministerial Letter, Investment Review, and “Fit for the future” Consultation)		•	•	•
Pension Fund Budget		•		•
(External) Audit Findings Report 2023/24		•		
Internal Audit Annual Report 2023/24		•		
Fund Annual Report & Accounts 2023/24		•		
Pensions Administration Strategy		•		
Conflict of Interest Policy		•		
Net Zero Investment Targets		•		
Update on Catalyst Fund			•	
Cyber Governance Policy			•	
Investments in Defence Companies			•	
Treasury Management				•

The Pension Board Agenda has developed to comprise of five standing items which are of particular importance to both the good governance and operational effectiveness of the Merseyside Pension Fund. These are: The Risk Register; The Pensions Administration Quarterly Report; The Fund Working Party Minutes (Investment Management Working Party, Governance and Risk Working Party, Responsible Investment Working Party); the LGPS Update report; and The Investment Pooling/Northern LGPS Update.

During 2024/25 the Board actively considered and debated the reports and papers presented in respect of these items. Constructive questions were asked of the Fund Officers and, as appropriate, comments and suggestions made by Board Members.

In respect of the fundamental matter of the approach of Government to the future of LGPS Investment Pooling, there was, during 2024/25, significant activity. This was specifically covered in the Officer reports “Letter from Minister” (September 2024 meeting), “Response to Pensions Investment Review: Call for Evidence” (December 2024 meeting) and “Local Government Pension Scheme Consultation: Fit for the Future” (March 2025 meeting). These reports resulted in significant discussions by the Board. As is indicated by the Minutes of the meeting held on 10 December 2025, the Board is concerned “as to future accountability of the pooling model to local democracy” while giving strong support to the Northern LGPS pool going forward.

This includes establishing an FCA authorised pool, on the basis as set out in the formal proposal from the Northern LGPS Pool to the MHCLG, included in the Pension Board Agenda papers of 31 March 2025.

There are also a number of other important issues where, for the promotion of good governance and assurance, the Pension Board receives reports, usually on an annual basis. These include: the External Audit process; the Fund Budget; the Annual Report and Accounts; Treasury Management, and the Internal Audit Annual Report. During 2024/25 the Board actively considered and discussed the reports and Officer presentations in respect of these issues. In addition (usually at the June/ July meeting) the Independent Chair presents a review of Board activity for the previous year (April to March). For 2024/25, this formed part of the agenda of the meeting held on 9 July 2024.

In addition to the above issues, the Board considers, as appropriate, other issues of importance to the governance and operation of Merseyside Pension Fund. These are normally identified well in advance and included in the annual Work Plan, which is jointly agreed by the Director of Pensions and Independent Chair, and included towards the end of the Independent Chair's Annual Review for the consideration of the Pension Board.

As appropriate, items are (after consultation between the Director of Pensions and Independent Chair) added to, or removed from, the Work Plan during the year. Such other items which the Board considers from time to time include proposed revisions to the major Fund strategies/policies and Government consultations/communications.

Additionally, the Administering Authority has granted Board Members the right of attendance at the Fund Working Party meetings where the decision makers of the Fund (the Pension Committee Members and Senior Officers of the Fund) meet with Fund Advisors to discuss a wide range of issues relating to both the strategy and operation of the Fund. This invitation enables the Board to not only observe the important presentations and discussions at these meetings, but also to participate in them, as appropriate.

Further commentary in relation to a number of the reports detailed in the table above is included, below, in this review. Firstly, however, I would wish to comment on the positive contribution of the Board Members, Officers of the Fund, and Chair of the Pensions Committee to the work and activity of the Board in 2024/25.

Merseyside Local Pension Board Members

Independent Chair

John Raisin

Employer Representatives

Peter Fieldsend

Lynn Robinson

Stephan Van Arendsen

Ian Williams

Torus 62 Ltd.

St Helens College

Knowsley MBC

Liverpool City Council

Member Representatives

Roger Irvine

Donna Ridland

Patrick Moloney

Robin Dawson

Active Members

Active Members

Deferred Members

Retired Members

During 2024/25, there were no changes to the Membership of the Board. The present Board Members also understand, very well, the role of the Board. Therefore, again the Board benefitted from the input of highly experienced and knowledgeable representatives of both Employers and Employees. The Board membership comprises representatives from a diverse range of backgrounds and organisations, with extensive experience of (for example) human resources, finance, information technology (including cyber risk), pensions in general and the LGPS in particular.

During the year 2024/25, overall attendance at Board meetings was 78% with four of the nine members achieving 100% attendance. While attendance levels are clearly relevant, the actual value and impact of the Board Members is demonstrated more by their active and constructive participation at Board meetings than by simple reference to attendance statistics. In this respect the Board was again most fortunate.

Support for the Board by the Fund Officers during 2024/25

The requirement, under the LGPS Regulations 2013, for each LGPS Fund to establish a Pension Board, comprised of equal numbers of Employer and Employee representatives to assist the Pensions Committee, provides a real opportunity to significantly enhance the involvement of stakeholders in LGPS Fund governance.

During 2024/25, the Board received the same exemplary and positive support, advice, and guidance from the Fund officers as in previous years, going back to the creation of the Board in 2015. Meetings of the Board were supported and attended by the Director of Pensions and the senior members of his team responsible for Pensions Administration/IT and the Finance/Risk Management of the Fund. This Officer support at meetings is the same as that provided to the Pensions Committee, and reflects the importance and value the Fund has continuously placed on the Board since its creation.

Support for the Board by the Chair of the Pensions Committee during 2025/26

In 2024, Councillor Brenda Hall became Chair of the Pensions Committee. At both the Employers' Conference and the Northern LGPS Stakeholder Day it was pleasing to have the opportunity to meet, and to be involved in conversations with the Chair and the Vice Chair.

The Risk Register

Risk Management is fundamental to effective Pension Fund governance and operations across the Pensions Administration, Finance, and Investment functions. Therefore, the management of risk is a key responsibility of those charged with the Governance and management of an LGPS Fund. While the ultimate responsibility at Merseyside Fund lies with the Wirral Pensions Committee, the Pension Board also has an important role in risk management. The foreword to the CIPFA publication on Managing Risk in the LGPS (2018) states; "As part of their governance processes, funds should be regularly reporting all risks to committee and the local pension board, embedding a robust risk management approach and processes which link to all key strategic documents, as well as recording risks and progress on an active risk register."

One important element of risk management is examination, active consideration, and, as appropriate, constructive questioning of the Risk Register by the Pension Board. As in 2022/23 and 2023/2024, Recruitment and Retention remained the highest risk on the Risk Register throughout the year.

The significance of the risk posed by recruitment and retention issues is highlighted by the fact that this high level of risk has been maintained despite positive developments in terms of staff conditions, which have resulted from interactions between the Director of Pensions and the Wirral Human Resources Team.

Given the specialist nature of LGPS roles (whether Administration/IT, Finance/Risk, or Investment) there can be no doubt that recruitment and retention will continue to be a material risk. Consequently, the Pension Board (as well as the Pensions Committee and The Director of Pensions) should all continue to maintain an active and ongoing focus on this issue, going forward. The ongoing development of Investment Pooling (as envisaged in the Government Consultation 'Fit for the future', issued in November 2024) further and specifically increases the resourcing risk facing the Merseyside Pension Fund.

Cyber risk is clearly a major issue facing all Pension Funds. This has been recognised by the Merseyside Pension Fund and reflected in the Risk Register and also by the Cyber Governance Policy presented to the Board at its meeting on 10 December 2025.

Pension Administration Reports

Effective Pensions Administration is fundamental to the Merseyside Pension Fund. Ultimately, the Pension Fund (only) exists to provide pension benefits to those entitled to them as determined by the LGPS Regulations. Therefore, Pensions Administration was, as in previous years, an area of particular interest and focus for the Board. Examination of Pensions Administration is of particular relevance to the Board, as this is the most immediate and important direct interface between Merseyside Pension Fund and both Employers and Employees.

The Pension Administration Monitoring Reports presented to each Board meeting during 2024/25 were, as in previous years, detailed and wide ranging, and provided a broad range of both statistical data and commentary. The report continues to include, for example, ongoing reporting of Membership Trends, Workflow Statistics, Pensions Administration resourcing, Employer Engagement and activity, "McCloud" developments, Complaints, Internal Dispute Resolution Procedure, Member Web Portal (MyPension) and Cybersecurity.

The Board (and in particular a member with a Human Resources background) noted the low levels of staff sickness in the Pensions Administration Team as recorded in the "Pensions Team Absence and Turnover" section of the Quarterly reports. This provides some positive assurance regarding the culture and working environment at the Merseyside Pension Fund.

Again, as in previous years, each Quarterly Report was accompanied by a helpful commentary from Fund Officers. For example, at the September 2024 meeting, the Head of Pensions Administration specifically referred to the increased requirements of the new Administration KPIs arising from the revised national Pension Fund Annual Report Guidance.

These reports also consider national issues/developments in the context of Merseyside Pension Fund. For example, the September 2024 report included coverage of the Government Actuary's Department Section 13 report on the 2022 Actuarial Valuations and the new national Pension Fund Annual Report Guidance.

The December 2024 report included commentary on preparations for the 2025 Actuarial Valuation. The detail contained in this commentary provided comfort and assurance regarding the planning and activity of the Merseyside Pension Fund in advance of the forthcoming Valuation. The consideration of the "McCloud" project gave assurance as to the extensive work Merseyside Pension Fund is undertaking to assess this issue in relation to all its active and deferred members.

The March 2025 report included details of the Employee Contribution Bands for 2025/26 together with an analysis of the number and percentage of Active Members of the Fund in each of the nine contribution bands.

To me this clearly demonstrated that the LGPS is a scheme which provides valuable retirement benefits to what may reasonably be described as lower paid workers. The analysis showed that over 63% of the active membership of this Fund are in a Contribution Band for annual pensionable pay which is no more than £28,000. Indeed, over 39% were in the lowest Contribution Band where the maximum annual pay is £17,800. In contrast, under 4% of the active membership were in the Contribution Band commencing at £57,701, or above. Less than 1% of the active membership were in a Contribution Band starting at £81,001, or above. This analysis clearly demonstrates that in practice a primary end function and impact of the LGPS is the alleviation/prevention of poverty and/or financial hardship in retirement.

Working Party (IMWP/GRWP/RIWP) Minutes

The consideration of, and focus on, overall Fund governance was facilitated by consideration of the minutes of the three standing Elected Member led working groups – the Investment Management Working Party (IMWP), the Governance and Risk Working Party (GRWP) and the recently established Responsible Investment Working Party (RIWP) which are also attended by a broad range of Officers/Advisors. As in previous years, Pension Board Members attended some Working Party meetings as observers but with the facility to ask questions and engage in the discussions.

LGPS Update Reports

The quarterly LGPS Updates received at each Board meeting, are both a source of valuable information on a broad range of national issues, with a particular focus on latest developments, and also very useful to Board Members in helping to fulfil their knowledge and understanding obligations under the Public Service Pensions Act 2013, which refers to Board Members been "conversant" with the "rules" and documents relating to the "Scheme."

The July 2024 LGPS Update focussed on The Pension Regulator's General Code of Practice (of March 2024) and the actions the Fund was taking as a consequence. The September 2024 Update was primarily concerned with the approach of the new Government to Pensions in general, and the LGPS in particular. The December 2024 Update focussed on the Government's Budget announcements and their impact on individual members of the LGPS, in relation to Death Grants and Inheritance Tax. This resulted in a number of questions to Officers and a discussion around the practical implications of the proposed changes. The March 2025 LGPS Update provided a succinct description and analysis of the changes incorporated into the revised Funding Strategy Statement (FSS) Guidance issued by the Scheme Advisory Board in January 2025, and the Fund approach including addressing new issues covered in this Guidance such as surplus management. Also covered in the March 2025 Update was the "Crown Guarantee" issued by the Department of Education (DfE) to underpin the pension obligations of the Further Education Sector.

Investment Pooling and the Northern LGPS Pool

During 2024/25, the Board continued to receive regular updates on the Northern LGPS. These included the Minutes of the Northern LGPS Joint Oversight Committee. Examination of these Minutes provided assurance as to the active participation of the Merseyside Pension Fund at both Elected Member and Officer level, in this the ultimate decision-making body of the Northern LGPS Pool.

The Government Consultation "Fit for the future" issued in November 2024, made it clear, however, that the Government will require the Northern LGPS Pool to abandon the present Joint Committee governance approach and move to a new governance approach which involves an FCA authorised arrangement, if it wishes to continue as a separate LGPS Pool. As recorded in the Minutes of the December 2024 Board meeting, "... concerns were expressed as to the future accountability of the [new] pooling model to local democracy." However, "Taking account of the various options, the Board expressed strong support for the Northern LGPS to establish an FCA regulated pool vehicle as delivering

the best long-term outcome for the partner funds, employers and members.” This issue will be referred to later in this review.

Internal Audit Report 2023/24

At its September 2024 meeting, the Board received a presentation and the most recent Merseyside Pension Fund Internal Audit Annual Report, which, on this occasion covered 2023/24. The reviews undertaken by Internal Audit, provide an important source of assurance, or otherwise, regarding both the overall governance of the Fund and the governance/operation of specific areas of Fund activity. For 2023/24, following an assessment of risks a decision was made to continue with 150 audit days input. The reason for this was to “ensure there was sufficient and wide-ranging coverage in order for Internal Audit to provide a robust assessment of the MPF control environment, and to also demonstrate good governance at the Fund.”

It was reassuring to note the (clearly positive) results of the completed audits undertaken during 2023/24. The Chief Internal Auditor’s overall Opinion included that “The assessment found that, in all of the systems audited in 2023/24, there is a sound system of control in place, those controls are consistently applied and fully effective. In some cases, the work undertaken did identify a number of actions to improve the systems in operation, and strengthen the control environment, although none of these were significant...The overall audit opinion for 2023/24 is that the Fund maintains adequate and effective control and governance processes...”

Financial related reporting

During 2024/25, as in previous years, the Board received a range of reports and documents which have a significant financial emphasis, but which are also clearly relevant to the overall governance and wider operation of the Fund. These were: the External Audit Plan – Statement of Accounts 2023/24; the (External) Audit Findings Report 2023/24; the Fund Annual Report and Accounts 2023/24; Pension Fund Budget Outturn 2023/24, Final Budget 2024/25, Pension Fund Budget 2025/26; Treasury Management Policy for 2025/26 and Annual Report for 2023/24.

Fund Policy Developments

During 2024/25, the Board received reports relating to the development of the Responsible Investment Policy, Conflict of Interest Policy, Pension Administration Strategy and Cyber Governance Policy.

At the July 2024 meeting of the Board, the draft Responsible Investment Policy was presented for consideration by the Board. This policy had been prepared following consultation with key stakeholders (including all Pension Board Members) in 2023.

The Board was pleased to resolve “that the policy be considered suitable for the Fund and its beneficiaries.”

The September 2024 meeting received the revised Pensions Administration Strategy. This is a vital Fund policy which sets out the key roles and responsibilities of the Fund and its Employers in the administration activities of the Fund.

The September 2024 meeting also received the draft Merseyside Pension Fund Conflict of Interests Policy. The aim of this Policy was to implement the important (but non-binding) recommendation from the LGPS Scheme Advisory Board for England and Wales, that all LGPS Funds produce and publish a Conflict-of-Interest Policy which included details of how actual, potential and perceived conflicts are addressed within the governance of each Fund.

As was stated in the Pension Board Review 2023/24 (Pension Board, 9 July 2024, and Pensions Committee 9 December 2024) Cyber risk and security was a matter which the Board paid particular attention to, and undertook extensive constructive questioning in respect of, throughout 2023/24. Cyber risk and security remain a major concern of the Board. Therefore, it was pleasing to the Board to receive, at its meeting on 10 December 2024, a draft Cyber Governance Policy. The Board welcomed the presentation of this draft policy which documented and evidenced the high-level approach that the Fund has towards Cyber governance.

Merseyside Pension Fund Investment Issues

Under its Terms of Reference, the Pension Board has no role in investment decision making, which is in accordance with the role of the Board as set out in the LGPS Regulations. However, in line with the LGPS Regulations, the Board has a clear role in reviewing governance and operational arrangements relating to any activity, including the investment activity of the Fund. As indicated in the section of this Review above, entitled “Working Party (IMWP/GRWP/RIWP) Minutes”, an ongoing mechanism for the Board to examine the governance and operational arrangements relating to Investment matters, is through consideration of the IMWP and RIWP minutes, and attendance at the IMWP and RIWP meetings.

At the September 2024 meeting, the Board received a report on Net Zero Investment Targets for Merseyside Pension Fund. The December 2024 Board meeting also received an Update on the Catalyst Fund. This report updated the Board on the Catalyst Fund, which seeks to support development and refurbishment projects in Merseyside, while (crucially) providing a commercial return for the Merseyside Pension Fund. The report contained details of a range of local investments across Real Estate and Infrastructure, which benefit both the Pension Fund and the locality.

A report update on Investments in Defence Companies (the recommendations of which were approved by the Pensions Committee at its meeting held on 9 December 2024) was also presented to the 10 December 2024 meeting. This report recommended (to the Pensions Committee) that Merseyside Pension Fund should not hold investments in companies which manufacture weapons proscribed by international treaty, to which the UK Government is a signatory. This report was extremely well received by the Pension Board. The Board specifically resolved that “The Board’s support for the report and Committee’s decision be noted.”

Future of the LGPS (Investment Review, and “Fit for the future” Consultation)

In the Pension Board review 2023/24 I covered, in some detail, the LGPS Consultation “Next steps on investments”, which was issued by the (previous) Government on 11 July 2023, and to which it issued a Consultation outcome on 22 November 2023. This proposed a new Pooling regime which was to have included revised Pooling guidance, to set out a preferred model of Pooling including delegation of manager selection and strategy implementation, and a requirement that LGPS Funds should transfer all assets to their Pool by 31 March 2025. However, by the time the General Election was called, on 22 May 2024, the Government had not issued any Regulations or Statutory Guidance to implement the Investment Pooling arrangements detailed in the Consultation outcome, issued on 22 November 2023.

Following the election of the new Government in July 2024, it announced on 20 July 2024, a Pensions Review which included to “look at how to unlock the investment potential of the £360 billion Local Government Pensions Scheme, as well as how to tackle the £2 billion that is being spent on fees.” This review was also concerned with (private sector) Defined Contribution pension arrangements. On 16 August 2024, the Terms of Reference of the Pensions Review were issued, and on 4 September 2024 the Government issued the “Pensions Investment Review: Call for Evidence”, which was open to “interested parties” who wished to respond. The Call for Evidence was open for three weeks and closed on 25 September 2024. Relevant questions for the LGPS in the Call for Evidence, particularly related to Scale and Consolidation in the context of LGPS Asset Pooling and investing in the UK.

At the meeting held on 10 December 2024, the Board received a report which included a copy of the response submitted by Merseyside Pension Fund to the Call for Evidence. The Board expressed its support and appreciation of what it considered to be a thoughtful response full of examples of the positive approach of both Merseyside Pension Fund (MPF) and the Northern LGPS Pool.

At the meeting, the Director of Pensions also informed the Board that the Government had, on 14 November 2024, issued a LGPS Consultation which proposed fundamental changes to the present Pooling arrangements, including the requirement for all Pools to be FCA regulated, and that the Pools be the principal source of investment advice for LGPS Funds. This Consultation would close on 16 January 2025. The Director also stated that, on 2 December 2024, the Government had issued a letter to all Pools indicating that it may not necessarily be efficient for all eight existing Pools to go forward. The Director stated that, effectively, there were three options for the Northern LGPS Pool:

- Setting up a FCA regulated entity
- Joining another Pool as a shareholder
- To be a client of another Pool

As the Minutes of the 10 December 2024 Board meeting record, “A rigorous debate took place by the members of the Local Pension Board, and concerns were expressed as to future accountability of the pooling model to local democracy. Taking account of the various options, the Board expressed strong support for the Northern LGPS to establish an FCA regulated pool vehicle as delivering the best long-term outcome for the partner funds, employers and members.”

I cannot stress too strongly the Board’s concern that, so far as possible, any future Pooling arrangement must be democratically accountable, and the Pool itself act at all times in the best interests of Merseyside Pension Fund and the other LGPS Funds within the Pool.

At the meeting held on 31 March 2025, the Board received a report from the Director of Pensions, which included as Appendices, both the Merseyside Pension Fund (MPF) response to the Fit for the future Consultation (issued by Government on 14 November 2024 and which closed on 16 January 2025) and the Northern LGPS Pool proposal, to deliver services going forward utilising a FCA regulated (investment manager) Pool arrangement in response to both the Consultation and the Government letter to Pools of 2 December 2024.

The Fit for the Future Consultation covered three broad areas:

- LGPS Pooling
- Local Investment
- Governance of Funds and Pools

The Board was very supportive of the entire response of the MPF to the Consultation.

The “Fit for the future” consultation, included proposals for a radical new approach to LGPS investment from March 2026.

In essence, this involved the virtual removal of the existing (and very significant) investment related responsibilities of LGPS Funds and that LGPS Pools adopt an operating model that meets minimum standards, which may be summarised as follows:

- Administering Authorities would remain responsible for setting a high-level investment strategy for their Fund, but would be required to use the Pool as the principal source of advice on their investment strategy.
- Administering Authorities would be required to fully delegate the implementation of their investment strategy to the Pool.
- Pools would be required to be established as investment management companies authorised and regulated by the FCA, with FCA permission to provide advice, and with the expertise and capacity to implement investment strategies.
- Administering Authorities would be required to transfer all assets, including legacy assets, to the management of the Pool.
- Pools would be required to develop the capability to carry out due diligence on local investments, and to manage such investments.

The response of the Fund to the investment related proposals in the Consultation sought to clearly, but constructively, make the case for LGPS Funds maintaining responsibility for and control over investment strategy, and for LGPS Funds to be able to retain strategic investment advisors of their choice.

With regard to the Northern LGPS Pool proposal to deliver services going forward utilising a FCA regulated (investment manager) Pool arrangement, this was clearly a very carefully considered, well evidenced and extremely positive proposal. It was particularly pleasing to observe that the proposal sought to ensure an approach that: maximises so far as is possible within an FCA regulated arrangement, the involvement of and accountability to stakeholders (primarily the Administering Authorities and, by extension, Fund Employers and Scheme Members); can take proper account of the liabilities and circumstances of each Administering Authority, seeks to minimise the set up costs of the new FCA regulated Pool; enables increased investment in UK infrastructure, including making a positive impact on the local communities within the Pool area; would create and utilise an architecture, that facilitates collaboration with other Pools; would have the aim of delivering superior long-term risk-adjusted net investment returns for stakeholders. The Board was extremely pleased to receive the Northern LGPS submission, proposing that it continue but, in accordance with Government direction, become an FCA regulated investment manager.

Training and Development, and the MPF Annual Employers Conference

Sufficient and effective Training and Development are clearly essential for Board Members to properly discharge their responsibilities. Furthermore, knowledge and understanding/skills are specifically required of Pension Board Members by the Public Service Pensions Act 2013. The Board's Terms of Reference also include requirements and guidance in this respect.

At the Board Meeting held on 9 July 2024, the Director of Pensions presented a report 'Members Learning and Development'. This both reminded Board Members of their statutory learning and development responsibilities and provided a detailed update on developments relating to CIPFA Pensions Knowledge and Skills guidance and the Fund's response to this. It also included (as an Appendix) the Merseyside Pension Fund Training Policy for Elected Members of May 2024, which also applies to Members of the Pension Board and Senior Officers of the Fund. The report also included a list of potential internal and external Training Opportunities for 2024/25.

As in previous years, Members of the Pension Board attended a range of training related activities during the year, both internal and external to Merseyside Pension Fund. These included MPF Working Party meetings, the Annual Employers' Conference, the Northern LGPS Stakeholder Day, the PLSA LGPS Conference, and the PLSA (national) Conference. In addition, the LGPS Update report (and accompanying oral presentation) provided at each meeting of the Pension Board meeting, is also a relevant and valuable source of ongoing and updated knowledge and understanding for Board Members.

Reporting Breaches of the Law to the Pensions Regulator

The Pension Board does not itself have decision making powers. In respect of the Reporting of Breaches of the Law to the Pensions Regulator (TPR), the Administering Authority has determined (Pensions Committee of 16 November 2015) that the Board should be consulted by Officers when considering whether or not to report a specific breach (or likely breach) to TPR. This is a significant role granted to the Board in terms of ensuring the good governance of the Fund and appropriate interpretation of TPR guidance and the Fund's policy on reporting Breaches of the Law.

During the period covered by this report, there were no occasions when the Board was asked to give their view as to whether, or not, a Breach of the Law should be reported to the Pensions Regulator (TPR) or alternatively recorded in the Breaches Log. There were no occasions when the Board, or any Member, believed that they themselves needed to directly report any Breach to TPR.

Recommendations made to the Scheme Manager (Pensions Committee)

There were no formal recommendations made by the Board to the Pensions Committee during 2024/25. The Minutes of each Pension Board are, however, included on the Agenda of the Pensions Committee and these, of course, include coverage of notable Board discussions and Resolutions passed by the Board.

I would however wish to specifically refer (again) to the Resolution of the Board at its meeting held on 31 March 2025, that “The Board convey to Pensions Committee, its support for the payment of a Special Responsibility Allowance (SRA) to, all members of the Pensions Committee who complete and maintain stipulated training requirements and that the Administering Authority consider the level of SRA for representatives of the NLGPS Joint Committee. Any SRA’s must, in line with Local Government Pension Scheme Regulations, be funded by Merseyside Pension Fund, not the Administering Authority.”

Pension Board Review 2024/25 and presentation to the Pensions Committee

The Pension Board Review 2023/24 and Work Plan 2024/25, was considered and approved by the Board on 9 July 2024. This was then considered by the Pensions Committee at its meeting held on 9 December, which I attended, and presented the report on behalf of the Board.

Pension Board Costs of Operation 1 April 2024 to 31 March 2025

Conference	£2,320
Travel & Subsistence	£3,397
Allowances	£25,052
Total	£30,769

Proposed Pension Board Work Plan 2025/26

The proposed Work Plan for 2025/26 is detailed below and has been prepared jointly by the Director of Pensions and Independent Chair. This maintains an overall emphasis on Fund Governance. Pensions Administration will remain a particular area of focus, given that this is an area of direct relevance to both Employers and individual Employees. Investment Pooling will also be an area of focus, given this represents a fundamental change to, and development of, the Governance of the LGPS. The Work Plan will be updated as necessary during 2025/26.

Agenda item	27 Jun	25 Sep	16 Dec	18 Mar
Risk Register	•	•	•	•
Pensions Administration Report	•	•	•	•
Working Party (IMWP/GRWP/RIWP) Minutes	•	•	•	•
Investment Pooling/Northern LGPS Pool Update	•	•	•	•
LGPS Update	•	•	•	•
Board Review 2024/25 & Plan 2025/26	•			
External Audit Plan 2024/25	•			
Statement of Accounts/ Audit Questionnaire	•			
Pension Fund Outturn 2024/25 & Budget 2025/26	•			
Member Learning & Development Programme	•			
Responsible Investment Policy	•			
Consultation Response/Pool Business Plan	•			
Compliance Manual	•	•		
(External) Audit Findings Report 2024/25		•		
Internal Audit Annual Report 2024/25		•		
Benchmarking Report (by CEM)		•		
MPF Revised Terms of Reference		•		
Government Consultation Update		•		
Investment Strategy Statement			•	
TCFD Reporting			•	
Fund Annual Report & Accounts 2024/25			•	
Funding Strategy Statement				•
Pension Fund Budget 2026/27				•
Treasury Management Policy and Report				•
Catalyst Fund update				•
Property Write Offs/Pension Overpayments				•

John Raisin
Independent Chair
Merseyside (Wirral) LGPS Local Pension Board

Pension Board Attendance 2024/25

Date of Appointment	Pension Board		Pension Board Meetings 2024 - 2025			
			9 Jul	24 Sep	10 Dec	31 Mar
11 March 2015	John Raisin	Chair	•	•	•	•
12 March 2015	Donna Ridland	Co-optee	•	•	•	•
27 February 2017	Roger Irvine	Co-optee	•	•	•	•
9 March 2015	Patrick Moloney	Co-optee	•	•	•	•
3 January 2018	Lyn Robinson	Co-optee	•	•	•	•
27 June 2019	Peter Fieldsend	Co-optee	•	•	•	•
1 March 2020	Stephan Van Arendsen	Co-optee		•		
1 July 2021	Robin Dawson	Co-optee	•		•	•
1 March 2024	Ian Williams	Co-optee		•	•	•

Training & Events Record 2024/25

Training/Events	Local Authority Conference	LGC Investment & Pension Summit	PLSA Annual Conference	MPF Annual Conference	NLGPS Away Day	LGPS Governance Conference (Virtually)	RIWP	RIWP
	11/13 Jun	11/13 Sept	15/17 Oct	21 Nov	22 Nov	30/31 Jan	5 Sep	30 Oct
John Raisin	•			•	•	•		
Donna Ridland				•				•
Roger Irvine			•					
Patrick Moloney	•		•	•	•		•	
Robin Dawson			•	•				
Ian Williams		•						

Joint Committee

Northern LGPS is a partnership between the Greater Manchester (GMPF), Merseyside (MPF) and West Yorkshire (WYPF) Local Government Pension Scheme (LGPS) funds. The partner funds of the Northern LGPS Investment Pool have formed a Joint Committee to oversee the activities of the Pool.

The primary purposes of the Joint Committee are to:

1. Exercise oversight over the investment performance of the Pooling Partners' Funds
2. Deliver the Shared Objectives
3. Agree on any recommended changes to the Shared Objectives
4. Report to the Pool

Northern LGPS Joint Oversight Committee Items

11 April 2024

Pooling Update
 Scheme Advisory Board Update
 Common Custodian Update
 Investment Management Cost Benchmarking Update
 Update on Responsible Investment
 Performance Measurement
 GLIL Update

18 July 2024

Pooling Update
 Scheme Advisory Board Update
 Common Custodian Update
 Update on Responsible Investment
 Performance Measurement
 GLIL Update
 Northern Private Equity Pool - Annual Review of Strategy and Implementation

3 October 2024

Pooling Update
 Common Custodian Update
 Investment Management Cost Benchmarking
 Update on Responsible Investment
 Performance Measurement
 GLIL Update

19 December 2024

Local Government Pension Scheme (England and Wales): 'Fit for the Future' Consultation Published 14 November 2024

27 February 2025

Update on the Activities of the Scheme Advisory Board's Investment Sub-Committee
 Common Custodian Update
 Update on Responsible Investment
 Performance Measurement
 Direct Infrastructure Platform (GLIL) Update
 Update Re Local Government Pension Scheme (England and Wales): Fit for the Future Consultation Published 14 November 2024

2024/25

Northern LGPS Joint Oversight Committee

	11 Apr	18 Jul	3 Oct	19 Dec	27 Feb
Cllr. Gerald P Cooney Chair, Greater Manchester Pension Fund	•	•	•		
Cllr. Eleanor Wills Chair, Greater Manchester Pension Fund				•	•
Cllr. Andrew Thornton Chair, West Yorkshire Pension Fund	•	•	•	•	•
Cllr. Julie McManus Chair, Merseyside Pension Fund	•				
Cllr. Brenda Hall Chair, Merseyside Pension Fund				•	
Cllr. Jacqueline North Vice Chair, Greater Manchester Pension Fund	•				
Cllr. Jack Naylor Vice Chair, Greater Manchester Pension Fund				•	
Cllr. Mike Smith Deputy Chair, Greater Manchester Pension Fund					•
Elizabeth Bailey Deputy Chair, West Yorkshire Pension Fund		•			•
Cllr. Jeff Green Vice Chair Merseyside Pension Fund		•	•	•	•
Ken Drury UNITE	•	•		•	•
Alan Flatley GMB		•		•	•

Knowledge and Skills

Merseyside Pension Fund recognises the importance of ensuring that all staff and members charged with the financial management of and decision-making in respect of the pension scheme, are fully equipped with the knowledge and skills to discharge the duties and responsibilities assigned to them. It therefore seeks to appoint individuals who are both capable and experienced, and provides/arranges training for staff and members of the Pensions Committee and the Local Pension Board, to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.

Our training plan sets out how we intend the necessary pension finance knowledge and skills are acquired, maintained and developed. The plan reflects the recommended knowledge and skills level requirements set out in the CIPFA Pensions Finance Knowledge and Skills Frameworks.

The Pensions Committee has designated the Director of Pensions to be responsible for ensuring that policies and strategies are implemented.

Activity in Year

Merseyside Pension Fund has conducted a training needs assessment and, based on the outcome, formulated a training plan. This plan is reported to, and approved, by Pensions Committee. The Fund develops its Pensions Committee members, Local Pension Board members and officers, through training and education. This includes regular meetings, ad hoc seminars and conferences, bespoke training and e-learning.

Pensions Committee receives updates on legislative changes, benefit administration changes, procurement, actuarial and investment matters. These are supplemented by regular working parties. The IMWP includes presentations from professional advisors covering all aspects of investment; asset allocation, asset classes, economics, performance measurement, risk management and responsible investment. The GRWP enables matters relating to other risks, governance and pensions administration to be covered in greater depth. The RIWP enables the Committee to devote more time to stewardship, environmental, social & governance matters.

Our refreshment of the Fund's investment strategy and beliefs last year emphasised the importance of a robust approach to developing investment strategy and stewardship to deliver long-term sustainable returns and a portfolio resilient to challenges and a changing world. The committee's focus this year has been on implementation of the revised strategy and preparing the Fund's submission to become a signatory of the Stewardship Code. The Stewardship Code application was made in September, and it is pleasing to report that we received confirmation in March that the Financial Reporting Council had approved our submission. We are mindful of the growing interest of the Fund's stakeholders in sustainability and the responsible stewardship of our assets, and our Stewardship report provides a good deal of information on the various facets of our approach to stewardship, but more than that, it tells our story across what we've done, continue to do and expect to do in future in order to be good stewards of our LGPS pension promise for the long-term.

Bespoke training includes the LGPS Online Learning Academy, the LGE Trustee Fundamentals training and other conferences and seminars. The Fund has a training policy for elected members, board members and officers, which sets out learning and knowledge expectations.

In addition to regular Committee meetings and Working Parties, training opportunities provided during the year were as follows:

Month	Event
May	PLSA Investment Conference
June	PLSA Local Authority Conference
September	LGC Investment Summit
October	PLSA Annual Conference
November	Annual Employers' Conference
Oct-Dec	Fundamentals Training
December	LAPFF Annual conference
March	LGC Investment Seminar

As the officer nominated by the Pensions Committee responsible for ensuring that the Fund's training policies and strategies are implemented, the Director of Pensions confirms that the officers and members charged with the financial management of, and decision making for, the pension scheme, collectively possessed the requisite knowledge and skills necessary to discharge those duties and make the decisions required during the reporting period.

A man with a beard is sitting at a desk, looking down at a laptop. The scene is dimly lit, with a computer monitor visible in the background. The overall tone is professional and focused.

Financial Performance

Financial Performance

Overview of the Fund's Financial Performance

The value of the Fund increased by £140 million from £10.8 billion at 31 March 2024 to £10.9 billion at 31 March 2025. The table below shows the Fund's key financial information for 2024/25:

	£000	£000	£000
Fund value at 31 March 2024			10,821,015
Contributions & Benefits			(203,433)
Employer Contributions	201,885		
Employee Contributions	79,477		
		281,362	
Pensions Paid	(378,437)		
Lump Sums Paid	(105,223)		
		(483,660)	
Net Transfers		(1,135)	
Management Expenses			(55,002)
Administration	(4,008)		
Investment Management	(48,364)		
Oversight & Governance	(3,232)		
		(55,604)	
Other Income		602	
Investments			398,180
Income	353,864		
Change in Market Value	44,316		
Fund Value at 31 March 2025			10,960,760

The Fund's 2024/25 Key Financial Information Against Projections

The table below describes the Fund's performance for key financial variables against forecasts (forecast March and July 2024) for the twelve months to 31 March 2025.

2024/25 or at 31 March 2025	Predicted £000	Actual £000	Variance £000
Fund Size 2024	10,821,015	10,821,015	0
Fund Size 2025	11,112,605	10,960,760	151,845
Contributions Received	258,300	281,362	23,062
Pensions Paid	(466,245)	(483,660)	17,415
Net Transfers	–	(1,135)	1,135
Net cash flow from members	(207,945)	(203,433)	4,512
Net management expenses	(41,516)	(55,002)	13,486
Investment Income	280,587	353,864	73,277
Change in valuation of assets	260,464	44,316	216,148
Return from Investments	+541,051	+398,180	-142,871
Net change overall	+291,590	+139,745	-151,845

Overall, the Fund value as at 31 March 2025 was lower than projected. The key variance between the forecast and the actual performance was the return on investments, the change in the valuation of assets; this is largely out of the control of the Fund.

Contributions are made by active members of the Fund in accordance with the LGPS regulations and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2025. Employee contributions are matched by employers' contributions which are based on triennial actuarial valuations. The contributions above were calculated at the valuation dated 31 March 2022. The 2022 actuarial valuation calculated the average primary employer contribution rate of 18.7% (2019 17.2%). The Fund does reserve the right to levy interest charges on late receipt of contributions from employers. In 2024/25 no such charges were levied.

Overpayment of Pensions

The Fund seeks to minimise and recover, where appropriate, any overpayments made to members, and the Fund has a formal 'Overpayment of Pensions Policy' which outlines the procedure for pension overpayments and recovery actions. Where it is not possible to offset an overpayment from an ongoing pension or that of a surviving dependant, an invoice will be raised to recover any gross amount exceeding £250.

As at 1 April 2024, there were £220,459 overpaid pension invoices outstanding. During 2024/25, invoices amounting to £240,655 were raised, and receipts totalled £231,337. Invoices amounting to £5,658 were written off following instruction from the corporate legal department on the basis that the debts were not economically viable to recover. A small number of cancellations took place totalling £579. An amount of £223,540 remains outstanding at 31 March 2025.

The Fund has in place a mortality screening contract to limit the amount overpayment to pensioners in the event of death, and participates in the National Fraud initiative which is conducted every two years.

A Comparison of Cashflows Over Time

The Fund's cashflow's for the last five years are detailed in the table below:

	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000
Income					
Contributions Received	*337,417	201,160	205,024	259,142	281,362
Transfers In	15,214	**225,296	18,489	13,422	23,760
Other Income	288	172	345	752	602
Net Investment income	186,932	324,682	251,711	262,476	353,864
Total Income	539,851	751,310	475,569	535,792	659,588
Expenditure					
Pensions Paid	350,641	371,943	385,742	436,968	483,660
Payment to Leavers	16,874	14,246	17,109	15,524	24,895
Management Expenses	40,078	47,300	46,262	38,883	55,604
Total Expenditure	407,593	433,489	449,113	491,375	564,159
Net Cashflow	132,258	317,821	26,456	44,417	95,429
Cashflow Excluding Investment Income	(54,674)	(6,861)	(225,255)	(218,059)	(258,435)

*Upfront contributions received covering a 3-year period, therefore the following 2 years are reduced accordingly

**Bulk transfer received

2024/25 Operating Budget and Out-turn

The Fund monitors its costs closely. The table below shows the out-turn against the budget approved at Pensions Committee for the year:

	12 months to 31 March 2025	
	Budget £000	Actual £000
Employees (based on 84 FTE)	5,141	4,480
Premises	225	225
Transport	23	18
Investment fees – operating budget	12,730	13,919
Supplies and Services	2,893	2,695
Third Party	1,416	1,458
Recharges	299	299
Total	22,727	23,094

Note: Premises' expenditure is agreed as a notional charge based on market rates, as MPF owns the building. For the purposes of the operating budget, Investment fees above refers to invoiced investment costs only and is therefore lower than the figure disclosed in the Fund Account.

Overall, the actual out-turn for 2024/25 was £23.1 million, higher than the original budget of £22.7 million approved by Pensions Committee March/July 2024, this is largely due outperformance by some external investment managers.

Looking Forward to 2025/26

The 2025/26 Fund budget, as approved by Pensions Committee in March and July 2025, is detailed in the table below.

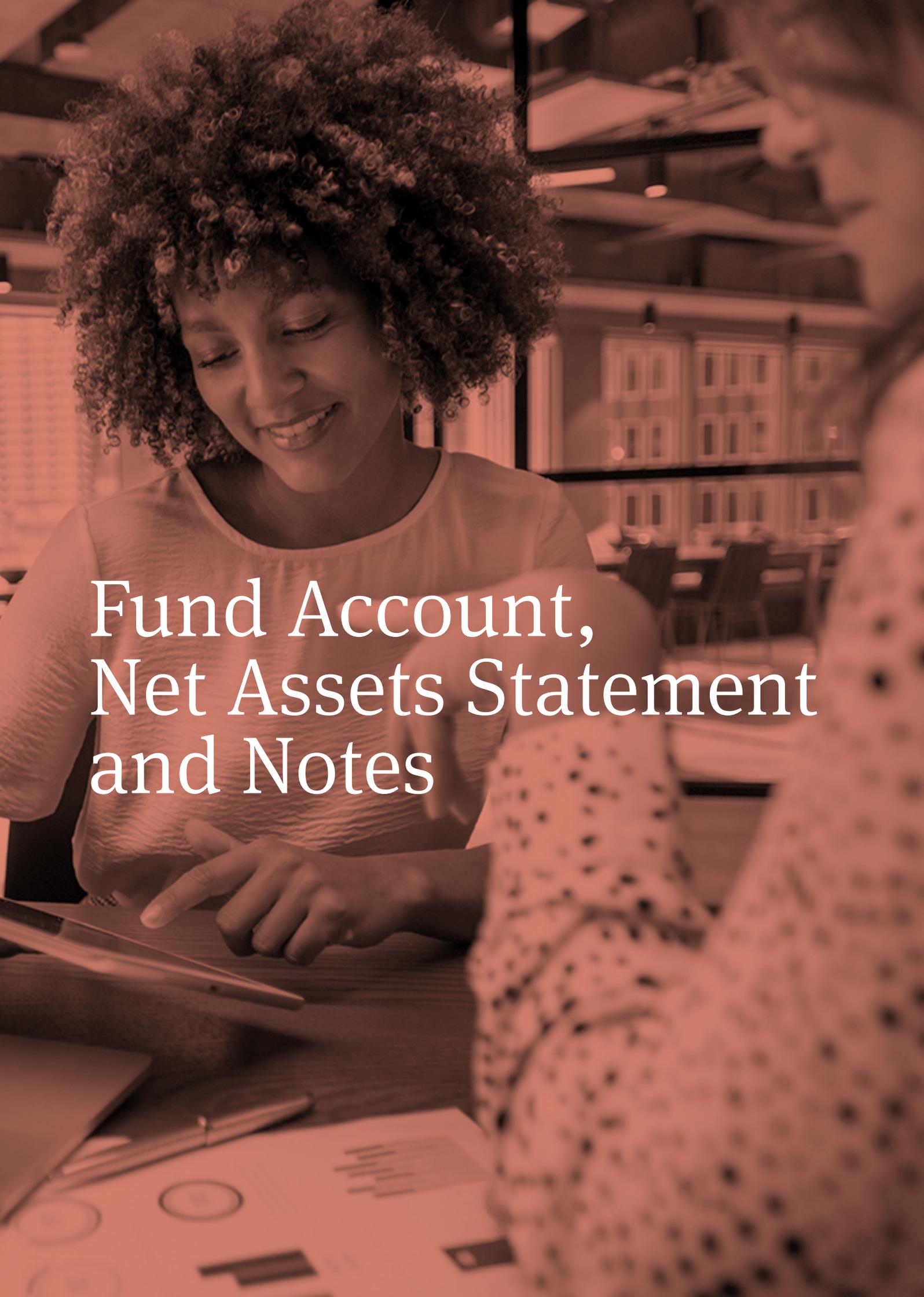
	2025/26 £000
Employees (based on 96 FTE)	5,583
Premises	236
Transport	29
Investment fees – operating budget	12,562
Supplies and Services	4,170
Third Party	1,632
Recharges	332
Total	24,544

The assumptions that underpin this budget are that investment performance follows long-term trends and that the Fund follows the long-term trends in mortality and other factors assumed within the actuarial valuation. Investment fees shown above are for invoiced investment management costs only and do not include any fees for private market assets, any property related expenditure, nor any investment changes associated with pooling.

The predictions for key financial variables for 2025/26 are detailed in the table below:

	2025/26
	£000
Fund Size Start of Year	10,960,760
Fund Size End of Year	11,260,349
Contributions Received	302,590
Pensions Paid	(491,882)
Net Transfers	0
Net Inflow from members	(189,292)
Net management expenses	(59,156)
Investment Income	378,281
Change in valuation of assets	169,757
Return from Investments	+548,038
Net change overall	+299,589

The material variable in these assumptions is investment returns. If returns over the next year are different from the predicted long-term average, then the out-turn will be significantly different. The other key variable is the pattern of membership of the Scheme. If the employers make significant changes which affect the number of active members or deferred members and pensioners, then the cash-flows of the Scheme can change materially. Both factors are largely outside the influence of Merseyside Pension Fund.

A woman with voluminous curly hair is smiling and looking down at a tablet computer she is holding. She is wearing a light-colored, short-sleeved top. The background shows a modern office or meeting space with large windows and contemporary furniture. The entire image has a warm, reddish-orange color cast. Overlaid on the image is the text 'Fund Account, Net Assets Statement and Notes' in a white, serif font.

Fund Account, Net Assets Statement and Notes

Fund Account, Net Assets Statement & Notes

2023/24 £000	FUND ACCOUNT - For the year ended 31 March 2025	Note	2024/25 £000
	Dealing with members, employers and others directly involved in the Fund:		
259,142	Contributions Receivable	7	281,362
13,422	Transfers In	8	23,760
272,564			305,122
(436,968)	Benefits Payable	9	(483,660)
(15,524)	Payments to and on account of Leavers	10	(24,895)
(452,492)			(508,555)
(179,928)	Net additions/(withdrawals) from dealing with members		(203,433)
(38,145)	Management Expenses	11	(55,002)
(218,073)	Net additions/(withdrawals) including Fund Management Expenses		(258,435)
	Return on Investments:		
267,823	Investment Income	12	358,808
363,924	Profit and Losses on Disposal of Investments and Changes in Market Value of Investments	13	61,119
-	Revaluation of Bulk Annuity Insurance Buy-in Contract	13	(16,803)
(5,347)	Taxes on Income	12	(4,944)
626,400	Net Return on Investments		398,180
408,327	Net Increase/(Decrease) in the Fund during the year		139,745
10,412,688	Net Assets of the Fund at the start of the year		10,821,015
10,821,015	Net Assets of the Fund at the end of the year		10,960,760
2023/24 £000	NET ASSETS STATEMENT - For the year ended 31 March 2025	Note	2024/25 £000
	Long Term Investment Assets		
-	Bulk Annuity Insurance Buy-in Contract	13	186,245
	Investment Assets	13	
3,136,939	Equities		3,019,500
477,212	Bonds		589,459
6,295,744	Pooled Investment Vehicles		6,056,723
6,758	Derivative Contracts		181,335
454,600	Direct Property		425,700
224,371	Loans		241,337
101,810	Short Term Cash Deposits		235,643
96,042	Other Investment Balances		111,607
10,793,476			11,047,549
(5,825)	Investment Liabilities	14	(138,411)
10,787,651	Total Net Investment Assets		10,909,138
3,024	Long Term Debtors	19	15,884
50,022	Current Assets	20	57,337
(19,682)	Current Liabilities	20	(21,599)
10,821,015	Net Assets of the Fund as at 31 March 2025		10,960,760

Notes to the Merseyside Pension Fund's Accounts

Note 1 Description of the Fund

Merseyside Pension Fund (MPF/the Fund) is part of the Local Government Pension Scheme (LGPS), and Wirral Council is the Administering Authority.

The overall responsibility for the management of the Fund rests with the Pensions Committee, which for 2024/25 included eleven Councillors from Wirral Council, the Administering Authority and one Councillor from each of the four other Merseyside Borough Councils, and one member representing the other employers in the Scheme. Representatives of trade unions also attend. The more detailed consideration of investment strategy and asset allocation of the Fund's portfolios is considered by the Investment Monitoring Working Party, which includes two external advisers and a consultant. There is also a Responsible Investment Working Party to increase capacity for considering responsible investment issues, which also includes two external advisors and a consultant. The more detailed consideration of governance and risk issues is considered by the Governance and Risk Working Party.

A Local Pensions Board was in operation during 2024/25 in accordance with the Public Service Pensions legislation and regulations. The Board's aim is to assist the Administering Authority with ensuring compliance and the effective governance and administration of the Fund.

A) General

The Scheme is governed by the Public Services Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

The Fund is a contributory defined benefit pension Scheme administered by Wirral Council to provide pensions and other benefits for pensionable employees of the Merseyside Local Authorities and a range of other scheduled and admitted bodies.

B) Membership

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

Organisations participating in Merseyside Pension Fund include:

- Scheduled bodies, which are Local Authorities and similar bodies whose staff are automatically entitled to be members of the Fund.
- Admitted bodies, which are organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation.

There are 269 employer organisations within Merseyside Pension Fund including Wirral Council itself. The Fund has 157,801 members as detailed below:

31 March 2024		31 March 2025
228	Number of Employers with Active Members	269
48,985	Number of Employees in the Scheme	50,007
51,160	Number of Pensioners	52,957
6,692	Number of Dependants	6,769
46,320	Number of Deferred Pensioners*	48,068
153,157	Total Number of Members in the Scheme	157,801

*Included within the number of deferred pensioners are 8,601 undecided leavers (6,444 31 March 2024).

C) Funding

Benefits are funded by employee and employer contributions and investment earnings. Contributions are made by active members of the Fund in accordance with LGPS regulations, with employer contributions set to achieve the funding target for each individual employer as detailed within the Valuation Rates and Adjustment Certificate.

D) Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. From 1 April 2014, the Scheme became a career average Scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is adjusted annually in line with the Consumer Price Index.

There are a range of other benefits provided under the Scheme, for more details please refer to the Fund's website: [Merseyside Pension Fund Website](#)

Note 2 Basis of Preparation

The Statement of Accounts summarises the Fund's transactions for the 2024/25 financial year and its position at year-end as at 31 March 2025. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, are shown within the statement by the Actuary, which is published as an addendum to the accounts.

The Fund has not made any allowances for the potential impact of the Virgin Media case. In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited (and others) relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans.

The Local Government Pension Scheme (LGPS) is a contracted-out defined benefit scheme, and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department (GAD) as the LGPS actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. HM Treasury has also indicated it did not believe the case applied directly to public service pension schemes where changes will have been made to benefits by legislation.

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.

On 1 September 2025, the Pensions Minister published draft amendments to the Pension Schemes Bill that would enable the retrospective validation of historical amendments to contracted-out defined benefit schemes, the proposed legislation delivers an industry-wide remedy.

It is anticipated that this will result in there being no impact on the LGPS and the Fund from the appeal court's ruling. As a result, Merseyside Pension Fund does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements or in the disclosure of the actuarial present value of promised retirement benefits in its financial statements.

The accounts have been prepared on a going concern basis.

The following standards introduced by the 2025/26 Code, where disclosures are required in the 2024/25 financial statements, are below, however, they are not anticipated to have any impact on the amounts expected to be reported in the Fund's financial statements:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)
- IFRS 17 Insurance Contracts
- Changes to Non-Investment Assets (Amendments IAS 8)

Note 3a Summary of Significant Accounting Policies

The financial statements have been prepared on an accruals basis, unless otherwise stated.

Contributions and Benefits

Contributions are accounted for on an accruals basis. Contributions are made by active members of the Fund in accordance with LGPS Regulations and employers' contributions are based on triennial actuarial valuations.

Employer normal contributions and deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the Scheme actuary or on receipt if earlier than the due date.

Employers' pension 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 financial assets.

Benefits payable represent the benefits paid during the financial year and include an estimated accrual for lump sum benefits outstanding as at the year-end. Benefits payable includes interest on late payment. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

Estimates for post year-end outstanding items have been used for payments of retirement grants and death grants:

- Retirement grants due for payment, but not paid by 31 March 2025, using actual figures as far as possible, and assuming maximum commutation to be taken, where the knowledge of the individual member's choice is still outstanding.
- Death grants due for payment, but not paid by 31 March 2025, for example, awaiting Probate.

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.

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged. Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

Management Expenses

The Fund discloses its management expenses analysed into three categories: administration costs, investment management costs and oversight and governance costs, in accordance with CIPFA "Accounting for Local Government Pension Scheme Management Expenses (2016)".

Administration Costs

All administration expenses are accounted for on an accruals basis. All staff costs of the Fund's administration team are charged direct to the Fund. Associated management and other overheads are apportioned to the Fund in accordance with Council Policy.

Investment Management Costs

All investment expenses are accounted for on an accruals basis. Fees of the external Investment Managers and Custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market values of the investments under their management and therefore increase or reduce as the value of these investments change.

Costs in respect of the internal investment team are classified as investment expenses.

Estimates for post year-end outstanding items have been used for external Investment Management fees, using the Fund's valuations as at 31 March 2025.

In accordance with CIPFA "Accounting for Local Government Pension Scheme Management Expenses (2016)" guidance, transaction costs are shown under investment expenses.

Oversight and Governance Costs

All oversight and governance expenses are accounted for on an accruals basis. All staff costs associated with oversight and governance are charged direct to the Fund. Associated management and other overheads are apportioned to the Fund in accordance with Council Policy. The cost of obtaining investment advice from external consultants is included in governance and oversight expenses.

Investment Income

Income from Equities is accounted for when the related investment is quoted ex-dividend. Income from Bonds, Pooled Investment Vehicles and interest on Loans and Short-term Deposits has been accounted for on an accruals basis. Distributions from Private Equity are treated as return of capital until the book value is nil then treated as income on an accruals basis.

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 and recognised over the term of the lease. Property expenditure is deducted from rental income to report net income from properties.

Receipts from the Bulk Annuity Insurance Buy-in Contract are accounted for as investment income on an accruals basis and in accordance with the contract.

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.

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.

Valuation of Investments

All financial assets apart from loans are included in the Net Asset Statement on a fair value basis as at the reporting date. Loans are included in the Net Asset Statement on an amortised cost basis. The values of investments as shown in the net asset statement have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see note 15). For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

The values of investments as shown in the Net Asset Statement are determined as follows:

- Listed securities are valued at quoted bid market prices on the final day of the accounting period. The bid price is the price which the Fund would have obtained had the securities been sold at that date.

- For unlisted investments, wherever possible, valuations are obtained via the Independent Administrator. Valuations that are obtained direct from the Manager are verified against the latest available audited accounts adjusted for any cash flows up to the reporting date.
- Hedge Funds and Infrastructure are recorded at fair value based on net asset values provided by Fund Administrators, or using latest financial statements published by respective Fund Managers, adjusted for any cash flows.
- Private Equity valuations are in accordance with the guidelines and conventions of the British Venture Capital Association/International Private Equity guidelines, or equivalent.
- Indirect Property is valued at net asset value or capital fair value basis provided by the Fund Manager. For listed Funds, the net asset value per unit is obtained through data vendors.
- The freehold and leasehold interests in the properties held within the Fund were independently valued as at 31 March 2025 by Savills (UK) Limited, acting in the capacity of External Valuers as defined in the RICS Red Book (but not for the avoidance of doubt as an External Valuer of the Fund as defined by the Alternative Investment Fund Managers Regulations 2013). This valuation accords with the requirements of IFRS13 and the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2025 together with the UK National Supplement effective 1 May 2024, together the “Red Book”.
- Pooled Investment Vehicles are valued at closing bid price if both bid and offer prices are published; or if single priced, at the closing single price. In the case of Pooled Investment Vehicles that are Accumulation Funds, change in market value also includes income which is reinvested by the Manager of the vehicle in the underlying investment, net of applicable withholding tax.
- The Bulk Annuity Insurance Buy-in Contract is valued by the Fund’s Actuary at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date.

Translation of Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at rates ruling at the year-end. Foreign income received during the year is translated at the rate ruling at the date of receipt. All resulting exchange adjustments are included in the revenue account.

Derivatives

The Fund uses derivative financial assets to manage exposure to specific risks arising from its investment activities. Derivative contract assets are fair valued at bid prices and liabilities are fair valued at offer prices. Changes in the fair value of derivative contracts are included in change in market value.

The value of future contracts is determined using exchange prices at the reporting date. Amounts due from or owed to the broker are the amounts outstanding in respect of the initial margin and variation margin.

The value of exchange traded options is determined using the exchange price for closing out the option at the reporting date.

The future value of forward currency contracts is based on market forward exchange rates at the year-end date and determined as the gain or loss that would arise if the outstanding contract were matched at the year-end with an equal and opposite contract.

Short Term Deposits

Short-term deposits only cover cash balances held by the Fund. Cash held by Investment Managers awaiting investment is shown under “Other Investment Balances”.

Financial Liabilities

The Fund recognises financial liabilities at fair value as at the reporting date. 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.

Additional Voluntary Contribution

The Fund provides an Additional Voluntary Contribution (AVC) scheme for its members, the assets of which are invested separately from the main Fund. In accordance with regulation 4 (1) (b) of the Pensions Schemes (Management and Investment of Funds) Regulations 2016, these assets are excluded from the Pension Fund accounts.

The Scheme providers are Utmost Life, Standard Life and Prudential. Individual members participating in this arrangement each receive an annual statement confirming the amounts held on their account and the movements in the year.

Note 3b Changes to Accounting Policies

The following accounting standards have been issued and are applicable to 2024/25 reporting:

IFRS 16 Leases

This accounting standard largely removes the distinction between operating and finance leases by introducing an accounting model that requires lessees to recognise assets and liabilities for all assets with a term of more than twelve months unless the underlying asset is of low value. This accounting standard has minimal impact on the Fund because it does not hold any assets as a lessee.

Note 4 Critical Judgements in Applying Accounting Policies

The Fund has not applied any critical judgements.

Note 5 Estimation & Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates and assumptions take account of historical experience, current trends and future expectations. However, actual outcomes could be different from the assumptions and estimates made. The items in the net asset statement for which there is a significant risk of material adjustment the following year are as follows:

Unquoted Investments

The value of unquoted assets as at 31 March 2025 was £5,653 million (£5,754 million at 31 March 2024).

In 2024/25 the Fund purchased a Bulk Annuity Insurance Buy-in contract with Aviva PLC to secure benefits payable for a defined group of pensioners and deferred pensioners of one employer. The insurance policy is held as a long-term asset on the Net Asset Statement and is valued as at 31 March 2025 by the Fund's Actuary.

The Fund also has significant unquoted investments within Private Equity, Infrastructure, Property and other Alternative investments. These are valued within the financial statements using valuations from the Managers of the respective assets. There are clear accounting standards for these valuations, and the Fund has procedures in place to ensure valuations applied by Managers comply with these standards and any other relevant best practice.

Private Equity investments are valued at fair value in accordance with International Private Equity and British Venture Capital Association guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.

Infrastructure and other alternative assets are valued in accordance with Accounting Standards; however, the valuation basis includes a degree of estimation.

Hedge Funds are valued at the sum of the fair values provided by the Administrators of the underlying Funds plus adjustments that the Hedge Fund 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.

Direct property and pooled property funds use valuation techniques to determine the carrying amount. Where possible, these valuations are based on observable data, but where this is not possible, management uses the best available data.

For 2024/25 there remains additional uncertainty regarding the valuations of illiquid assets, due to the volatility in the financial markets, impacted by world events and the time it will take to fully realise the impact on such assets. There is an increased level of risk that the estimated valuations may be misstated. The valuations have been updated based upon the available information as at 31 March 2025 and maybe subject to variations as further information becomes available.

Note 15 sets out a sensitivity analysis of such assets valued at level 3 (the remaining unquoted assets are classified as level 2 assets).

With regards to the Fund's level 3 investments, these are well diversified between sectors and also vintage year (year in which first influx of investment capital is delivered to a project or company) meaning that there will be a wide dispersion between the potential valuation effects. Some of the underlying level 3 investment assets could have seen positive uplifts to their valuations, as well as those which will have seen negative.

Note 6 Events after the Reporting Date**Non-Adjusting Post Balance Sheet Event**

There have been no events since 31 March 2025, and up to the date when these accounts were authorised, that require any adjustments to these accounts. However, since the reporting date of 31 March 2025, the Fund's value has significantly increased and as at 31 October 2025, the value was £11.9bn.

Note 7 Contributions Receivable

Contributions are made by active members of the Fund in accordance with LGPS regulations and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2025. Employee contributions are matched by employers' contributions which are based on triennial actuarial valuations. The 2024/25 contributions below were calculated at the valuation dated 31 March 2022. The 2022 actuarial valuation calculated the average primary employer contribution rate of 18.7% (2019 17.2%). The Fund received additional or upfront payments, totalling £32,760 (2023/24 £548,060).

"Pension Strain" represents the cost to employers when their employees retire early to compensate the Fund for the reduction in contribution income and the early payment of benefits. Payments to the Fund for such costs are made over agreed periods. An accrual has been made for agreed future payments to the Fund.

"Deficit Funding" includes payments by employers for past service deficit and additional payments by employers to reduce a deficit.

"Surplus Offsets" is when employers are in a funding surplus and have offset the surplus against employers' contributions.

The Fund does reserve the right to levy interest charges on late receipt of contributions from employers. In 2024/25 no such charges were levied.

2023/24 £000	Contributions Receivable	2024/25 £000
Employers		
210,207	Normal	228,871
3,748	Pension strain	3,071
(29,406)	Deficit Funding/(Surplus)	(30,057)
184,549		201,885
Employees		
74,593	Normal	79,477
259,142		281,362
Relating to:		
33,136	Administering Authority	35,746
213,393	Statutory Bodies	229,020
12,613	Admission Bodies	16,596
259,142		281,362

Note 8 Transfers In

There were no bulk transfers into the Fund during 2024/25.

2023/24 £000	Transfers In	2024/25 £000
-	Group Transfers	-
13,422	Individual Transfers	23,760
13,422		23,760

Note 9 Benefits Payable

2023/24	Benefits payable	2024/25
£000		£000
348,531	Pensions	378,437
79,583	Lump Sum Retiring Allowances	96,296
8,854	Lump Sum Death Benefits	8,927
436,968		483,660
Relating to:		
58,018	Administering Authority	63,997
304,072	Statutory Bodies	339,768
74,878	Admission Bodies	79,895
436,968		483,660

Note 10 Payments to and on account of Leavers

2023/24	Payments to and on account of Leavers	2024/25
£000		£000
580	Refunds to Members Leaving Service	720
1	Payment for Members Joining State Scheme	-
(1)	Income for Members from State Scheme	(1)
-	Group Transfers to Other Schemes	-
14,944	Individual Transfers to Other Schemes	24,176
15,524		24,895

Note 11 Management Expenses

2023/24	Management Expenses	2024/25
£000		£000
3,469	Administration Costs	4,008
32,283	Investment Management Costs	48,364
3,146	Oversight and Governance Costs	3,232
(753)	Other Income	(602)
38,145		55,002

Note 11a Administration Costs

2023/24	Administration Costs	2024/25
£000		£000
2,588	Employee Costs	2,903
617	IT Costs	804
230	General Costs	253
34	Other Costs	48
3,469		4,008

Note 11b Investment Management Costs

2024/25	Total	External Investment Management Fees	External Investment Management Performance Fees	External Private Market Fees	External Private Market Expenses	Transaction Costs
	£000	£000	£000	£000	£000	£000
Equities	13,104	6,335	3,526			3,243
Bonds	100	100				
Pooled Investment Vehicles	31,655	3,354	(190)	11,530	16,961	
Derivative Contracts	795	795				
Loans	485			485		
Short Term Cash Deposits	-					
Other Investment Balances	-					
		10,584	3,336	12,015	16,961	3,243
External Services	965					
Internal Investment Management Fees	1,260					
	48,364					
2023/24	Total	External Investment Management Fees	External Investment Management Performance Fees	External Private Market Fees	External Private Market Expenses	Transaction Costs
	£000	£000	£000	£000	£000	£000
Equities	10,652	6,654	922			3,076
Bonds	100	100				
Pooled Investment Vehicles	18,969	3,102	190	8,766	6,911	
Derivative Contracts	359	359				
Loans	516			516		
Short Term Cash Deposits	-					
Other Investment Balances	-					
		10,215	1,112	9,282	6,911	3,076
External Services	526					
Internal Investment Management Fees	1,161					
	32,283					

Note 11c Oversight & Governance Costs

Actuarial fees included within External Services below (note 11c) are shown gross of any fees that have been recharged to employers. Included within Other Income for 2024/25 is £541,004 relating to recharged Actuarial fees (2023/24 £674,931).

The estimated External Audit fee for 2024/25 is £133,543, an additional £5,500 relates to services in respect of IAS19 assurances for admitted body auditors, which are recharged to those admitted bodies. An audit fee rebate was received during 2024/25 for £16,015.

2023/24	Oversight & Governance Costs	2024/25
£000		£000
771	Employee Costs	830
1,932	External Services	1,920
49	Internal Audit	49
122	External Audit	123
272	Other Costs	310
3,146		3,232

Note 12 Investment Income

Interest on loans has been accrued up to 31 March 2025.

Investment income figures are shown gross of tax. Included in these figures is recoverable taxation of £19.5 million (2023/24 £16.8 million).

The Fund is seeking to recover tax withheld by UK and overseas tax regimes under the EU principle of free movement of capital within its borders, repayments received in 2024/25 £3.4 million (2023/24 £3.6 million).

2023/24	Investment Income	2024/25
£000		£000
99,675	Dividends from Equities	93,979
3,373	Income from Bonds	4,642
106,863	Income from Pooled Investment Vehicles	111,417
20,389	Net Rents from Properties (Note 12A)	24,590
-	Bulk Annuity Insurance Buy-in Contract Receipts	11,509
7,276	Interest on Short Term Cash Deposits	15,699
14,322	Income from Private Equity	62,578
3,497	Income from Derivatives	10,119
11,857	Interest from Loans	23,798
571	Other	477
267,823		358,808
(5,347)	Irrecoverable Withholding Tax	(4,944)
262,476		353,864

Note 12a Property Income

No contingent rents have been recognised as income during the period.

2023/24	Property Income	2024/25
£000		£000
28,049	Rental Income	34,813
(7,660)	Direct Operating Expenses	(10,223)
20,389	Net Rent from properties	24,590

Note 13 Investments

2024/25	Market Value 31/3/24	Purchases at Cost and Derivative Payments	Sale Proceeds and Derivative Receipts	Change in Market Value*	Market Value 31/3/25
	£000	£000	£000	£000	£000
Bulk Annuity Insurance Buy-in Contract	-	203,048	-	(16,803)	186,245
Equities	3,136,939	1,001,185	(1,178,907)	60,283	3,019,500
Bonds	477,212	198,104	(46,578)	(39,279)	589,459
Pooled Investment Vehicles	6,295,744	917,630	(1,150,128)	(6,523)	6,056,723
Direct Property	454,600	28,774	(60,909)	3,235	425,700
Loans	224,371	70,980	(57,124)	3,110	241,337
	10,588,866	2,419,721	(2,493,646)	4,023	10,518,964
Derivative Contracts:					
FX	20	357,969	(358,317)	428	100
Options	-	188,684	(188,684)	49,247	49,247
Swaps	6,737	-	-	(9,290)	(2,553)
	10,595,623	2,966,374	(3,040,647)	44,408	10,565,758
Short Term Cash Deposits	101,810				235,643
Other Investment Balances	96,042			(92)	111,607
Amounts due to stockbrokers	(5,824)				(3,870)
	10,787,651			44,316	10,909,138
2023/24					
	Market Value 31/3/23	Purchases at Cost and Derivative Payments	Sale Proceeds and Derivative Receipts	Change in Market Value*	Market Value 31/3/24
	£000	£000	£000	£000	£000
Equities	3,172,527	908,015	(1,147,777)	204,174	3,136,939
Bonds	501,716	44,337	(40,563)	(28,278)	477,212
Pooled Investment Vehicles	5,922,231	628,827	(473,478)	218,164	6,295,744
Direct Property	470,300	7,760	-	(23,460)	454,600
Loans	155,482	87,829	(15,830)	(3,110)	224,371
	10,222,256	1,676,768	(1,677,648)	367,490	10,588,866
Derivative Contracts:					
FX	(3)	158,456	(158,788)	355	20
Options	(51,385)	228,487	(169,533)	(7,569)	-
Swaps	2,781	-	-	3,956	6,737
	10,173,649	2,063,711	(2,005,969)	364,232	10,595,623
Short Term Cash Deposits	80,732				101,810
Other Investment Balances	130,507			(308)	96,042
Amounts due to stockbrokers	(3,397)				(5,824)
	10,381,491			363,924	10,787,651

*Note: The change in market value of investments during the year comprises all realised and unrealised appreciation and depreciation.

Note 13a Analysis of Investments

2023/24 £000	Long Term Investment Assets	2024/25 £000
-	Bulk Annuity Insurance Buy-in Contract	186,245
<hr/>		
2023/24 £000	Investment Assets	2024/25 £000
3,136,939	Equities	3,019,500
477,212	Bonds	589,459
<hr/>		
Pooled Investment Vehicles		
787,448	Equities	823,192
366,451	Bonds	368,018
967,457	Private Equity	919,649
314,923	Hedge Funds	306,891
921,367	Infrastructure	842,935
476,919	Unit Trusts - Property	482,265
2,028,690	Other Unitised Funds	1,860,000
432,489	Other	453,773
6,295,744		6,056,723
<hr/>		
Derivative Contracts		
21	FX	104
-	- Options	181,231
6,737	Swaps	-
6,758		181,335
<hr/>		
454,600	Property	425,700
<hr/>		
224,371	Loans	241,337
<hr/>		
Short Term Cash Deposits		
101,810	Sterling	235,643
-	- Foreign Currency	-
101,810		235,643
<hr/>		
Other Investment Balances		
-	- Amounts Due from Brokers	-
3,445	Outstanding Trades	7,738
31,504	Outstanding Dividend Entitlements and Recoverable Withholding Tax	35,106
61,093	Cash Deposits	68,763
96,042		111,607
<hr/>		
10,793,476	Total Investment Assets	10,861,304
<hr/>		
10,793,476	Total Investments	11,047,549

Note 13b Analysis of Derivatives

Forward Currency Contracts

The Fund's forward currency contracts are exchange traded and are used by a number of our external Investment Managers to hedge exposures to foreign currency back into sterling.

Settlement Date	Currency bought '000	Currency sold '000	Asset £000	Liability £000
Up to one month	GBP 13,898	EUR 16,457	104	-
Up to one month	USD 42	GBP 33	-	-
Up to one month	KRW 242,059	GBP 127	-	-
Up to one month	IDR 17,327,701	GBP 812	-	(2)
Up to one month	GBP 609	KRW 1,160,607	-	(2)
			104	(4)
Net Forward Currency Contracts at 31 March 2025				100
Prior Year Comparative				
Open Forward Currency Contracts at 31 March 2024			21	(1)
Net Forward Currency Contracts at 31 March 2024				20

Purchased/Written Options

Options are contracts between two parties that gives the purchaser the right, but not the obligation to either buy (call) or sell (put) at a price at a specific date. The purchaser immediately pays a non-returnable premium (price) to secure the option. To minimise the risk of loss of value through adverse equity price movements, during 2024/25, the Fund bought a number of equity option contracts that protect it from falls in value in its main investment markets.

Underlying Option Contract	Expires	Put/Call	Notional Holding £000	Market Value 31 March 2025 £000
Assets				
Overseas equity purchased	Over three months	Put	9,847	181,231
Total Assets				181,231
Liabilities				
Overseas equity written	Over three months	Put	(9,847)	(102,928)
Overseas equity written	Over three months	Call	(3,520)	(29,056)
Total Liabilities				(131,984)
Net Purchased/Written Options				49,247

There were no open purchased/written options as at 31 March 2024.

Swaps

A swap is an over-the-counter contractual obligation to exchange cash flows, the amount of which is determined by reference to an underlying asset, index, instrument or notional amount, according to terms which are agreed at the outset of the swap. MPF uses swaps to raise or lower the Fund's exposure in certain regions, to manage risks.

Type	Expires	Notional Holding £000	Market Value 31/3/25 £000
Assets		-	-
Total Assets		-	-
Liabilities			
Total Return Swaps	Up to one year	(4)	(2,553)
Total Liabilities			(2,553)
Net Swaps			(2,553)

Type	Expires	Notional Holding £000	Market Value 31/3/24 £000
Assets			
Total Return Swaps	Up to one year	3	6,737
Total Assets			6,737
Liabilities		-	-
Total Liabilities			-
Net Swaps			6,737

As at 31 March 2025, the Fund held cash and non-cash collateral of £20.6 million to mitigate the risk of loss and credit risk. As the Fund has an obligation to return the collateral, it is excluded from the Fund valuation.

Note 13c Property Holdings

The Fund's investment portfolio includes a number of directly owned properties that are leased commercially to various tenants. Details of these properties are as follows:

2023/24 £000	Property	2024/25 £000
470,300	Balance at the Start of the Year	454,600
7,760	Additions	28,774
-	Disposals	(60,909)
(6)	Net Gain/Loss on Fair Value	8,163
-	Transfers In/Out	-
(23,454)	Other Changes in Fair Value	(4,928)
454,600	Balance at the End of the Year	425,700

As at 31 March 2025 there were no restrictions on the realisability of investment property or of the remittance of income or proceeds of disposal and the Fund is not under any contractual obligations to purchase, construct or develop any of these properties.

Property Operating Leases

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

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 twenty five years.

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

2023/24	Age Profile of Lease Income	2024/25
£000		£000
883	No later than one year	2,202
17,436	Between one and five years	13,631
141,645	Later than five years	173,006
159,964	Total	188,839

With regards to the properties owned and leased by the Fund, all are leased to the 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 13d Bulk Annuity Buy-in Contract

In June 2024, the Fund purchased for £203 million (initial premium), a Bulk Annuity Insurance Buy-in Contract to secure benefits payable for a defined group of pensioners and deferred pensioners of one employer. The insurance policy provides that the insurer underwrites the risk for meeting the liabilities of a specified group of pensioners and deferred members for one employer as at June 2024. The insurance provider pays an agreed monthly payroll amount for this group whilst they or their dependants are entitled to a pension. During 2025/26 and in accordance with the contract, a data verification exercise (true up) will be undertaken and the unadjusted final premium will be calculated and settled.

The Fund held insurance policies at the year end as follows:

2024/25	Bulk Annuity Buy-in Contract	2024/25
£000		£000
-	Aviva PLC	186,245
-	Total	186,245

Note 13e Summary of Manager's Portfolio Values at 31 March 2025

2023/24 £million	%		2024/25 £million	%
Externally Managed				
380	3.5	JP Morgan (European equities)	371	3.4
494	4.6	Nomura (Japan)	462	4.2
294	2.7	Schroders (fixed income)	295	2.7
542	5.0	Legal & General (fixed income)	272	2.5
56	0.5	Unigestion (European equities)	-	-
257	2.4	M&G (global emerging markets)	269	2.5
269	2.5	TT International (UK equities)	270	2.5
335	3.1	Blackrock (UK equities)	371	3.4
119	1.1	Newton (UK equities)	-	-
237	2.2	Amundi (global emerging markets)	243	2.2
196	1.8	Maple-Brown Abbot (Pacific Rim equities)	209	1.9
1,495	14.0	State Street Global Advisor (Passive Manager)	1,590	14.5
490	4.5	State Street Global Advisor (Bonds Manager)	487	4.5
8	0.1	Open Door China A Share Fund Ltd	28	0.3
-	-	Aviva PLC (Bulk Annuity Buy-in Contract)	186	1.7
5,172	48.0	Total Externally Managed	5,053	46.3
Internally Managed				
587	5.4	UK equities	651	6.0
397	3.7	European equities	400	3.7
175	1.6	Asia pacific ex Japan	173	1.6
455	4.2	Property (direct)	426	3.9
736	6.8	Property (indirect)	530	4.9
-	-	Loans	233	2.1
987	9.2	Private equity	937	8.5
362	3.4	Hedge funds	353	3.2
951	8.8	Infrastructure	857	7.9
522	4.8	Private Credit	544	5.0
317	2.9	Global Equities Internal Factor	329	3.0
-	-	Low Duration UK Fixed Income	152	1.4
127	1.2	Short term deposits & other investments	271	2.5
5,616	52.0	Total Internally Managed	5,856	53.7
10,788	100.0	Total	10,909	100.0

*For 2023/24 Loans were included within the Property (indirect) portfolio.

The following holdings each represent more than 5% of the net assets of the Fund:

2023/24 £million	%		2024/25 £million	%
941	8.7	State Street Pooled UK Index-Linked Gilts	977	9.0
941		Total	977	

Note 13f Stock Lending

As at 31 March 2025, £306.1 million of stock was on loan to market makers, which was covered by cash and non-cash collateral, totalling £326.2 million. Collateral is marked to market and adjusted daily. Income from Stock Lending amounted to £476,724 and is included within "Other" Investment Income. As the Fund retains its economic interest in stock on loan, their value remains within the Fund valuation. As the Fund has an obligation to return collateral to the borrowers, collateral is excluded from the Fund valuation. The Fund used its Custodian as agent lender, lending only to an agreed list of approved borrowers. An indemnity is in place which gives the Fund further protection against losses.

Note 14 Investment Liabilities

2023/24 £000	Investment Liabilities	2024/25 £000
1	Derivative Contracts	134,541
5,824	Amounts due to Stockbrokers	3,870
5,825	Total	138,411

Note 15 Fair Value – Basis of Valuation

The basis of the valuation of each class of investment asset is set out below. There has been no change in the valuation techniques used during the year.

All assets have been valued using fair value techniques based on the characteristics of each instrument, where possible, using market based information.

Description of asset	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 1			
Quoted Equities and Pooled Investment Vehicles	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Quoted Fixed Income Bonds and Unit Trusts	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Derivatives - Futures and Options	Published exchange prices at the year-end	Not required	Not required
Cash and Cash Equivalents	Carrying Value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required

Note 15 Fair Value – Basis of Valuation (continued)

Description of asset	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 2			
Unquoted Equities Investments	Average of broker prices	Evaluated price feeds	Not required
Unquoted Fixed Income Bonds and Unit Trusts	Average of broker prices	Evaluated price feeds	Not required
Unquoted Pooled Fund Investments	Average of broker prices	Evaluated price feeds	Not required
Derivatives - Forward Currency Contracts	Market forward exchange rates at the year end	Exchange rate risk	Not required
Derivatives - OTC Options and OTC Swaps	Option pricing models and Swap pricing models	Interest rates, underlying equity prices, model assumptions, price risk	Not required
Pooled Property Funds and Hedge Funds where regular trading takes place	NAV - based pricing set on a forward pricing basis. Closing bid price where bid and offer prices are published - closing single price where single price is published.	NAV - based pricing set on a forward pricing basis	Not required
Level 3			
Pooled Property Funds where regular trading does not take place	NAV - based pricing set on a forward pricing basis. Valued by investment managers on a fair value basis each year using clear accounting guidance and industry best practice guidance.	NAV - based pricing set on a forward pricing basis.	Material events occurring between the date of the financial statements provided and MPF's own reporting date, changes to expected cashflows, differences between audited and unaudited accounts.
Hedge Funds where regular trading does not take place	NAV - based pricing set on a forward pricing basis. Valued by investment managers on a fair value basis each year using clear accounting guidance and industry best practice guidance.	NAV - based pricing set on a forward pricing basis.	Valuations are affected by any changes to the value of the financial instrument being hedged against.
Direct Property	Valued at fair value at the year-end using independent external Valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards (the "RICS Red Book").	Existing lease terms and rentals, independent market research, nature of tenancies, covenant strength of 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.
Other Unquoted, including Infrastructure and Private Equities	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines or equivalent.	EBITDA multiple, revenue multiple, discount fo lack of marketability, onrol premium.	Material events occurring between the date of the financial statements provided and MPF's own reporting date, changes to expected cashflows, differences between audited and unaudited accounts.
Bulk Annuity Insurance Buy-in Contract	The Bulk Annuity Insurance Buy-in Contract is valued by the Fund's Actuary at the amount of the related obligation, determined using the most recent Scheme funding valuation assumptions updated for the market conditions at the reporting date.	Discount rate, pension increases, life expectancy.	Discount rate, pension increases and life expectancy adjustments.

Note 15 Fair Value – Basis of Valuation (continued)**Sensitivity of assets valued at level 3**

The table below sets out the assets classified as level 3 assets. The Fund has determined that the valuation methods described above are likely to be accurate to within the following ranges (as provided by the Fund's investment consultants) and has set out below the consequent potential impact on the closing value of investments held at 31 March 2025 and 31 March 2024. There are various factors that affect the complexity of valuation and the realisable value of assets and certain asset specific issues may lead to realisable valuations falling outside the stated range.

Level 3 Assets	Value at 31 March 2025	Potential variance	Value on increase	Value on decrease
	£000	%	£000	£000
Property	913,492	10.0	1,004,841	822,143
Unquoted UK equity	25,871	15.0	29,752	21,990
Unquoted overseas equity	108,115	15.0	124,332	91,898
Hedge funds	201,975	10.0	222,173	181,778
Infrastructure	842,935	15.0	969,375	716,495
Private equity	1,321,190	15.0	1,519,369	1,123,012
Total	3,413,578			

Level 3 Assets	Value at 31 March 2024	Potential variance	Value on increase	Value on decrease
	£000	%	£000	£000
Property	937,313	10.0	1,031,044	843,582
Unquoted UK equity	32,384	15.0	37,242	27,526
Unquoted overseas equity	86,390	15.0	99,349	73,432
Hedge funds	207,697	10.0	228,467	186,927
Infrastructure	921,367	15.0	1,059,572	783,162
Private equity	1,347,187	15.0	1,549,265	1,145,109
Total	3,532,338			

The key underlying inputs into the Bulk Annuity Insurance Buy-in Contract valuation are the discount rate, pension increases and life expectancy assumptions. The impact of changes as calculated by the Fund's Actuary are shown below:

	Value at 31 March 2025	Potential variance	Value on increase	Value on decrease
	£000		£000	£000
Bulk Annuity Insurance Buy-in Contract	186,245			
Change in Assumptions:				
Adjustment to discount rate		0.25%	190,291	182,051
Adjustment to pensions increase		0.25%	190,012	180,921
Adjustment to life expectancy		1 Year	191,569	181,049

There were no Bulk Annuity Insurance Buy-in Contracts as at March 2024.

Note 15a Fair Value Hierarchy

Asset valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values.

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

Level 1

Assets at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed securities, quoted index-linked securities and unit trusts. Listed investments are shown at bid prices. The bid value of the investment is based on the market quotation of the relevant stock exchange.

Level 2

Assets at level 2 are those where quoted market prices are not available, for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Assets 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 investments would include unquoted equity investments and Hedge Fund of Funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of the investment in Private Equity are based on valuations provided by the general partners to the Private Equity funds in which Merseyside Pension Fund has invested.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS. Valuations are usually undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March 2025 as appropriate.

The values of the investment in Hedge Funds are based on the net asset value provided by the Fund Manager. Assurances over the valuation are gained from the independent audit of the value.

The Bulk Annuity Insurance Buy-in Contract is valued by the Fund's Actuary at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date. The following table provides an analysis of the financial assets of the pension fund grouped into Levels 1 to 3, based on the level at which the fair value is observable:

Values at 31 March 2025	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Investment assets				
Equities	2,974,118		45,382	3,019,500
Bonds	589,050	400	9	589,459
Pooled Investment Vehicles	1,108,492	2,005,744	2,942,487	6,056,723
Derivative Contracts		181,335		181,335
Direct Property			425,700	425,700
Bulk Annuity Insurance Buy-in Contract			186,245	186,245
Loans*				241,337
Short Term Cash Deposits*				235,643
Other Investment Balances*				111,607
Total Investment Assets	4,671,660	2,187,479	3,599,823	11,047,549
Investment liabilities				
Amounts due to stockbrokers*				(3,870)
Derivative Contracts		(134,541)		(134,541)
Total Investment Liabilities	-	(134,541)	-	(138,411)
Net Investment Assets	4,671,660	2,052,938	3,599,823	10,909,138

Values at 31 March 2024	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Investment assets				
Equities	3,095,898		41,041	3,136,939
Bonds	476,802	400	10	477,212
Pooled Investment Vehicles	1,044,652	2,214,405	3,036,687	6,295,744
Derivative Contracts		6,758		6,758
Direct Property			454,600	454,600
Loans*				224,371
Short Term Cash Deposits*				101,810
Other Investment Balances*				96,042
Total Investment Assets	4,617,352	2,221,563	3,532,338	10,793,476
Investment Liabilities				
Amounts due to stockbrokers*				(5,824)
Derivative Contracts		(1)		(1)
Total Investment Liabilities	-	(1)	-	(5,825)
Net Investment Assets	4,617,352	2,221,562	3,532,338	10,787,651

*Loans, cash, other investment balances and amounts due to stockbrokers are valued at amortised cost rather than fair value, however, are included within the table for reconciliation purposes.

A reconciliation of fair value measurements in Level 3 is set out below:

2023/24 £000		2024/25 £000
3,468,553	Opening balance	3,532,338
417,036	Acquisitions	574,017
(238,175)	Disposal proceeds	(458,340)
-	Transfer into/(out) Level 3	26,758
	Total gain/(losses) included in the Fund account:	
76,881	On assets sold	47,122
(191,957)	On assets held at year end	(122,072)
3,532,338	Closing balance	3,599,823

A reconciliation of fair value measurements for the Bulk Annuity Insurance Buy-in Contract is set out below:

2023/24 £000	Bulk Annuity Insurance Buy-in Contract	2024/25 £000
-	Bulk Annuity Insurance Buy-in Contract Value at start of year	-
-	Insurance Policy Purchases	203,048
-	Actuarial revaluation of Insurance Policy	(1,310)
-	Interest on insurance policy	7,275
-	Change in demographic assumptions	-
-	Change in financial assumptions	(10,975)
-	Actuarial experience	(284)
-	Payments received from insurer	(11,509)
-	Bulk Annuity Insurance Buy-in Contract Value at end of year	186,245

Note 16 Financial Instruments

Note 16a Classification of Financial Instruments

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

To allow reconciliation to the Net Asset Statement and for ease to the reader, all long- term and current assets and current liabilities have been included in this note, although not all are classified as financial instruments, the amounts that are not financial instruments are considered immaterial.

Financial Assets & Liabilities at 31 March 2025	Assets at amortised cost £000	Liabilities at amortised cost £000	Fair value through profit and loss £000	Total £000
Financial Assets				
Equities			3,019,500	3,019,500
Bonds			589,459	589,459
Pooled Investment Vehicles			6,056,723	6,056,723
Derivatives			181,335	181,335
Bulk Annuity Insurance Buy-in Contract			186,245	186,245
Loans	241,337			241,337
Cash Deposits	235,643			235,643
Other Investment Balances	111,607			111,607
Long Term and Current Assets	73,221			73,221
Total Financial Assets	661,808	-	10,033,262	10,695,070
Financial Liabilities				
Derivatives			(134,541)	(134,541)
Other Investment Balances		(3,870)		(3,870)
Current Liabilities		(21,599)		(21,599)
Total Financial Liabilities	-	(25,469)	(134,541)	(160,010)
Total Net Assets	661,808	(25,469)	9,898,721	10,535,060

Note 16a Classification of Financial Instruments (continued)

Financial Assets & Liabilities at 31 March 2024	Assets at amortised cost £000	Liabilities at amortised cost £000	Fair value through profit and loss £000	Total £000
Financial Assets				
Equities			3,136,939	3,136,939
Bonds			477,212	477,212
Pooled Investment Vehicles			6,295,744	6,295,744
Derivatives			6,758	6,758
Loans	224,371			224,371
Cash Deposits	101,810			101,810
Other Investment Balances	96,042			96,042
Long Term and Current Assets	53,046			53,046
Total Financial Assets	475,269	-	9,916,653	10,391,922
Financial Liabilities				
Derivatives			(1)	(1)
Other Investment Balances		(5,824)		(5,824)
Current Liabilities		(19,682)		(19,682)
Total Financial Liabilities	-	(25,506)	(1)	(25,507)
Total Net Assets	475,269	(25,506)	9,916,652	10,366,415

Note 16b Net Gains & Losses on Financial Instruments

2023/24 £000	Net Gains and Losses on Financial Instruments	2024/25 £000
Financial Assets		
426,649	Fair Value through Profit and Loss	109,958
-	Amortised Cost - realised gains on derecognition of assets	3,110
426,649	Total Financial Assets	113,068
Financial Liabilities		
(35,847)	Fair Value through Profit and Loss	(71,895)
(3,418)	Amortised Cost - realised losses on derecognition of assets	(92)
(39,265)	Total Financial Liabilities	(71,987)
387,384	Net gains and losses on Financial Instruments	41,081

Note 16c Fair Value of Financial Instruments

There is no material difference between the carrying value and fair value of financial instruments. The majority of financial instruments are held at fair value and for those which are not, their amortised cost is considered to be equivalent to an approximation of fair value.

Note 17 Nature and Extent of Risks Arising from Financial Instruments

Risk and Risk Management

The Fund's objective is to achieve and maintain a funding level position of at least 100% whilst minimising the level and volatility of employer contributions. Investment strategy is decided with clear reference to this objective.

Over the long-term, the Fund's objective is to set policies that will seek to ensure that investment returns achieved will at least match the assumptions underlying the actuarial valuation and therefore be appropriate to the liabilities of the Fund.

Having regard to its liability profile, the Fund has determined that adopting a bespoke benchmark should best enable it to implement an effective investment strategy. This strategic benchmark is reviewed every three years, at a minimum, at the time of the actuarial valuation, but will be reviewed as required, particularly if there have been significant changes in the underlying liability profile or the investment environment.

The Fund has carefully considered the expected returns from the various permitted asset classes and has concluded that in the longer term, the return on equities will be greater than from other conventional assets. Consequently, the asset allocation has a modest bias towards equities and a skew towards active management, particularly in less developed markets.

The Fund is also cognisant of the risk that the shorter-term returns may vary significantly from one period to another and between the benchmark and actual returns.

Diversification of assets is seen as key to managing this risk and the risk/return characteristics of each asset and their relative correlations are reflected in the make-up of the strategic benchmark. The Fund has also identified the need to grow the income derived from its investments to mitigate the implications for its cashflow from the maturing of its membership profile and the increase in the associated pension payments.

The Fund believes that, over the long-term, a willingness to take on volatility and illiquidity is likely to be rewarded with outperformance. The Fund considers that its strong employer covenant, maturity profile and cash flows enable it to adopt a long-term investment perspective.

A mix of short-term assets, such as fixed income and cash is maintained to cover short-term liabilities, while equities (both passive and active), private equity infrastructure and direct property are held to benefit from the potential rewards arising from volatility and illiquidity risks.

The Fund recognises that risk is inherent in investment activity and seeks to manage the level of risk that it takes in an appropriate manner. The Fund manages investment risks through the following measures:

- Broad diversification of types of investment and Investment Managers
- Explicit mandates governing the activity of Investment Managers
- The use of a specific benchmark, related to liabilities of the Fund for investment asset allocation
- The use of equity downside protection strategies
- The appointment of Independent Investment Advisors to the Investment Monitoring Working Party
- Comprehensive monitoring procedures for Investment Managers including internal officers and scrutiny by elected Members.
- Driving down investment costs and increasing efficiency through pooling arrangements.

Note 17a Market Risk

The Fund is aware that its key risk is market risk i.e. the unpredictability of market performance in the future. The general practice to quantify these risks is to measure the volatility of historical performance. The tables below show the Fund's exposure to asset classes and their reasonable predicted variance (as provided by the Fund's investment consultants) and the resulting potential changes in net assets available to pay pensions.

Investment Consultant's volatility estimates are calculated using Redington's Capital Market Assumptions (asset class return, volatility, and correlation assumptions).

The assumptions represent the long-term capital market outlook (i.e. ten years) based on data at 31 March 2025. The long-term assumptions are based on historical results, current market characteristics, professional judgement, and forward-looking expectations, with any long-term assumption, there is still a degree of uncertainty.

2024/25	Value at 31 March 2025 £million	Potential Variance %	Value on increase £million	Value on decrease £million
UK Equities (all equities including pooled vehicles)	2,163	18.8	2,569	1,756
US Equities	775	19.7	927	622
Canadian Equities	43	19.9	52	35
European Equities	895	21.6	1,088	701
Japanese Equities	485	23.1	597	373
Emerging Markets Equities inc Pac Rim	971	19.8	1,163	779
Global Equities (all equities including pooled vehicles)	102	16.9	119	85
UK Fixed Income Pooled Vehicles	638	6.4	679	597
UK Index-Linked Gilts	589	8.2	637	541
Pooled Property	482	13.0	545	420
Private Equity	919	31.1	1,204	633
Hedge Funds	307	7.6	330	284
Infrastructure	843	22.4	1,032	654
Other Alternative Assets	454	9.0	495	413
Loans, Short Term Deposits & Other Investment Balances	683	-	683	683
Total	10,349			

2023/24	Value at 31 March 2024 £million	Potential Variance %	Value on increase £million	Value on decrease £million
UK Equities (all equities including pooled vehicles)	2,166	18.9	2,575	1,756
US Equities	666	19.8	798	534
Canadian Equities	37	20.6	45	29
European Equities	1,033	21.8	1,258	807
Japanese Equities	504	23.3	621	386
Emerging Markets Equities inc Pac Rim	921	20.4	1,109	733
Global Equities (all equities including pooled vehicles)	92	17.1	108	76
UK Fixed Income Pooled Vehicles	901	6.9	963	839
UK Index-Linked Gilts	477	8.6	518	436
Pooled Property	477	11.8	533	421
Private Equity	967	31.5	1,272	663
Hedge Funds	315	7.0	337	293
Infrastructure	921	22.5	1,129	714
Other Alternative Assets	432	8.8	471	394
Loans, Short Term Deposits & Other Investment Balances	457	-	457	457
Total	10,366			

Interest Rate Risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent that the fair value on future cash flow of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is considered in relation to liabilities as well as assets and therefore through the funding level. This is documented in reports to the IMWP and in the accounts through the actuary's report. MPF's foreign currency exposure is principally through equities and other long-term assets. This risk is considered as being part of overall market risk and complicated by the effects of correlations and possible offset through diversification and, consequently, has not been disaggregated or reported as a discrete figure.

Currency Risk

Currency risk represents the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency on any cash balances and investment assets not denominated in UK sterling.

Note 17b Credit Risk

Credit risk represents that the counterparty to a financial transaction will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

The Fund's arrangements for derivatives, securities lending and impaired items are dealt with in other notes to the accounts.

The short-term cash deposits and other investment balances are diversified with investment grade financial institutions. The Fund has a treasury management policy that is compliant with current best practice.

The Fund's cash holding under its treasury management arrangements as at 31 March 2025 was £235.6 million (31 March 2024 £101.8 million). This was held on instant access accounts with the following institutions:

2023/24 £000		Rating (S & P)	2024/25 £000
35,140	Lloyds Bank	Long A+ Short A-1	41,630
36,670	Northern Trust	AAAm	114,013
-	Invesco	AAAm	30,000
30,000	Federated	AAAm	30,000
-	Santander	Long A Short A-1	20,000
101,810	Total		235,643

Cash held by Investment Managers, shown in other investment balances, is excluded from the above table, this cash is held for reinvestment in the asset class they are mandated to manage.

Note 17c 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's key priority is to pay pensions in the long term and in the short term and the asset allocation is the key strategy in ensuring this. The earlier sections have dealt with the longer-term risks associated with market volatility.

The Fund always ensures it has adequate cash resources to meet its commitments. The Fund has a cash balance at 31 March 2025 of £236 million. The Fund has £6,922 million in assets which could be realised in under seven days' notice, £662 million in assets which could be realised in under ninety days' notice and £2,765 million in assets which could not be realised within a ninety day period.

The Fund receives monthly receipts from the Bulk Annuity Insurance Buy-in Contract for the benefits secured/insured, in accordance with the contract.

The Fund has no borrowing or borrowing facilities.

The management of the Fund also prepares periodic cash flow forecasts to understand and manage the timing of the Fund's cash flows. The Fund has a net withdrawal for 2024/25 in its dealing with members of £203 million, and management expenses of £55 million, this net withdrawal overall, is offset by investment income of £359 million.

Refinancing Risk

Refinancing risk represents the risk that the Fund will need to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. The Fund does not have any financial instruments that have a refinancing risk as part of its investment strategy.

Note 17d Outlook for Real Investment Returns

The expectation of future real investment returns can affect the Fund's liabilities as they may impact on the discount rate used by the actuary to discount the liabilities; the Fund's actuary has calculated that the Fund has sensitivity to this discount rate of 13-14% per 1% change in real investment returns. The Fund considers both the liabilities and assets together and assesses the funding ratio and the implications for investment strategy on a quarterly basis at the IMWP.

Note 18 Funding Arrangements

In line with The Local Government Pension Scheme 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 at 31 March 2022. The next valuation will take place as at 31 March 2025.

The most recent Triennial Valuation by the actuary was at 31 March 2022, when the funding level was 106% of projected actuarial liabilities (2019 101%). The funding objective is to achieve and then maintain assets equal to the funding target. The funding target is the present value of 100% of projected accrued liabilities, including allowance for projected final pay. The FSS sets out the process for determining the recovery in respect of each employer. At the 2022 valuation, the average recovery period adopted for employers in deficit is eleven years, and for the employers in surplus is fourteen years.

The funding method adopted is the projected unit method, which implicitly allows for new entrants replacing leavers. The key elements of the funding policy are to:

- Manage employers' liabilities effectively and ensure that sufficient resources are available to meet all liabilities as they fall due
- Enable employer contribution rates to be kept at a reasonable and affordable cost to the taxpayers, scheduled, designating and admitted bodies, while achieving and maintaining Fund solvency and long-term cost efficiency, which should be assessed in light of the profile of the Fund now and in the future due to sector changes
- Maximise the returns from investments within reasonable risk parameters taking into account the above aims.

Note 18 Funding Arrangements (continued)**Summary of key whole Fund assumptions used for calculating funding target**

Long Term Yields	31 March 2022
Market implied RPI inflation	3.90% p.a.
Solvency Funding Target Financial Assumptions	
Investment Return/Discount Rate:	
Higher Risk Investment Bucket	4.60% p.a.
Medium Risk Investment Bucket	4.35% p.a.
Lower Risk Investment Bucket	2.70% p.a.
CPI Price Inflation:	
Higher Risk Investment Bucket	3.10% p.a.
Medium Risk Investment Bucket	3.10% p.a.
Lower Risk Investment Bucket	3.60% p.a.
Short Term Salary Increases	Varies by employer
Long Term Salary Increases:	
Higher Risk Investment Bucket	4.60% p.a.
Medium Risk Investment Bucket	4.60% p.a.
Lower Risk Investment Bucket	5.10% p.a.
Pension Increases in Payment:	
Higher Risk Investment Bucket	3.10% p.a.
Medium Risk Investment Bucket	3.10% p.a.
Lower Risk Investment Bucket	3.60% p.a.
Future Service Accrual Financial Assumptions (Higher Risk Bucket)	
Investment Return/Discount Rate	5.1% p.a.
CPI Price Inflation	3.10% p.a.
Short Term Salary Increases	Varies by employer
Long Term Salary Increases	4.60% p.a.
Pension Increases/Indexation of CARE Benefits	Assumed to be in line with CPI assumptions above
McCloud	Reasonable estimate in line with national guidance

For further information please refer to the Fund's website:

[Merseyside Pension Fund Website](#)

Note 19 Long Term Debtors

Assets due in more than one year include future payments of pension strain and accrued loan interest.

2023/24	Long Term Debtors	2024/25
£000		£000
3,024	Assets due in more than one year	15,884
3,024	Total	15,884

Note 20 Current Assets & Liabilities

“Sundry debtors” mainly covers general debtors, property arrears due, agents’ balances and recoverable taxation.

“Provision for Credit Losses” relates to property rental income following a review of all individual debts as at 31 March 2025.

The main components of “Sundry Creditors” are the outstanding charges for Investment Management fees, payable quarterly in arrears, Custodian and Actuarial fees, plus income tax due, pre-paid rent and Administering Authority re-imburement.

2023/24 £000	Current Assets & Liabilities	2024/25 £000
Assets		
17,956	Contributions due	20,829
11,018	Accrued and outstanding investment income	8,035
22,317	Sundry Debtors	28,584
(1,537)	Provision for credit losses	(111)
268	Cash at bank	-
50,022	Current Assets	57,337
Liabilities		
-	Amounts due to external managers	-
3,752	Retirement grants due	4,485
15,930	Sundry Creditors	17,114
19,682	Current Liabilities	21,599
30,340	Net Current Assets	35,738

Note 21 Contractual Commitments and Contingent Liabilities

Commitments for investments amounted to £1,090 million as at 31 March 2025. (2023/24 £1,081 million). These commitments relate to Private Equity £469.41 million, Infrastructure £146.07 million, Private Credit £289.14 million, Indirect Property £182.04 million and Other Alternatives £2.91 million. As some of these funds are denominated in foreign currencies, the commitment in sterling is subject to change due to currency fluctuations. There are no contingent liabilities.

Note 22 Contingent Assets

When determining the appropriate Fund policy for employers, the different participating characteristics as either a contractor or community body or whether a guarantor of sufficient financial standing agrees to support the pension obligations is taken into consideration when setting the fiduciary strategy.

It is the policy to actively seek mechanisms to strengthen employer covenants by engaging “contingent assets” in the form of bonds/indemnity insurance, local authority guarantors, parent company guarantors or charge on assets to mitigate the risk of employers exiting the Fund, leaving unrecoverable debt.

These financial undertakings are drawn in favour of Wirral Council, as the Administering Authority of Merseyside Pension Fund and payment will only be triggered in the event of employer default.

Note 23 Related Party Transactions

There are three groups of related parties: transactions between Wirral Council, as Administering Authority, and the Fund, between employers within the Fund and the Fund, and between Members and Senior Officers and the Fund.

Management expenses include charges by Wirral Council in providing services in its role as Administering Authority to the Fund, which amount to £5.1 million. (2023/24 £4.6 million). Such charges principally relate to staffing required to maintain the pension service. Central, Finance and IT costs are apportioned to the Fund on the basis of time spent on Fund work by Wirral Council. There was a debtor of £8.0 million (2023/24 £4.3 million) and a creditor of £0.4 million as at 31 March 2025 (2023/24 £1.2 million).

Employers are related parties in so far as they pay contributions to the Fund in accordance with the appropriate Local Government Pension Scheme Regulations (LGPS). Contributions for the year are shown in note 7 and in respect of March 2025 payroll are included within the debtors’ figure in note 20.

A specific declaration has been received from Pensions Committee Members and principal officers regarding membership of, and transactions with, such persons or their related parties. A number of Members act as Councillors or Board members of particular Scheme employers, listed below, who maintain a conventional employer relationship with the Fund:

Liverpool City Council
 Knowsley Council
 Sefton Council
 St Helens Borough Council
 Wirral Council
 Merseyside Fire and Rescue Authority

The value of the transactions with each of these related parties, namely the routine monthly payments to the Fund of employers' and employees' contributions, is determined by the LGPS Regulations, and as such no related party transactions have been declared.

Each member of the Pensions Committee and Pension Board Members formally consider conflicts of interest at each meeting.

Note 23a Key Management Personnel

The Fund's senior management during 2024/25 was comprised of seven individuals: the Director of Pensions, Head of Pensions (x3), Senior Investment Managers (x2), and the Senior Manager Operations & Information Governance, the remuneration paid to the senior management during 2024/25 was £615,992 (2023/24 £534,463). In addition, employer contributions of £116,383 (2023/24 £99,570) were also met from the Fund and charged to the Fund Account.

Note 23b Officer Board Roles

Officer Name	Position at MPF	Company	MPF Value as at 31/3/25
Peter Wallach	Director of Pensions	GLIL ¹	£400.8m
		Northern Pool GP (NO.1) Ltd ²	£398.2m
		Tellsons Investors LLP ³	£40.8m
Adil Manzoor	Head of Pensions - Private Markets	Virtus (Kothar Group) ⁴	£6.8m
Owen Thorne	Portfolio Manager	Technology Enhanced Operations Ltd (TEO) ⁵	£0.4m

¹There were no new commitments to GLIL during 2024/25, the remaining commitment as at 31 March 2025 is £65.20m.

²MPF committed an additional *0.0m to NPEP during 2024/25, the remaining commitment as at 31 March 2025 is £347.75m.

³There were no new commitments to Tellsons during 2024/25, there is no remaining commitment as at 31 March 2025.

⁴There were no new commitments to Virtus during 2024/25, there is no remaining commitment as at 31 March 2025.

⁵There were no new commitments to TEO during 2024/25, there is no remaining commitment as at 31 March 2025.

Note 24 Additional Voluntary Contribution Investments

2023/24 £000	Additional Voluntary Contribution (AVC) Investments	2024/25 £000
The aggregate amount of AVC investments is as follows:		
1,622	Utmost Life	1,474
5,131	Standard Life	4,765
14,147	Prudential	16,362
20,900		22,601
Changes during the year were as follows:		
4,005	Contributions	4,346
3,301	Repayments	3,510
1,146	Change in market values	865

A man with a beard and glasses is shown in profile, looking at a computer monitor. The monitor displays a line graph with a fluctuating line and a straight trend line, set against a dark background with some text. The scene is dimly lit, with a blueish tint. The man is wearing a checkered shirt and a dark sweater. On the desk in front of him are some papers and a pen.

Investments & Funding

Investments & Funding

Year ended: 31 March 2025

2025 Fiscal Year Global Investment Review

The financial year was characterised by moderating inflation, but also heightened volatility in asset prices, continued international conflicts and a slew of national elections.

Macro-economic landscape

Global inflation continued a downward trend throughout the year, though remaining above central bank targets of 2%. Year-on-year headline inflation in the G7 economies fell to 2.4% in March 2025, with the UK's reading being 2.6%. However, core inflation, which excludes the more volatile elements of food and energy prices and so arguably depicts a clearer picture of inflationary trends, was notably more elevated. In the case of the UK, core inflation registered 3.4% in the year to March 2025. Stubbornly higher readings in G7 core inflation over the financial year were largely due to increases in the price of services, such as hospitality and healthcare, reflecting general wage growth in excess of inflation. Core inflation was the primary driver of headline inflation across all G7 countries except Japan, where food inflation was very pronounced.

Japan, a country that has struggled with chronic deflation for decades, was the only major economy subject to interest rate hikes during the period. Having hiked rates for the first time in seventeen years to just above 0% in March 2024, the Bank of Japan tightened further in July 2024 and January 2025, taking rates to 0.5%. The Federal Reserve (Fed), eased rates from 5.5% to 4.5%, the European Central Bank (ECB), from 4.5 to 2.65% and the Bank of England from 5.25 to 4.5% over the financial year.

Despite the near universal interest rate cuts, monetary conditions were economically restrictive over the period, dampening investment and consumer demand. Central banks adopted a cautious approach to monetary easing, in light of inflation lingering above target. Against this backdrop, global GDP growth registered around 3.3%.

The US economy showed remarkable resilience, growing above 2.5% due to strong consumer spending and a robust labour market. However, UK and European growth was sluggish at around 1% as the region was more directly affected by the economic fallout from the war in Ukraine and relatively high energy prices. China, the world's second largest economy, grew around 5% despite being hampered by weak consumer confidence and its ongoing property sector crisis.

Financial Markets

Major global equity indices advanced as the financial year got underway, driven by US tech euphoria and hope for a resilient US economy, supported by emerging signs of growth in Europe, China and Japan. However, by the end of June, a mixed picture for global equity market performance had emerged.

In the US, the S&P 500 had rose 4.2% reaching an all-time high, fuelled primarily by a narrow cohort of mega-cap technology stocks, often referred to as the Magnificent Seven or Mag 7, (Tesla, Apple, Amazon, Microsoft, Nvidia, Alphabet, and Meta Platforms). The ongoing investor enthusiasm for artificial intelligence, which in varying fields the Mag. 7 are at the forefront of, lifted the entire index.

During the period the Mag 7 accounted for roughly a third of the S&P 500's aggregate market cap, but less than a quarter of its profits. This has given rise to concerns of a lack of diversification within the index, and excessive valuation of the Mag 7 relative to the wider market.

A further driver of US performance during the first quarter of the financial year, was growing optimism around the prospects of Fed interest rate cuts, following a benign inflation print in June. The FTSE 100 also performed strongly in the first quarter of the period, despite losing some ground in June amid concerns about the upcoming general election. Emerging markets rose 5% during the quarter, led by Taiwan, a market also exposed to AI investment themes.

However, in Europe, gains for far-right parties in the European Parliamentary elections led French president Emmanuel Macron to call a snap election, putting equities under pressure. While the European market finished the first quarter of the financial year flat, it fell into negative territory in June due to a 10% collapse in the French CAC 40 equity index, reflecting investor concerns about the potential composition of the new Government. Stocks in China and Japan also dipped slightly.

Post June, global equities resumed their upward trajectory until a bout of significant market turbulence at the start of August, culminating with the Nikkei 225 index falling 12% in a single day.

The Bank of Japan unexpectedly raised interest rates from 0.1 to 0.25 percent and decided to slow the pace of its government bond buying to combat a weakening yen. Such action had negative implications for global equities, as it mitigates the viability of a trading strategy known as the Japanese carry trade. This is the act of investors borrowing cheap Japanese money and investing it abroad at higher returns, hoping to profit from the differential.

Though the hike was small and the new interest rate remained low, there was an enormous amount of money deployed in this strategy, estimated at around \$4 trillion, arising from Japan's historic legacy of ultra loose monetary policy. The partial unwinding of Japanese carry trade positions was subsequently reflected in lower global equity indices.

Negative investor sentiment was further compounded by weak US labour data. Investors around the world started to price into equities the US economy entering a recession.

The VIX volatility index, which serves as an indication of investors' fears, touched its highest level since March 2020, when concerns around the pandemic were at their peak.

However, the market turmoil proved fleeting, as central banks embarked on a dovish pivot. The European Central Bank had taken the lead in cutting interest rates in June, however the Fed's decision to cut rates by 50bps in September and the BoJ's indication that further tightening would depend on financial stability, were more impactful on markets. US economic data also soon proved to be more resilient than feared, helping global equities resume an upward trajectory. Meanwhile, China unveiled its most substantial stimulus package since the pandemic, to boost its ailing economy. This helped the country's equity market post a 13% gain, its best quarterly performance since 2009. European and UK equities also advanced albeit by a smaller magnitude. Japanese equities were the exception as they fell back for a second quarter.

US equities received a further boost in November, when Donald Trump was returned to the White House for a second, (non-consecutive) term. His decisive win fuelled investor optimism surrounding pro-business policies, such as tax cuts and deregulation. However, this was a time of stuttering economic growth, and global equity markets in general failed to make progress as 2024 drew to a close, despite further central bank easing. The UK markets was marginally down over the quarter as the Autumn Budget signalled tax rises would increase employer costs.

In the first quarter of 2025, global equity markets experienced further significant volatility, driven by the re-inauguration of President Donald Trump in January. He articulated aggressive trade policies, including the imposition of 25% tariffs on imports from Mexico and Canada and increases of existing tariffs on Chinese goods. These protectionist measures prompted retaliatory tariff announcements from affected nations, exacerbating fears of a global trade war and contributing to market instability. Additionally, Trump's announcement of further tariffs on steel, aluminium, and automobiles, intensified concerns over supply chain disruptions and inflationary pressures. Trump's rhetoric on the US's future commitment to NATO, caused European countries, especially Germany, to increase planned spending on defence. Trump also brought into question the US's commitment to environmental considerations. Collectively, these developments and growing concerns about the ballooning US fiscal deficit, led to significant declines in major stock indices, underscoring the profound impact of policy decisions and rhetoric on market performance during the first quarter of 2025.

The Mag 7 fared particularly poorly during this period. A low-cost AI engine developed in China, called Deep Seek, prompted investors to question the valuations being attached to US companies involved in the field of AI.

A number of Mag 7 constituents saw double digit declines, but Tesla was the standout laggard, dragged down by slowing sales expectations but also CEO Elon Musk's increasingly polarising political forays. Ultimately, despite the many headwinds facing global equities over the period, they did produce a positive return, reinforcing the resilience of the highly diversified asset class.

Over the financial year, Government bond markets exhibited high volatility, reflecting the fluid nature of speculation on the timing of monetary easing. Overall yields generally were subject to upward pressure, especially long dated issuance, reflecting re-pricing of inflation and growth expectations as the "higher for longer" interest rate thesis played out. Trump's threats on trade tariffs were also a major factor influencing global bond markets, as investors feared a major trade war could lead to stagflation. Stagflation is invariably long lived due to the severe challenges it poses to central banks, as monetary policy cannot stimulate growth and curb inflation simultaneously. Looking specifically at 10-year maturities in major economies, most Government debt lost value, with just US treasuries' yields falling 0.13% and Chinese Government debt yields falling 0.43%, the latter benefiting from low and diminishing inflation.

Gold flourished over the period, climbing 37% to record highs of around \$3,100 per Troy ounce, buoyed by record central bank purchases and investors seeking a safe haven from concerns over geopolitical tensions, trade wars, persistent inflation and rising central bank debt. Oil prices were surprisingly stable, given the ongoing tensions in the Middle East, finishing the year flat. Sterling was also steady against other major currencies over the year.

At the time of writing, inflation remains above target, there is no sign of an end to the conflict in Ukraine, and the situation in the Middle East remains fraught, with the danger of rapid escalation. US trade policy remains in a state of flux and Government debt around the world continues to rise during a period of elevated rates. However, MPF's highly diversified portfolio remains structured to navigate the future challenges of the investment landscape.

Merseyside Pension Fund - Investment Performance

Table 1 below shows the net of fee performance of the Merseyside Pension Fund over 1, 3 and 5-year time periods, versus the Fund's composite benchmark return, which is comprised of the weighted underlying portfolio benchmark returns.

Table 1 - MPF Fund Net Performance

	1 Year	3 Year (annualised)	5 Year (annualised)
Merseyside Pension Fund	3.25%	1.70%	6.01%
Benchmark	4.18%	2.53%	5.48%
Relative	-0.93%	-0.83%	0.53%

Source: Northern Trust; returns are net of fees and expenses; GBP-adjusted

Table 2 details net performance by asset class and corresponding benchmark return.

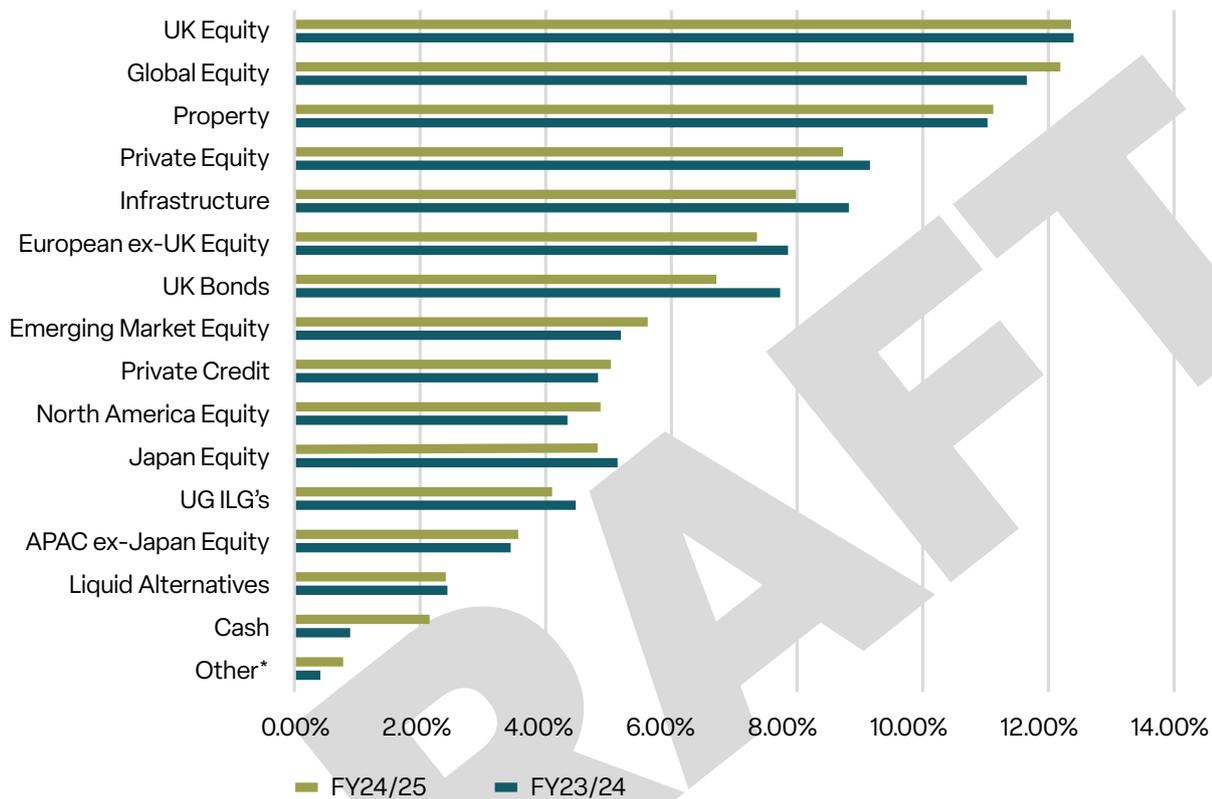
Table 2 - Net Performance by Asset Class (Source: Northern Trust)

	Market Value (£millions) as at 31 March 2025	% of Total Fund as at 31 March 2025	1-Year Net Performance to 31 March 2025
Merseyside Pension Fund	10,721.63	100.00%	3.25
Benchmark Return			4.18
Developed Market Equities	4,935.96	46.04%	
UK		12.58%	9.64%
FTSE All share index			10.46%
Europe ex-UK		7.51%	1.55%
FTSE World Europe ex-UK index			3.79%
Japan		4.93%	-4.83%
FTSE Japan/SMID index			-3.17%
APAC ex-Japan		3.64%	4.22%
MSCI Asia Pacific ex Japan / FTSE Dev Asia Pacific ex-Japan			-0.27%
North America		4.97%	8.15%
FT:AWI - North America			6.26%
Global		12.41%	3.84%
FTSE Developed World Index/ FTSE All World			5.33%
Emerging Market Equities	605.02	5.64%	
Emerging Markets		5.38%	3.88%
MSCI Emerging Markets Free			6.79%
Emerging Markets Equity Portfolio 4		0.26%	7.07%
MSCI China A Onshore Net			10.07%
Fixed Interest †	1,161.46	10.83%	
UK bonds		6.72%	-4.51%
UK bonds composite			-5.58%
Index-linked Gilts		4.11%	-8.10%
FTSE Actuaries UK ILG BM			-8.07%
Alternatives	2,597.70	24.23%	
Infrastructure Portfolio		7.99%	1.88
CPI + 5%			7.75%
Private Credit Portfolio		5.06%	5.94%
SONIA +5%			10.16%
Private Equity Portfolio		8.74%	2.59%
FTSE Global Small Cap			-3.16%
Liquid Alternatives Portfolio		2.43%	4.66%
HFRX Global Hedge Fund			1.03%
Property	1,189.44	11.09%	
Direct property		3.97%	7.16%
Indirect property		4.95%	-2.28%
MSCI Quarterly Property Index			6.43%
Cash	232.04	2.16%	
Cash Portfolio		2.16%	4.60%
SONIA 7 Day			4.94%

† A major employer in the Fund conducted a Buy-In transaction in June 2024 resulting in a sale of £217.6m of fixed income assets.

Figure 1 details the change in the weight of each asset class in the Fund on 31 March 2025 compared to 31 March 2024.

Figure 1 - Year on Year Asset Allocation Change (Source: Northern Trust)



* Includes equity protection and multi asset

Table 3 compares the actual asset allocation by market value weight versus the strategic asset allocation of the Merseyside Pension Fund that was in place as at 31 March 2025.

Table 3 - Strategic Asset Allocation versus Actual Asset Allocation

Asset Class	Strategic Benchmark %	Detail %	Actual Weight % as at 31/03/25	Difference %	Control Range
Equities	43		50.86		33.0 - 58.0
UK Equities		8.50	12.36	3.86	
Overseas Equities		34.50	38.50	4.00	
US		6.50			
European ex-UK		3.50			
Japan		5.00			
Asia Pacific		3.50			
Emerging Markets		5.00			
Global		11			
Fixed Income	17		10.83	-6.17	13.0 - 23.0
UK Gilts		7			
UK Indexed Linked Gilts		7			
Corporate Bonds		3			
Property	10		11.09	1.09	8.0 - 14.0
Alternatives	29		24.23	-4.77	23.0 - 33.0
Private Equity		6			
Hedge Funds		4			
Private Credit		7			
Infrastructure		12			
Derivatives*	0		0.82	0.82	0.0
Cash	1		2.16	1.16	0.0 - 6.0
Total	100		100	0.00	

* Includes equity protection and multi asset

Table 4 details Merseyside Pension Fund's top 5 largest direct property holdings in the United Kingdom by market value as at 31 March 2025.

Table 4 - Top 5 Largest UK Direct Property Holdings as of 31 March 2025

Asset	Sector/Focus	Value (£m)	% of Direct Property Portfolio
2 Shepherds Spring Lane – Andover	Data Centre	39.0	9.16
Mitre Bridge Industrial Estate, Mitre Way	Industrial	36.2	8.51
Lever Building – London	Offices	31.2	7.32
Premier Park – Winsford	Industrial	30.4	7.14
Gateway 28	Industrial	29.1	6.83
Total		165.80m	38.96

Source: CBRE

Table 5 displays Merseyside Pension Fund's top 5 largest infrastructure holdings on a committed capital basis as at 31 March 2025. Committed capital is the amount an investor has agreed to commit to a particular fund/investment.

Table 5 - Top 5 Largest Infrastructure Holdings on Committed Capital Basis as of 31 March 2025

Asset	Sector/ Focus	Value (£m)	% of Infrastructure Portfolio
GLIL	Renewables, Transportation, Digital Infra	£487.50	39.51
NextPower UK 1 GP Limited	Solar Power	£50.00	3.36
MEF4 Monet Co-Invest SLP	Hydropower Plants	£46.41	6.00
InfraBridge Global Infrastructure Fund I	Social Infra, Transportation	£39.14	4.12
Capital Dynamics Clean Energy UK	Renewables	£30.00	0.73
Total		£653.05	61.01

Source: Northern Trust

Merseyside Pension Fund is a member of GLIL, an open-ended infrastructure investment vehicle established as a joint venture between the Northern LGPS and Local Pensions Partnership Investments. GLIL targets core infrastructure assets predominantly in the United Kingdom and has a portfolio of 13 assets valued at over £3.2 billion, with total commitments of £4.1 billion. MPF has committed £487.50m to GLIL, including a co-investment in a rolling stock asset.

The Northern LGPS's collective Private Equity investment vehicle (NPEP) is continuing to deploy capital to Private Equity funds. The initial close of NPEP occurred upon its creation in July 2018, with £1.02bn of funding capacity. The funding capacity in March 2025 stands at £2.91bn.

Merseyside Pension Fund's net value of Private Equity assets currently stands at £937 million, of which 42% is deployed within NPEP. Merseyside Pension Fund's Private Equity portfolio has a total return of 2.59% over the past twelve months. The benchmark FTSE Global Small Cap has returned -3.16% in that period showing a relative excess return of 5.75% for the year. Given the longer-term nature of private equity assets, it is important to highlight that the five-year relative excess return for Private Equity is 9.59% when benchmarked against the FTSE Global Small Cap.

Global Private Equity performance continued to lag historical averages in 2024, though it showed modest improvement on 2023 levels. Nevertheless, the challenges facing the asset class persist, with global fundraising remaining sluggish, exit timelines extending, and valuations continuing to adjust. While one-year returns remain an important reference point, they offer limited insight given the long-term nature of Private Equity.

Looking ahead, Private Equity is expected to remain in a slower and more selective phase of deployment. While interest rates have stabilised, financing costs remain elevated compared to the previous decade, and macroeconomic uncertainty driven by geopolitical tensions and uneven global growth is weighing on investor sentiment. Despite this, Merseyside Pension Fund's Private Equity portfolio remains well diversified by vintage, geography, sector, and investment style. This provides insulation against non-systematic risks and ensures the asset class continues to play a valuable long-term role within the Fund's overall investment strategy. The portfolio also stands to benefit from emerging opportunities in continuation vehicles, secondaries, and strategic exit channels, which are becoming increasingly important drivers of liquidity and value creation in the current environment.

Private market assets generally have costs that are met within the vehicle rather than through an explicit charge paid directly by Merseyside Pension Fund. These costs are not charged directly to the Fund Account but are included in the fair value adjustments applied to the assets concerned within the Fund Account with performance reported on a net basis. The Fund aims to be both transparent and value-led in its investment approach. Table 6 below shows costs during the current and previous financial year. The performance-related fees concern monies that have been paid out and do not include any accrued performance fee estimates.

Table 6 - Private Market Fees

Asset class	31st March 2024		31st March 2025	
	Management fee £000	Performance fee £000	Management fee £000	Performance fee £000
Private Equity	10,919	9,533	9,784	9,157
Infrastructure	3,787	5,522	2,542	3,095
Property	5,597	2,881	5,782	189
Private Credit	4,231	625	2,904	1,951
Hedge Funds	2,427	339	2,362	526
Total	26,961	18,900	23,374	14,918

Total management fees for March 2025 were £23.3m, compared with £26.9m last year. While modestly lower, this remains broadly consistent with recent historical levels, reflecting the stable nature of contracted fee arrangements across a diverse portfolio of funds at varying stages of their life cycle. In contrast, performance-related fees can vary significantly year-on-year, driven by the timing of underlying asset realisations and the crystallisation of carried interest. While such fluctuations are typical, MPF has continued to evolve its portfolio towards greater fee efficiency. This includes an increased emphasis on co-investment mandates, direct infrastructure ownership, and a reduced reliance on higher-fee fund-of-funds structures.

Pooling

Background

The Northern LGPS Pool is a partnership between the Greater Manchester (GMPF), Merseyside (MPF) and West Yorkshire (WYPF) LGPS funds (the 'partner funds'). The combined assets of the funds stood at approximately £63.1bn as of 31 March 2025, which is invested on behalf of over 870,000 members and 1,250 contributing employers.

History

The Northern LGPS Pool was established in response to the Government's LGPS pooling initiative announced in 2015. This phase of pooling focused on reducing investment management costs and promoting national economic growth through infrastructure investment, though no specific pooling model was mandated. Consequently, the Northern Pool adopted a Local Government Joint Committee structure and prioritised private markets as the area offering the greatest potential for pooling benefits. This led to the development of two collective investment vehicles: GLIL for infrastructure and NPEP for private equity.

In 2025, GLIL marked its 10-year anniversary, having built a strong track record with total commitments of £4.1 billion. It continues to serve as a leading example within the LGPS sector of how investors can collaborate to gain cost-effective, direct exposure to UK infrastructure.

The NPEP portfolio comprises commitments to private funds that invest, either domestically or internationally, in private equity or related private securities. Since 1 January 2020, the portfolio has also included co-investments in such securities. Total cumulative commitments from the three partner funds currently amount to £3.2 billion.

Fit for the Future - Consultation

On 14 November 2024, following the Chancellor's speech at Mansion House, MHCLG launched its formal consultation, "Fit for the Future", which set out MHCLG and HMT's expectations for the LGPS and LGPS pools.

The consultation included a number of new minimum standards which MHCLG expect will be met, namely:

- Administering Authorities ('AAs') would remain responsible for setting a high level investment strategy for their fund, and would be required to fully delegate the implementation of that strategy to the pool;
- AAs would be required to take principal advice on their investment strategy from the pool;
- Pools would be required to be established as investment management companies authorised and regulated by the FCA, with the expertise and capacity to implement investment strategies;
- AAs would be required to transfer legacy assets to the management of the pool;
- Pools would be required to develop the capability to carry out due diligence on local investments and to manage such investments.

The deadline for responses to the consultation was 16 January 2025, with pools required by 1 March 2025 to submit formal proposals as to how they will meet the requirements set out in the consultation. Government issued its response to the consultation on 28 May and published the Pensions Schemes Bill on 5 June. The Bill will facilitate the implementation of the consultation proposals via subsequent legislation which are expected to be issued for consultation in Autumn 2025.

Pools are expected to operate in accordance with the criteria set out in the consultation response and Pensions Schemes Bill by March 2026, with LGPS funds expected to have pooled all listed assets and have unlisted assets either pooled or under pool management by that point. The Northern LGPS Pool has been seeking legal and other appropriate advice, where required, on its pooling options.

Governance

Current Governance arrangement:

Currently, the Northern LGPS Pool operates under a Local Government Joint Committee structure. It is not a standalone legal entity. A host authority (currently Tameside MBC as the Administering Authority for the Greater Manchester Pension Fund) provides the committee with administrative support. The Administering Authorities for the three partner funds signed an inter-authority agreement to create the Joint Committee. The agreement sets out the terms of reference for the Northern LGPS Joint Committee, which is the decision-making body for the Pool. The Local Government Act 1972 section 102 enables Administering Authorities to create joint committees. The Northern LGPS has delegated authority from each Administering Authority to exercise specific functions for pooling pension fund assets. The Joint Committee may delegate certain functions to the Northern LGPS Officer Working Group. The Directors of each partner fund sit on the Officer Working Group and provide technical advice to the Joint Committee on investment matters. The Group is a central resource for advice, assistance, and guidance for the Joint Committee. The three Administering Authorities retain control of their individual funds' asset allocations, and nominate members to sit on the Joint Committee.

Future Governance arrangement:

The Northern LGPS Pool is expected to operate as an FCA regulated fiduciary manager in accordance with the criteria set out in the consultation response and Pension Schemes Bill, by March 2026.

It is expected that an Oversight Board will be formed as the top governing body of the Pool. The Oversight Board will oversee all aspects of the operation of the Pool, but will not perform any FCA regulated functions. Its primary role will be to ensure the Pool Company is effectively implementing the participating authorities' strategic asset allocations and is complying with their Investment Strategy Statements. NLGPS officers have been working with PwC and the legal advisors to finalise the target operating model and proposed governance arrangements, which will need to be considered by each of the partner Administering Authorities.

In order to ensure that any FCA regulated entity reflects the needs of the three partner funds, oversight considerations for the Administering Authorities and the establishment of the target operating model need to be agreed before the pool company starts to operate.

Northern LGPS Pool – 31 March 2025 position at a glance

Fund	Assets £bn
GMPF	32.2
MPF	11.0
WYPF	19.9
Total Assets	63.1

Table 7 – MPF's Asset Table (Bid valuation basis)

£m Asset values as at 31 March 2025	Pooled	Under pool management	Not pooled	Total
Equities (including convertible shares)		5,432.91		5,432.91
Bonds		1,227.25		1,227.25
Property		907.96		907.96
Hedge funds		306.89		306.89
Diversified Growth Funds (including multi-asset funds)				
Private equity	398.16	521.49		919.65
Private debt		695.11		695.11
Infrastructure	400.78	442.16		842.94
Derivatives		46.80		46.80
Cash and net current assets		235.64		235.64
Bulk Annuity Insurance Buy-in Contract			186.25	186.25
Other		107.74		107.74
Total	798.94	9,923.95	186.25	10,909.14

Source: Northern Trust

Source: Northern Trust

Table 8 details Merseyside Pension Fund's investments in the United Kingdom. The values for UK Infrastructure, UK Private Equity, and UK Property loans include the value of undrawn commitments.

Table 8 - Supplementary Table – MPF's UK Investments (Bid valuation basis)

£m Asset values as at 31 March 2025	Pooled	Under pool management	Not pooled	Total
UK Listed Equities		2,162.54		2,162.54
UK Government Bonds		589.05		589.05
UK Infrastructure	465.98	205.64		671.62
UK Private Equity	745.92	152.67		898.59
UK Property Loans		282.56		282.56
Total	1,211.90	3,392.46		4,604.36

Source: Northern Trust

Northern LGPS Pool Performance, Costs and Savings

Investment Pooling through the Northern LGPS Investment Pool continues to progress well and deliver efficiencies. The Pool achieved a return of 3.9% over the year to 31 March 2025, with Pool assets standing at £63 billion, at the year end. 3-year returns are 12.1% against the Pool benchmark of 14.2% over this period.

The table below sets out the total costs and savings of the Northern LGPS Pool up to 31 March 2025.

	Up to 31 March 2018 £m	2018/ 19 £m	2019/ 20 £m	2020/ 21 £m	2021/ 22 £m	2022/ 23 £m	2023/ 24 £m	2024/ 25 £m	Total to 31 March 2025 £m
Annual running costs	0	0	0.1	0.16	0.01	0.01	0.12	0.12	0.52
Other service provider fees	0	0.13	0.78	1.17	1.2	1.28	1.33	1.39	7.28
Transition costs	0	0	0	0	0	0	0	0	0
Set up costs	0.22	0.18	0.09	0	0	0	0	0	0.49
Total costs	0.22	0.31	0.97	1.33	1.21	1.29	1.45	1.51	8.29
Investment management fee savings	7.63	12.21	22.24	31.63	41.78	62.9	44.25	53.26	275.9
Service provider savings	0	0	0.06	0.15	0.15	0.15	0.15	0.15	0.81
Total savings	7.63	12.21	22.3	31.78	41.93	63.05	44.4	53.41	276.81
Total savings net of costs	7.41	11.90	21.33	30.45	40.72	61.76	42.95	51.90	268.42
Total costs (including set up, transition and running costs) as at 31 March 2025									£8.29m
Total savings, net of costs, as at 31 March 2025									£268.42m

The 2024/2025 [Northern LGPS Annual Report](#) will be published in due course.

Responsible Investment

“The Fund believes that taking Environmental, Social and Governance (ESG) factors into account is critical to not only fulfilling its fiduciary responsibilities to its Scheme members, but in order to be able to take into account both the financial risks and opportunities arising from integrating responsible investment into the way in which the Fund takes decisions and manages its investments.” MPF Responsible Investment Policy 2024

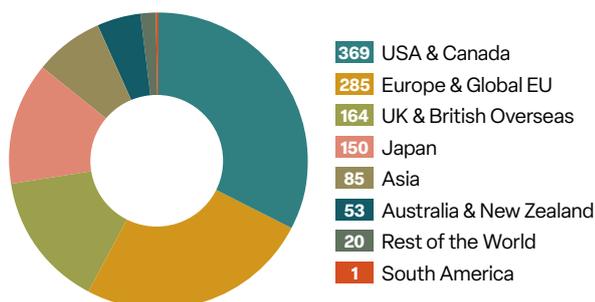
The Responsible Investment Working Party (RIWP) has been established to provide advice and support to the Pensions Committee in this area. The RIWP draws on the membership of the Pensions Committee and is supported by Fund officers and the strategic adviser. Its primary focus is the Fund’s Responsible Investment policy, its stewardship programme and the approach to local & impact investment. The Fund’s RI Policy sets out five foundational beliefs that shape our approach and covering: Climate Change, ESG Integration, Fiduciary Duty and Real-World Impact, Being a Good Steward of Assets, Transparency and Accountability. Three key RI themes are identified as being of particular importance to the Fund and its beneficiaries: Climate and Biodiversity, Human Rights and Corporate Governance.

RIWP met quarterly in 2024/25 to guide MPF’s responsible investment approach, with a focus on climate, stewardship, and investment in defence companies. During the year the Fund updated its RI policy to include an exclusion of controversial weapons and to reaffirm its commitment to local investment priorities. In February 2025, the Financial Reporting Council confirmed the Fund’s status as a signatory of the UK Stewardship Code 2020. MPF’s Stewardship Code 2024 report can be viewed [here](#).

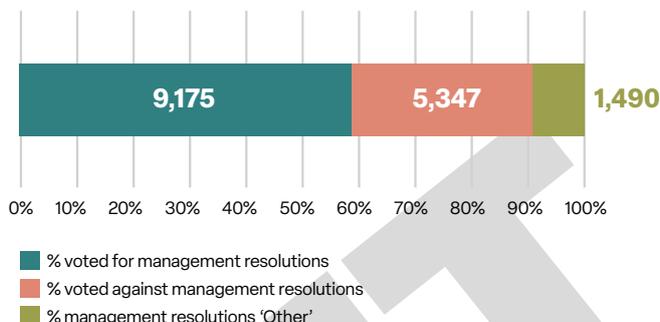
Voting and Engagement

The Fund voted on all its eligible holdings during the year and in line with advice from its Stewardship Adviser, PIRC. The Fund has adopted a version of PIRC’s comprehensive Shareholder Voting Guidelines as its voting policy, in conjunction with its partner Funds in the Northern LGPS pool. NLGPS reviewed and updated the policy in 2024 with a particular focus on escalation thresholds and pathways, including voting against individual directors.

Number of meetings voted by region



Breakdown of votes for and against management resolutions



An “OTHER” vote refers to an abstain, withhold or do not vote instruction.

Collaborative engagement

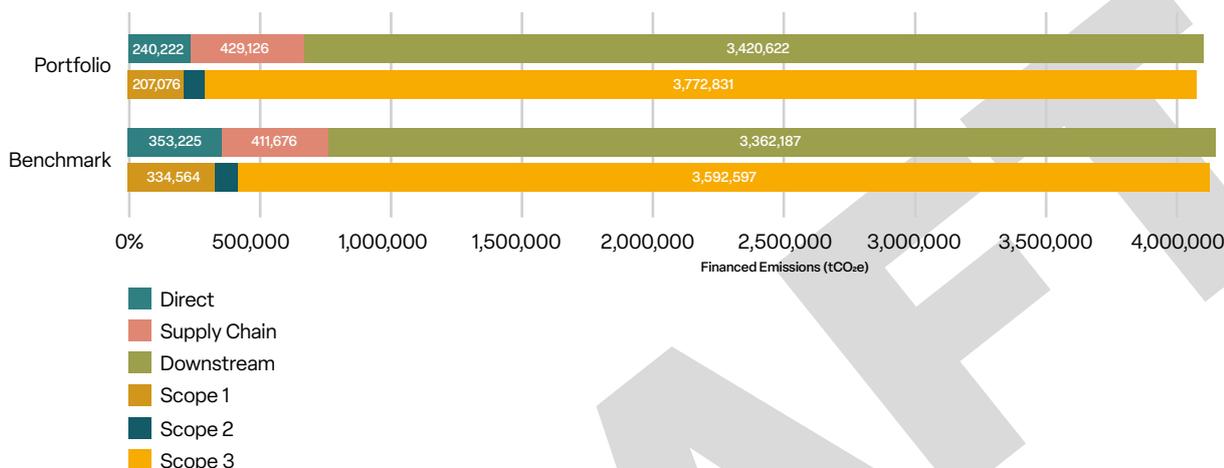
The Fund continues to be an active member of the Local Authority Pension Fund Forum (LAPFF) and supporter of its active engagement work across key RI themes, including its important contributions to Climate Action 100+ and Nature Action 100 (the two leading global investor collaborative engagement programmes addressing climate and biodiversity). We have particularly supported LAPFF’s increased focus on human rights engagement, including its leading work on communicating investor expectations for enhanced human rights due diligence to be carried out by companies with activity in or exposure to conflict-afflicted high-risk areas. Regular reporting on LAPFF’s engagement activities can be found through the Fund’s website: <https://mpfmembers.org.uk/content/responsible-investment>



Climate

The Fund annually obtains carbon footprint and climate risk analysis from S&P Global (calculated as of 31 March 2025). S&P Global's methodology is in line with the recommendations of the Partnership for Carbon Accounting Financials (PCAF). S&P assessed £5.16bn of MPF's portfolio, comprising all listed equity and investment grade corporate bonds (98.3% data coverage for carbon performance).

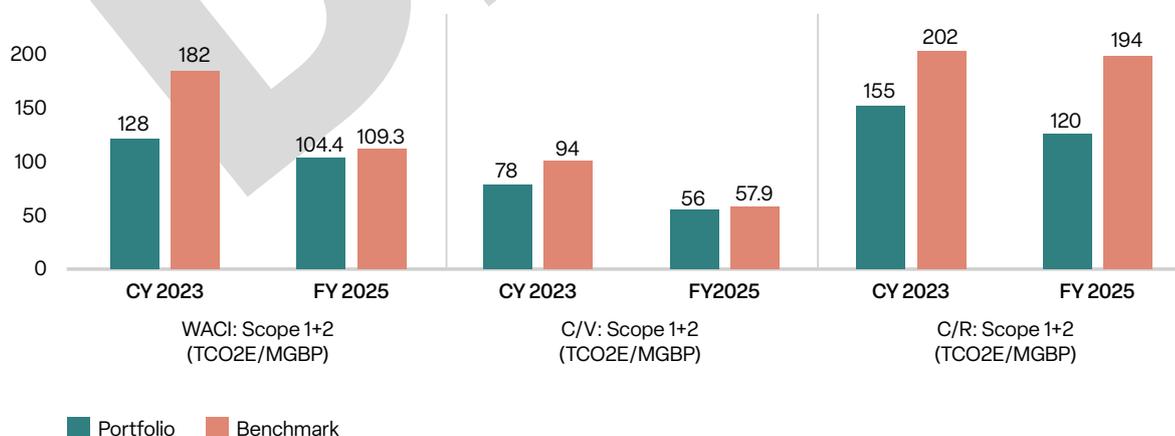
Total Financed Emissions



The Fund's portfolio is in line with the carbon footprint of its benchmark index on an apportioned emissions basis. The majority of emissions are classed as Scope 3 (generally referring to emissions outside of an entity's direct control, such as a company's upstream emissions from its supply chain or downstream emissions from the use of its product).

The chart below shows the Fund's carbon performance on an intensity basis over Scope 1 & 2 emissions, using the three main methodologies:

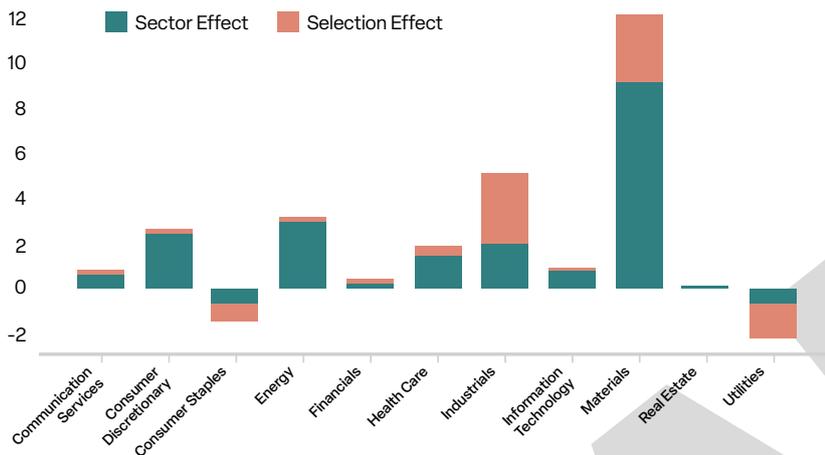
- Weighted-average carbon intensity (WACI) - summing the product of each holding's weight in the portfolio with the company level C/R intensity (no apportioning).
- Carbon-to-value (C/V) – dividing the apportioned CO2e by the amount invested,
- Carbon-to-Revenue (C/R)-dividing the apportioned CO2e by the apportioned annual revenues.



CY 2023 as of 31 December 2023 measurement date; FY 2025 as of 31 March 2025 measurement date.

The Fund's portfolio is more carbon efficient relative to its benchmark on each carbon intensity metric and its lower WACI year on year indicates that the portfolio overall has a lower exposure to carbon intensive companies. This can be attributed to both sector allocation and stock selection (the portfolio has lower exposure to high-emitting sectors and holds companies in those sectors with lower carbon intensity):

Attribution Bridge (C/R Intensity)



MPF Climate Targets

The Fund's strategic climate objective is to align its portfolio with the goals of the Paris Agreement and for it to achieve net zero emissions by 2050 or sooner. Interim climate targets have now been set that reference 2030 as a milestone date on the path to net zero:

1. A reduction of 50% in the Fund's carbon footprint (Scopes 1 & 2) by 2030 compared to a 2019 baseline;
2. Maintain alignment to the goals of the Paris Agreement and target 100% of assets in scope to be aligned to a below 2° temperature trajectory by 2030;
3. A high-level goal to increase investments in climate solutions.

The chart below shows the Fund's actual emissions intensity reduction versus the rate of reduction implied by its 2030 interim target.

MPF Emissions Reduction Target

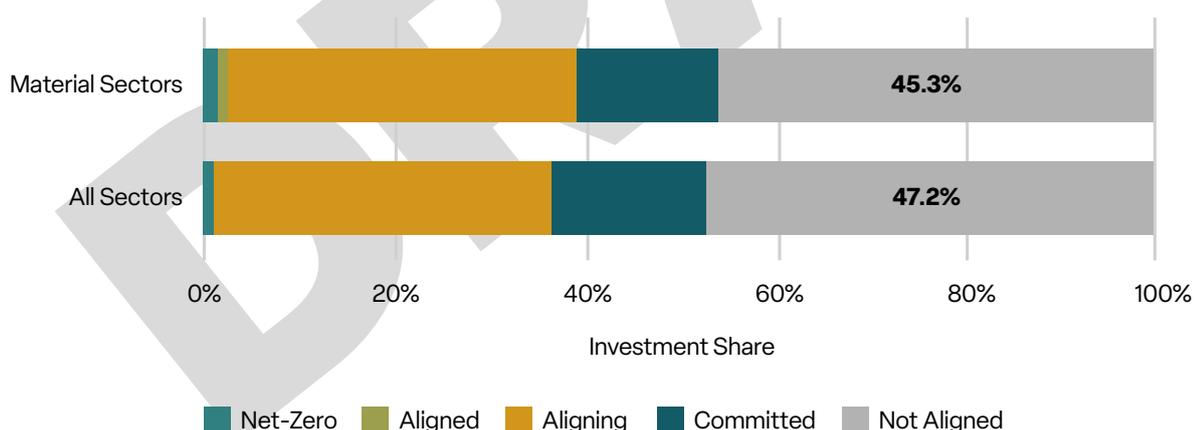


The Paris Aligned Investment Initiative's Net Zero Investment Framework has established the concept of 'alignment maturity' to assess the level of progress of portfolio companies towards achieving Net Zero. The criteria used to assess the companies is shown in the table below.

Criteria	Criteria Description		Maturity
O. Insufficient targets data	No public commitments or targets data is available from the sources used for this assessment	X	Not Aligned
A. Ambition	A long-term 2050 goal consistent with achieving global net zero has been published	>	Committed to Net Zero
B. Carbon disclosure C. Presence of targets	Short and medium-term emissions reduction targets (S1, S2 and material S3) have been published, GHG disclosures (S1, S2 and material S3) are made on annual basis	>>	Aligning to Net Zero
D. Decarbonization strategy E. Performance relative to targets	Current emissions intensity performance (S1, S2 and material S3) is achieving stated targets, a quantified plan setting out the measures that will be deployed to deliver on targets is published	>>>	Aligned to Net Zero
F. Performance relative to Net Zero	Current emissions intensity performance is at or near net zero, investment plan and business model is expected to continue to achieve this performance over time	>>>>	Achieving Net Zero

The chart below shows the percentage of MPF's portfolio invested in companies assigned to these alignment maturity buckets:

Net-Zero Maturity Coverage



MPF also refers to portfolio level ‘temperature trajectory’ assessments (also known as the ‘Implied Temperature Rise’) to understand the portfolio’s degree of alignment, or misalignment, to the 2015 Paris Agreement’s goal of limiting global warming to no more than 1.5°C above pre-industrial levels. Each portfolio company is allocated a scenario aligned emissions ‘budget’ for the period assessed, which it can either undershoot, meaning it is aligned, or overshoot, meaning it is not aligned. The assessment focuses on a medium-term horizon and incorporates both recent past performance and near-term future forecasts.

Assessment Period	Implied Temperature Trajectory
20 Years	
Start-End Year	
2015-2035	
Emissions over period (tCO₂e)	
5'098'659	

2°C Scenario

Tonnes Carbon (Under)/Over	-1'365'867
Percent of Total (Under)/Over	-21.1%
Carbon/m Invested (Under)/Over	-274

1.5°C Scenario

Tonnes Carbon (Under)/Over	-502'270
Percent of Total (Under)/Over	-9.0%
Carbon/m Invested (Under)/Over	-101

The Fund’s overall portfolio is assessed as having a temperature trajectory that is on track to meet the Fund’s 2030 alignment goal. The trajectory of the Fund’s underlying portfolios comprising this analysis is shown in the table below:

Temperature Trajectory	Number of Portfolios	Value of Holdings (£m)	% of Total Portfolio
<1.5°C	11	3,086.73	59.80%
1.5 to 2°C	4	1,279.07	24.78%
2 to 3°C	2	634.21	12.29%
>3°C	1	161.80	3.14%

The Fund continues to develop its approach to measuring and assessing investment in climate solutions across the whole of its portfolio, including its allocations in unlisted private markets. It is estimated that c.4.6% of the Fund’s NAV is allocated to climate solutions through the Fund’s infrastructure portfolio and its significant weighting to the energy sector (including large scale operating wind and solar power generation); this allocation is expected to exceed 5% of NAV by 2030.

A photograph of two people, a man and a woman, sitting at a desk in an office or study environment. The man is leaning forward, looking at a laptop screen, while the woman is partially visible in the foreground, also looking towards the laptop. The entire image is overlaid with a warm, orange-red tint. The word "Administration" is written in a white, serif font across the middle of the image.

Administration

Administration

Merseyside Pension Fund administers the Local Government Pension Scheme (LGPS), which provides occupational pensions for employees (other than teachers) of local authority employers within the geographical area of Merseyside. This includes support staff employed by academies, employees of organisations which have entered into admission agreements with the Fund and bodies who have made a resolution to join the Fund.

The LGPS is a defined benefit, occupational pension scheme, established under the Superannuation Act 1972 and the Public Service Act 2013. The LGPS was 'contracted out' of the State Second Pension scheme (S2P) until 5 April 2016, and from 6 April 2016, the 'contracted out' status ceased to exist for all pension schemes, due to the introduction of the Single Tier State Pension.

The LGPS is a qualifying scheme under the automatic enrolment provisions of the Pensions Act 2008. From 1 April 2014, benefits for active members build up in the career average revalued earnings (CARE) scheme. Benefits for members with service pre-April 2014 are calculated under the legacy final salary scheme.

Wirral Council is required, by statute, to administer the LGPS in Merseyside. It has delegated responsibility for the management and governance of Merseyside Pension Fund to the Pensions Committee, who are accountable to the Local Pensions Board, participating employers, and Scheme members. The responsibility for Scheme administration is met in-house by the Pensions Administration Team based within the Finance division of Wirral Council. The administration includes the collection of employee and employer contributions and member data from all Fund employers, the calculation of member benefits (including transfers in and out) and payment of pension benefits to retired members; as well as looking after the benefits for deferred members who have not yet taken payment. The Scheme not only provides pensions for members but also survivor benefits to spouses, civil and cohabiting partners and children.

Administration Team & Oversight

The Administration team comprises three distinct service areas namely; Employer Compliance & Membership (ECM), Benefits & Payroll, and Operations. The functions of each team are measured against performance standards documented within the Pension Administration Strategy.

The Administration Team is the customer facing arm of the Fund, with an operative role wider than just a processing function of member benefits. An important objective of the team is the continual pursuit of greater operational efficiencies to reduce the internal carbon footprint, along with the development and implementation of policy to manage funding and governance risk.

Arrangements in place for gathering assurance over the effective and efficient operation of the administration function are:

- External audit
- Internal audit
- Pensions Committee
- Local Pensions Board
- Reporting breaches policy
- Quarterly performance reporting
- The Pensions Regulator annual scheme return
- The Pensions Regulator General Code of Practice

Key Objectives of the Administration Function

Over the last twelve months, conversations across the industry have been dominated by the Government's focus on LGPS funding positions and assets - overshadowing the principal objective of the Scheme to deliver lasting and positive outcomes for employers and members. In this vein, the Administration Team has continued to work hard to meet new complex legislative requirements and build better operational processes for members to access our services.

The benefit package plays a critical role in helping employers attract and retain staff, aided by the lowest employer contribution rate in the public sector. To enhance assurance as to the value of the LGPS to our employers, we have invested significant resources to deliver well developed funding and governance solutions to help manage employer risk around Scheme participation.

Our Staff

In this demanding and ever-changing environment, the success of the Fund is achieved through the determination, enthusiasm and professionalism of our staff. We believe that continuous effective learning and development benefits the individual and the organisation, contributing to the overall delivery of our objectives.

Recruitment and retention of staff is a key issue for pension funds nationally, with only a small pool of individuals, external to the LGPS community, possessing the relevant qualifications and competencies to be able to step into roles to administer the Scheme.

To overcome the shortage of skills, and ensure the effectiveness of the administration function, the Fund continues to invest in staff training and technology to ensure a quality service is provided to Scheme members and employers.

A programme of employee development to up-skill staff to meet service needs and ensure compliance with the national pension agenda, has been key to building capacity and resilience to manage growth in workloads emanating from legislative change and an increasing digital climate.

Our commitment to our training programme has been demonstrated over the year, as staff have attended the LGA training events covering technical calculations to enhance knowledge and expertise in processing benefit entitlements, transfer and aggregation casework. Several staff have been supported to undertake the Award in Pension Essentials qualification, awarded by the Pensions Management Institute (PMI) aimed at staff new to pensions. In addition, staff have been provided with the opportunity to undertake the LGA certificate in administration, which is a level 3 qualification developed by LGA, in partnership with PMI, aimed at staff with two years' pension administration experience.

Staff involved in the management and governance of the Fund, are required to maintain their knowledge and skills and are asked to undertake the LGPS Online Learning Academy (LOLA), procured from Hymans Robertson, to keep abreast of legislative, funding, procurement, and current issues affecting the Scheme.

Service Delivery

Hybrid working arrangements have become established as the Fund's standard working arrangements, supporting the efficient delivery of the Pension Fund's service and ongoing structured learning. The Fund recognises the wide range of customer needs and engagement preferences, with the requirement to balance resource across both in-person and online support. This remains an area of development, as legislative requirements, customer demand, and Fund capacity continue to evolve.

An Optic on the current and Future workstreams

In a year where the LGPS has been central to the Government's Pension Investment review, the resultant 'Fit for the Future' consultation also included recommendations that will strengthen the governance and administration arrangements of Funds. These recommendations build on those that first emerged from the SAB's Good Governance project in 2021. Whilst these governance changes will lead to substantial enhancement of the governance framework and rework of strategies going forward, throughout this period of uncertainty the team has remained focused on its approach to statutory deliverables, such as the McCloud Remedy, the Pensions Dashboard and pension tax changes.

Key Activities & Operational Improvements

a) Implementation of the McCloud Remedy

The project team has progressed the member rectification phase of the McCloud exercise, as the calculation release was implemented into the administration system during September. The software incorporates the functionality to run bulk reports to identify and prioritise member records that require a McCloud Service History query, or a Guaranteed Amount review, in advance of updating a member's file to complete the underpin assessment.

The team rolled out training to all staff on the system release for processing qualifying members benefits, including the largest employers, who have access to a controlled iteration of the administration system to produce retirement estimates for their employees.

The number of records with a Guaranteed amount are low, but data sanity checks are ongoing in advance of the bulk reassessment of member records, to ensure the validity of any additional pension amounts.

A workstream to update all member correspondence has been undertaken to include information regarding the McCloud underpin protection and the potential impact on pension benefits, highlighting the requirement to notify the Fund if the member has any public sector pension entitlement prior to 31 March 2012 which have not been transferred into the Fund.

To assist staff to navigate administrative work associated with implementing the McCloud Remedy, external training was sourced to cover complex calculation areas and to challenge adopted group think, prior to embedding operational procedures for the myriad of casework. To complement the training, a McCloud handbook has been purchased bringing all the background, legislation and guidance into an intuitive guide.

b) The Pension Dashboard Programme

The Fund has established a Pension Dashboard Working Group to undertake the necessary actions and decisions tabled in the LGA connection guide, to comply with the statutory deadline to connect to the ecosystem, by 31 October 2025.

Officers are also taking part in a working party, in collaboration with the Metropolitan Pension Fund Group, as to the most efficient and cost-effective approach to connecting to the Dashboard.

A project plan has been devised with several formal decision notes, endorsed by the Local Pension Board, outlining the Fund's approach to match the Scheme's data with the personal data from the digital architecture, the appropriate solution to connect to the ecosystem, and the viable option to provide AVC value data to the dashboard, to provide members with a complete position of pension savings related to their LGPS employments.

To test the robustness and management of the project plan, internal audit undertook a review to provide stakeholders with reasonable assurance that the risks associated with the Pensions Dashboard project are being appropriately addressed. The focus was on the following risk areas:

- Governance
- Data
- Connection
- Internal Controls
- Record Keeping

This review identified that the Pension Dashboard project is being very effectively managed, and is currently on track to meet the Department for Work and Pensions target deadline.

The process to onboard the Fund to the national dashboard ecosystem starts in the first quarter of the 2025/26 Scheme year, with the connection scheduled to take place ahead of the October 2025 deadline.

c) Bulk Purchase Annuity

During the year, in collaboration with its professional advisors, Officers purchased a bulk annuity policy to be held as a long-term investment in respect of all pensions in payment and deferred pension liabilities for the Fund's biggest non-public sector employer, Arriva Merseyside. This was a complicated project with the aim of achieving certainty of cost for the employer, whilst simultaneously locking down investment, inflation and longevity risk protecting the taxpayer and other Fund employers. Furthermore, the policy aids Fund liquidity via the monthly income and reduces the need to realise assets to meet pension payments.

As part of its due diligence, the Fund obtained an 'insurer strength' report that concluded, from a financial strength perspective, that the provider is a suitable counterparty for the bulk annuity transaction. The premium paid to the provider to secure the liabilities was £203m.

d) Update to the Retirement Claim Form

The Benefits Area Managers have been proactive in discussions with the Local Government Associations in regard the implementation of required disclosures and the format of those disclosures, following the abolition of the Lifetime Allowance and the introduction of the 'Lump Sum Allowance'.

The Retirement Claim form has been updated to incorporate the statutory disclosures, and employers have been reminded that it is a key employer responsibility to issue the Retirement Claim form directly to the employee, clarifying that a delay in issuing the form, will lead to a delay in the Fund making the first payment of retirement benefits to the employee.

e) Fund and Employer Collaborative Data Management Activity

The 2023/24 year-end data collection process was completed, following a resource intensive data cleansing workstream between the Fund and all employers - facilitating the upload of accrued pension pots for the Scheme year and production of annual benefit statements for 99 per cent of active and deferred members by 31 August 2024.

Quality Assurance activity has continued with employers over the Scheme year, to validate monthly data returns and request outstanding leaver forms to inform the 31/3/2025 valuation position and achieve optimum compliance for the 2024/25 Annual Benefit Statement exercise.

There has also been a concentration of effort to process backlogs of deferred benefit and aggregation casework, to ensure the correct status of member records is held on the administration system to aid statutory reporting purposes, along with the assessment of pension saving growth and the production of annual Pension Saving Statements.

f) Tax Planning Webinar

The Fund, in conjunction with a Mercer tax specialist, facilitated a tax planning webinar on 7 November, for active members who have been previously impacted by the Annual Allowance and have taken decisions around their LGPS benefits that may no longer be in their best financial interest, from a tax position.

The session covered information for those impacted by the Annual Allowance and how to optimise future pension provision, including the use of AVCs.

Several 1-2-1 advice sessions were provided to individual members, with the cost met by the Fund. These sessions served to minimise the resource expended by senior managers across the team in answering time consuming enquiries, and afforded the members with relevant financial advice.

g) Award of Actuarial Contract

The Fund undertook a procurement during the year, in respect of the provision of actuarial and benefit consultancy services, via the National LGPS Framework which was the most cost-effective and timely method of accessing the marketplace.

The procurement process involved running a 'mini competition' amongst the four leading industry providers - allowing the Fund to define local requirements and obtain value for money from the market.

The highest ranked provider who submitted a response and evaluated as the 'Most Economically Advantageous', was Mercer Limited.

The term of the new contract with Mercer Limited will be from March 2025 for a period of ten years, with annual reviews of service quality. The Fund retains the right, under the terms of the contract, to give notice to Mercer should performance fall below acceptable metrics such as the quality of service and timeliness of those services.

h) 2025 Actuarial Valuation & Data Quality Assessment

Good data quality is key to a successful valuation, and to test data the position, the actuary undertook an interim data cut at 31 March 2024 to assess the completeness of the data, ahead of the 31 March 2025 valuation strike-date. Overall, the results demonstrated strong data quality. The estimate of the whole Fund liability impact of the data issues equates to c0.8% of total Fund liabilities. The actuary has commented that an impact of less than 1% on liabilities overall is a comfortable margin.

Nevertheless, activity was progressed to improve the data in partnership with the Scheme employers ahead of submission of the final data extract. The data informs the calculation of the pension liabilities at 31/3/2025 including the individual employers' balance sheet positions and cash commitments for the financial years 2026/2029.

As part of the preparatory valuation work, Officers have commenced engagement with the Actuary to review the updated LGPS Funding Strategy guidance, published on 15 January 2025, to develop policies for emerging issues relating to employer partial terminations and surplus management for the 2025 valuation.

i) Employer Support

The Fund has provided extensive training and support to several employers who have experienced a high turnover of staff or changes to their payroll provider, enabling the employer to meet with their responsibilities in administering the LGPS.

The Fund recommenced its face-to-face meetings with the Pension Liaison Officers of its largest employers, with a meeting taking place in the autumn to discuss various operational matters, including the McCloud remedy, term-time members and Scheme AVC arrangements.

j) Digitalisation of Retirement Communication

Fund Officers assisted Internal Audit to test the recently adopted online communication facility for new retirements. The objective was to provide management with reasonable assurance that the development of the retirement's online facility has been effective in streamlining the retirement process, and reduced the potential for data protection breaches.

The period tested was September-December 2024 with 65% of members choosing online communications in line with the default practice, with 35% making formal declarations to "opt out" of the process. Further actions to reduce the opt out number going forward is being considered.

The testing highlighted that the new retirement process using online communications as the default position is operating as intended.

k) Cyber Security

At the Fund, Cyber Security is of paramount importance. Since 2019, the Fund has delivered a specific Cyber Security update to the Local Pension Board, in line with best practice guidance from the National Cyber Security Centre (NCSC) and the Pensions Administration Standards Association (PASA).

The Fund's Senior Manager of Operations & Information Governance maintains a working relationship with the Wirral Data Protection Officer, the Head of Digital Services and the ICT Services Manager in ensuring that the Fund's Cyber Resilience is monitored and maintained.

On 18 March 2025, the Fund's Cyber Governance Policy was ratified by Pensions Committee, demonstrating the recognition of Cyber-Risk within the organisation and an explanation of the Fund's approach to cyber governance.

Fund Policies

All policies pertinent to the administration and governance of the Fund are reviewed annually to ensure they align with operational practice, and remain compliant with legislation and statements of recommended best practice.

On reviewing policies, any minor amendments are made, as required, to reflect slight adjustments to operational practice, updating information such as references to external agencies or providing clarity following a question posed by a stakeholder. Any significant changes required to policies are dealt with by the Fund management team, drafts shared with the Local Pension Board for comment, prior to any future ratification by the Pensions Committee.

Following a grassroots review of the Pension Administration Strategy (PAS) during the year, the policy has been updated to reflect the transition from annual to monthly data submissions, along with the associated operational changes from both a Fund and employer perspective, to reflect developments in the automation of data exchanges. The document has been streamlined to make it easier for stakeholders to navigate the procedures required to administer the Scheme.

The draft Pension Administration Strategy (PAS) was issued for consultation with participating employers and the Local Pension Board from 17 June to 12 August 2024, with the Local Pension Board and several employers submitting responses resulting in several revisions and additions to the draft document shared during the consultation.

The Pension Committee ratified the revised PAS at its meeting on 24 September, and thereafter it was communicated to employers that the revised PAS takes effect from 30 September 2024.

Changes to Scheme Governance

The Pension Regulators General Code of Practice and Outturn of the Scheme Advisory Board Good Governance Project

The Pension Regulator (TPR) has regulatory oversight for public service pension schemes, as well as being responsible for setting governance and administration standards. Multiple codes of practice have existed for different types of schemes, which have now been combined into a new 'General Code of Practice' with effect from 28 March 2024.

The Fund commenced a shared project with its professional adviser to undertake a gap analysis of the Fund's governance arrangements against the general code, and the expected requirements to emerge from SAB'S Good Governance project. Whilst the exercise continues, the interim position is positive for the Fund in regard its extant policies and procedures.

Officers are mid-activity, with its professional advisor, to collate the disparate documents covering procedures and policies, to inform a workshop during the 2025/26 Scheme year to consider the new policy requirements clarified in the Government's Fit for the Future consultation response, to ensure the Fund's compliance with the overriding governance framework.

Scheme Advisory Board Cost Management Process

Following completion of His Majesty's Treasury 2020 cost control valuation for the LGPS, the Government Actuary Department progressed the Scheme cost assessment under Regulation 116 of the LGPS Regulations 2013, using the methodology and assumptions determined by the Scheme Advisory Board.

The Scheme costs were assessed as 1 percent above the 19.5 percent target cost, permitting the Board to consider making recommendations to amend the benefit package to bring the costs in line with the optimum target cost.

The conclusion reached by the Board was to retain the extant benefit provisions, thereby providing a clear optic on Scheme costs for the Fund actuary in preparing for the 2025 triennial valuation.

Collaboration with Peer Funds, Scheme Employers and National Bodies

During 2024/25, the Fund has worked closely with a number of other LGPS Funds on national groups, to drive improvements to administration procedures, share best practice and develop initiatives as follows:

- develop communications for the wider LGPS, in conjunction with the Local Government Association (LGA), in the area of member engagement. During the year, collaborative work took place in regards the development of promotional materials, including a short video that can be used as part of employee induction packs. Collaborative work also took place on guidance and wording for Annual Benefit Statements in regards the McCloud guaranteed underpin amounts,
- A longstanding founder member of the LGPS National Frameworks, we continue to support the use frameworks as a cost-effective method of procurement. During 2024/25, the Actuarial & Benefit Consultancy framework was utilised, and, in 2025/26, the officers will be carrying out a procurement using the Pensions Administration framework.

This engagement has enabled us to keep pace with LGPS and pensions industry practice, and represents the Fund's views, and those of its stakeholders, in the wider arena.

Key Performance Indicators

Performance Standards

In April 2024, the Scheme Advisory Board (SAB), the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Ministry of Housing and Local Government (MHCLG) produced Statutory Guidance called "Preparing the Pension Fund Annual Report".

This guidance includes recommended administrative key performance indicators (KPI) that identify key casework areas for administration, and suggest timescales for completion. These KPIs are intended as a measure of effectiveness in delivering a quality administration service for both members and employers.

Casework numbers are reported in Table A, and Table B reports on the timescales for completing key case work areas. During 2023/24, the Benefits team, in particular, has been under-resourced, and with the implementation of the McCloud remedy, the administration team, as a whole, has found the volume of incoming casework challenging. Certain transfer cases were placed on hold due to outstanding guidance regarding the McCloud remedy, and this can be seen in the associated KPI metric in Table B.

Table A

Casework KPI	Cases open as at 31 March	Cases created in year	Cases completed in year	% of cases completed in year
Deaths recorded of active, deferred, pensioner and dependent members	4	1,720	1,715	99.5%
New dependent member benefits	17	780	757	95.0%
Deferred member retirements	278	5,872	5,544	90.1%
Active member retirements	220	2,686	2,621	90.2%
Deferred benefits	101	3,005	3,000	96.6%
Transfers in (including interfunds in, club transfers)	439	570	473	46.9%
Transfers out (including interfunds out, club transfers)	9	324	321	96.4%
Refunds	14	676	648	93.9%
Divorce quotations issued	0	194	194	100.0%
Actual divorce cases	3	11	14	100.0%
Member estimates requested either by Scheme member or employer	48	561	565	92.8%
New joiner notifications	0	9,205	9,205	100%
Aggregation cases	1,151	2,284	1,805	52.5%
Optants out received after 3 months membership	57	672	643	88.2%

Table B	Fund target (days)	% completed within Fund target in year
Casework KPI		
Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	99%
Communication issued confirming the amount of dependents pension	10 days	90%
Communication issued to deferred member with pension and lump sum options (quotation)	15 Days	89%
Communication issued to active member with pension and lump sum options (quotation)	15 Days	95%
Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 days	92%
Communication issued to active member with confirmation of pension and lump sum options (actual)	15 days	89%
Communication issued with deferred benefit options	30 days	90%
Communication issued to Scheme member with completion of transfer in	15 days	6%*
Communication issued to Scheme member with completion of transfer out	15 days	99%
Payment of refund	10 days	93%
Divorce quotation	45 days	100%
Communication issued following actual divorce proceedings i.e application of a Pension Sharing Order	15 days	86%
Communication issued to new starters	40 days	98%
Member estimates requested by Scheme member and employer	15 days	88%

*During 2024/25, McCloud Statutory Guidance was delayed in regards Transfers, meaning that cases needed to be placed on hold, members were informed of the reason for delays.

The Pensions Regulator Measure of Data Quality

The Regulator's best practice directive requires Pension Schemes to continually review their data and carry out a data review exercise at least annually.

This should include an assessment of the accuracy and completeness of the member data recorded on the pension administration system.

To comply with this requirement, the Fund's IT Section runs system supplied data quality validation reports against the pensions administration system that provides the overall common and Scheme specific data scores for submission to the Regulator on its annual Scheme return. The scores are split between common data and Scheme-specific data:

Measure of Data Quality	2019	2020	2021	2022	2023	2024
Common data*	99.1%	99.0%	99.0%	99.1%	99.2%	99.0%
Scheme Specific data**	92.9%	94.6%	96.0%	96.2%	96.5%	96.1%

*Common data is defined as member data that all Schemes are required to hold for members, in the form of name, national insurance number, date of birth, gender and dates of pensionable service.

** Scheme-specific data is other member data required to enable pension providers to administer their Scheme.

The Fund has a good common data score, and continually reviews the detail of the Scheme specific score to improve quality and, where necessary, engage with employers for any missing Scheme specific data.

Member Web Portal (MyPension)

Since 2013, members have been able to view their Annual Benefit Statements online, via the MyPension system. The prime channel in regards digital communication is via the MyPension portal, and the personal email address captured as part of the members registration to that online service.

MyPension Registrations	31 March 2025	% coverage of membership status
Active	19,330	39%
Deferred	13,960	35%
Pensioner	18,483	31%
Total	51,773	

Stakeholder Contact by Channel

The Fund telephony system is provided by the Administering Authority as part of the Microsoft Teams platform. Statistics are limited from this solution, but in general the Fund received or made 33,561 calls via telephone during the Scheme year. In the Scheme year, we received 34,733 general emails of which 7,656 came via the MyPension system of the online contact forms on the Fund website.

Communications Policy

Member Engagement

The Fund has several customer surveys that are linked to specific life events (joining the Scheme, transferring benefits, divorce work, retirement etc.). The online surveys are kept simple and short as to encourage members to complete, but unfortunately feedback continues to be limited.

Pensions Awareness Week took place during Monday 9 September and Friday 13 September 2024. An industry wide initiative supported by the Pensions and Lifetime Savings Association (PLSA) and the Money & Pensions Service. During the week, the Fund also provided seven virtual events that were attended by 1,612 members – covering the LGPS in general, but also ‘Understanding your Annual Benefit Statement’ and information on ‘How your Local Government pension works’.

In addition to Pensions Awareness Week, during 2024/25, Fund Officers provided presentations to a further 537 active members in-person at employer premises.

During the year, a focus on the value and importance of diversity and inclusion, has provided greater insight into our communicating with members, recognising the differences in understanding of pension entitlements and digital awareness, informing our approach to individual member engagement.

The principal communication issued to active and deferred members each year is the Annual Benefit Statement (ABS) and electronic versions have been available since 2013 via the Fund’s online ‘MyPension’ service.

Fund officers continue to work with employers in promoting the ‘MyPension’ service, to further encourage active members to register. The Fund provided employers with suitable text for staff newsletters, briefings, intranet sites and broadcast emails. On production of the statements, employers were asked to utilise the same communication channels to inform members of their availability online.

Employer Engagement

Once again, the annual employers’ conference, on 21 November 2024 at Aintree Racecourse, was well attended, and the usual programme of the Annual Report, Local Pension Board and Administration updates were provided to delegates, along with presentations from the Fund’s actuary, a speaker from the Pensions Regulator and Becky Clough attended from the Scheme Advisory Board.

The Fund has a secure employers’ website, where employers can obtain forms, guidance notes and access Payroll and HR administration guides. The Fund does not publish a periodic employer newsletter, but uses the employers’ website to announce news, revisions to forms and other pertinent information. Each registered user receives an email notification of any news update or change to the administration of the Scheme.

Regular news alerts and updates were provided to employers throughout the year, along with the usual annual updates to the HR and Payroll guides. Dates for appropriate LGA courses for employers were shared via the secure employer website.

Value for Money Statement

The Administration Team is accountable to the Pensions Committee, the Local Pension Board, participating employers and Scheme members, in terms of overall effectiveness and value for money.

Our costs are managed and monitored by:

- setting an expected expenditure plan each year in line with the business plan
- regularly monitoring spending, and reporting details of this to the appropriate forum
- benchmarking our costs by taking part in national (CEM) benchmarking exercises.

Ensuring success, the team strive to achieve success by:

- having a clear and measurable business plan in place
- using project management tools when implementing service improvements
- regularly reviewing resource, workloads and planning for the impact of future changes
- holding regular service update meetings for all teams and managers
- submitting comprehensive reports and information to the appropriate Working Groups and the Local Pension Board to enable effective scrutiny to take place
- measuring procedures against the Pension Regulator's Code of Practice
- outlining expected service standards between the Fund and employers, in the Pensions Administration Strategy, and monitoring performance against these standards

To ensure the effectiveness of the administration services, the Fund is monitored through internal and external audits. Furthermore, to demonstrate productivity and value added, the Fund undertakes extended benchmarking to cover a broad range of functions and comparison of costs with other public and private pension funds. This continues to highlight that the Fund's current running costs are below the peer average, with a good range of services provided to support members and employers.

The Fund continues to invest in resources and technology systems to continue to develop an efficient delivery platform, extending process automation, including a 'retire online' function and self-service retirement benefit projectors, to provide value for money and expand accessibility to the service.

Operational Costs

The Fund's operational costs are reviewed by the Pensions Committee, which approves the annual operational budget. Actual spend is monitored throughout the year by the Fund Management team, and overall spend is reported in the Annual Report & Accounts.

The MHCLG surveys funds annually to collect administration and fund management costs in the LGPS - this is referred to as the 'SF3' statistical return.

Submitted under Section 168 of the Local Government Act 1972, the data provides the Government with a benchmark of Scheme costs, and is also used in compiling the National Accounts, showing the role of pension funds in the economy.

The administration costs reported in the 2023/24 'SF3' statistical return were £22.65 per member.

The Fund participates in an administration benchmarking initiative by the company CEM. Alongside eleven other LGPS Funds, the exercise produced a comparative report between the participating LGPS Funds and three large public or private Schemes in the UK. The Fund was assessed as offering 'high member service at a low cost' by CEM when considering our cost effectiveness against the fourteen other peers.

Internal Dispute Resolution Cases

Appeals against Employer Decisions

Employer	Number	Appeal Decision
Care Quality Commission		
Stage 2 - Employer decision not to award ill health pension	1	Ongoing
Chief Constable (CC)		
Stage 2 - Employer discretionary policies	1	Dismissed
Liverpool City Council		
Stage 2 - Inaccurate data resulting in a recalculation of benefits	1	Ongoing
Stage 2 - Dispute about the Tier of ill health benefits awarded	1	Dismissed
Sefton M.B.C.		
Stage 2 - Award of ill health for deferred member	1	Dismissed
Total	5	

Appeals against Fund Decisions

Reason for Appeal	Number	Appeal Decision
Stage 1 - Inaccurate historical Annual Benefit Statement overinflating benefits	1	Partially Upheld
Stage 1 - Value of Annual Pension	1	Dismissed
Stage 1 - Missed Statutory deadline for transfer out of pension	1	Dismissed
Stage 1 - Unable to transfer out against the Regulations	1	Dismissed
Stage 1 - Inaccurate historical Annual Benefit Statement and options overinflating benefits	1	Dismissed
Stage 1 - Time taken to implement Pension Sharing Order	1	Dismissed
Stage 1 - Time taken to resolve a transfer out of pension leading to missing deadline	1	Withdrawn
Stage 1 - Distribution of Death Grant	1	Ongoing
Stage 2 - Inaccurate historical Annual Benefit Statement overinflating benefits	1	Partially Upheld
Stage 2 - Missed Statutory deadline for transfer out of pension	1	Partially Upheld
Stage 2 - Inaccurate historical Annual Benefit Statement and options overinflating benefits	1	Partially Upheld
Stage 2 - Value of Annual Pension	1	Ongoing
Total	12	

Legislative Change & Focus on the Gender Pension Gap during 2024/25

The Local Government Pension Scheme (Information) Regulations 2024

The Ministry of Housing, Communities and Local Government laid the above regulations on 28 August 2024. The regulations came into force on 23 September 2024, with backdated effect to 1 October 2023.

The regulations removed the requirement to include estimated underpin information relating to McCloud in the 2023/24 annual benefit statements for active, deferred, deferred pensioner and pension credit members.

The regulations also provide a discretion not to include estimated underpin information in the 2024/25 statements for a particular class of members. Funds using this discretion will need to decide before 31 August 2025, and inform affected members.

Gender Pensions Gap

During the year, the Gender Pension Gap has gained traction as studies across the pension industry has found that, allowing for typical working pattern, women's pension wealth is a third less relative to men at state retirement age.

Considering this finding, the Scheme Advisory Board (SAB) commissioned a report from the Government Actuary's Department (GAD) to assess the future 'pension pots' that contributing members are currently building up.

The initial report from GAD, identifies a substantial difference between the average LGPS pension benefits currently being built up by male and female Scheme members, in favour of male members.

The gender difference is 34.7% for benefits in the reformed Career Average Revalued Earnings (CARE) scheme, which has been in place since 2014, and 46.4% for benefits in the legacy final salary scheme.

The SAB has set up a dedicated working group consisting of representatives from LGPS funds, employees and employers, as well as actuaries, to consider viable solutions to target equilibrium, and close the gap for future pension accrual.

The Pension Dashboard Programme

The Pension Dashboard (Amendment) Regulations 2023 were made on 19 July 2023 which rebased the connection deadlines to the Pensions Dashboard with the deadline for the LGPS to connect to the ecosystem by September 2025.

To aid compliance, the Pensions Administrations Standards Association (PASA) has published Pensions Dashboards Connection Ready Guidance and a 'Call to Action'.

The 'Connection Ready Guidance' explains what being 'connection ready' means and what a typical Scheme plan could look like. It covers five main areas: governance, matching, value data, technology, and administration. For each area, it describes the key activities, how to do them, why they matter and how to show that they have been done.

The Call to Action lists the top five actions that Schemes need to take now to prepare for dashboards. PASA has also provided practical tips for certain connection ready activities, checklist of key actions and outlines of connection ready decisions.

Officers have prepared a draft programme of works to ensure the Fund meets timelines, and actions required to connect to the Pensions Dashboard in compliance with the guidance.

Fund officers have also been working as a founder to the establishment of a national procurement framework for authorised 'integrated service providers (ISP)' for connecting to the dashboard ecosystem. This framework will simplify the selection and appointment of a suitable ISP for all LGPS Funds, including MPF.

Cost Control Mechanism and the 2020 Scheme Valuation

DLUHC issued the Local Government Pension Scheme (Amendment) (No. 2) Regulations 2023, effective from 1 June 2023, which amend the following provisions:

Regulation 14 - the timing of the LGPS cost management has moved from three years to a four-year cycle in-line with the other public service Schemes.

Regulation 16 - provides SAB with greater flexibility in relation to making recommendations to the Secretary of State where the 3% cost corridor is breached.

The Government Actuary's Department has recently published HMT's 2020 cost control valuation for the LGPS in England and Wales. The valuation found the core 'cost cap cost' falls outside the 3% corridor by 3.2% below target cost, although the new 'economic cost cap cost' also falls outside corridor but was 7.3% above target cost. As a result, the mechanism is not breached, and the Government is not proposing to make any changes to Scheme benefits.

The SAB is required to undertake its own Scheme cost assessment and based on the initial results which are in line with the conclusions emerging from the HMT process, SAB has indicated they will also not be recommending any changes to Scheme benefits to the Secretary of State.

Abolition of the Lifetime Allowance

The Finance Act 2024 received Royal Assent on 22 February 2024 formally abolishing the Lifetime Allowance from 6 April 2024.

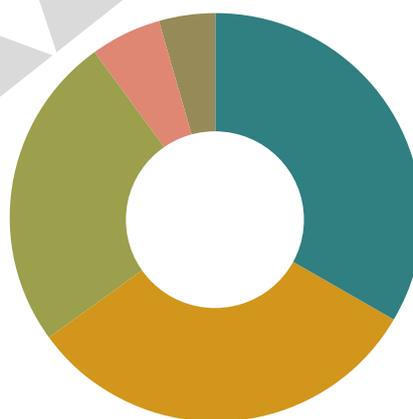
Replacing the Lifetime Allowance are two new lump sum limits – the Lump Sum Allowance and the Lump Sum and Death Benefit Allowance.

HMT subsequently laid the Pensions (Abolition of Lifetime Allowance Charge etc) Regulations 2024 on 14 March 2024 (effective 6 April 2024) to ensure smooth operation of the new tax framework. There remain several practical considerations for the Fund to consider when implementing the changes to the taxation of pensions.

The LGA have published a guide to support administering authorities in this area. The guide was updated in May 2024, to reflect treatment of Pension Commencement Excess Lump Sums in the absence of long-term policy at this time for the LGPS.

Fund members & employers

Membership as at 31 March 2025



52,957	Pensioner
50,007	Active
39,467	Deferred
8,601	Dependant
6,769	Undecided leaver

Number of Members by Age Band

Status (age in years)	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54
Active				359	1,974	3,500	4,302	5,199	5,805	5,479	6,730
Deferred				3	171	979	2,315	4,448	5,535	5,508	7,081
Pensioner							1	7	19	41	187
Dependant	3	14	64	146	98	15	12	20	33	55	107
Undecided leaver				67	403	974	913	1,025	1,074	984	1,046
Status (age in years)	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90-94	95-99	100+	Total
Active	7,727	6,435	2,046	415							50,007
Deferred	7,453	4,676	1,027	231	36	4					39,467
Pensioner	2,672	8,368	12,815	11,123	8,964	4,870	2,684	972	212	22	52,957
Dependant	240	472	674	889	1,219	1,040	912	555	183	18	6,769
Undecided leaver	992	683	321	67	52						8,601
											Total
											157,801

Key Membership Statistics 2020-2025

Year	Active	Deferred	Pensioner	Dependant	Undecided leaver	Total
31 March 2025	50,007	39,467	52,957	6,769	8,601	157,801
31 March 2024	48,985	39,876	51,160	6,692	6,444	153,157
31 March 2023	48,998	43,429	50,111	6,602	3,880	149,140
31 March 2022	46,740	42,553	48,609	6,645	-	144,547
31 March 2021	47,193	39,295	47,032	6,503	-	140,023
31 March 2020	46,745	40,185	46,435	6,595	-	139,960

New Pensioners in Year 2024/25 by Retirement Type

Retirement Type	Number
Late	439
Normal	124
Early	1,687
Flexible	151
Redundancy	32
Ill health	141
Total	2,574



Actuarial Reports on Fund

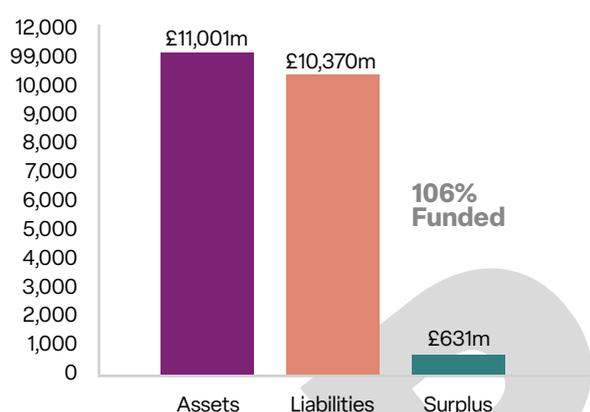
Actuarial Reports on Fund

Accounts for the year ended 31 March 2025 - Statement by the Consulting Actuary

This statement has been provided to meet the requirements under Regulation 57(1)(d) of The Local Government Pension Scheme Regulations 2013.

An actuarial valuation of the Merseyside Pension Fund was carried out as at 31 March 2022 to determine the contribution rates with effect from 1 April 2023 to 31 March 2026.

On the basis of the assumptions adopted, the Fund's assets of £11,001 million represented 106% of the Fund's past service liabilities of £10,370 million (the "Solvency Funding Target") at the valuation date. The surplus at the valuation was therefore £631 million.



The valuation also showed that a Primary contribution rate of 18.7% of pensionable pay per annum was required from employers. The Primary rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

The funding objective as set out in the FSS, is to achieve and maintain a solvency funding level of 100% of liabilities (the solvency funding target). In line with the FSS, where a shortfall exists at the effective date of the valuation, a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. Equally, where there is a surplus, it may be appropriate to offset this against contributions for future service, in which case contribution reductions will be put in place to allow for this.

The FSS sets out the process for determining the recovery plan in respect of each employer. At the 2022 actuarial valuation, the average recovery period adopted was eleven years for employers in deficit, and fourteen years for the employers in surplus, and the total initial recovery payment (the "Secondary rate" for 2023/26) was a surplus offset of approximately £37m per annum in £ terms (which allows for the contribution plans which have been set for individual employers under the provisions of the FSS), although this varies year on year.

Further details regarding the results of the valuation are contained in the formal report on the actuarial valuation dated March 2023.

In practice, each individual employer's position is assessed separately and the contributions required are set out in the report. In addition to the certified contribution rates, payments to cover additional liabilities arising from early retirements (other than ill health retirements) will be made to the Fund by the employers.

The funding plan adopted in assessing the contributions for each individual employer, is in accordance with the Funding Strategy Statement (FSS). Any different approaches adopted, e.g. with regard to the implementation of contribution increases and deficit recovery periods, are as determined through the FSS consultation process.

The valuation was carried out using the projected unit actuarial method, and the main actuarial assumptions used for assessing the Solvency Funding Target and the Primary rate of contribution were as follows:

	For past service liabilities (Solvency Funding Target)	For future service liabilities (Primary rate of contribution)
Rate of return on investments (discount rate)		
Higher Risk Investment Bucket	4.60% per annum	5.10% per annum
Medium Risk Investment Bucket	4.35% per annum	4.85% per annum
Lower Risk Investment Bucket	2.70% per annum	2.70% per annum
Rate of pay increases (long-term)*		
Higher Risk Investment Bucket	4.60% per annum	4.60% per annum
Medium Risk Investment Bucket	4.60% per annum	4.60% per annum
Lower Risk Investment Bucket	5.10% per annum	5.10% per annum
Rate of increases in pensions in payment (in excess of GMP)		
Higher Risk Investment Bucket	3.10% per annum	3.10% per annum
Medium Risk Investment Bucket	3.10% per annum	3.10% per annum
Lower Risk Investment Bucket	3.60% per annum	3.60% per annum

*allowance was also made for short-term public sector pay restraint over a 3-year period

The assets were assessed at market value.

The next triennial actuarial valuation of the Fund is due as at 31 March 2025. Based on the results of this valuation, the contribution rates payable by the individual employers will be revised with effect from 1 April 2026.

Actuarial Present Value of Promised Retirement Benefits for the Purposes of IAS 26

IAS 26 requires the present value of the Fund's promised retirement benefits to be disclosed, and for this purpose, the actuarial assumptions and methodology used should be based on IAS 19 rather than the assumptions and methodology used for funding purposes. The assumptions adopted are shown in Appendix B.

The movement in the value of the Fund's promised retirement benefits for IAS 26 is as follows

Start of period liabilities	£10,120m
Interest on liabilities	£486m
Net benefits accrued/paid over the period*	(£198m)
Actuarial (gains)/losses (see below)	(£1,406)
End of period liabilities	£9,002

*this includes any increase in liabilities arising as a result of early retirements

Key factors leading to actuarial gains above are:

- Change in financial assumptions: Corporate bond yields increased over the year, with a corresponding increase in discount rate from 4.9% p.a. to 5.8% p.a. The long-term assumed CPI is slightly lower at the end of year than it was at the start of year. In combination, these factors lead to a significant reduction in liabilities.
- Change in demographic assumptions: As noted in appendix B, the mortality assumptions have been updated to reflect the latest mortality tables and future life expectancy improvement model. This acts to slightly reduce the liabilities.
- Pension increases / inflation experience: The figures allow for the impact of actual CPI experienced over the year, compared to the start of period assumption (experience to September 2024 fed into the April 2025 pension increase of 1.7%, and actual inflation from that point will feed into the 2026 increase). As inflation over the year was a little lower than the long-term assumption, this slightly decreases the liabilities.



Paul Middleman

Chartered Actuary (Fellow)



Mark Wilson

Chartered Actuary (Fellow)

Mercer Limited – February 2025

Appendix A – additional considerations

The “McCloud judgment”: The figures above allow for the impact of the judgment based on the proposed remedy.

GMP indexation: The above figures allow for the provision of full CPI pension increases on GMP benefits, for members who reach State Pension Age after 6 April 2016.

Market volatility and tariffs: There was significant volatility in markets shortly after the accounting date, in part due to the announcements on tariffs coming from the USA. The period-end figures reflect market conditions as at the accounting date, but do not allow for any subsequent experience.

Virgin Media Court Case: Our current understanding is that, while HM Treasury are still assessing the implications, they do not believe the case is relevant to public service pension schemes. Given this, and the unknown impact on benefits, even if it were to be required, we have not made any allowance for the Virgin Media judgment.

Appendix B – financial and demographic assumptions

To assess the liability value of the benefits, we have used the following assumptions as at 31 March 2025 (the 31 March 2024 assumptions are included for comparison):

Financial assumptions	31 March 2024	31 March 2025
Rate of return on investments (discount rate)	4.90% per annum	5.80% per annum
Rate of CPI Inflation / CARE benefit revaluation	2.70% per annum	2.60% per annum
Rate of pay increases	4.20% per annum*	4.10% per annum*
Increases on pensions (in excess of GMP) / Deferred revaluation	2.80% per annum	2.70% per annum

*An adjustment has been made for the short-term pay restraint in line with the 2022 actuarial valuation

Post retirement mortality (normal health)	31 March 2024 (M/F)	31 March 2025 (M/F)
Base mortality table	SAPS 3 / SAPS 3 middle	SAPS 4 / SAPS 4 middle
Future improvements	CMI 22 1.5%	CMI 23 1.5%
Additional parameters	S=7, A=0 W20=W21=0%, W22=25%	S=7, A=0 W20=W21=0%, W22=W23=15%

Non-retired members (current age 45):

Weightings	115% / 103%	114% / 103%
Life expectancies at age 65	22.2 / 25.2	22.1 / 25.2

Retired members (current age 65):

Weightings	111% / 103%	109% / 103%
Life expectancies at age 65	20.9 / 23.4	20.8 / 23.5

The base tables are set based on the most recent mortality analysis for the Fund (undertaken as part of the 2022 actuarial valuation). The future improvements allow for a best estimate long-term improvement rate of 1.5%, and have been updated to allow for the latest base tables available (the “S4” series of tables and CMI 2023 at the end of period), with a reweighting to maintain consistency with the underlying mortality analysis.

Other demographic assumptions

The other demographic assumptions are the same as those used for 2022 actuarial funding valuation – full details are set out in the formal report on the actuarial valuation dated March 2023.

A woman with dark hair, wearing a dark blazer over a light-colored striped collared shirt, is seated at a desk. She is looking slightly to her right with a thoughtful expression. Her hands are resting on a clipboard, and she appears to be holding a pen. The entire image is overlaid with a semi-transparent blue filter. The text 'External Audit Opinion' is written in a white serif font on the left side of the image.

External Audit Opinion

External Audit Opinion

Merseyside Pension Fund's Annual Report and Accounts remains in a draft status whilst we await the approval of the financial statement at Audit & Risk Management Committee (ARMC) and the issue of the audit opinion.

The audit of Merseyside Pension Fund is substantially complete and the Grant Thornton Audit Findings Report was reported at Pensions Committee on 23 September 2025.

Grant Thornton anticipate issuing an unqualified opinion.

DRAFT

Additional Information

A photograph of three business professionals in a meeting, overlaid with a red tint. The image shows a man on the left in a suit, a woman in the center with glasses, and a man on the right in a white shirt. They are gathered around a table with papers and a laptop, appearing to be in a collaborative discussion. The background is a blurred office setting with large windows.

Additional Information

Statement of Responsibilities

The Authority's Responsibilities

The Council as Administering Authority of Merseyside Pension Fund is required:

- to make arrangements for the proper administration of the financial affairs of the Fund and to ensure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Section 151 Officer;
- to manage the affairs of the Fund to secure economic, efficient use of resources and safeguard its assets.

Section 151 Officer Responsibilities

The Section 151 Officer is responsible for the preparation of the Fund's Statement of Accounts which, in terms of the Chartered Institute of Public Finance and Accountancy Code of Practice on Local Authority Accounting in Great Britain (the Code), is required to present fairly the financial position of the Fund at the accounting date and its income and expenditure for the year ended 31 March 2025.

In preparing this statement of accounts, the Section 151 Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgments and estimates that were reasonable and prudent;
- complied with the Code.

The Section 151 Officer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Section 151 Officer's Certificate

I certify that the Statement of Accounts presents fairly the financial position of the Fund at 31 March 2025, and its income and expenditure for the year then ended.



Matthew Bennett
Section 151 Officer
September 2025

Scheme Employers with Active Members as at 31 March 2025

Scheduled Bodies (34)	Contributions Received		
	Employers	Deficit/Surplus	Employees
	£000	£000	£000
Carmel College	526	0	162
Chief Constable (CC)	15,853	(1,000)	5,886
Cronton Parish Council	0	0	0
Eccleston Parish Council	6	0	1
Edsential SLE	280	(124)	69
Halewood Town Council	65	(28)	20
Hightown Parish Council	2	0	1
Hugh Baird College	1,127	37	348
Knowsley M.B.C.	20,529	(2,828)	7,134
Knowsley Town Council	14	(13)	4
LCRCA - Liverpool City Region Combined Authority	3,305	0	1,579
Liverpool City Council	50,101	(10,295)	17,273
Liverpool John Moores University	8,666	0	3,369
Liverpool Streetscene Services Ltd	999	0	276
Maghull Town Council	54	3	19
Melling Parish Council	4	0	1
Merseyside Fire & Rescue Authority	2,255	(609)	834
Merseyside Passenger Transport Executive (MPTE)	4,510	(101)	1,690
Merseyside Waste Disposal Authority	185	0	114
Office of the Police and Crime Commissioner (OPCCM)	184	36	82
Prescot Town Council	20	0	8
Rainford Parish Council	16	0	5
Rainhill Parish Council	5	0	1
School Improvement Liverpool Ltd	1,031	0	385
Sefton M.B.C.	26,685	(3,775)	8,614
Shared Education Services Ltd	374	(344)	108
Southport College	599	(230)	191
St. Helens College	1,302	(862)	399
St. Helens M.B.C.	19,492	(4,828)	6,664
The ACC Liverpool Group Ltd	838	0	422
The City of Liverpool College	1,263	(403)	403
Whiston Town Council	50	(25)	13
Wirral Council	30,967	(6,384)	10,444
Wirral Metropolitan College	1,351	(251)	396

Scheduled Bodies (Academies) (174)

	Contributions Received		
	Employers	Deficit/Surplus	Employees
	£000	£000	£000
Academy of St Francis of Assisi	364	(9)	124
Ainsdale St Johns CE Primary School	37	0	11
All Saints MAT	26	1	11
Alsop High School	342	0	102
Bedford Primary School	180	0	55
Bellerive FCJ Catholic College	125	32	38
Billinge Chapel End Primary School	39	(7)	11
Birkdale High School	169	39	52
Birkenhead 6th Form College (Academy)	346	16	132
Birkenhead High School Academy	289	33	90
Bishop Martin CE Primary	34	28	9
Black Horse Hill Junior School	35	(7)	11
Blacklow Brow School (Academy)	51	27	18
Blackmoor Park Infant School	145	0	46
Blue Coat School (Academy)	173	71	63
Brackenwood Jr School	53	(12)	15
Brookdale Primary School	45	0	13
Calday Grange Grammar School	296	0	97
Chesterfield High School	226	49	74
Childwall Sports & Science Academy	194	77	71
Christ Church Moreton Primary (Academy)	98	36	30
Church Drive Primary	89	45	28
Churchtown Primary (Academy)	221	70	66
Co-op Academy Bebington	281	0	93
Co-op Academy Hillside	47	0	16
Co-op Academy Portland	58	17	18
Co-op Academy Woodslee	95	19	32
Cronton C of E Primary (Academy)	64	24	17
Croxteth Community Primary School (Academy)	119	34	37
Deyes High School	338	92	110
De La Salle (St Helens)	82	0	25
Dixons Broadgreen Academy	154	0	52
Dixons Croxteth Academy	98	47	26
Dixons Fazakerley Academy	163	0	52
Egremont Primary School (Academy)	95	52	30
Everton Free School	107	8	44
Faith Primary School	76	(15)	23
Finch Woods Academy	97	25	35
Forefield Infant & Nursery School	62	0	19
Forefield Junior School	54	0	14
Formby High School	225	102	70
Four Oaks Primary School	82	(16)	25
Garston C of E Primary School (Academy)	75	23	25
Gateacre School	70	(15)	21
Gayton Primary School	59	(12)	15

Scheduled Bodies (Academies) (cont'd) (174)

	Contributions Received		
	Employers	Deficit/Surplus	Employees
	£000	£000	£000
Greasby Junior School	66	(12)	19
Great Meols Primary School (Academy)	140	39	40
Greenbank High School	314	56	104
Halewood Academy Centre for Learning	349	167	109
Halewood C of E Primary (Academy)	78	28	24
Halsnead Primary School (Academy)	82	73	26
Harmonize Academy	116	0	37
Hawthornes Free School	161	0	53
Heswall Primary School	113	(11)	33
Heygreen Community Primary (Academy)	133	46	53
Hilbre High School (Academy)	289	99	103
Hillside High School (Academy)	180	164	59
Holy Spirit Catholic Primary	45	(8)	13
Holy Trinity CE Primary (Academy)	59	37	17
Hope Academy	290	76	90
Huyton with Roby CE Primary (Academy)	98	46	29
Irby Primary School	56	(6)	17
Kew Woods	112	0	35
Kings Lander Primary Academy	46	0	13
Kings Leadership Academy (Liverpool)	235	26	76
Kings Leadership Academy (Wavertree)	4	0	2
Kings Leadership Phoenix Academy	24	3	10
Kings Northway Primary Academy	12	0	4
Kirkby High School	251	164	90
Knotty Ash Primary School	108	0	36
Knowsley Lane Primary School (Academy)	91	44	27
LDST - Liverpool Diocesan Schools Trust (Academy)	100	10	52
Linaker Primary School	29	0	9
Litherland High School (Academy)	181	118	65
Litherland Moss Primary (Academy)	74	26	24
Liverpool College (Academy)	219	6	76
Liverpool Institute of Performing Arts (LIPA)	140	0	52
Liverpool Life Science UTC	110	4	36
Lord Derby Academy	238	114	83
Maghull High School	199	56	69
Manor Primary School	44	0	11
Mendell Primary School	45	0	15
Meols Cop Primary School	223	0	73
Mersey View Learning Trust (MVLT)	20	6	8
New Park Primary (Academy)	192	136	68
North Liverpool Academy	491	23	191
Notre Dame Catholic School	178	(38)	57
Nutgrove Methodist Aided Primary	42	20	13

Scheduled Bodies (Academies) (cont'd) (174)

	Contributions Received		
	Employers	Deficit/Surplus	Employees
	£000	£000	£000
Oldershaw Academy	311	0	108
Our Lady of Lourdes Catholic Primary School	113	0	33
Our Lady of Pity (Academy)	121	31	33
Our Lady of Walsingham Catholic Primary School	39	0	12
Outwood Academy Haydock	212	(34)	68
Overchurch Junior School	83	0	26
Parish CE Primary (Academy)	53	29	18
Park View Academy	106	49	38
Plantation Primary School	153	(22)	46
Poulton Lancelyn Primary School (Academy)	136	22	42
Prescot Primary School	27	(4)	9
Prenton High School for Girls	168	64	59
Rainford CE Primary School	68	(6)	20
Rainford Brook Lodger Primary School	58	(13)	17
Rainford High School (Academy)	285	131	103
Rainhill High School	268	133	96
Rainhill St Ann's CE Primary School (Academy)	104	41	29
Range High School	238	66	74
Rock Ferry Primary School	113	(20)	32
Roscoe Primary (Academy)	89	56	24
Rowan Park School	226	0	67
Sacred Heart Catholic Academy	196	(36)	53
Sandbrook Primary School	39	0	10
Shoreside Primary School	73	17	22
St Ambrose Catholic Primary	74	(12)	20
St Andrews CE Primary (Academy)	73	28	21
St Anselm's College	181	12	46
St Augustine of Canterbury	152	(22)	41
St Cleopas CE Academy	79	(14)	24
St Edmund Arrowsmith Catholic Academy	178	(8)	59
St Edmunds & St Thomas Catholic Primary School	41	0	11
St Edward's College	177	40	56
St Francis Xavier's College (Academy)	248	69	76
St Gabriel's CE Primary	75	2	27
St James' Primary School (Academy)	56	15	17
St John Plessington Catholic College	439	48	141
St Joseph's Catholic MAT	94	0	44
St Joseph's Primary (Academy)	72	26	27
St Margaret's Church of England Academy	187	63	54
St Mary & St Thomas CE Primary School (Academy)	135	31	45
St Mary's Catholic College	340	115	97
St Mary's Catholic Infant/Junior School	77	(17)	26
St Marys (Little Crosby) Catholic Primary School	17	0	5

Scheduled Bodies (Academies) (cont'd) (174)

	Contributions Received		
	Employers	Deficit/(Surplus)	Employees
	£000	£000	£000
St Michael's C of E High School (Academy)	141	110	45
St Nicholas Catholic Primary	47	(12)	14
St Peter & Paul Catholic Primary (Wallasey)	16	0	4
St Silas C of E Primary School (Academy)	112	38	41
St Teresa of Lisieux Primary School	126	(24)	37
St Thomas C of E Primary (Academy)	59	17	15
Stanley High School (Academy)	165	69	51
Stanton Road Primary School (Academy)	102	30	29
Sylvester Primary Academy	92	17	26
The Academy of St Nicholas	194	134	66
The Beacon C E Primary School (Academy)	60	35	19
The Belvedere Academy	232	23	84
The Birkenhead Park School	228	118	73
The District CE Primary School	125	0	39
The Grange Primary School	103	0	34
The Prescott School (Academy)	222	93	70
The Salesian Academy of St John Bosco	195	0	63
The Studio (Academy)	29	0	10
The Sutton Academy	283	134	109
The Trinity Catholic Primary	131	(23)	35
Thingwall Primary School	56	(9)	15
Thomas Gray Primary School	100	(12)	30
Thurstaston Dawpool Primary School	63	(13)	16
Town Lane Infant School (Academy)	78	33	26
Townfield Primary	166	59	52
Trinity St Peters CE Primary School	10	0	3
Uni of Liverpool Maths School	40	0	14
Upton Hall School	196	5	63
Valewood Primary	46	0	13
Waterloo Primary	117	0	34
Waterside Academy	26	0	9
Weatherhead High School	276	66	101
West Derby School (Academy)	240	0	71
West Kirby Grammar School	190	47	61
Whiston Willis Primary (Academy)	100	36	27
Willow Tree Primary	55	18	16
Willow Tree Primary School (St Helens)	43	0	14
Wirral Grammar Boys (Academy)	165	23	56
Wirral Grammar School for Girls	129	30	36
Woodchurch CE Primary (Academy)	27	(3)	8
Woodchurch High School	503	131	165
Woodchurch Road Primary School	95	(19)	26
Yew Tree Primary Academy	78	40	24

Admission Bodies (Community) (14)

	Contributions Received		
	Employers	Deficit/Surplus	Employees
	£000	£000	£000
Arriva North West	1,000	0	105
Association of Police and Crime Commissioners	339	0	137
Birkenhead School (2002)	30	(30)	8
Care Quality Commission	14	(14)	4
Catholic Children's Society	30	(6)	3
Citizens Advice Liverpool	47	(40)	5
Communal (Torus Foundation)	37	0	11
Liverpool Hope University	141	(141)	15
Liverpool School Sports Partnership (LSSP)	30	0	11
Local Government Association	1,681	0	928
Partners Credit Union	78	0	24
Torus 62 Ltd	1,572	0	515
Welsh Local Government Association	760	0	325
Wirral Partnership Homes Ltd (Magenta Living)	1,832	(1,026)	630

Admission Bodies (Transfer) (47)

	Contributions Received		
	Employers	Deficit/Surplus	Employees
	£000	£000	£000
Absolutely Catering (Holy Family)	8	0	2
Agilisys Limited	8	(8)	2
Agilisys Ltd (Sefton)	231	(129)	68
Balfour Beatty PFI SEN School	13	(13)	3
Balfour Beatty Workplace Limited	49	(49)	15
Bouygues E & SFM UK Ltd	19	0	4
Bulloughs @ Beacon	2	0	1
Bulloughs @ Outwood Academy	2	0	1
Bulloughs @SLT	5	0	1
Caterlink @ Hugh Baird	7	0	2
Change Grow Live	11	(4)	2
Change Grow Live @ Sefton	31	0	5
Churchill @ Sutton	7	0	2
City Health Care (St Helens)	149	0	47
Compass (Scolarest) Wirral Schools	31	(31)	7
Computeam @ Pope Francis MAT	16	0	5
CWP (NHS)	442	(244)	134
Dalkia @ Coop Academies Trust	8	0	2
Dataspire Solutions Ltd (St Edmund Arrowsmith)	11	0	4
Dolce Ltd	2	0	1
Hochtief Liverpool Schools	5	0	1
Hochtief Wirral Schools	15	0	3
Hutchison @ Bishop Martin	7	0	2
Hutchison @ Sacred Heart	11	0	3
Improvement & Development Agency	2,543	0	1,513

Admission Bodies (Transfer) (cont'd) (43)

	Contributions Received		
	Employers	Deficit/Surplus	Employees
	£000	£000	£000
Innovate @ HFC MAT	57	0	12
ISS Mediclean Ltd (Outwood Academy)	14	0	3
Interserve (Facilities Mgmt.) Ltd	4	0	1
Mellors Catering - Birkdale	15	(10)	4
Mellors Catering - Lydiate & Melling	19	0	5
Mellors Catering - St Anns	3	0	1
Mellors Catering - St Mary & St Thomas	2	0	1
Mellors @ Sutton Academy	16	(2)	4
Mitie Care & Custody Ltd	10	0	3
One Day Ltd	18	0	4
Orian @ Bluecoat	36	0	10
RCCN @ Calday Grange	6	0	1
Sanctuary Home Care Ltd	22	0	5
Sefton New Directions Ltd.	597	(597)	151
SSE Contracting Limited	39	(28)	11
Tarmac Trading Ltd	30	0	9
Taylor Shaw - Raeburn	2	(2)	1
Taylor Shaw - St Andrews	2	(1)	1
Taylor Shaw - Southport Learning Trust	28	0	7
Veolia ES Merseyside & Halton	86	(86)	24
Volair Ltd	333	0	105
Yunex Ltd	23	2	6
ISS Mediclean Ltd (Outwood Academy)	14	0	3
Interserve (Facilities Mgmt.) Ltd	3	0	1
Kingswood Colomendy Ltd.	9	0	2
Mellors Catering - Birkdale	14	(10)	3
Mellors Catering - St Anns	3	1	1
Mellors Catering - St Mary & St Thomas	2	0	1
Mellors @ Sutton Academy	14	(2)	3
Mitie Care & Custody Ltd	10	0	3
One Day Ltd	18	0	5
RCCN @ Calday Grange	0	0	0
RCCN @ Churchtown	0	0	0
Sanctuary Home Care Ltd	29	0	7
Sefton New Directions Ltd.	695	(695)	181
SSE Contracting Limited	39	0	11
Tarmac Trading Ltd.	30	0	9
Taylor Shaw - Raeburn	2	(2)	0
Taylor Shaw - St Andrews	2	(1)	1
Taylor Shaw - Southport Learning Trust	30	0	7
Veolia ES Merseyside & Halton	94	(94)	24
Volair Ltd	343	0	109
Yunex Ltd	23	2	6

Scheme Employers where contributions have been received during 2024/25 but they had no Active Scheme Members as at 31 March 2025

	Contributions Received		
	Employers £000	Deficit/Surplus £000	Employees £000
Churchill @ HFC MAT	5	0	1
Friends of Birkenhead Council Kennels	3	0	1
Glenvale Transport Ltd/Stagecoach	77	(77)	20
Kingswood Colomendy Ltd.	7	(31)	2
RCCN @ Churchtown	2	0	1
Bulloughs @ St John Bosco	2	(1)	1
Greater Merseyside Connexions	0	71	0
Hutchison @Lawrence Community	1	0	0
Hutchison @St Cuthberts	6	7	1
Midshires @ Oak Trees MAT	33	0	8
Sentrex @ Our Lady	1	0	0
	137	(31)	35
Totals	228,871	(30,057)	79,477

Information Contacts

Position	Name	Telephone
Director of Pensions	Peter Wallach	0151 242 1391
Head of Pensions – Administration	Yvonne Murphy	0151 242 1391
Head of Pensions – Finance & Risk	Donna Smith	0151 242 1391
Head of Pensions – Private Markets	Adil Manzoor	0151 242 1391

Area

Finance & Risk (Compliance, Financial Control & Management)	Jacinta Watkinson /Grace Onomerike	0151 242 1391
Investments (Fund Assets' Management)	Adil Manzoor/Greg Campbell/ Allister Goulding/Daniel Proudfoot	0151 242 1391
Employer Compliance and Membership (Transfers, Divorce, Admissions, Data Quality Assurance)	Sue Roberts/Bridget Pullen/ Paula Heaton	0151 242 1391
Benefits/Payroll (Retirement Calculations & Payments)	Claire Lloyd/Martin O'Boyle	0151 242 1391
Operations (IT/Communications) (Systems Support, MyPension, Website, Events)	Guy Hayton	0151 242 1391

Resolution of Disputes

Employer Decisions	Head of Pensions Administration	0151 242 1391
Fund Decisions	Section 151 Officer	0151 666 3407

Scheme Employers Contacts

Arriva North West	Alison Ashcroft	07855 104975
Knowsley MBC	Paul Glover	07385 084642
Liverpool City Council	Richard Arnold	0151 233 0375
Liverpool John Moores University	Kevin Morrisey	0151 231 8756
Merseyside Fire & Rescue Service	Steven Welsh	0151 296 4245
Merseytravel (MPTE)	Sue Highton	0151 330 1199
Merseyside Waste Disposal Authority	Jane Nolan	0151 255 2537
Office of the Police and Crime Commissioner for Merseyside (OPCCM)	Elias Avraam	0151 777 4444
Sefton MBC	Lynn Abbott	0151 934 4126
St. Helens MBC	Steve Rigby	0174 467 6627
Wirral Council	Matthew Slater	0151 691 8529