

Annual Report 2024/25

Find us at:

westsussex.gov.uk/pensions

CONTENTS

Foreword by the Chairman of the Pension Committee	3
Foreword by the Chairman of the Pension Advisory Board	5
The West Sussex Local Government Pension Scheme.....	7
Overall Fund Management.....	11
Scheme Management and Advisers	11
Risk Management.....	14
Governance And Training.....	16
Committee and Board Membership and Attendance	18
Financial Performance	21
Statement of Accounts	21
Changes to income and expenditure from 2023/2024	21
Further Financial Information	22
Fund Account, Net Assets Statement and Notes	23
The Local Government Pension Scheme Pension Fund Account.....	23
Net Asset Statement.....	24
Notes.....	25
Investments and Funding.....	67
Funding Strategy Statement.....	67
Investment Strategy Statement	69
Investment Performance.....	70
Climate Risk Reporting	76
Stewardship.....	81
Investment Pooling	83
Assets	85
Investment Costs	86
Administration.....	87
Administration and Management Costs.....	88
Cyber Security	88
Casework	89
Communications and Engagement	93
Dispute Resolution.....	94
Administration Resources.....	95
Data Quality	95
Employer Performance	97
Scheme Participation.....	98
Contributions by Employer.....	99
Actuarial Report on Funds	108
Funding Position.....	108
External Audit Opinion.....	109
Additional Information	110
Internal Audit.....	110
Additional Voluntary Contributions (AVCs).....	112
Freedom of Information Requests (FOI).....	112
Pension Fund Documents (PDF)	113
Contact and Services.....	114

FOREWORD BY THE CHAIRMAN OF THE PENSION COMMITTEE

The end of 2024/25 and the outcome of the Government Fit for the Future consultation brings a time of change for the Local Government Pension Scheme, specifically impacting on asset pools and governance. However, this will not impact on the benefits payable to members, or the work that the Fund does on a day-to-day basis to administer the scheme.

Whilst mindful of these future developments, I am pleased to provide an update on the Pension Fund's activities during 2024/25.

INVESTMENTS & FUNDING

On 31 March 2025 the fund was valued at £5,853m (compared to £5,785m on 31 March 2024). The mix of assets is based on our Investment Strategy and on the Pension Fund's specific risk and return requirements. Whilst nearly half the portfolio is invested in equity funds (49%), the balance of the portfolio is diversified through holding corporate bond funds (30%) plus a number of smaller investments in property, private equity, private debt and infrastructure.

The Pension Fund invests its portfolio principally to pay benefits, but also to ensure that we can afford to manage the Scheme efficiently. Given that the payment of benefits could be decades into the future, the Pension Fund invests for the long term.

However, this does mean that performance in the shorter term can be volatile, and at times, the fund may underperform the market – as it did during the year. Overall, the Fund's portfolio returned 1.99% over the 12 months, compared to a market index of 4.60%. The relative underperformance reflected holdings in the equity portfolio that – in the short term – were less compelling compared to those in peer portfolios. I can assure you that we continue to monitor our investments closely.

ADMINISTRATION

Good administration and strong governance are central to the responsibilities of the Pension Fund.

The administration service, supporting both employers and members, is delivered in partnership with Hampshire Pension Services. I am delighted to confirm that the team continue to meet all service level targets and to engage with national projects, such as the Dashboard project.

This year we have also appointed a communications delivery partner to support communications and develop a new brand and website for the Fund – which in turn is intended to support member engagement on pension matters, which can be daunting and complex.

GOVERNANCE

From a governance perspective the Fund has continued to review its practices and processes against The Pension Regulators (tPR) General Code of practice, to ensure we are compliant and following best practice. I am pleased to report that the assessment indicates 88% compliance – with actions to achieve full compliance reflected in the 2025/26 work activities.

Jeremy Hunt
Chairman of the Pension Committee



FOREWORD BY THE CHAIRMAN OF THE PENSION ADVISORY BOARD

The Pension Advisory Board (the Board or PAB) was established in 2015 and assists the Scheme Manager in ensuring compliance with regulations, the application of guidance and legislation, securing effective and efficient governance and administration. The Board meets four times during each financial year.

The Board is required to have a minimum of four members comprising of an equal representation of employers and scheme members; six members are currently appointed under the terms of reference. I act as the Independent Chair and do not have voting rights. During the year, each PAB member has demonstrated their commitment to meeting their responsibilities by maintaining a suitable level of knowledge and understanding of issues, preparing for each meeting and participating effectively in the Board's discussions.

The Board has continued to operate well and continues to allow virtual access where necessary, although members usually attend in person. The business for each meeting has been planned by reference to the business plan agreed for 2024/2025 and is based on the responsibilities of the Board and regulatory guidance on key issues to be covered. For the 2025/2026 year, the Board's business will be based on the Fund's overall business plan.

Key items covered in the normal course of the business of Board include administration performance, communications, policy statements, cyber security, new regulations and guidance, the investment pooling arrangements, and knowledge and skills requirements. Following the change in Government, there has been an increase in regulatory activity, including a potentially significant impact on the pooling arrangements which currently exist.

The Board uses the Local Government Pensions Committee (LGPC), the Scheme Advisory Board (SAB) and The Pensions Regulator (tPR) websites as points of reference for the Scheme regulations and guidance, and to track any changes being introduced.

The Board has formulated its training plan, in conjunction with the Pensions Committee, to cover the individual requirements of each member based on guidance issued by CIPFA (the Chartered Institute of Public Finance and Accountancy), using the suggested framework to ensure coverage of all items over a reasonable period. Training is concentrated on the use of the Hymans Robertson LGPS Online Learning Academy (LOLA) for Board and Committee members. Progress on training is monitored and discussed at each meeting and reviewed annually. A training log is maintained.

The Board is satisfied that the West Sussex Pension Fund is operated in compliance with statutory regulations and other legislation, and with guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG). The West Sussex Pension Fund has

a high level of compliance with tPR's new General Code of practice. The Board continues to monitor the effectiveness and efficiency of the governance and administration arrangements.

Andy Cunningham

Independent Chair of the Pension Advisory Board



THE WEST SUSSEX LOCAL GOVERNMENT PENSION SCHEME

The Local Government Pension Scheme (LGPS) is one of the largest public sector pension schemes in the UK. It is a nationwide pension scheme with 6.7 million members across over 21,000 employers and is a valuable part of the pay and reward package for employees.

Whilst it is a nationwide Scheme, with the Scheme rules and employee contributions set by Central Government, the LGPS in England and Wales benefits from being administered locally through 87 local pension funds. This means that West Sussex County Council is responsible for maintaining a pension fund for 91,453 members (comprising current and former employees of West Sussex County Council and the 349 other Scheme Employers).

A summary of benefits are below.



The LGPS is a 'defined benefit' Scheme which means each year 1/49th of a member's pensionable pay (or 1/98th if a member elects to pay into the 50/50 section of the Scheme) is put into their pension account.

Pension benefits are based on membership in the Scheme and are set in Regulations – they are not dependent on contributions paid in or the returns achieved by the Fund on its investments.



A pension is usually payable from a member's normal pension age which is linked to their State Pension age (with a minimum of 65 years old). However, there are circumstances where a pension is paid earlier, including if a member leaves their job due to ill health or is made redundant.



Pension accounts and pensions in payment are adjusted each April in line with the cost of living. The increase is based on the September-to-September adjustment to the Consumer Prices Index (CPI). The CPI index for the year up to September 2024 was 1.7% and this increase was applied in April 2025.



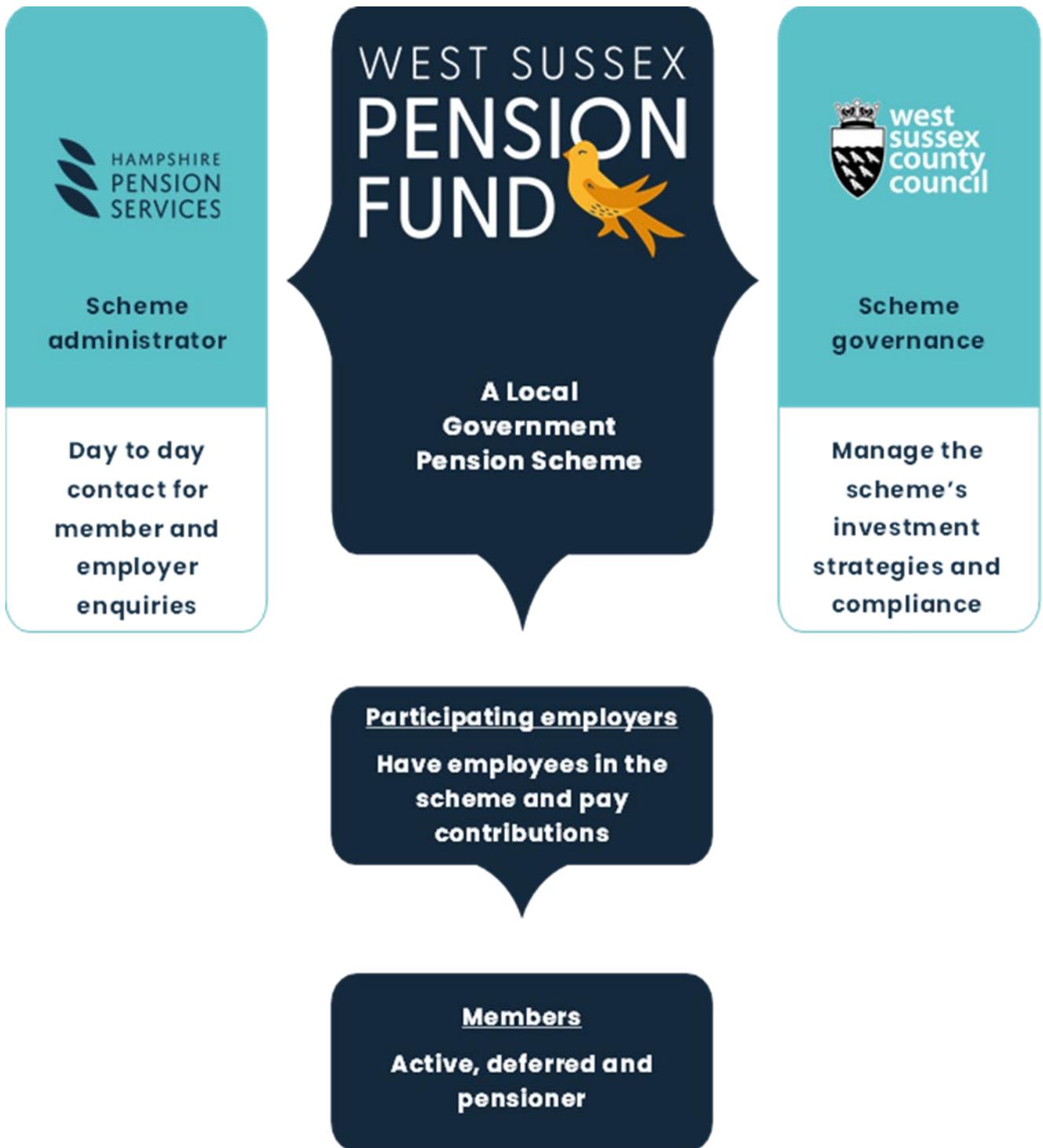
The Scheme includes several options for members including the ability to pay half normal contributions in return for half the normal pension amount (the 50/50 section), boosting a pension by paying more, retiring early and exchanging some pension for tax-free cash on retirement.



The rate of contributions a member will pay is set nationally and range from 5.5% to 12.5%, dependent on a members pay.

Employer contributions are set every three years by the local pension fund. The employer contribution rates for employers in the West Sussex fund range from 0.0% to 43.6% of pensionable pay for the financial year ending 31 March 2025.

The diagram below provides an overview of the structure of the Pension Fund.



Membership is split between active, deferred and pensioner members.

- **Active members**

These are members who continue to pay into the Scheme to build up their LGPS pension.

At 31 March 2025, over half (55%) of the active membership in the West Sussex LGPS consisted of part time female employees, with an average salary of £14,207 per annum. The whole fund average salary is £24,120 per annum.

- **Deferred members**

These are members who have left their job or the Scheme before retirement (and who have contributed to the Scheme for at least two years).

The deferred pension will be held in the LGPS until the member chooses to take their deferred pension benefits, or it is transferred to another pension arrangement.

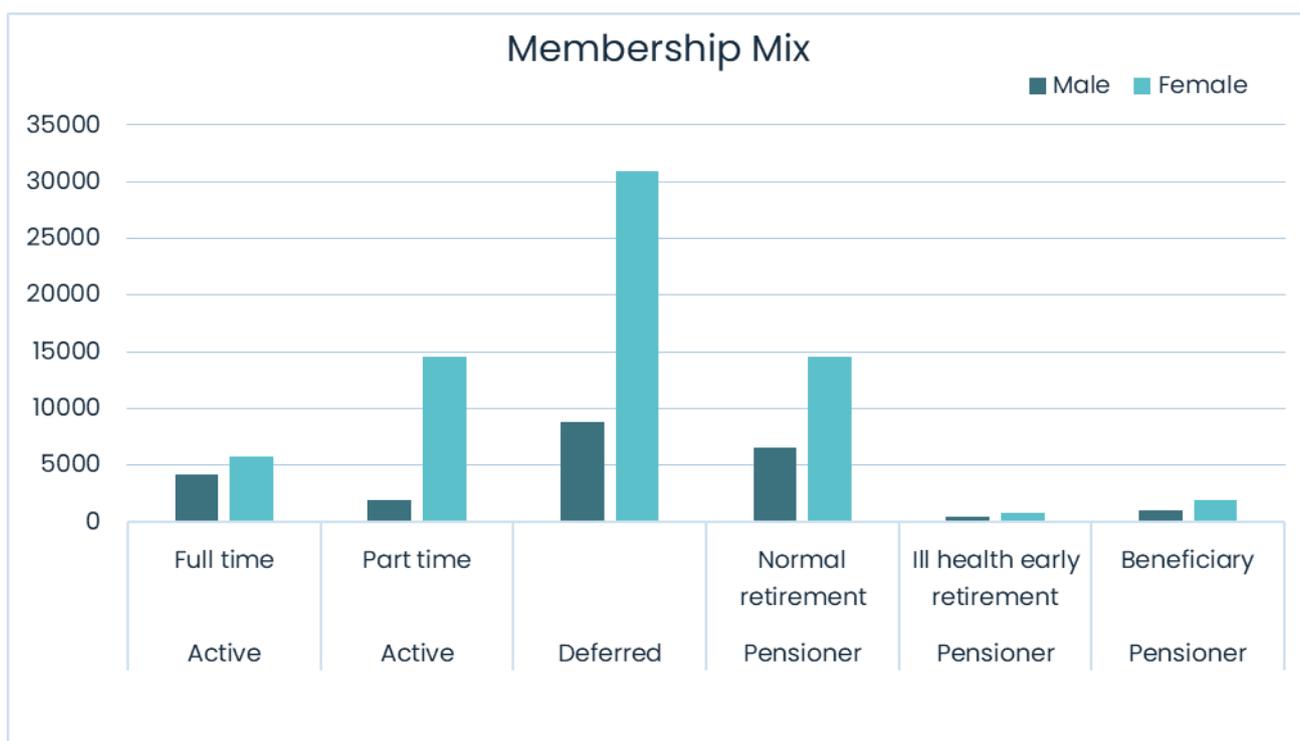
The average deferred pension pot in the West Sussex LGPS would provide an annual pension of £1,684 per annum.

- **Pensioner members**

These are members who are in receipt of a pension from the LGPS, whether based on their own participation in the Scheme or as a beneficiary.

The average pension in the West Sussex LGPS for a normal retiree (not ill health early retirement) is £5,407 per annum.

The mix of membership at 31 March 2025 is illustrated below:



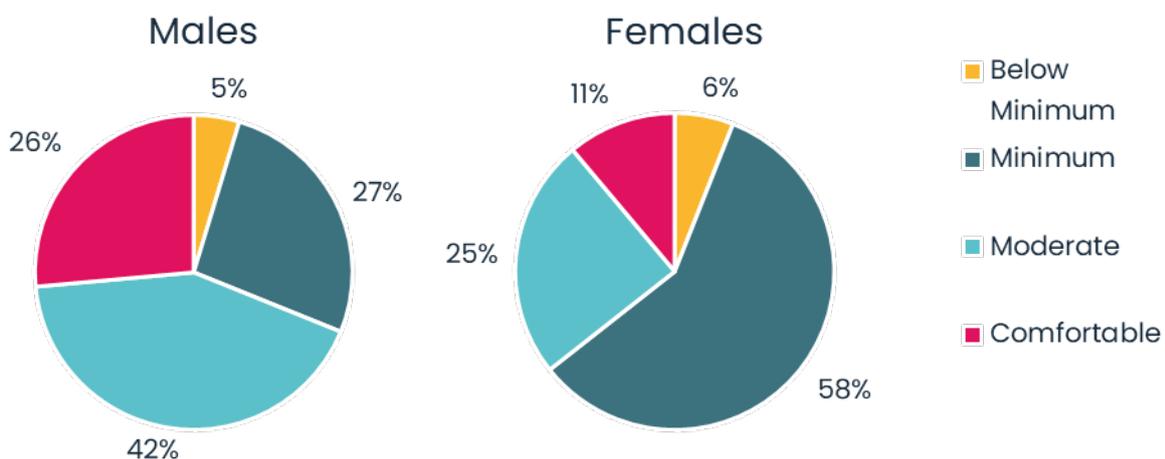
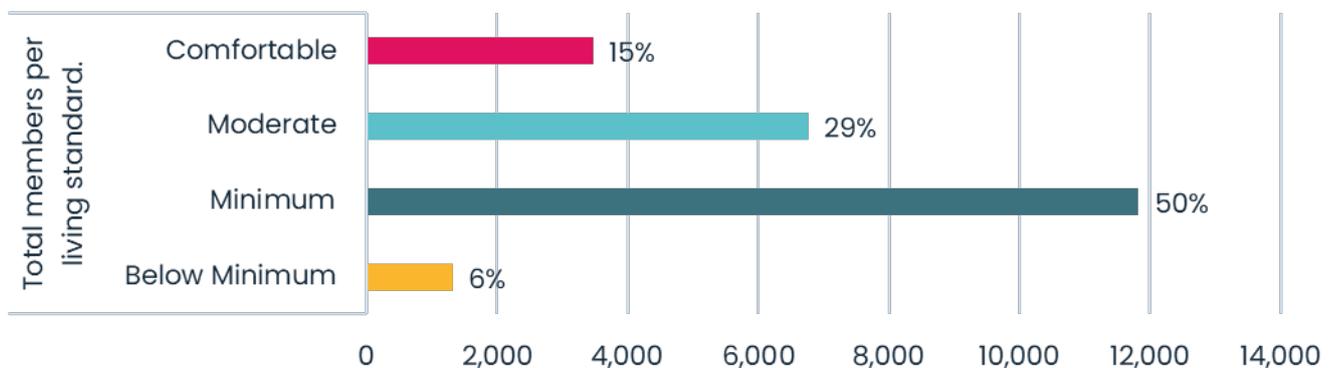
Pension Adequacy

The Retirement Living Standards (RLS) have been developed by Pensions UK using a “basket of goods” approach (like the Minimum Income Standard) as a toolkit to help savers (across different pension schemes or saving arrangements) think in a practical way about the kind of lifestyle they might lead in retirement.

Analysis for the West Sussex Pension Fund 2024 membership is illustrated below. The figures are based on projecting pension at retirement for active members and adding in full state pension, and the Retirement Living Standards in place until May 2025.

94% of West Sussex active members meet at least the minimum Retirement Living Standards.

Number of members reaching each RLS



Most females (58%) hit the minimum target, whereas the majority of males (42%) hit the moderate target – this will be as a direct impact of gender pension gap with causes such as gender pay gap through different roles and responsibilities, and significantly more females working part time.

OVERALL FUND MANAGEMENT

Scheme Management and Advisers

For the West Sussex LGPS the role and responsibilities of the Administering Authority are discharged by the Pensions Committee and by specified senior officers. Third parties are also appointed for certain specialist services including the management of pension fund assets, in accordance with set mandates. These are set out below.

SENIOR OFFICERS OF THE FUND AND DIRECTOR OF FINANCE

Scheme Manager (s151 officer / Executive Director of Finance and Support Services) – Mike Suarez

Scheme Manager (Executive Director of Law, Assurance and Insight)
– Tony Kershaw



PENSION ADMINISTRATION

The Pension Fund has worked in partnership with Hampshire County Council since 2019 to deliver the pension administration service to members and employers. This is managed through a partnership agreement.



LGPS ASSET POOL

As part of the summer Budget in 2015, the Chancellor announced that administering authorities were required to pool LGPS investments, to deliver significantly reduced costs while maintaining overall investment performance. In response the Pension Fund joined with ten other authorities to create the ACCESS LGPS Asset Pool.



Waystone are the independent FCA Regulated Operator of the ACCESS Asset Pool and were appointed in 2018 to manage equity and bond investments for the Pension Fund through their appointment of external managers.



A pool aligned infrastructure investment vehicle is managed by JP Morgan and invested in by the Pension Fund.



OTHER INVESTMENT MANAGERS

In addition to the equity, bond and infrastructure investments which are managed within the ACCESS LGPS Asset Pool, the Pension Fund invests in a number of other assets classes managed by other external managers.

Aberdeen were appointed to manage the Pension Fund's UK commercial property portfolio in 2014 and re-appointed in 2025 following a full market procurement exercise.

Investments in private equity and private debt have been made in funds managed by Pantheon, Partners Group, ICG and Goldman Sachs based on its strategic asset allocation requirements.

Cash is managed by WSCC's Treasury Management team in accordance with the [Treasury Management Strategy](#)(PDF).



FUND ACTUARY

Each employer who participates in the LGPS is subject to several different actuarial valuations of their pension obligations to ensure benefits under the Scheme are appropriately funded. Member contribution rates are fixed by Central Government. The County Council re-appointed Hymans Robertson as Fund Actuary in 2023, following a competitive process using the LGPS National Framework.



INDEPENDENT ADVISER

Caroline Burton has been appointed to support the Pensions Committee through reviewing investment activity, giving advice on general investment matters, assisting in the selection of new managers and offering a practical approach to address and control risk. Caroline was an Executive Director-Investments at Guardian Royal Exchange plc for a number of years and has been a non-executive director of a number of companies in the financial services sector.



INTERNAL AUDITOR

Southern Internal Audit Partnership (SIAP) provide an internal audit service to assist the Pension Fund in ensuring it has appropriate risk management processes, control systems, accounting records and governance arrangements in place. This is managed through a partnership agreement.



EXTERNAL AUDITOR

EY, previously known as Ernst & Young, are the external auditors for WSCC and the Pension Fund. As external auditors, EY give an independent view of the financial transactions within the fund account and the amounts and presentation of the fund's assets and liabilities within its net asset statement and supporting notes. They were re-appointed in 2021 on behalf of the County Council by the Public Sector Audit Appointments Ltd.



CUSTODIAN

Northern Trust provide global custody services (safekeeping of assets and record keeping) and performance measurement service. They were re-appointed in 2021 by the County Council following a competitive process using the LGPS National Framework.



LEGAL ADVISER

West Sussex County Councils legal services team provide advice on a range of matters covering investment, governance and employer management. External legal advisers are used as required.



AVC PROVIDER

All LGPS's have an Additional Voluntary Contribution (AVC) arrangement in which members can invest money deducted directly from pay as a flexible and tax-efficient way to increase retirement benefits. The Pension Fund's current provider is Legal and General and they were appointed in 2021. Some members retain AVC investments with Standard Life.



Risk Management

The Pension Fund actively maintains a risk register as a key strategic and operational tool which drives focus on priority issues within Pension Committee meetings and day to day administration of the Fund.

The full risk register can be found on the Pension Fund's website. The risk register:

- identifies key risks
- considers and assesses the significance, likelihood of occurrence and potential impact of the risk
- sets out measures to manage the risk or provide transparency if the risk is to be tolerated.

The Pensions Committee review the risk register on a quarterly basis, and officers will consider changes between formal meetings – escalating as appropriate.

Key themes from the risk register are highlighted below.

A red risk generally has a very high likelihood of occurring and / or a major or critical impact.



Cybercrime resulting in potential service disruption, financial or data loss.



Government Pooling expectations, engagement with pool, stakeholders, external advisors.



Changes in Government Policy – attending at events and maintaining relationships with experts and advisors, liaising with providers to ensure readiness for changes.



Stakeholder pressure, active engagement with providers, clear policy documentation, training.

An amber risk generally has a medium likelihood of occurring and / or a major or critical impact.



Insufficient resources to comply with the Administering Authority's Regulatory responsibilities and ability to deliver the business plan.



Officer, Committee and Board knowledge and understanding resulting in poor decision making and disengagement on key issues and loss of professional investor status under MiFID II.



Increase in variety and number of employers participating in the Scheme resulting in the risk of non-compliance with obligations.



Fund not able to implement changes as result of McCloud judgement due to insufficient resources or incomplete information held by employers.



Ability of asset pool to allow participating authorities to execute their locally decided investment strategies.



Political environment (locally or nationally) impacts on funding and/or investment strategy.



Climate risk has the potential to impact Pension Fund investment returns, inflation and life expectancies.

A green risk generally has a low or very low likelihood of occurring and / or a negligible or minor impact.



The Fund Investment Strategy is not appropriate to meet the Funds liabilities and cash flow requirements. This is covered more below.



Poor quality data resulting in error and misstatement.



Failure to secure value for money through managing contracts with third parties.



Conflict of interest for members and employers.



Employers do not pay contributions, or incorrect amount, or pay late or do not provide required information

Investment Risk

The risk that the Funds Investment Strategy is not appropriate to meet the Funds liabilities and cash flow requirements is managed by setting investment beliefs, funding and investment objectives that are incorporated into the Fund's asset allocation.

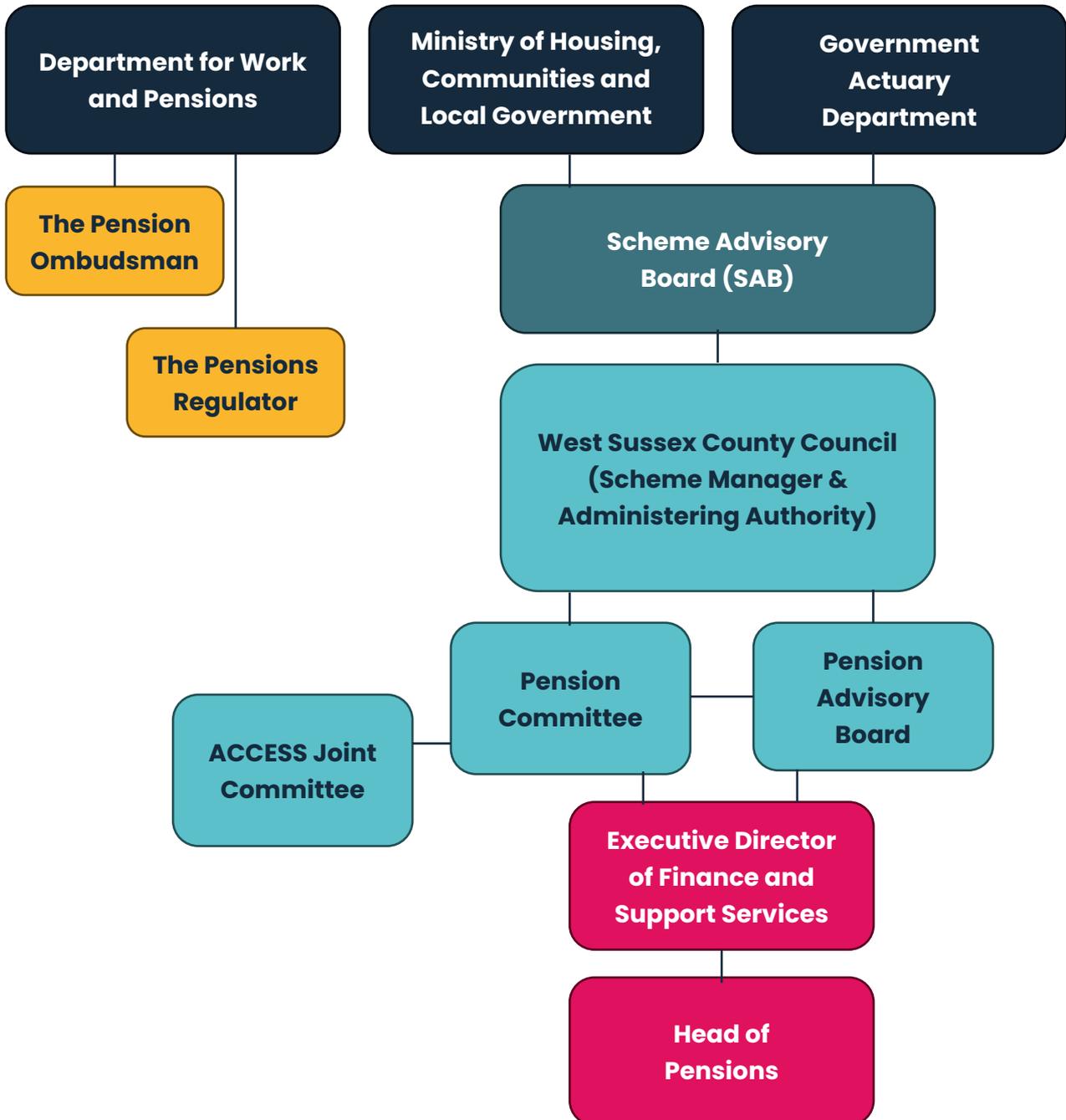
The risks that are most likely to impact the investment strategy are:

- **Investment risk:** the risk of investments not performing (income) or increasing in value (growth) as forecast.
- **Liquidity/maturity risk:** the LGPS is going through a series of changes, each of which will impact upon the maturity profile of the Fund and have potential cash flow implications.
- **Liability risk:** inflation, life expectancy and other demographic changes, and interest rate and wage and salary inflation will all impact upon future liabilities.
- **Regulatory and compliance risk:** occupational pensions in the UK are heavily regulated, with thousands of pages of both general and LGPS-specific legislation that must be complied with.
- **Climate related risk:** the impact of the physical and transitional risks of climate change in the long term, and the responses of policy makers, on the finances of the Fund.

The above risks are included within the overarching risk management framework and strategy of the Fund.

GOVERNANCE AND TRAINING

There are a number of parties who have a role in governance of the LGPS nationally. View the [Pension Fund's full Governance Statement \(PDF\)](#).



The Administering Authority

West Sussex County Council, as the Administering Authority has delegated to the West Sussex Pensions Committee responsibility for the governance and administration arrangements for the Scheme, how pension contributions are invested, the appointment of advisers and managers and the funding strategy.

The Pensions Committee

The [Pensions Committee](#) comprises seven County Council Members, two other employer representatives and a member representative.

In fulfilling their role the Committee have a collective responsibility to serve the interests of Fund members and employers.

The Pension Advisory Board

[Pension Advisory Board](#) assist the Scheme Manager with ensuring compliance to the LGPS rules, overriding pensions legislation and guidance from the Pensions Regulator and others.

The Pension Advisory Board comprises three employer representatives, three member representatives and an independent Chairman.

ACCESS Joint Committee

In 2015/16 the Government required LGPS Authorities to work together to achieve benefits of scale, improve governance and decision making, provide excellent value for money and provide improved capacity and capability to invest in infrastructure.

West Sussex collaborates with ten other LGPS funds to form the ACCESS LGPS Asset Pool and a [Joint Committee](#) has been established who have responsibility to operating the Pool and overseeing the performance of the independent Operator and Pool Aligned Assets Providers.

The Joint Committee provides an effective governance structure which is rooted in the Regulatory responsibilities of each of the participating Administering Authorities and the Local Government accountability framework. The Chairman (or their nominee) will represent the Pension Fund on the Joint Committee.

Senior Officers

Senior officers of West Sussex County Council have been given specific responsibilities to discharge the Council's pension duties. These responsibilities are outlined in the Council's Scheme of Delegation, which specifies how senior officers make decisions and manage the day-to-day running of the Pension Fund on behalf of the Council.

Committee and Board Membership and Attendance

The Pensions Committee and Pension Advisory Board normally meet four times per year.

In addition to attending meetings, the Pensions Committee and Pension Advisory Board are expected to acquire and maintain an appropriate level of expertise, knowledge and skills in order to remain members of the Committee and Board.

A [Training Strategy](#) (PDF) has been established to support the Pension Committee and Pension Advisory Board. This includes:

- The Hymans Robertson LGPS Online Learning Academy (LOLA) which was updated in 2023 and covers all aspects of LGPS. One of the modules is regularly updated with current issues.
- Internal training sessions included investment manager presentations, a presentation from the Local Government Association (LGA) on the work of the LGPS Scheme Advisory Board and a review of the knowledge progress assessment undertaken by the Committee and Board.
- External training sessions attended included LGA Fundamentals and LGPS-Live webinars, a presentation from the Pensions Regulator on the new Code of Practice and conferences covering governance, investment and actuarial matters.
- The Pensions Regulator online training.

There have been no perceived or actual conflicts of interest in the year.

Pension Committee

Committee Member	Meetings Attended	ACCESS Joint Committee	LOLA training	Internal Training	External Training
<u>Jeremy Hunt – Chairman</u> County Councillor Member since 2016	 5/6	4/4	3/8	4	7
<u>Mark Chilton</u> District Representative Member since September 2023	 1/6		0/8	0	1
<u>Stuart Condie</u> County Councillor Member since 2021	 5/6		2/8	4	8
<u>Joy Dennis</u> County Councillor Member since 2017	 3/6		8/8	2	4
<u>Roger Elkins</u> County Councillor Member since 2018	 5/6		8/8	3	9
<u>Nigel Jupp</u> County Councillor Member since 2017	 5/6		0/8	4	5
<u>Mike Kipling</u> Scheduled Bodies Representative Member from 2021 to July 2024	 2/2		1/8	1	0
<u>Tim Stretton</u> Member Representative Member from 2022 to February 2025	 1/5		0/8	1	0
<u>John Turley</u> County Councillor Member since 2021	 5/6		7/8	3	1
<u>Deborah Urquhart</u> County Councillor Member since 2013	 3/6		6/8	2	3

Pension Advisory Board

Board Member		Meetings Attended	LOLA training	Internal Training	External Training	tPR Toolkit
<u>Andy Cunningham</u> – Chairman <i>Independent</i> Member since July 2024		3/3	3/8	0	0	Complete
<u>Peter Scales</u> – Chairman <i>Independent</i> Member from 2015 to June 2024		1/1	3/8	0	0	Complete
<u>Becky Caney</u> Member <i>Representative</i> Member since 2018		3/4	0/8	2	1	Complete
<u>Richard Cohen</u> Employer <i>Representative</i> Member since 2015		4/4	8/8	1	0	Complete
<u>Ann Phillips</u> Member <i>Representative</i> Member since July 2023		3/4	2/8	1	0	Complete
<u>Kim Martin</u> Employer <i>Representative</i> Member from 2016 to November 2024		3/3	1/8	0	0	Complete
<u>Richard Walton</u> Member <i>Representative</i> Member since 2022		3/4	8/8	1	0	Complete

FINANCIAL PERFORMANCE

Statement of Accounts

The full statement of accounts is included in the following section. Timely, high quality financial reporting and independent audit are an important part of the Pension Fund's transparency and accountability framework. The draft accounts were completed and published by 30 June 2025 in line with the Statutory deadline.

Changes to income and expenditure from 2023/2024

The main sources of income and expenditure for the Pension Fund are contribution receipts, investment income, pension payments and fees. These can be variable, driven by membership changes, the funding strategy, asset performance and financial markets.

Receipts

Member and employer contribution income for the year has increased by £5.7m, or 3.5%, from the 2023/24 financial year due to the increase in both active members and pensionable pay.

Investment income for the year has increased by £33.9m, or 24.7%, from the 2023/24 financial year, which reflects the higher interest rate environment and maturing of private debt funds, increasing distributions.

Payments

Benefits paid increased by £17.1m, or 11.7%, from the 2023/24 financial year. This reflects an increase in pensioner members along with an inflationary increase on pensions in payment of 6.7%.

Investment management expenses have increased by £2.1m, or 7.7%, from the 2023/24 financial year. This reflects additional costs for new investments in private debt, which have higher associated fees but the expectation of higher returns.

Changes to Investment Assets and Investment Liabilities from 2023/24

The Pension Fund manages a substantial investment portfolio which is there to help pay for benefits to members and their dependents now, and in the future (liabilities).

Investment assets have increased by £62m, or 1.1%, compared to 31 March 2024 mainly due to a property purchase and new private equity investment.

Investment liabilities are made up of property rental income in advance and have reduced from £855k on 31 March 2024 to £300k on 31 March 2025.

Further Financial Information

Recovery of Overpayments

Overpayments mainly occur when pension payments have continued after a pensioner has died but could also relate to divorce cases or children's' pension payments. The invoices raised to cover this are analysed below:

Description	2023/24	2024/25
	£'000	£'000
Brought Forward	62	74
Overpayment	50	47
Recovered	-34	-38
Adjustments	0	0
Written Off	-4	0
Carry Forward	74	83

FUND ACCOUNT, NET ASSETS STATEMENT AND NOTES

The Local Government Pension Scheme Pension Fund Account

Fund Account	Note	2023/24 £000	2024/25 £000
Dealings with members, employers and others directly involved in the scheme			
Contributions received	7	160,480	166,175
Transfers in from other Pension Funds	8	12,917	17,870
Amount received		173,397	184,045
Benefits paid	9	(146,344)	(163,409)
Payments to and on account of leavers	10	(16,257)	(32,791)
Amount paid		(162,601)	(196,200)
Net additions/(withdrawals) from dealings with members		10,796	(12,155)
Management expenses	11	(30,271)	(33,019)
Net additions/(withdrawals) including Fund management expenses		(19,475)	(45,173)
Returns on investments			
Investment income	12	137,314	171,280
Other income		4	68
Profit and (losses) on disposal of investments and changes in the market value of investments	14A	332,050	(52,135)
Net return on investments		469,368	119,213
Net increase in net assets available for benefits during the year		449,893	74,040
Add opening net assets of the scheme		5,343,924	5,793,818
Closing net assets of the scheme		5,793,818	5,867,858

Net Asset Statement

Assets and Liabilities	Note	At 31 March 2024 £000	At 31 March 2025 £000
Investment assets	14	5,785,424	5,847,650
Investment liabilities	14	(855)	(300)
Net investment assets / (liabilities)		5,784,568	5,847,351
Current assets	21	21,297	24,916
Current liabilities	22	(12,047)	(4,408)
Net assets of the scheme available to fund benefits at the end of the reporting period		5,793,818	5,867,858

Note: The Pension Fund's financial statements do not take account of liabilities to pay pensions and other benefits after 31 March 2025. The actuarial present value of promised retirement benefits is disclosed at Note 20.

Individual totals may be +/- £1,000 due to rounding.

Notes

Note 1: Description of the Pension Fund

The West Sussex Pension Fund ('the Fund') is part of the Local Government Pension Scheme (LGPS) and is administered by West Sussex County Council.

GENERAL

The LGPS is a national defined benefit funded pension scheme governed by the Public Service Pensions Act 2013 and is administered by West Sussex County Council 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 provides pensions and other benefits for pensionable employees of West Sussex County Council, the District and Borough Councils in West Sussex and a range of other bodies described below.

<p>Scheduled Bodies, Resolution Bodies and Academies</p>	<p>Regulations allow employees of certain specified bodies to join the Scheme including the County Council, District and Borough Councils, non-uniformed personnel employed by the Chief Constable and the Sussex Police & Crime Commissioner,, employees within Town and Parish Councils as well as non-teaching staff employed by Colleges and Academies.</p>
<p>Admitted Bodies</p>	<p>Admitted bodies include voluntary, charitable and similar bodies or private contractors following outsourcing to the private sector.</p>

Police officers, teachers and fire-fighters have their own unfunded statutory arrangements.

MEMBERSHIP

The membership details by employer group and member category are set out below:

Membership Type	31 March 2024	31 March 2025
Number of Employers with Active Members	219	239
Active members		
West Sussex County Council	13,419	13,358
Other employers	13,461	13,830
Total	26,880	27,188
Pensioner members		
West Sussex County Council	12,672	13,265
Other employers	11,518	12,040
Total	24,190	25,305
Deferred pensioner members		
West Sussex County Council	21,184	21,352
Other employers	16,998	17,608
Total	38,182	38,960
Total number of members in scheme	89,252	91,453

FUNDING

Benefits are funded by contributions and investments. Normal contributions are made by:

- Active members in accordance with the LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2025.
- Employers in accordance with the minimum rate calculated by the Fund Actuary at the triennial valuation exercise, or on joining the Scheme between valuations. The minimum employer contribution rates range from 0.0% to 43.6% of pensionable pay for the financial year ending 31 March 2025.

BENEFITS

Since 2014 The Local Government Pension Scheme (LGPS) has been a Career Average Revaluation Earnings (CARE) scheme. However:

- Members in the Scheme before 1 April 2014 will also have benefits based on final pensionable pay and length of pensionable service (the final salary scheme).
- The LGPS rules changed from 1 October 2023 because of the McCloud remedy. This means certain members will have the career average pension they built up before age 65 compared with the pension they would have built up in the final salary scheme. Pensions built up from 1 April 2022 onwards are not protected by the underpin.

A range of other benefits are also provided including early retirement, ill health and death benefits.

Note 2: Basis of Preparation

The accounts have been prepared in accordance with the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 24/25 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK Public Sector and Guidance on Investment Valuations issued by the Pensions Research Accountants Group (PRAG).

The accounts summarise the transactions and net assets of the Fund and have been prepared on a going concern basis.

The below are considered relevant in arriving at this assessment:

- The Fund remains a statutory open scheme with a strong covenant from the participating employers and is therefore able to take a long-term outlook when considering the general investment and funding implications of external events.
- The Fund remains a long-term investor and has a strategic asset allocation which invests money in a wide variety of investments and is based on professional advice. The Fund will continue to monitor all risks on an ongoing basis and take appropriate actions where necessary.
- The most recent full valuation was completed based on 31 March 2022 data. This showed the Fund to be 125% funded and set employer contributions from 1 April 2023 to 31 March 2026.
- The next valuation is based on 31 March 2025 data and will review the Fund's funding position and set employer contributions for 1 April 2026 onwards. It is estimated that the Fund remains fully funded.
- The Fund takes a prudent approach when setting employer contributions and its contribution strategy is considered against detailed scenario testing by the Fund Actuary. It is not expected that any contribution rates will be reviewed or revised prior to the outcome of the next triennial valuation (31 March 2025).
- Management is not aware of any other significant planned changes to its main receipts and payments up to March 2026.

A cashflow forecast has also been produced to consider all significant receipts and payments up to March 2027. The Fund has based this assessment on:

- Contributions based on actual March 2025 pensionable pay data, known employer contribution rates to 31 March 2026 and projected rates to 31 March 2027 (subject to finalisation of the triennial valuation).
- 2024/25 outturn values for property rental income, pension benefits, death benefits and lump sum payments.

Appropriate stress testing has been applied to the above projections as follows:

- Pensionable pay reduces by 10% annually
- Pension benefits increase by 10% annually; and
- Death benefits and lump sum payments each increase by 10% annually.

After the application of these stress tests the forecasting shows that the Fund would still have sufficient annual cash flows to cover benefit payments without needing to sell investment assets.

In the unlikely event that the stress tests applied are not sufficiently pessimistic the Fund holds in excess of £4.6 billion of assets in liquid form which could be realised within 3 months in a managed way to cover all benefits paid for a period of greater than 12 months from the reporting date should the need arise.

Note 3: Summary of Significant Accounting Policies

Fund Account – Revenue Recognition

Contribution Income

Normal contributions, both from members and employers, are accounted for on an accruals basis. Member contributions are accrued at the percentage rate in accordance with the Local Government Pension Scheme (LGPS) Regulations 2013. Employer contributions are accrued at the percentage rate certified by the Fund Actuary in the payroll period to which they relate.

Pension strain contributions are accounted for when received. Any amount due in year but unpaid will be classed as a current financial asset.

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 reporting period and are calculated in accordance with the LGPS Regulations.

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

Transfers in from members wishing to use the proceeds of their Additional Voluntary Contributions to purchase LGPS benefits are accounted for on a receipts basis and are included in transfers in.

Fund Account – Expense items

Benefits Payable

Pensions and lump sum benefits payable include all amounts known to be due at the end of the reporting period.

Any amounts due but unpaid are accrued for and disclosed in the Net Asset Statement as current liabilities.

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 and expenditure exclude VAT as all VAT is either payable to or recoverable from HM Revenue and Customs (HMRC). The net position is recognised in current assets (Note 21) or current liabilities (Note 22).

Management Expenses

The Fund discloses its Fund management expenses in accordance with CIPFA's Accounting for Local Government Pension Scheme Management Expenses (2016) as set out below.

Administrative

All administrative expenses are accounted for on an accruals basis representing the annual charge relating to the pensions administration and relevant staff costs. Associated management, accommodation and other overheads are also apportioned to this activity.

Oversight and Governance

All oversight and governance expenses are accounted for on an accruals basis representing the Fund's external advisors, audit and actuary fees and relevant staff costs. Associated management, accommodation and other overheads are also apportioned to this activity.

Investment Management

All management expenses are accounted for on an accruals basis. Fees of the external managers and custodian are agreed in the respective mandates governing their appointment and are mainly based on the market value of the investments under management.

The cost of the County Council's in-house treasury management team is charged to the Fund based on a proportion of time spend by officers on treasury management. Associated management, accommodation and other overheads are also apportioned to this activity.

Fund Account – Returns on Investments

Investment Income

Investment income is received in both GBP and foreign currency. Investment income falls under the following classifications.

- i. Pooled Fund income is automatically reinvested to purchase units in the relevant pooled vehicle. Any income due at the end of the accounting period is accrued for within the net asset value.
- ii. Private Equity income is recognised on the date paid. Any income outstanding at the end of the reporting period will be accounted for on an accruals basis.
- iii. Private Debt income is recognised on the date paid. Any income outstanding at the end of the reporting period will be accounted for on an accruals basis.
- iv. Infrastructure income is recognised on the date paid. Any income due at the end of the accounting period is accrued for within the net asset value.
- v. Property income consists of rental income and is accounted for on an accruals basis.

Income in foreign currency is recorded at the spot exchange rate and translated into sterling on the date of the transaction.

Profit and losses on disposal of investments and changes in the market value of investments

Any change in the value of investments (including investment properties and foreign currency) are recognised as income or expense and reported as a realised gain/loss.

Net Asset Statement

Investment Assets

Financial Assets

Financial assets include pooled funds, private equity, private debt and infrastructure. These are valued at the reporting date at fair value in accordance with the requirements of the Code and IFRS13.

Assets are recognised on the date the Fund becomes party to the contractual acquisition of the asset.

Foreign currency assets have been translated to sterling by applying the spot market exchange rates at the reporting dates.

The classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016) have been applied to determine levels of fair value hierarchy.

Foreign Currency Balances

Foreign currency cash balances have been translated to sterling by applying the spot market exchange rates at the reporting date.

Cash and cash equivalents

Cash comprises of cash in hand and instant access deposits.

Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of change in value.

Investment Income Due

Investment income due is made up of tax reclaims (where withholding tax suffered in the country of origin is recoverable by the Fund) and interest on cash balances accrued at the end of the reporting period.

Non-Financial Assets

Freehold and leasehold properties

Properties have been valued at the reporting date at fair value in accordance with the International Financial Reporting Standards (IFRS).

Investment liabilities

Investment liabilities are recognised at the reporting date at fair value when the Fund becomes party to the liability. These predominately comprise of property rental income received in advance.

Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the Fund Actuary in accordance with the requirements of International Accounting Standards 19 (IAS19) and relevant actuarial standards. This is shown as a note to the Net Asset Statement.

Current Assets

Current Assets reflect income due to the Fund as at the reporting date and include contributions due, prepayments, debtors and working cash balances.

Current Liabilities

Current liabilities reflect any pension benefits due to be paid and other creditors where the amount due is known but not paid at the reporting date.

Additional Voluntary Contributions

Additional voluntary contributions are invested separately in funds and therefore disclosed as a note included in the fund accounts. Further detail is set out within Note 23.

Note 4: Critical Judgements in Applying Accounting Policies

Pension Fund liability

The net Fund liability is recalculated every three years by the Fund Actuary, with annual estimates in the intervening years. The methodology used is in line with accepted guidelines. The purpose of the triennial valuation is to assess the financial position of the Fund and to determine each participating employer's contribution rates, certified for a three-year period. The aim is to ensure that each employer's share of the Fund's assets and future expected investment returns and as far as possible that contributions will be sufficient to meet future benefit payments from the Fund.

Direct property holdings

The Fund's property portfolio comprises directly owned properties which are leased commercially to various tenants with remaining lease terms of between one and 25 years. The Fund has determined that these contracts all constitute operating lease arrangements under the classifications permitted by International Accounting Standard 17 (IAS 17) and the Code, therefore the properties are retained on the Net Asset Statement at fair value.

Unquoted Level 3 Investments

The fair value of Level 3 assets (private equity, private debt and infrastructure) is subjective. These assets are not listed and are inherently based on forward-looking estimates and judgements involving many factors. Therefore, there is a degree of estimation involved in the valuation. Unquoted private equity and infrastructure investments are valued by the investment manager in line with industry guidelines. This considers observable and non-observable pricing inputs including public market developments (industry sector and peers), private market transactions, company specific considerations, public indices and cashflows.

Note 5: Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The table below describes items for which there is a significant risk of material adjustment in the following year.

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits	Estimation of the net liability to pay pensions depends on several assumptions relating to the discount rate used, salary and pension increases, retirement age, longevity rates and investment returns.	<p>The effect will depend on actual experience relative to the assumptions. For example:</p> <p>A 0.1% decrease in discount rate at year ended 31 March 2025 would result in an approximate 2% increase to employers' liabilities (£61m).</p> <p>A one-year increase in member life expectancy at year ended 31 March 2025 would result in an approximate increase in employers' liabilities of 4% (£141m).</p> <p>A 0.1% increase in the salary increase rate at year ended 31 March 2025 would result in an approximate increase in employers' liabilities of less than 0% (£2m).</p> <p>A 0.1% increase in the pension increase rate at year ended 31 March 2025 would result in an approximate 2% increase in employers' liabilities (£59m).</p> <p>However, the Statements do not take account of liabilities to pay pensions and other benefits after 31 March 2025.</p>

Item	Uncertainties	Effect if actual results differ from assumptions
Private Equity	These investments are not publicly listed and as such there is a degree of estimation involved in the fund manager valuation at the end of the reporting period.	The total private equity investment in the financial statements is £193m (3.3% of net assets). There is a risk that this investment may be under or overstated in the accounts.
Private Debt	These investments are not publicly listed and as such there is a degree of estimation involved in the fund manager valuation.	The total private debt investment in the financial statements is £231m (3.9% of net assets). There is a risk that this investment could be under or overstated in the accounts.
Infrastructure	Infrastructure investments are valued using best practices prevailing within the investment management industry to determine each underlying investment's fair market value. These valuations are validated by third party independent appraisal firms.	The total infrastructure investment in the financial statements is £278m (4.7% of net assets). There is a risk that this investment could be under or overstated in the accounts.
Direct Property Holdings	Independent valuation for freehold and leasehold investment property has been provided in accordance with Royal Institution of Chartered Surveyors (RICS) "Red Book". This takes into account observable and unobservable pricing inputs including existing lease terms, independent market research, the nature of tenancies and tenant covenant strength, void levels and estimated rental growth.	Changes in rental growth, void levels and general changes in property market prices could affect the valuation. The total property investment in the financial statements is £496m (8.5% of net assets). There is a risk that this investment may be under or overstated in the accounts.

Note 6: Events After the Balance Sheet Date

There have been no material events occurring after the balance sheet date.

Note 7: Contributions Received

By Category	2023/24 £000	2024/25 £000
Employers	122,318	125,571
Members	38,163	40,603
Total	160,480	166,175

By Authority	2023/24 £000	2024/25 £000
West Sussex County Council	75,500	78,138
Scheduled bodies	80,190	81,962
Admitted bodies	4,791	6,074
Total	160,480	166,175

Note 8: Transfers In From Other Pension Funds

By Category	2023/24 £000	2024/25 £000
Individual transfers	12,917	17,870
Total	12,917	17,870

Note 9: Benefits Paid

By Category	2023/24 £000	2024/25 £000
Pensions	121,692	135,178
Lump sum retirement benefit	19,729	24,512
Lump sum death benefit	4,923	3,719
Total	146,344	163,409

By Authority	2023/24 £000	2024/25 £000
West Sussex County Council	67,081	74,156
Scheduled bodies	67,778	76,057
Admitted bodies	11,485	13,196
Total	146,344	163,409

Note 10: Payments To and On Account of Leavers

Payment Type	2023/24 £000	2024/25 £000
Refunds of contributions	612	860
Exit payments made to employers	-	9,472
Individual transfers	15,645	22,459
Total	16,257	32,791

Note 11: Management Expenses

Expense Type	2023/24 £000	2024/25 £000
Administrative	1,364	1,357
Oversight and governance	1,423	2,052
Investment management	27,485	29,609
Total	30,271	33,019

Note 11a: Investment Management Expenses

2024/25 Expense Type	Management fees £000	Performance related fees £000	Transaction costs £000	Total £000
Pooled equity & bond funds	11,543	-	136	11,679
Private equity	3,378	867	3,006	7,251
Private debt	2,192	2,445	2,178	6,815
Infrastructure	1,484	1,187	-	2,671
Property	1,168	-	-	1,168
Cash & FX contracts	4	-	-	4
Sub total	19,770	4,499	5,320	29,589

Custody fees				20
--------------	--	--	--	----

Total				29,609
--------------	--	--	--	---------------

2023/24 Expense Type	Management fees £000	Performance related fees £000	Transaction costs £000	Total £000
Pooled equity & bond funds	10,751	-	-	10,751
Private equity	3,596	774	2,433	6,804
Private debt	1,554	2,144	650	4,347
Infrastructure	1,481	1,350	1,545	4,376
Property	1,189	-	-	1,189
Cash & FX contracts	3	-	-	3
Sub total	18,573	4,268	4,628	27,470

Custody fees				15
--------------	--	--	--	----

Total				27,485
--------------	--	--	--	---------------

Note 12: Investment Income

Type of Income	2023/24 £000	2024/25 £000
Pooled equity fund income	35,171	33,831
Pooled bond fund income	52,628	82,423
Private equity income	620	1,500
Private debt income	10,637	12,545
Infrastructure income	13,657	17,001
Property income	22,088	21,440
Interest on cash deposits and cash balances	2,514	2,540
Total	137,314	171,280

Note 12a: Property Income

Type of Income	2023/24 £000	2024/25 £000
Rental income	22,826	22,579
Direct operating expenses	(737)	(1,139)
Total	22,088	21,440

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

Note 13: Other Fund Account Disclosures

Type of Expense	2023/24 £000	2024/25 £000
Pension Advisory Board	30	31
ACCESS pool	146	225
Total	176	255

The ACCESS pool costs incurred for 2024/25 reflect the Fund's contribution towards the pool's activities outside of investment management costs. These costs are included within oversight and governance costs in Note 11.

Note 13a: Taxes on Income

The Pension Fund no longer directly suffers withholding tax on income received on overseas investments. However, reclaims of £0.930m have been accrued at 31 March 2025 (£1.552m at 31 March 2024) and shown in Note 14 as investment income due.

Note 13b: External Audit Costs

Type of Expense	2023/24 £000	2024/25 £000
Payable in respect of external audit	109	106
Grant & distribution received	(13)	(13)
Total	96	92

The external audit fee payable in 2024/25 was offset by a grant received by Department for Levelling Up, Housing and Communities in response to the Redmond Review and to provide funding to local bodies to meet increased audit costs. This is reflected in the table above. These costs are included within oversight and governance costs in Note 11.

Note 14: Investments

Investments	Market Value 2023/24 £000	Market Value 2024/25 £000
Investment Assets		
Equities	2,981,012	2,868,365
Bonds	1,615,248	1,746,653
Private equity	178,075	192,744
Private debt	236,453	230,683
Infrastructure	267,835	277,720
Property	455,700	495,785
Investment Assets	5,734,323	5,811,950
Cash deposits	49,544	34,769
Investment income due	1,556	932
Amounts receivable for sales	-	-
Other Investment Assets	51,100	35,701
Total Investment Assets	5,785,424	5,847,650
Investment Liabilities		
Amounts payable for purchases	-	-
Property income received in advance	(855)	(300)
Total Investment Liabilities	(855)	(300)
Net Investment Assets	5,784,568	5,847,351

Note 14a: Reconciliation of Movements in Investments

2024/25

Investments	Market Value at 1 April 2024	Purchases during the year	Sales during the year	Change in market value during the year	Market Value at 31 March 2025
	£000	£000	£000	£000	£000
Investment Assets					
Equities	2,981,012	33,831	(77,675)	(68,803)	2,868,365
Bonds	1,615,248	150,375	(1,957)	(17,014)	1,746,653
Private equity	178,075	24,188	(15,998)	6,479	192,744
Private debt	236,453	53,055	(71,174)	12,349	230,683
Infrastructure	267,835	-	-	9,885	277,720
Property	455,700	38,983	(991)	2,094	495,785
Sub Total	5,734,323	300,432	(167,795)	(55,011)	5,811,950
Other Investment Balances					
Cash deposits	49,544			2,876	34,769
Amount receivable for sales	-				-
Investment income due	1,556				932
Amount payable for purchases	-				-
Property income received in advance	(855)				(300)
Total Assets	5,784,568			(52,135)	5,847,351

2023/24

Investments	Market Value at 1 April 2023	Purchases during the year	Sales during the year	Change in market value during the year	Market Value at 31 March 2024
	£000	£000	£000	£000	£000
Investment Assets					
Equities	2,701,753	35,171	-	244,089	2,981,012
Bonds	1,508,459	52,628	-	54,161	1,615,248
Private equity	146,714	42,267	(18,463)	7,558	178,075
Private debt	199,066	40,317	(17,084)	14,154	236,453
Infrastructure	259,276	13,284	(28,876)	24,151	267,835
Property	490,475	712	(19,535)	(15,952)	455,700
Sub Total	5,305,743	184,378	(83,958)	328,161	5,734,323
Other Investment Balances					
Cash deposits	24,041			3,889	49,544
Amount receivable for sales	-				-
Investment income due	1,964				1,556
Amount payable for purchases	-				-
Property income received in advance	(342)				(855)
Total Assets	5,331,406			332,050	5,784,568

Note 14b: Investments Analysed by Fund Manager

Fund Manager	31 March 2024 £000	% of Fund Value	31 March 2025 £000	% of Fund Value
Investments Managed in the ACCESS Asset Pool				
Waystone Management (UK) Ltd. (Equities and Bonds)	4,596,260	79.5	4,615,018	78.9
JP Morgan (Infrastructure)	-	-	277,720	4.7
Investments Managed outside ACCESS Asset Pool				
Pantheon Ventures (Private Equity)	34,772	0.6	38,485	0.7
Partners Group (Private Equity)	143,304	2.5	154,259	2.6
Abrdn (Property)	455,700	7.9	495,785	8.5
Goldman Sachs (Private Debt)	109,101	1.9	86,836	1.5
Pantheon Ventures (Private Debt)	2,344	0.0	43,045	0.7
ICG (Private Debt)	125,008	2.2	100,801	1.7
JP Morgan (Infrastructure)	267,835	4.6	-	-
Other investment balances	50,245	0.9	35,401	0.6
Total	5,784,568	100.0	5,847,351	100.0

Other investment balances include cash deposits, investment income due and property income received in advance.

Single Investments Exceeding 5% of Net Investment Assets

Fund Information	31 March 2024 £000	% of Fund Value	31 March 2025 £000	% of Fund Value
Investments Managed in the ACCESS Pool				
WS ACCESS Global Alpha Paris- Aligned Equity Fund	1,671,713	28.9	1,588,134	27.1
WS ACCESS Global Equity Fund	1,309,298	22.6	1,280,231	21.9
WS ACCESS Investment Grade Bond Fund	831,195	14.4	940,084	16.1
WS ACCESS Sterling Investment Grade Credit Fund	784,054	13.6	806,569	13.8
Total	4,596,260	79.5	4,615,018	78.9

Note 14c: Stock Lending

The Fund has previously participated in a stock lending programme, but as at 31 March 2025 it had no assets on loan and held no collateral. (31 March 2024: one residual holding on loan with £0.06m collateral).

Note 14d Direct Property Holdings

The Fund's investment property portfolio comprises directly owned properties which are leased commercially to tenants. Property transactions during the year are summarised below.

Property Transactions	31 March 2024 £000	31 March 2025 £000
Opening balance	490,475	455,700
Additions:		
Purchase of existing property	-	38,709
New construction	-	-
Subsequent expenditure	712	274
Disposals	(19,535)	(991)
Net increase/(decrease) in market value	(15,952)	2,094
Closing Balance	455,700	495,785

The future minimum lease payments receivable by the Fund under existing contracts are as follows:

Time Period	31 March 2024 £000	31 March 2025 £000
Within one year	21,434	23,266
Between one and five years	67,764	70,567
Later than five years	104,015	121,058
Total Future Lease Payments Due Under Existing Contracts	193,213	214,890

Note 15: Analysis of Derivatives

The Fund does not invest directly in derivatives.

Note 16: Fair Value – Basis of Valuation

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.

CASH (LEVEL 1)

Cash is considered a level 1 asset because its value is easily determined by the actual amount held.

POOLED INVESTMENT FUND (LEVEL 2)

The investments managed in the ACCESS Pool have been classified as level 2 as the pricing is not published on exchanges. These valuations adhere to industry guidelines and standards set in the prospectus documents and agreements of the pool.

DIRECT PROPERTY HOLDINGS (LEVEL 2)

Freehold and leasehold properties are included on the basis of fair value. A full independent valuation of the Fund's direct property portfolio was carried out by Savills (UK) Ltd, Chartered Surveyors, in accordance with the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2025 together with the UK National Supplement effective 14 January 2019, together the "Red Book".

The observable inputs include the existing lease terms and rentals; the nature of the tenancies; assumed vacancy levels and estimated rental growth.

Significant changes in rental growth, vacancy levels or the discount rate could affect valuations, as could more general changes to market prices (see Note 5).

PRIVATE EQUITY (LEVEL 3)

Private equity investments are recorded as detailed below. Because of the uncertainty associated with the valuation of such investments and the absence of a liquid market, the fair value of these assets may differ from their reported values.

- The valuation of Partners Group portfolio is taken from the unaudited 31 March 2025 fund-of-fund reports.
 1. Partners Group performs independent valuations of its underlying investments through a fair market valuation process, which is in accordance with IFRS and United States Generally Accepted Accounting Principles (US GAAP). This process was implemented in 2003 and has been refined based on feedback received from PricewaterhouseCoopers (PwC), the auditor of most of the firm's programmes and mandates. On an annual basis, the monitoring and valuation process based on fair

valuation principles (sample selection, valuation methodologies, etc.) is discussed and approved by the auditors of the programs managed by Partners Group.

2. Partners Group complies with the defined process and applies it as the basis for the year end valuation and subsequent quarterly Net Asset Value determinations of the programs they manage. Partners Group gather the valuation-relevant information by systematically screening a broad set of sources for valuation-relevant information about portfolio companies which are held directly or indirectly by Partners Group's programs and mandates. This includes information supplied by the firm's due diligence and monitoring professionals, underlying fund managers and information published in industry journals and/or other publications.
 3. The Fund monitors audited year end to unaudited quarterly valuations to check the consistency of the unaudited and audited information. To date, the audited accounts for Partners Group have been given an unqualified opinion.
- The valuation of Pantheon's portfolio is taken from the unaudited 31 March 2025 fund-of-fund reports.
 1. Pantheon's quarterly valuation is produced in accordance with the relevant accounting standards (US GAAP, United Kingdom Generally Accepted Accounting Principles (UK GAAP), and IFRS) and the IPEV Guidelines. Fund investments are carried at "fair value". Pantheon reviews all quarterly and annual reports from the underlying GPs to ensure they are using a fair valuation policy that is consistent with both industry standards and Pantheon's valuation policy.
 2. The Fund monitors all valuations received at each quarter end, as well as the audited year-end valuations, on the basis of which annual back-testing analysis is performed. To date, the audited accounts for Pantheon Ventures were prepared under fair valuation guidelines with clean audit opinions.

PRIVATE DEBT (LEVEL 3)

- The valuation for private debt investments with Goldman Sachs is taken from the unaudited 31 March 2025 fund manager reports.
 1. Goldman Sachs quarterly valuation is calculated in accordance with the fair value assessment described in Accounting Standards Codification 820 (Fair Value Measurements and Disclosures) and in accordance with US GAAP.
 2. The Fund monitors audited year end to unaudited quarterly valuations to check the consistency of the unaudited and audited information. To date, the audited accounts for Goldman Sachs have been given an unqualified opinion.
- The valuation for private debt investments with ICG is taken from the unaudited 31 March 2025 fund manager reports.
 1. The Financial Assets are designated as Financial Assets at Amortised Cost and are held at principal plus accrued interest which is deemed to represent fair value in accordance with IFRS.

2. The Fund monitors audited year end to unaudited quarterly valuations to check the consistency of the unaudited and audited information. To date, the audited accounts for ICG have been given an unqualified opinion.
- The valuation of private debt investments with Pantheon is taken from the unaudited 31 March 2025 fund-of-fund reports.
 1. Pantheon’s quarterly valuation is produced in accordance with the relevant accounting standards (IFRS, as adopted by the European Union) and the IPEV Guidelines. Fund investments are carried at “fair value”. Pantheon reviews all quarterly and annual reports from the underlying GPs to ensure they are using a fair valuation policy that is consistent with both industry standards and Pantheon’s valuation policy.
 2. The Fund monitors all valuations received at each quarter end, as well as the audited year-end valuations, on the basis of which annual back-testing analysis is performed. To date, the audited accounts for Pantheon Ventures were prepared under fair valuation guidelines with clean audit opinions.

INFRASTRUCTURE (LEVEL 3)

- The valuation of Infrastructure assets is taken from the unaudited 31 March 2025 fund manager report.
 1. The assets are valued using best practices prevailing within the investment management industry to determine each underlying investment’s fair market value. This is done with consideration of relevant US GAAP valuation guidelines, particularly Accounting Standards Codification (ASC) 820. Valuations are externally appraised in accordance with the Uniform Standards of Professional Appraisal Practices (“USPAP”) and International Valuation Standard (“IVS”).
 2. The Fund monitors the audited year end to the unaudited quarterly valuations to check the consistency of the unaudited information. To date, the audited accounts for JP Morgan have been given an unqualified opinion.

SENSITIVITY OF ASSETS VALUED AT LEVEL 3

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

Assets	Assessed valuation range (+/-)	Value at 31 March 2025 £000	Value on increase £000	Value on decrease £000
Private equity	15%	192,744	221,656	163,833
Private debt	15%	230,683	265,285	196,080
Infrastructure	15%	277,720	319,378	236,062
Total		701,147	806,319	595,975

Note 16a: Fair Value Hierarchy

Asset and liability valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

LEVEL 1

Assets and liabilities at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as Level 1 comprise cash, quoted equities, quoted bonds, quoted index linked securities and unit trusts.

Listed investments are shown at bid price. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

LEVEL 2

Assets and liabilities 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 largely on observable market data.

LEVEL 3

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

Such instruments would include unquoted equity investments which are valued using various valuation techniques that require professional judgement in determining appropriate assumptions.

The valuation of private equity, private debt and infrastructure portfolios have been prepared in accordance with industry guidelines.

The table on the following page provides an analysis of the financial assets and liabilities of the Fund grouped by and based on the level at which the fair value is observable.

Values at 31 March 2025

Financial Assets	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
	£000	£000	£000	£000
Financial Assets at Fair Value Through Profit and Loss				
Pooled equity funds	-	2,868,365	-	2,868,365
Pooled bond funds	-	1,746,653	-	1,746,653
Private equity	-	-	192,744	192,744
Private debt	-	-	230,683	230,683
Infrastructure	-	-	277,720	277,720
Cash deposits	34,769	-	-	34,769
Investment income due	-	932	-	932
Amounts receivable for sales	-	-	-	-
Net Investment Assets	34,769	4,615,950	701,147	5,351,865
Non-Financial Assets at Fair Value Through Profit and Loss				
Property	-	495,785	-	495,785
Financial Liabilities at Fair Value Through Profit and Loss				
Property income received in advance	-	(300)	-	(300)
Payable for investment purchases	-	-	-	-
Total	34,769	5,111,435	701,147	5,847,351

Values at 31 March 2024

Financial Assets	Quoted market price Level 1 £000	Using observable inputs Level 2 £000	With significant unobservable inputs Level 3 £000	Total £000
Financial Assets at Fair Value Through Profit and Loss				
Pooled equity funds	2,981,012	-	-	2,981,012
Pooled bond funds	784,053	831,195	-	1,615,248
Private equity	-	-	178,075	178,075
Private debt	-	-	236,453	236,453
Infrastructure	-	-	267,835	267,835
Cash deposits	49,544	-	-	49,544
Investment income due	-	1,556	-	1,556
Amounts receivable for sales	-	-	-	-
Net Investment Assets	3,814,609	832,751	682,363	5,329,724
Non-Financial Assets at Fair Value Through Profit and Loss				
Property	-	455,700	-	455,700
Financial Liabilities at Fair Value Through Profit and Loss				
Property income received in advance	-	(855)	-	(855)
Payable for investment purchases	-	-	-	-
Total	3,814,609	1,287,596	682,363	5,784,568

Note 16b: Transfer Between Levels 1 And 2

The WS ACCESS Global Alpha Paris-Aligned Equity Fund, WS ACCESS Global Equity Fund and the WS ACCESS Sterling Investment Grade Credit Fund have been reclassified as level 2 as the pricing is no longer available on a public exchange. There has been no prior year adjustment as prices were available in the previous year.

Note 16c: Reconciliation of Fair Value Measurements Within Level 3

Assets	Private Equity £000	Private Debt £000	Infrastructure £000	Total £000
Market Value 31 March 2024	178,075	236,453	267,835	682,363
Transfers into / (out of) Level 3	-	-	-	-
Net purchases / (sales) during the year	8,190	(18,119)	-	(9,928)
Unrealised gains / (losses)	1,470	1,912	9,885	13,267
Realised gains / (losses)	5,009	10,436	-	15,445
Market Value 31 March 2025	192,744	230,683	277,720	701,147

Note 17: Financial Instruments

Note 17a: Classification of Financial Instruments

The following tables analyse the carrying amounts of financial assets and liabilities by category and net asset statement headings. No financial assets were reclassified during the accounting period.

31 March 2025 Classification	Fair value through profit and loss £000	Assets at amortised cost £000	Liabilities at amortised cost £000
Financial Assets			
Pooled equity funds	2,868,365		
Pooled bond funds	1,746,653		
Private equity	192,744		
Private debt	230,683		
Infrastructure	277,720		
Cash		42,512	
Investment balances		932	
Debtors		17,172	
Sub Total	5,316,164	60,616	-
Financial Liabilities			
Investment balances			(300)
Other current liabilities			(4,408)
Total	5,316,164	60,616	(4,708)

31 March 2024 Classification	Fair value through profit and loss £000	Assets at amortised cost £000	Liabilities at amortised cost £000
Financial Assets			
Pooled equity funds	2,981,012		
Pooled bond funds	1,615,248		
Private equity	178,075		
Private debt	236,453		
Infrastructure	267,835		
Cash		53,070	
Investment balances		1,556	
Debtors		17,772	
Sub Total	5,278,623	72,397	-
Financial Liabilities			
Investment balances			(855)
Other current liabilities			(12,047)
Total	5,278,623	72,397	(12,902)

Note 17b: Net Gains and Losses on Financial Instruments

The authority has not entered into any financial guarantees that are required to be accounted for as financial instruments.

Classification	31 March 2024 £000	31 March 2025 £000
Financial Assets		
Fair value through profit and loss	328,161	(55,011)
Amortised cost - unrealised gains	3,889	2,876
Financial Liabilities		
Fair value through profit and loss	-	-
Total	332,050	(52,135)

Note 18: Nature and Extent of Risks Arising From Financial Instruments and Other Assets

RISK AND RISK MANAGEMENT

The primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e., promised benefits payable to members). Therefore the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through diversification of assets and fund managers, to reduce exposure to market risk (price risk, currency risk and interest rate risk). In addition, the Fund manages its liquidity risk to ensure there are sufficient resources to meet the forecast cash requirement. The Pensions Committee reviews the Fund's funding strategy in consultation with the Fund Actuary and Investment Adviser, based on the Fund's funding position and performance objective and taking into consideration factors including interest rates, inflation, liquidity and collateral. Prudent assumptions are used both in the strategy modelling work and when setting employer contribution rates. Performance is monitored by the Pensions Committee.

The Fund's Investment Strategy Statement (ISS) identifies the risks managed by its investment managers, sets appropriate risk limits and monitors adherence to those limits. The ISS is reviewed regularly to reflect changes in approaches to the Fund's activities.

Responsibility for the Fund's risk management strategy rests with the Pensions Committee. The Committee receives regular reports from each of the managers on the nature of the investments made on the Fund's behalf and the associated risks. Divergence from benchmark asset allocations and the composition of each portfolio is monitored by the Committee. Consideration of the Fund's investment strategy is on-going.

MARKET RISK

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Fund's income or the value of its assets.

The object of market risk management is to identify, manage and control market risk exposures within acceptable parameters while optimising returns.

Market risk is inherent in the investments that the Fund makes, particularly through its equity holdings, and is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. A customised benchmark has been adopted which includes exposures to individual investments, and risk associated with the strategy and investment return are regularly monitored and reviewed by the Pensions Committee.

Each manager must adhere to investment guidelines that specify the managers' investment powers and restrictions.

OTHER PRICE RISKS

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than arising from interest rate risk or foreign exchange risk) whether those changes are caused by factors specific to the individual instruments or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share price risk and derivative price risk during periods of transition. This arises from investments held by the Fund for which the future price is uncertain. All investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Fund's investment managers mitigate price risk through diversification and the selection of securities. Exposure is monitored to ensure it is within limits specified in the Fund's investment strategy.

OTHER PRICE RISKS – SENSITIVITY ANALYSIS

The Fund has determined that the following movements in market price risk are reasonably possible for the 2024/25 reporting period. This data has been provided by the Fund's actuary, Hymans Robertson, and is based on historical data.

Had the market price of the Fund investments increased/decreased as per the table below, the change in the net assets available to pay benefits in the market price would have been as follows. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same. (The prior year comparator is also shown).

2024/25

Asset type	Value at 31 March 2025 £000	Potential market movements (+/-)	Value on increase £000	Value on decrease £000
Pooled equity & bond funds	4,615,018	13.3%	5,228,815	4,001,220
Cash	34,769	0.3%	34,873	34,664
Property	495,785	15.2%	571,144	420,426
Private equity	192,744	26.6%	244,014	141,474
Private debt	230,683	7.6%	248,215	213,151
Infrastructure	277,720	8.8%	302,159	253,281
Total	5,846,719		6,629,220	5,064,216

2023/24

Asset type	Value at 31 March 2024 £000	Potential market movements (+/-)	Value on increase £000	Value on decrease £000
Pooled equity & bond funds	4,596,260	12.7%	5,179,985	4,012,535
Cash	49,544	0.3%	49,693	49,396
Property	455,700	15.6%	526,789	384,611
Private equity	178,075	31.2%	233,635	122,516
Private debt	236,453	8.8%	257,261	215,645
Infrastructure	267,835	9.1%	292,208	243,462
Total	5,783,868		6,539,571	5,028,165

INTEREST RATE RISK - SENSITIVITY ANALYSIS

Interest rate risk is monitored by the investment managers and the County Council's treasury management team.

The Fund recognises that interest rates vary and can affect both income and the value of the net assets available to pay benefits. A 100 basis point (BPS) movement in interest rates is consistent with the level of sensitivity applied as part of the Fund's risk management strategy and is equivalent to 1%.

The Fund's direct exposure to interest rate movements as at 31 March 2025 and 31 March 2024 is set out in the following table. These disclosures present interest rate risk based on the underlying financial assets at fair value. The analysis in the table assumes that all

other variables, in particular exchange rates, remain constant and shows the effect in the year on the net assets available to pay benefits of a +/- 100 BPS change in interest rates.

ASSETS EXPOSED TO INTEREST RATE RISK

2024/25

Asset type	Value at 31 March 2025 £000	Change in year in net assets available to pay benefits +100 BPS £000	Change in year in net assets available to pay benefits -100 BPS £000
Cash and cash equivalents	34,769	348	(348)
Cash balances	7,743	77	(77)
Total	42,512	425	(425)

2023/24

Asset type	Value at 31 March 2024 £000	Change in year in net assets available to pay benefits +100 BPS £000	Change in year in net assets available to pay benefits -100 BPS £000
Cash and cash equivalents	49,544	495	(495)
Cash balances	3,525	35	(35)
Total	53,070	531	(531)

CURRENCY RISK

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than GBP. The Fund holds monetary and non-monetary assets issued in currencies other than GBP.

Fund managers monitor the currency risk and this is considered by the Pensions Committee when making strategic asset allocation decisions.

CURRENCY RISK – SENSITIVITY ANALYSIS

Following analysis of historical data in consultation with the Hymans Robertson, the Fund considers the likely volatility associated with foreign exchange rate movements to be 9.1% (prior year 9.3%).

The analysis assumes that all other variables, in particular interest rates, remain constant. If GBP strengthens/weakens against other currencies in which the Fund holds investments, it would increase/decrease the net assets available to pay benefits as follows:

ASSETS EXPOSED TO CURRENCY RISK

2024/25

Asset type	Value at 31 March 2025 £000	Change %	Value on increase £000	Value on decrease £000
Overseas private equity	192,744	9.1	210,284	175,204
Overseas private debt	230,683	9.1	251,675	209,691
Overseas infrastructure	277,720	9.1	302,992	252,447
Total	701,147		764,951	637,342

2023/24

Asset type	Value at 31 March 2024 £000	Change %	Value on increase £000	Value on decrease £000
Overseas private equity	178,075	9.3	194,636	161,514
Overseas private debt	236,453	9.3	258,443	214,463
Overseas infrastructure	267,835	9.3	292,744	242,927
Total	682,363		745,823	618,904

CREDIT RISK

Credit risk is the risk that the counterparty to a transaction or financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. Credit risk is related to the potential return of any investment, the most obvious being that the yields on bonds are strongly correlated to the perceived credit risk. Therefore, the risk of loss is implicit in the carrying value of the Fund's financial assets and liabilities.

The Fund is exposed to credit risk. However, this risk is minimised by selecting high quality counterparties, brokers, and financial institutions.

Deposits are made only with banks and financial institutions that are rated independently and meet the Fund's credit criteria. The Fund has also set out in its Treasury Management Policy the limits of exposure to any one financial institution.

The Fund has not had any experience of default or uncollectable deposits. As at 31 March 2025, the Fund held £1.77m cash with the custodian (31 March 2024: £1.54m) and cash internally managed by WSCC was £38.30m (31 March 2024: £51.53m). This was held by institutions with the following credit ratings:

Rating	Nominal amount 31 March 2024 £000	Nominal amount 31 March 2025 £000
AAA rated counterparties	48,000	33,000
A-1+ rated counterparties	1,544	1,769
A+ rated counterparties	3,525	7,743
TOTAL	53,070	42,512

The Fund's total exposure to credit risk cannot be assessed generally as the risks of default will be specific to each financial institution. At 31 March 2025, there was no evidence that such risks were likely to materialise.

LIQUIDITY RISK

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations when they fall due, without incurring unacceptable losses or risking damage to the Fund's reputation. Cash is required to pay benefits, fund acquisitions and settle various other commitments. The Fund maintains a working cash balance held in instant access money market and bank accounts. A cash flow forecast is maintained to ensure sufficient funds are available. The Fund manages liquidity risk by:

- giving careful consideration to the anticipated income and expenditure required for the administration of the Fund and the payment of benefits and by maintaining in-house managed cash balances sufficient to meet day-to-day cash flows.
- keeping a significant proportion of the Fund's assets in highly liquid investments such as actively traded equities, bonds and unit trusts.

The Fund is currently cash flow positive.

The Fund's strategic allocation to property, private debt, infrastructure and private equity, which are relatively illiquid, is limited to 25% of the total portfolio. As the Fund does not currently need to sell assets in order to pay benefits, it is considered appropriate to hold such investments to increase diversification, minimise risk and improve long-term investment performance.

Under the regulations, the Fund is authorised to borrow in its own right to fund cash flow deficits on a short-term basis.

REFINANCING RISK

The key refinancing risk is that the Fund is bound to replenish its investments at a time of unfavourable interest rates. The Fund does not hold any financial instruments that have a refinancing risk as part of its treasury management or investment strategies.

Note 19: Funding Arrangements – Actuarial Statement

Description of funding policy

In line with the Local Government Pension Scheme Regulations 2013, the Fund's Actuary undertakes a funding valuation every three years for the purposes of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2022 and the next valuation will take place as at 31 March 2025.

The key funding principles are as follows:

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

The Funding Strategy Statement (FSS) sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable.

Funding position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund's assets, which at 31 March 2022 were valued at £5,501 million, were sufficient to meet 125% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £1,099 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving full funding within a time horizon and probability measure in accordance with the FSS. Individual employers' contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in its FSS.

Principal actuarial assumptions and method used to value the liabilities

METHOD

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

ASSUMPTIONS

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

Assumption	31 March 2022
Discount rate	3.5% p.a.
Salary increase assumption	4.3% p.a.
Benefit increase assumption	2.7% p.a.

DEMOGRAPHIC ASSUMPTIONS

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, an allowance for smoothing of recent mortality experience and a long-term rate of 1.75% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

Pensioner Type	Males	Females
Current Pensioners	22.3 years	24.7 years
Future Pensioners	23.2 years	26.5 years

Copies of the 2022 valuation report and FSS are available on the Fund's website or on request from West Sussex County Council.

EXPERIENCE OVER THE PERIOD SINCE 31 MARCH 2022

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. Asset performance improved in 2024 and early 2025; however the recent increase in US tariffs on imports has caused significant market volatility. The peak of this market volatility was experienced immediately after 31 March 2025, however, generally lower than expected asset returns were experienced in the month immediately prior to this.

High levels of inflation in the UK (compared to recent experience) have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However,

inflation has reduced towards historical levels and the Bank of England's target (2% pa), with LGPS benefits increasing by 1.7% in April 2025.

There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025, and will be finalised by 31 March 2026. The FSS will also be reviewed at that time, and a revised version will come into effect from 1 April 2026.

Note 20: Actuarial Present Value of Promised Retirement Benefits

In addition to the triennial funding valuation, the Fund's actuary also undertakes a valuation of the Pension Fund's liabilities on an IAS 19 basis, using the same base data as the funding valuation. This valuation is not carried out on the same basis as that used for setting fund contribution rates and the fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

In order to assess the value of the benefits on this basis, the actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (Note 19). The actuary has also valued ill health and death benefits in line with IAS 19.

Liability	31 March 2024 £m	31 March 2025 £m
Active members	(1,522)	(1,376)
Deferred pensioners	(940)	(785)
Pensioners	(1,558)	(1,361)
Present Value of Promised Retirement Benefits	(4,020)	(3,522)
Fair value of scheme assets	5,794	5,873
Net Asset/(Liability)	1,774	2,351

As noted above, the liabilities above are calculated on an IAS 19 basis and will therefore differ from the results of the 2022 triennial funding valuation (Note 19) because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

The promised retirement benefits at 31 March 2025 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2022. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, the aggregate liability appears to be a reasonable estimate of the actuarial present value of benefit promises.

The figures include both vested and non-vested benefits, although the latter is assumed to have a negligible value. No allowance has been made for unfunded benefits.

It should be noted the above figures are appropriate for the administering authority only for preparation of the accounts of the Pension Fund. They should not be used for any other purpose (i.e., comparing against liability measures on a funding basis or a cessation basis).

ASSUMPTIONS

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2025 and 31 March 2024.

The Fund Actuary estimates that the impact of the change in financial assumptions to 31 March 2024 is to decrease the actuarial present value by £633m. The Fund actuary estimates the impact of the change in demographic and longevity assumptions is to decrease the actuarial present value by £8m.

Assumption	31 March 2024 % per annum	31 March 2025 % per annum
Inflation/pensions increase rate	2.75	2.75
Salary increase rate	4.25	4.25
Discount rate	4.85	5.80

DEMOGRAPHIC ASSUMPTIONS

The longevity assumptions have changed since the previous IAS26 disclosure for the Fund.

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

Type of Pensioner	Males	Females
Current Pensioners	21.6 years	24.1 years
Future Pensioners*	22.0 years	25.5 years

* Future pensioners are assumed to be currently aged 45 at the latest formal valuation

All other demographic assumptions are unchanged from last year and are as per the latest funding valuation of the Fund.

COMMUTATION ASSUMPTION

A commutation allowance is included for future retirements to take 50% of the maximum additional tax-free cash up to HMRC limits.

Note 21: Current Assets

Classification	31 March 2024 £000	31 March 2025 £000
Debtors		
Contributions due - members	3,227	3,375
Contributions due - employers	10,026	10,107
Prepayments	1,043	825
Other debtors	2,995	2,380
Taxation	482	485
Sub Total	17,772	17,172
Cash balances	3,525	7,743
Total	21,297	24,916

ANALYSIS OF DEBTORS

Classification	31 March 2024 £000	31 March 2025 £000
Central government bodies	3,438	1,418
Other local authorities	9,893	11,526
Educational establishments	2,425	2,560
Other entities and individuals	2,015	1,668
Total	17,772	17,172

Note 22: Current Liabilities

Classification	31 March 2024	31 March 2025
	£000	£000
Benefits payable	1,825	2,198
Other current liabilities	10,223	2,211
Total	12,047	4,408

ANALYSIS OF CREDITORS

Classification	31 March 2024	31 March 2025
	£000	£000
Central government bodies	10,857	2,557
Other local authorities	8	674
Educational establishments	3	7
Other entities and individuals	1,180	1,171
Total	12,047	4,408

Note 23: Additional Voluntary Contributions

Some members of the Scheme have made additional voluntary contributions (AVC) to increase the value of their pensions. Legal & General are the appointed AVC provider for members in the West Sussex Local Government Pension Scheme. Some residual funds remain with the previous AVC provider (Standard Life)

AVC contributions of £3.8m were paid directly to Legal & General during the year (2023/24: £3.3m). AVCs are separately invested and are therefore not included in the Pension Fund accounts in accordance with regulations 4(1)(b) of the Local Government Pension Scheme (Management and Investment of funds) regulations 2016.

AVC Provider	Market Value	Market Value
	31 March 2024	31 March 2025
	£000	£000
Standard Life	14	15
Legal & General	9,387	12,259
Total	9,401	12,274

Note 24: Related Party Transactions

WEST SUSSEX COUNTY COUNCIL

The West Sussex Pension Fund is administered by West Sussex County Council. Therefore, there is a strong relationship between the Council and the Pension Fund.

During the reporting period, the Council incurred costs of £0.8m (2023/24: £0.8m) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also the single largest employer of members of the Pension Fund and contributed £78.1m to the Fund in 2024/25 (2023/24: £75.5m). All monies owing to and due from the Fund have been accounted for in the year.

Part of the Pension Fund cash holdings are invested in the money market by the Treasury Management operations at West Sussex County Council, in line with the Fund's Treasury Management Policy. During the year to 31 March 2025, the Fund had a daily average investment balance of £52.9m held in GBP (31 March 2024: £45.0m) earning interest of £2.619m (2023/24: £2.270m) in these funds at a rate of return of 4.95% (2023/24: 5.0%). Additionally, the Fund has earned interest of £0.40m on investments held in foreign currency (2023/24: £0.19m).

GOVERNANCE

Each member of the Pensions Committee and Pension Advisory Board is required to declare their interests at each meeting.

Note 24a: Key Management Personnel

The Executive Director of Finance and Support Services and S151 officer has responsibility for the proper financial administration of the Fund under the Local Government Act 1972. This Officer is employed by the Administering Authority but spent a proportion of time on the financial management of the Fund. The total Pension Fund expense relating to apportioned remuneration for Key Management Personnel is £21.5k in 2024/25 (2023/24: £20.1k).

Note 25: Contingent Liabilities and Contractual Commitments

A contingent liability arises where an event has taken place that gives the Fund a possible obligation, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Fund. Contingent liabilities also arise in circumstances where a provision would otherwise be made but the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Net Asset Statement but are disclosed in a note to the accounts.

Estimates provided to members indicate that at year-end there are potential liabilities of £0.188m in respect of members who have enquired about transferring benefits out of the scheme and from whom the Fund is awaiting a final decision.

There are further outstanding commitments in investment assets as at 31 March 2025 as follows:

- Private Equity of £220.1m (31 March 2024 £250.1m)
- Private Debt of £171.9m (31 March 2024 £223.7m)

These commitments relate to outstanding call payments due on unquoted investments. The amounts 'called' by these funds are irregular in both size and timing over the period of investment.

Note 26: Contingent Assets

There were no contingent assets at the period end.

INVESTMENTS AND FUNDING

Whilst a member’s pension is based on their salary and how long they pay into the Scheme, investment returns play an important role in funding benefits for members and their dependents now and in the future – therefore the Committee’s Investment Strategy Statement and Funding Strategy Statement are inextricably linked.

Both strategies are fully compliant with statutory guidance.

Funding Strategy Statement

The [Funding Strategy Statement](#), is prepared to set out a clear and transparent approach to how the Pension Committee ensures it has sufficient assets to pay liabilities as they fall due. When considering the funding approach, the Pension Committee objectives are to:

- Keep employer contributions **affordable and stable** through the adoption of an investment strategy which balances risk and return, the use of reasonable assumptions to measure liabilities and through contribution stabilisation approaches for certain employers.
- Understand the diversity of the Pension Fund’s employers and ensure (as far as possible) **each employer covers their liabilities for member/dependant benefits as they fall due** for payment by maintaining separate accounts for each employer, adopting different funding approaches to different employer groups and taking a prudent, long term view.
- **Be transparent and consistent** in the strategy and its application.

To achieve these objectives the Fund Actuary calculates and sets employer contribution rates differently for different employers. The Funding Strategy Statement describes the approach taken both generally and by employer type.

The Statement is reviewed every three years alongside the valuation of the Fund, or more frequently if there is a change in the Regulations.

Application of Funding Strategy Statement

Employers Joining the Fund

During the year 26 employers joined the Fund. The types of employer that joined the Fund are shown below:

Employer Type	Number
Academies and Multi Academy Trusts	16
City, Town and Parish Councils	2
Admission Bodies (Pass Through Risk Sharing)	7
Admission Bodies (Guarantor)	1

All employers joining the Fund did so in line with the specific strategy for each type of employer.

Employers Leaving the Fund

Over the course of the year eight employers left the Fund. The types of employer that exited the Fund are shown below –

Employer Type	Number
Academies and Multi Academy Trusts	0
City, Town and Parish Councils	0
Admission Bodies (Pass Through Risk Sharing)	8
Admission Bodies (Guarantor)	0

In some cases, the employer exited because their contract came to an end, in others because their last active employee ceased employment.

Under the pass-through risk sharing admission basis, the letting employer retains responsibility for the accrued and future benefits of the employees transferred to the contractor and as a result no assets are transferred, and no funding position is calculated for the employer.

Exit Credit Determination Payments

The 2024/25 accounts reflect £9.8m payment of an exit credit determination for two employers who exited the Fund prior to 1 April 2024. The payment was made in 2024/25. The calculation of the exit credit payable was made in line with the regulations and the approach set out in the Funding Strategy Statement.

Review of Employer Contribution Rates

In November 2024 the Department for Education put in place a guarantee for Further Education bodies. This guarantee ensures that in the event of the closure of a further education body in the statutory sector, any outstanding LGPS liabilities would not revert to the Fund.

As set out in the Funding Strategy Statement, a significant change in covenant of an employer is one of the few circumstances considered to be a sufficient change to trigger a review of contribution rates payable. There are two further education bodies in the Fund. Both employers' contribution rates were reviewed following the issue of the guarantee. The revised contribution rates are effective from 1 April 2025.

Investment Strategy Statement

The Pension Committee is responsible for the determination of the Pension Fund’s investment strategy and oversight of the delivery of the strategy.

The Pensions Committee has appointed third-party investment managers to manage the assets of the Fund according to set mandates. These mandates reflect long term performance expectations and require that appointed managers consider several factors – including financial – when making decisions about which companies to buy, sell and retain.

Information about the managers and advisers to the Fund can be found in the [Scheme Management and Advisers](#) section above.

The current strategic asset allocation is described and illustrated below.

- **Growth assets** are expected to provide returns in line with equity markets. The Pensions Committee have invested in two equity funds managed through the ACCESS Asset Pool and holds private equity commitments.
- **Income assets** provide an additional income stream to support the cash flow requirements of the Fund. The income can come from rent on commercial property, interest payments on loans or from revenue on power generation and distribution, transport networks and utilities held within the infrastructure portfolio.
- **Protection assets** store value and reduce volatility the of funding levels relative to variations in interest rates and inflation pricing, such as bonds.

Growth	Protection	Income
Global Listed Equities, 45%	Global Corporate Bonds, 30%	UK Property, 10%
Global Private Equity, 5%		Global Private Debt, 5%
		Global Infrastructure, 5%

The strategic asset allocation reflects the long-term weighting to various asset classes. However, it is expected that the actual positions will vary against the strategy in the shorter term, reflecting market movements and the pattern of transactions within the underlying portfolios.

Whilst this can have an impact on the overall portfolio return, the Committee believes that it should not take short term decisions. Rebalancing (i.e., moving money between different

asset categories) can however be used to avoid any unintentional deviation, although no rebalancing was required during the year.

Application of Investment Strategy

On 31 March 2025 the Pension Fund had an investment portfolio valued at £5,853m. The table below sets out the valuations and asset allocation on 31 March 2025 against the strategy:

	£000	% Of Fund Value	Strategy %
Listed Equities	2,868,365	49.1	45.0
Private Equity	192,744	3.3	5.0
Total Growth Assets	3,061,109	52.4	50.0
Direct Property	495,785	8.5	10.0
Private Debt	230,683	3.9	5.0
Infrastructure	277,720	4.7	5.0
Total Income Assets	1,004,188	17.1	20.0
Bonds	1,746,653	29.9	30.0
Total Protection Assets	1,746,653	29.9	30.0
Other Investments	35,701	0.6	-
Total	5,847,651	100.0	100.0

NOTE: The total does not include cash internally managed by WSCC on behalf of the Pension Fund of £7.7m (31 March 2024: £3.5m).

Investment Performance

When setting the investment strategy, the Pensions Committee and its advisers consider the cashflows required to pay benefits and the returns required on the investment portfolio to support stable and affordable contribution rates.

However, the rate of return assumed when setting the investment strategy may be quite different to shorter term market movements and does not take account of any additional performance attributable to active management.

When implementing the investment strategy, the Pension Committee looks appoint the best-in-class high conviction active managers and supports a culture of long term investment.

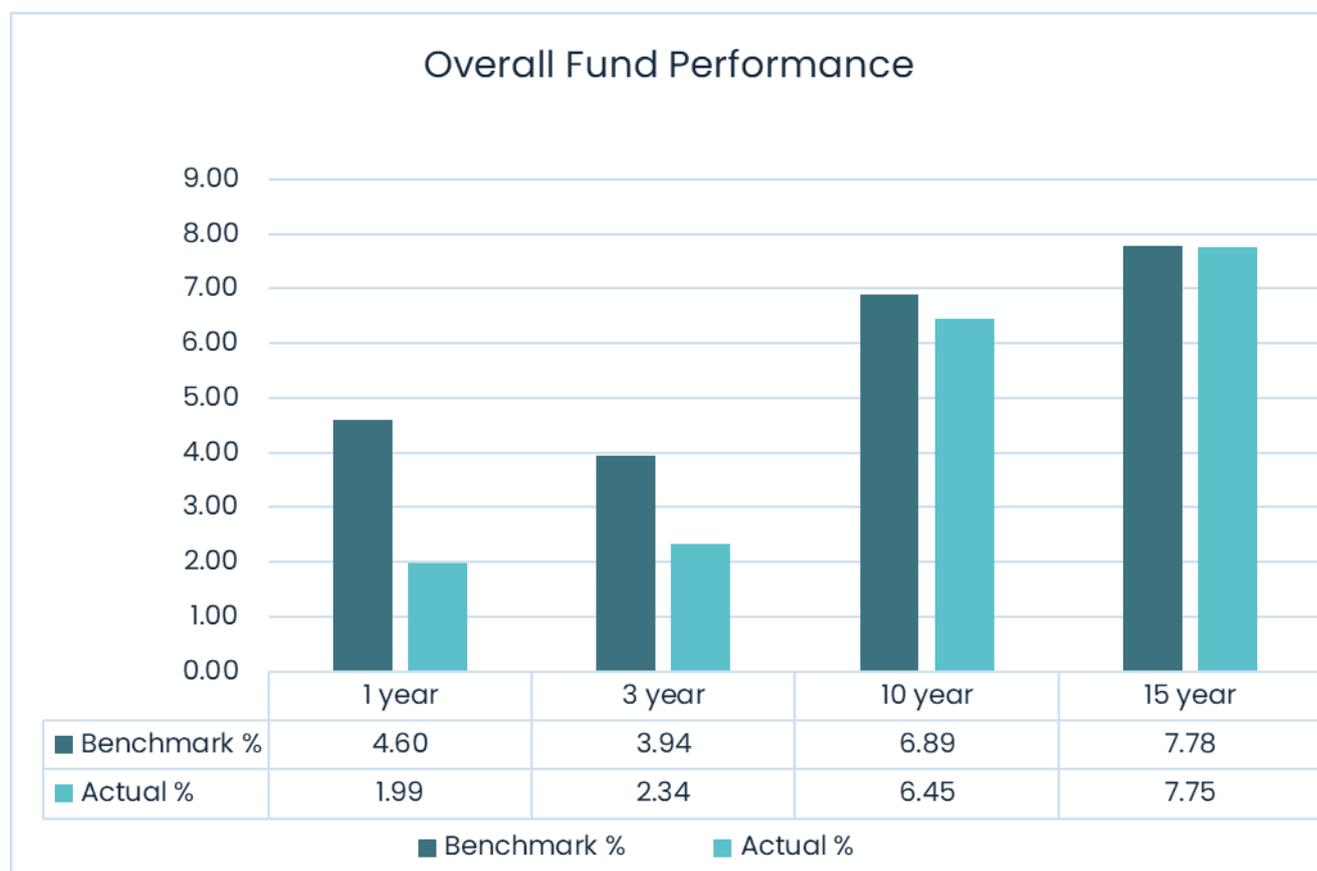
Active management is where a fund manager makes specific buy and sell decisions based on their research and view of a company's future performance – and this should deliver superior return as a result. This contrasts to passive management where a market index is replicated, and a market average return is achieved. However active management can result in periods of underperformance relative to the market index.

Active management also supports the Pensions Committee’s approach to responsible investment and strong governance.

During the 12 months to 31 March 2025, the market faced a range of challenges – and opportunities.

- Inflation appeared controlled as interest rates were cut.
- global growth remained strong although there were regional disparities.
- ongoing conflict raised financial, governance and social challenges
- political shifts and the use of tariffs caused uncertainty.

Against this backdrop, the pension fund (overall) underperformed relative to the market, continuing to impact medium- and long-term figures. This is illustrated on the chart below:



The Pensions Committee consider the performance of fund managers each quarter, seek advice on the fund managers delivery of the objectives against the guidelines set and engage with managers on areas of relevance. This is a continual process to ensure that the investment strategy is successfully implemented over the medium and longer term.

Growth assets | Listed Equity

Both equity managers make active decisions on the companies which they hold in the portfolio managed for the Fund, their performance can be quite different to the “average” or market. This can be exaggerated in the short term.

Exposure to industries, sectors, and countries, is the result of where the managers typically find the best companies rather than a market index and it is considered that holding high quality companies will deliver substantial growth in the future.

The Global Alpha Paris Aligned Equity Fund didn't perform as well as its benchmark in 2024. However, the managers believe that over time, share prices will rise in line with company earnings. The fund is invested in areas with strong long-term growth potential and holds solid positions in those markets. It's expected to grow faster than the overall market, yet its current price is only slightly higher than average.

The Global Equity Fund also fell short of its benchmark over the past year. Its cautious approach meant it missed out on much of the market's gains during the first three quarters. However, in the first quarter of 2025, when markets dropped, the fund held up better than most, showing good protection against losses.

Growth assets | Private Equity

Performance on the less liquid private equity portfolios should be considered over the longer term, given their investment horizon and is focused on the total cash received back compared to the amount originally invested over the portfolio's lifetime. There is continued uncertainty in the market, it has been another challenging year with the industry experiencing a slowdown due to a persistent gap between buyer and seller price expectations and limited opportunities for realisations. However, investing in diversified portfolios, resilient sectors and attractive discounts will help cushion the impact.

Income assets | Property

UK real estate achieved a healthy return over the previous 12 months. The favored sectors of retail and industrial leading the market returns, with the office sector returns slowly recovering. It is expected that the market will continue to remain quiet due to the uncertain economic environment, but it is probable that the property market will outperform the index although with potential impacts on the supply chain due to global tariffs damaging growth expectations.

The Fund's long-term strategic aim is to hold a low-risk portfolio to provide the target return over the long term and importantly provides a second source of income through the rent received on commercial property.

To deliver this the property managers make active decisions on properties to hold, sell or buy. The Pension Fund's portfolio comprises 28 properties across the UK with industrial units continuing to make up the largest sector weighting within the Fund's portfolio with a

strong exposure to distribution warehouses, which has helped deliver positive returns for the portfolio during the year.

The portfolio also has strong income which has driven overall performance and good rental growth characteristics. Over the last year the Fund has received £22.1m in rental income and the property portfolio currently has a void rate of 1.5% (as a percentage of estimated rental value) against a benchmark void rate of 8.3%.

At the end of the year 91% of the portfolio had an A+ - C Energy Performance Certificate rating. The investment manager measures the property portfolio against the Global Real Estate Sustainability Benchmark (GRESB) assessment process. The portfolio received a 2-star rating (the maximum is five) which is down from 3 in 2022, this is partly due to the decrease in data coverage for tenant energy.

The picture below shows the ten largest holdings in the portfolio.



Income assets | Private Debt

Private debt consists of loans to companies which are not provided by banks or public markets and instead are provided by private investors. The approach taken to private debt aligns with the other investment portfolios – well researched, quality opportunities sourced by managers who actively engage with the company.

Performance on the less liquid private debt portfolios should be considered over the longer term, given their investment horizon and is focused on the total cash received back compared to the amount originally invested over the portfolio’s lifetime.

Both of our Private Debt investments have overperformed over the last 3 years, since inception.

Income assets | Infrastructure

The Fund invests in an infrastructure vehicle, which itself holds investments in utilities, contracted power, rail leasing, tank storage and other infrastructure assets.

The Fund has been invested in the infrastructure vehicle for four years and the rate of return is within the target set. The manager also measures the vehicle through GRESB and the portfolio received a 4-star ranking in 2024 (the maximum is five).

Protection Assets | Bonds

Bond yields continued to be volatile in the past year as investors have had to contend with inflation, growth and interest rates. Towards the end of the period signs suggested that a 'soft landing' is the most likely economic scenario, whereby inflation cools without a material growth slowdown. This has translated into positive sentiment for riskier assets and corporate bonds have performed well.

The portfolios have a high weighting to corporate bonds which have continued to outperform government bonds, and higher-yielding bonds have boosted returns. Whilst the financial / banking sector has seen some pressure last year, credits with strong fundamentals have contributed to returns as their margins benefit from higher interest rates.

Bond markets have continued to experience considerable volatility over the last 12 months with shifting central bank policies, evolving inflation dynamics and geopolitical developments. Performance for both our bond portfolios has been positive against the market.

Looking ahead the direction of US policy will remain in focus and will most likely lead to further volatility in markets. The potential impact of global trade wars introduces a high degree of uncertainty and could lead to a global recession.

Overall Performance

The table below shows annual and longer-term performance. Longer term performance has been shown where available.

	12 months	3 years	10 years
Waystone ACCESS Global Alpha Paris Aligned Equity Fund	-1.29 %	2.73 %	10.3 %
Benchmarks: MSCI ACWI ND	4.87 %	7.62 %	10.71 %
<u>Difference</u>	-6.16 %	-4.89 %	-0.41 %
Waystone ACCESS Global Equity Fund	-2.22 %	4.64 %	n/a
Benchmark: MSCI World Index ND	4.76 %	8.30 %	n/a
<u>Difference</u>	-6.98 %	-3.65 %	n/a
Waystone ACCESS Investment Grade Bond Fund	4.84 %	-1.03 %	1.47 %
Benchmark: ICE BoA ML STG Non-Gilts	2.44 %	-2.13 %	0.87 %
<u>Difference</u>	2.40 %	1.10 %	0.60 %
Waystone ACCESS Sterling Investment Grade Credit Fund	2.87 %	0.19 %	n/a
Benchmark: ICE BoA ML Euro-Sterling Index	2.43 %	-0.82 %	n/a
<u>Difference</u>	0.44 %	1.01 %	n/a
Property	7.11 %	-1.88 %	4.70 %
Benchmark: MSCI IPD Benchmark	6.27 %	-2.90 %	4.10 %
<u>Difference</u>	0.84 %	1.02 %	0.60 %
Infrastructure	10.78 %	9.60 %	n/a
Target: 8% pa absolute	8.0 %	8.00 %	n/a
<u>Difference</u>	2.78 %	1.60 %	n/a
Private Equity	3.85 %	7.22 %	14.61 %
Benchmark: FTSE World Index	4.77 %	8.42 %	11.30 %
<u>Difference</u>	-0.92 %	-1.20 %	3.31 %
Private Debt	13.58 %	12.77 %	n/a
Benchmark: Private Debt Hurdle Rate 6%	6.00 %	6.00 %	n/a
<u>Difference</u>	7.58 %	6.77 %	n/a

Climate Risk Reporting

The Pensions Committee recognises that climate change is one of the material Environmental, Social and Governance (ESG) factors which pose a potential financial risk over the long term, and that it is important to consider the implications for the Fund of the challenges posed by climate change.

Information relating to the carbon emissions and other climate-related metrics of the Pension Fund's equity and bond investments is summarised below. This is a useful starting point for understanding the Fund's financing of emissions in the real economy, its exposure to fossil fuel activities and its forward-looking trajectory as it related to the temperature goals of the Paris Agreement. However, it should be noted that it will take several years for data, including emissions data, to be disclosed using consistent methodology. This is the first stage of the Pension Fund's disclosure of climate-related metrics and the reporting will be developed over time to reflect appropriate metrics and targets relevant to the Pension Fund's investment strategy and the way climate-related risks and opportunities are managed.

The following pages provide a description and applied metrics in relation to the financed emissions and climate-related metrics. Financed emissions are useful to measure and monitor as they provide a starting point for understanding the fund's carbon footprint and identifying climate risks but they are backward looking, very volatile and heavily depend on financial factors. Other climate-related metrics therefore help get a more holistic picture of the Fund's climate profile and provide an indication of a future pathway for a company's or fund's approach to climate change.



Emissions-based climate data: Carbon Footprint (financed emissions)



Exposure to fossil fuel-based revenues (climate related metric)



Portfolio alignment metrics (climate related metric)

Emissions-based climate data: Carbon Footprint

The primary metric that investors look at with regards to understanding their portfolio's position in relation to climate change is financed emissions. In effect it tells us the emissions the Fund is financing and can be used for comparing progress over time, as well as across funds and portfolios.

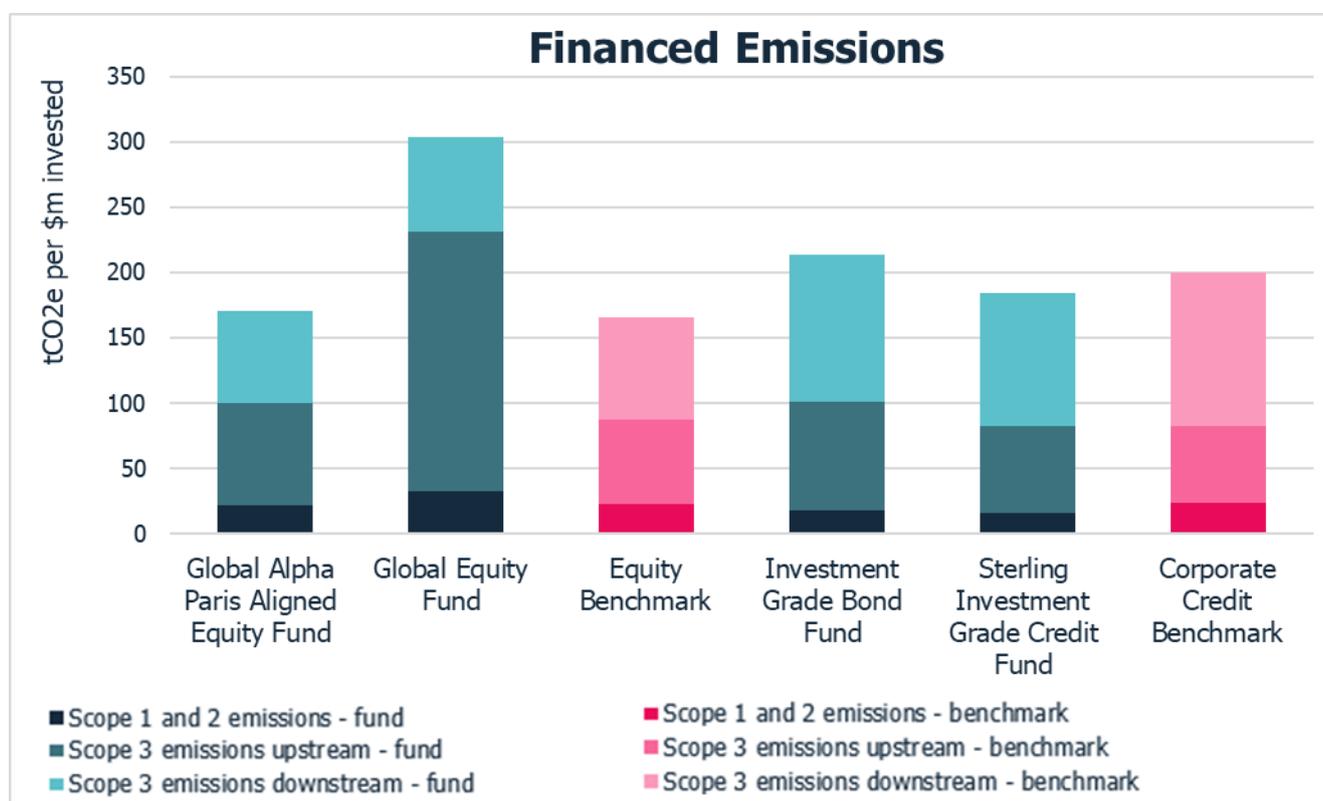
This is an ownership-based metric and refers to the greenhouse gas (GHG) emissions from the assets and companies the Fund invests in or lends to, scaled by its level of investment (also known as the enterprise value including cash (EVIC)).

In practice this means that if a fund owns 2% of a company, it attributes 2% of the company’s total emissions to its portfolio. Normalising the total aggregated emissions by the invested amount gives us a carbon footprint, which shows the emissions the Fund is financing per million \$.

Emissions are broken down into three distinct scopes, a brief explanation of these is presented below:

- **Scope 1 and 2 emissions:** Scope 1 covers direct emissions from owned or controlled sources such as a company’s facilities or vehicles whilst Scope 2 covers indirect emissions from the purchase and use of electricity, steam, heating and cooling. Scope 1 & 2 provide more focus, as these are more in the control of companies the Fund invests in.
- **Scope 3 emissions:** Scope 3 emissions are the indirect emissions that occur as a result of activities from assets not owned or controlled by a company but which are integral to their operations, both upstream (emissions that occur in relation to purchased goods and services) and downstream (emissions that occur in relation to the sale of goods and services) of its operations.

The analysis below shows the total carbon footprint of the sub-funds invested in, alongside the carbon footprint of reference benchmarks. The charts show that across the four sub-funds that the West Sussex Pension Fund is one of the investors in, the Scope 3 emissions are significantly larger than Scope 1 & 2 emissions.



For 2024 the Global Equity Fund has the highest emissions aggregated across all three scopes, whilst the Global Alpha Paris Aligned Fund continues to be the lowest. This is not surprising given the Paris Aligned Equity Fund aims to have lower emissions as compared

to a Paris-aligned reference benchmark. In general, the credit universe tends to be more carbon intensive than the listed equity universe mainly due to industry composition, company size and as debt-financing is a common way to finance capital-intensive project.

When looking at carbon footprints, the focus is normally on Scope 1 & 2 emissions as those are more in the control of companies the Fund invests in, whereas scope 3 emissions are not directly in companies' control and they have less influence over them. From a Scope 1 & 2 emissions perspective the Paris Aligned Equity Fund is lower than the reference benchmark and is closer to a Paris-aligned reference benchmark. The Global Equity Fund is slightly higher than the reference benchmark.

The Investment Grade Bond Fund is higher than its reference benchmark, while the Sterling Investment Grade Credit Fund is around the benchmark on Scope 1 & 2 emissions.

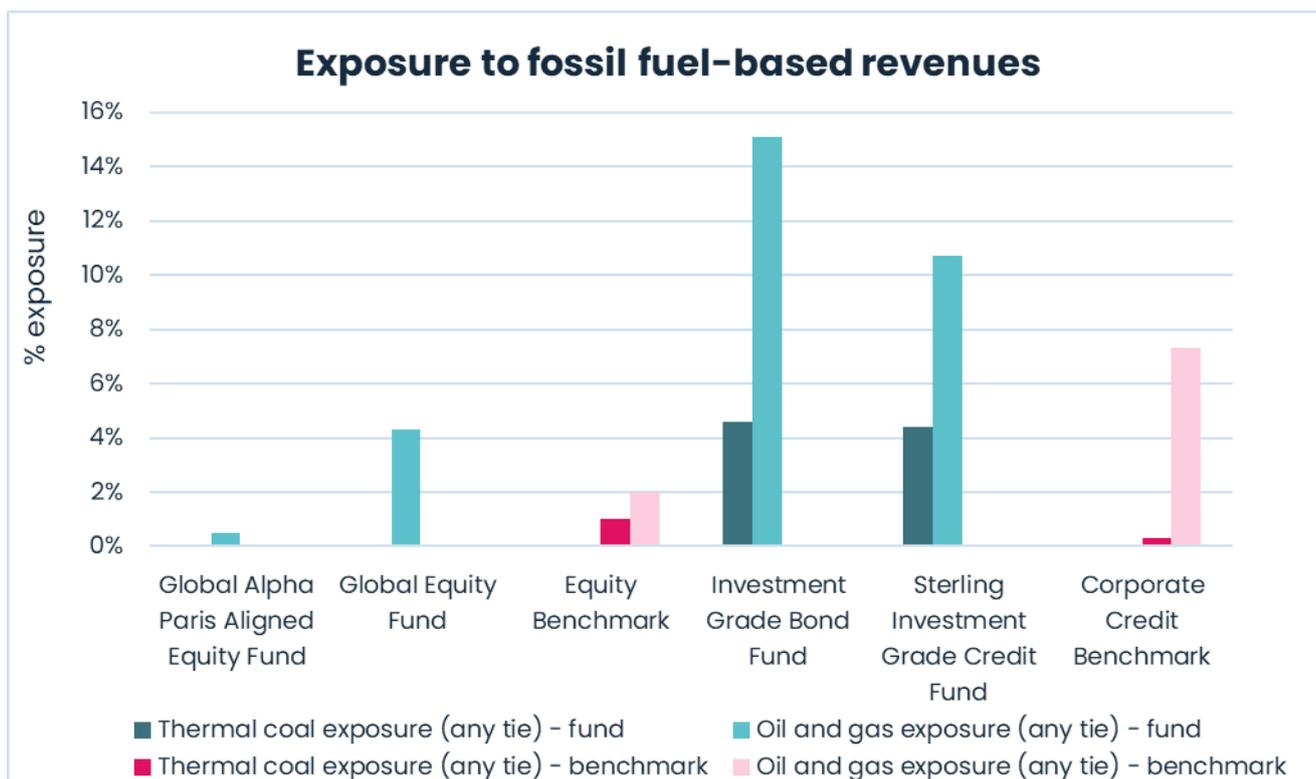
While financed emissions are useful to measure and monitor as they provide a starting point for understanding the fund's carbon footprint and identifying climate risks, they are very volatile and heavily depend on financial factors, mainly enterprise value including cash (EVIC). Financed emissions are also backward-looking and don't provide an indication of a future pathway for a company's or fund's approach to climate change. For this reason, we also looked at a number of other climate-related metrics to help get a more holistic picture of the Fund's climate profile, including exposure-based metrics as well as portfolio alignment-based metrics.

Non-emissions-based climate data: exposure to fossil fuel-based revenues

The investment managers will each make decisions about the investments to hold, buy and sell within their portfolio. Decisions will reflect the asset class characteristics and the fund manager's objectives and approach to environmental, social and governance issues. The below provides a snapshot of the exposure to different sectors.

- **Thermal coal exposure:** Exposure to companies with reserves or production of thermal coal or thermal coal-based power generation.
- **Oil and gas exposure:** Exposure to companies with oil and gas reserves or production or other oil and gas related revenues and oil and gas-based power generation. Companies generating revenues from biofuels are not flagged.

The analysis below shows the additional climate metrics of the sub-funds invested in, alongside that of a reference benchmarks.



The Global Alpha Paris Aligned Equity fund has no direct exposure to thermal coal and a slight exposure to oil and gas-related revenues, this is lower than the reference benchmark and a Paris-aligned reference benchmark, which both have some exposure. Given the Fund’s Paris Alignment target, this is not a surprise. The Global Equity Fund has some exposure to oil and gas but no exposure to thermal coal. The Sterling Investment Grade Credit Fund has some exposure to both thermal coal and oil and gas. The fund with the most sizeable exposure continues to be the Investment Grade Bond Fund, with both its oil and gas exposure and its coal exposure higher than the reference benchmarks.

Non-emissions-based climate data: Portfolio alignment metrics

Portfolio alignment looks at the degree to which the portfolios are consistent with the goals of the Paris Agreement, principally to keep global temperature rise this century well below 2°C above pre-industrial levels, and ideally to 1.5 °C.

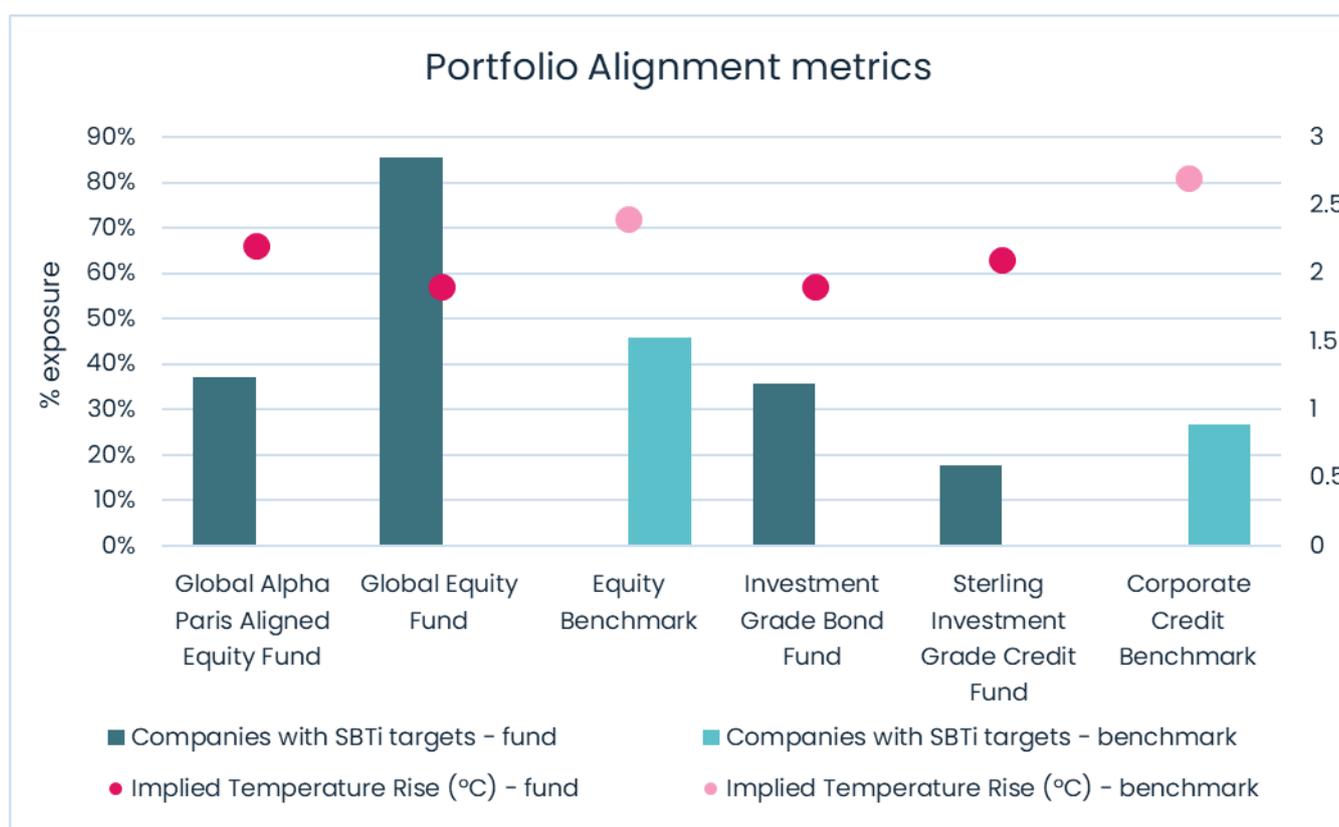
These forward-looking metrics are helpful as they give an idea of the portfolio’s trajectory in relation to climate change, not just backwards looking.

The alignment metrics described below are commonly used in the industry.

- **Exposure to companies with Science Based Target initiatives (SBTi) approved targets:** This portfolio alignment metric identifies companies with one or more active carbon emission reduction target/s approved by the Science Based Targets initiative (SBTi). It indicates how well a company’s emissions reduction targets are alignment with the goals of the Paris Agreement.
- **Implied Temperature Rise (ITR):** This portfolio alignment metric translates the degree of alignment at the company-, fund- or portfolio-level into a temperature

score that can be compared against the temperature goals of the Paris Agreement. It calculates the expected temperature rise (in the year 2100), if the whole economy had the same emissions trajectory to the company analysed. The emissions trajectory is determined based on the company’s projected Scope 1,2 and 3 and is compared to a specific carbon budget to determine whether the company is over or undershooting.

The analysis below shows the alignment metrics of the sub-funds invested in for 2024 alongside that of reference benchmarks.



The Global Equity Fund continues to have the highest exposure to companies that have approved Science Based Target initiatives (SBTi) targets, and the Fund’s Implied Temperature Rise (ITR) is also below 2°C. Both metrics fare better than the benchmark. The Global Alpha Paris Aligned Equity Fund has an ITR of 2.2 °C, below the benchmark, and has a lower exposure to companies with SBTi targets than the benchmark. The Investment Grade Bond Fund has a higher level of companies with SBTi targets than the benchmark whilst the Sterling Investment Grade Credit Funds exposure is below the benchmark, it has increased since 2023. Both Bond Funds ITR are lower than the benchmark.

Stewardship

In line with the Committee’s approach to being long term stewards of the Pension Fund’s investments, Environmental, Social and Governance (ESG) issues are integrated throughout its investment decision-making process, from setting investment strategy to monitoring the Fund’s investment managers – taking appropriate advice.

The Pension Committee expects each of the fund managers to work with companies to deliver a positive and measurable societal and/or environmental outcome, combined with an appropriate level of financial return and to use the voting rights associated with its invested funds actively. Fund managers voted on 99.3% of 1,851 resolutions presented in 2024/25.

Examples of engagement are below:

Online market place company

Engagement with the company to discuss their approach to AI governance, and to continue to assess transparency in supply chain decarbonisation and its approach to human capital management.

This company has established internal principles for responsible AI use and is engaging with governments on AI regulation.

The company intends to disclose new supply chain standards and also now has initiatives which allow direct employee feedback.

Aviation Company

Engaged with this company to assess the feasibility of the company's ambitions to achieve its long-term objective of lower carbon operations.

Company has set industry-leading targets with clear milestones relying on future technological improvements.

Targets remain credible and could give the company a competitive advantage if they are met.

Luxury Goods Group

Discussions to assess board effectiveness and governance.

The company provided assurance confirming new independent appointment to the board and also succession planning process underway.

These were positive developments and governance engagement will continue.

Multinational Company

Engaging with the company to raise questions in several ESG areas.

The outcome was the company provided information which provided clarity in several areas.

The manager will continue to monitor.

Net Zero engagements

Engagements with some companies to encourage setting net zero targets or acceleration of them.

Overall response was positive and the Fund Manager will continue to monitor progress.

To support and inform the active stewardship there are several initiatives which the portfolio managers participate which recognise the importance of ESG risk and opportunities within the investment process and represent thought leadership and policy advocacy. Some of these are shown below.



In being signatories to the United Nations Principles for Responsible Investment the managers commit to incorporating ESG issues into their investment analysis and decision-making processes and for their active ownership practices to promote responsible investment principles



The Taskforce for Climate Related Financial Disclosures (TCFD) has been set up in recognition that understanding the financial risks and opportunities related to climate change and the potential financial implications relies on businesses disclosing clear, comparable and consistent information.



The UK Stewardship Code sets high stewardship standards for asset owners and asset managers, and for service providers that support them. By being a Stewardship Code signatory, the managers have been able to demonstrate their purpose, investment beliefs, strategy, and culture enable stewardship that creates long term value for investor.



Climate Action 100+ is a direct engagement focused collaboration with companies that are critical to the net-zero emissions transition.



Global Real Estate Sustainability Benchmark (GRESB), provides standardised and validated ESG data and assess and benchmarks ESG performance of property and infrastructure assets.

In addition, the Fund is a member of the following organisations either directly or through the ACCESS pool.



Pensions UK support pension schemes across the UK and aims include bringing the pensions industry together and improving pension policy to help achieve a better incomes in retirement.



Pensions for Purpose is an organisation which seeks to empower pension funds through training events, member forums and their knowledge centre.

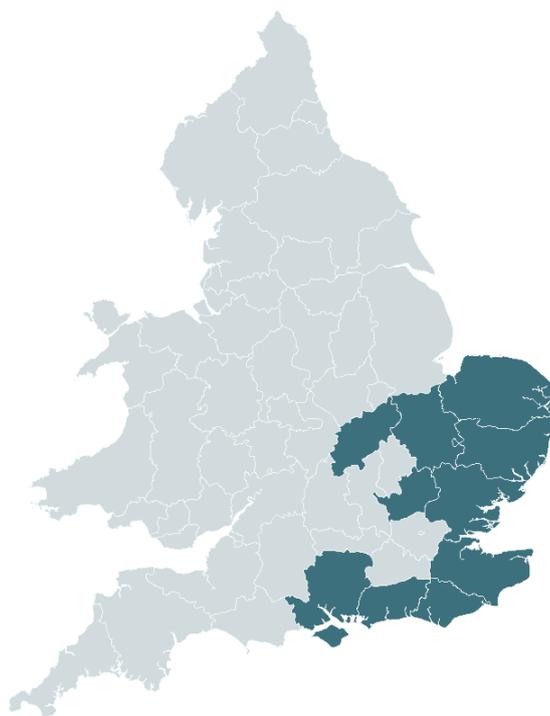


LAPFF's mission is to promote the highest standards of corporate governance to protect the long-term value of local authority pension funds.

Investment Pooling

In 2015/16 the Government required LGPS Authorities to work together to achieve benefits of scale, improve governance and decision making, provide excellent value for money and provide improved capacity and capability to invest in infrastructure.

West Sussex collaborates with ten other LGPS funds (shown below) to form the ACCESS LGPS Asset Pool to meet the Government's objectives by making available a range of asset types to meet locally decided investment strategies, whilst also ensuring local democratic accountability and the ability of authorities to continue to meet their fiduciary responsibilities.



To date West Sussex have transitioned all equity and bond investments to funds established by the ACCESS pool. The Pension Committee holds an investment in JP Morgan's Infrastructure portfolio, which is a pool aligned investment vehicle (under pool management).

The Government is changing its requirements for the pooling of LGPS assets, as set out in their *Fit for the Future* consultation. Their response to the consultation was published on 29 May 2025 and the associated Pensions Bill which deals with elements of their response was published on 5 June 2025. Specifically, both the consultation and the Pensions Bill support the consolidation of LGPS Scheme assets into six pools. The debate in relation to the Bill and subsequent legislation and guidance are expected to provide greater detail in late 2025/26.

ACCESS Costs and Savings for the West Sussex Pension Fund

The below is calculated in line with the methodology set out by CIPFA in 2018 to measure the extent to which pension funds have saved fees as a result of pooling. The methodology uses price variance measures the extent to which fee rates have generated savings.

	2016 – 2024	2024-25	Total to date
	£	£	£
Set Up Costs	9,461	0	9,461
Transition Costs	2,652,839	0	2,652,839
Ongoing Operational Costs	793,007	224,527	1,017,534
Operator and Depository Costs	2,975,323	903,116	3,878,439
Total Costs	6,430,630	1,127,642	7,558,272
Fee Savings/Costs	-1,856,894	261,600	-1,595,294
Net Savings/Costs	4,573,736	1,389,243	5,962,979

The methodology used above assumes that all other variances remain unchanged including how investments are invested and the type of assets held.

Whilst this calculation has therefore been included for compliance it has limited meaning.

For those mandates unchanged as a result of pooling fee savings of £4.32m can be reported.

For new mandates implemented following pooling arrangements being in place, the investment was implemented following a full market test undertaken by the Pooling operator.

ClearGlass analysis from 2023 shows indicates that the West Sussex Pension Fund benefitted from savings of £6m, placing it in the 9th percentile of the ClearGlass Savings Index.

Assets

The asset table below shows the categorisation of the Funds total investments.

Asset values as at 31 March 2025	Pooled £m	Under pool management £m	Not pooled £m	Total £m
Listed Equities	2,868			2,868
Bonds	1,747			1,747
Property			496	496
Private equity			196	196
Private debt			233	233
Infrastructure		278		278
Cash and net current assets			35	35
Other			1	1
Total	4,615	278	960	5,853

The table below shows the Funds total UK investments.

Asset values as at 31 March 2025	Pooled £m	Under pool management £m	Not pooled £m	Total £m
UK Listed Equities	180			180
UK Government Bonds	98			98
UK Infrastructure		14		14
UK Private Equity			25	25
UK Private Debt			40	40
UK Property			496	496
Total	278	14	561	853

Investment Costs

Below is the table which shows the costs and charges incurred by the Fund in relation to its investments for 2024/25.

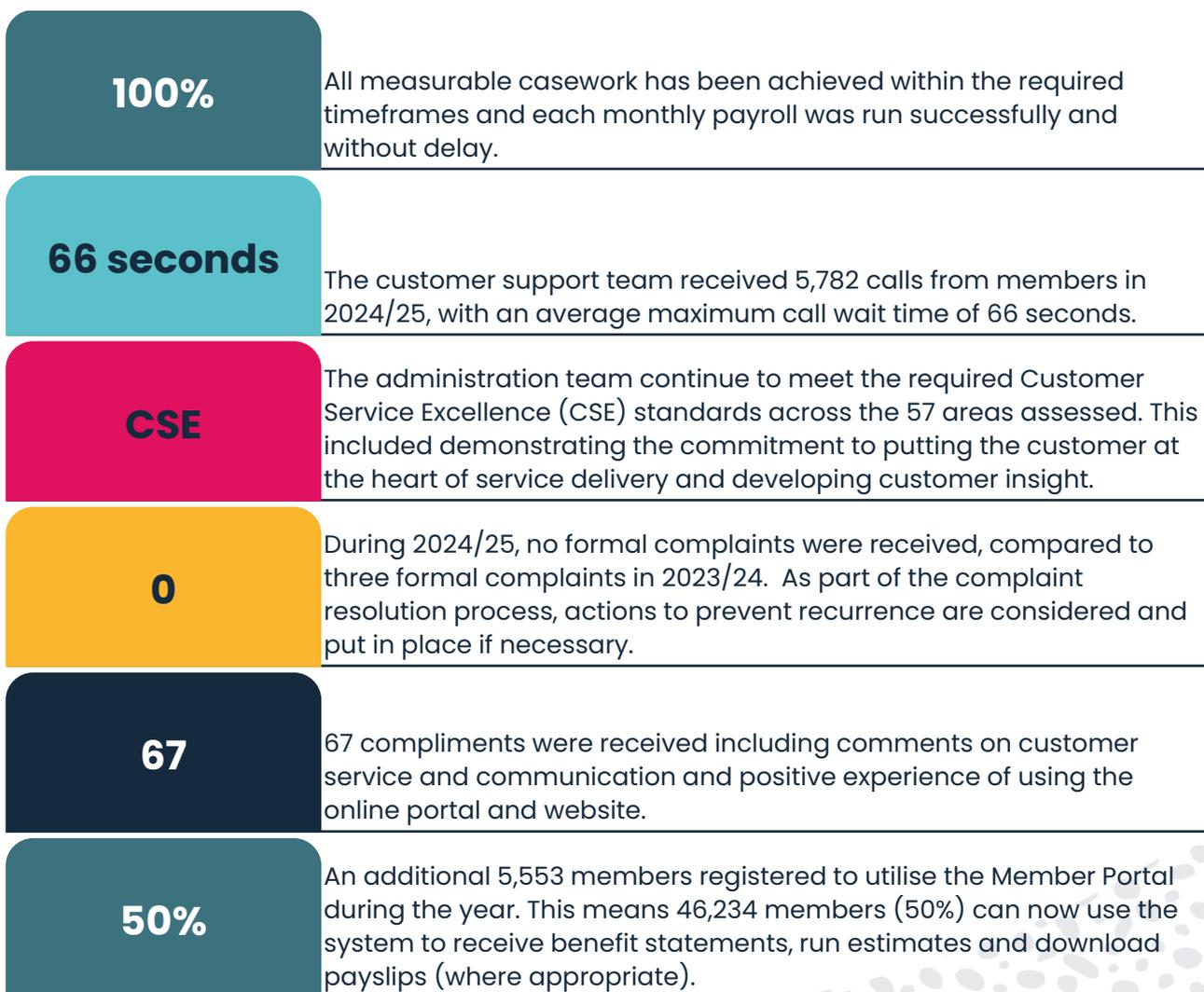
	Pooled Assets			Non-pooled assets			Fund Total
	Direct £000	Indirect £000	Total £000	Direct £000	Indirect £000	Total £000	
Management Fees	11,543	0	11,543	8,223	4	8,227	19,770
Performance Fees	0	0	0	4,499	0	4,499	4,499
Transaction Costs	136	0	136	5,184	0	5,320	5,320
Custody	0	0	0	20		20	20
Total	11,679	0	11,679	17,925	4	17,930	29,609

ADMINISTRATION

A key objective of the Fund is to deliver a good administration service to all stakeholders with processes and procedures to ensure that good quality information is held, that it receives all income due and makes payments. The West Sussex pension Fund operates within a partnership agreement with Hampshire Pension Service (HPS) to provide Pension Administration services to members and employers. This arrangement began in March 2019.

Members are able to provide feedback on the service provided and one way is through the customer satisfaction survey which is publicised in email signatures and in newsletters and can be found on the Hampshire Pension Services website. A total of 103 responses to the survey from West Sussex members were received with 60% indicating satisfaction with the service that had been received.

It is considered that the Fund demonstrates value for money through its performance over the year, particularly:



Administration and Management Costs

Each LGPS fund is required to provide the Ministry of Housing, Communities and Local Government (MHCLG) with information about its administration and fund management for inclusion in the National Accounts (the SF3 Return).

This information can be used to indicate a LGPS “average” cost per member. However, it is important to recognise that Authorities will have different characteristics (such as size, membership profile, staff turnover, IT literacy and access), a range of participating employers and offer different levels of service to their members and employers.

The recent comparisons are illustrated below. The LGPS average is only available for the prior year.

Type of cost	2022/23	2022/23	2023/24	2023/24
	LGPS Average	WSPF	LGPS Average	WSPF
Administrative, oversight, governance, and investment management	£308.96	£240.80	£315.07	£339.17
Administrative, oversight and governance costs only (excluding investment management)	£43.08	£29.79	£43.69	£31.23

The increase in the average cost per member this year is mainly due to further investments in private equity, private debt, and infrastructure. These types of investments tend to have higher management fees.

Cyber Security

Pension schemes hold large amounts of personal data and assets which can make them a target for cybercrime attacks. The trusted public profile of pension funds also makes them vulnerable to reputational damage.

Robust procedures are in place for accessing the systems used by the Fund including the pensions administration system (UPM) and the two online portals available to members and employers which are protected by multiple layers of security, including two-factor authentication. The access to UPM is reviewed on a quarterly basis to ensure that all users, have the appropriate level of access to the system.

Six monthly external penetration testing is also carried out to protect against any potential cyber security incidents, which could result in loss of data.

HPS produced its latest annual cyber compliance statement in December 2024. This sets out their approach to cyber resilience and how it assesses and minimises the risk of a

cyber incident occurring, along with recovery plans should an incident occurs and includes confirmation there are controls in place to prevent and detect fraud and scams.

Casework

Operational performance is reported periodically to the Pensions Committee and the Pension Advisory Board.

The team regularly monitors key performance indicators (KPI's) to assess whether it is meeting its statutory duties defined in The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and to identify improvements and procedural changes to enhance service provision across key areas of the team's functions.

The Fund's monitoring against KPI's has continued to highlight strong performance against key casework targets to maintain a quality service provision for scheme members.

Key Performance Indicators (KPI's)

Casework KPI's	Cases open as at 31 March 2024	Number of cases created in the year	Number of cases completed 2024/25	% completed in 2024/25	Cases set up but not due	Number of cases completed in 2023/24	% of cases completed in 2023/24
Deaths recorded of active, deferred, pensioner and dependent members	109	352	461	100%	132	499	100%
New dependent member benefits	22	213	235	100%	6	300	100%
Deferred member retirements*	55	1,089	1,144	100%	56	943	100%
Active member retirements*	13	471	484	100%	4	477	100%
Deferred benefits	220	3,037	3,257	100%	295	3,383	100%
Transfers in (including interfunds in, club transfers)	209	276	485	100%	170	386	100%
Transfers out (including interfunds out, club transfers)	31	488	519	100%	48	384	100%

Casework KPI's	Cases open as at 31 March 2024	Number of cases created in the year	Number of cases completed 2024/25	% completed in 2024/25	Cases set up but not due	Number of cases completed in 2023/24	% of cases completed in 2023/24
Refunds	16	707	723	100%	22	680	100%
Divorce quotations issued	25	218	243	100%	28	166	100%
Actual divorce cases	0	0	0	100%	0	6	100%
Member estimates requested either by scheme member or employer	266	912	1,178	100%	270	1,641	100%
New joiner notifications	0	5,675	5,675	100%	0	6,599	100%
Aggregation cases	57	438	495	100%	207	475	100%
Optants out received after 3 months membership	0	139	139	100%	0	77	100%
Total	1,023	14,015	15,038		1,238	16,016	

*Actual Retirements between 1 April 2024 and 31 March 2025 total 1,591. Of these 40 were ill health retirements, 23 were as a result of redundancies and 1,528 voluntary retirements (i.e. a member reaching normal retirement age).

Time taken

Casework KPI's	Fund Target	% completed within target in year	% completed in previous year
Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	100%	100%
Communication issued confirming the amount of dependents pension	15 days	100%	100%
Communication issued to deferred member with pension and lump sum options (quotation)	15 days	100%	100%
Communication issued to active member with pension and lump sum options (quotation)	15 days	100%	100%
Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 days	100%	100%
Communication issued to active member with confirmation of pension and lump sum options (actual)	15 days	100%	100%
Payment of lump sum (both actives and deferred)	10 days	100%	100%
Communication issued with deferred benefit options	30 days	100%	100%
Communication issued to scheme member with completion of transfer in	15 days	100%	100%
Communication issued to scheme member with completion of transfer out	15 days	100%	100%
Payment of refund	15 days	100%	100%
Divorce quotation	15 days	100%	100%
Communication issued following actual divorce proceedings i.e. application of a Pension Sharing Order	15 days	100%	100%
Communication issued to new starters	20 days	100%	100%
Member estimates requested by scheme member and employer	15 days	100%	100%

Communications and Engagement

The Pension Fund aims to provide engaging, understandable information about the Scheme – which ultimately supports informed decision making. The Fund recognises that a variety of methods of communication are required to engage effectively and is keen to continually improve the tools and format used to provide members with relevant, clear, considered communication which is inclusive.

During the year the Pension Fund sent Annual Benefit Statements to active and deferred members, Pensions Savings Statements to Pensioner members and newsletters to all members. This is usually through an email where we have a valid email address, unless a member has opted out of this service then we will send to their postal address.

From the beginning of 2025 our administrator has hosted monthly webinars for new members. Feedback from these events has been positive and resulting in many attendees engaging with their pensions by signing up to the Member Portal.

Between April 2024 to end of March 2025, over 25 bitesize training sessions were available to employers of the Pension Fund. The topics included employers in the Scheme, pensionable pay, organisational changes, leavers & retirements, additional pension contributions (APCs), and discretions and disputes. Three annual return workshops for employers were held in February and March 2025 and 182 individuals from 38 employers attended.

Engagement with online portals	Percentage as at 31 March 2025
% of active members registered	56.4%
% of deferred member registered	43.7%
% of pensioner and survivor members	53.3%
% total of all scheme members registered for self-service	50.2%
Number of registered users by age	See separate table
% of all registered users that have logged onto the service in the last 12 months	49.5%

Age band	% of registered users
Under 30	4.8%
30 - 44	16.6%
45-54	21.0%
55-64	31.8%
65-74	19.8%
75+	6.5%

Communication	Total
Total number of telephone calls received in year	5,782
Total number of email and online channel queries received	6,953
Number of scheme member events held in year (total of in-person and online)	17
Number of employer engagement events held in year (in-person and online)	39
Number of active members who received a one-to-one (in-person and online)	0
Number of times a communication (i.e. newsletter) issued to:	
a) Active members	3 (ABS, PSS, newsletter)
b) Deferred members	2 (ABS, newsletter)
c) Pensioners	3 (Payslip/P60, newsletter, life certificate)

Dispute Resolution

From time-to-time individuals may not be satisfied with the service provided, with a decision made by the Pension Fund in relation to their and / or with a decision or the consideration of a complaint by an employer under their own complaint's procedure.

Concerns may be raised informally and dealt with quickly by the team. However, an individual has the right to ask for an issue to be formally investigated or looked at again. This may be under the formal complaint procedure or the Internal Dispute Resolution Procedure (IDRP). This will be recorded.

Any complaint made is treated seriously and considered thoroughly and fairly. Our formal complaints procedure can be found on our [webpage](#).

Under the IDRP a complaint can be made when a decision affecting a member in relation to the scheme is made, or if a decision should be made but hasn't.

If an individual is unhappy with the outcome of the IDRP then they can ask the Pension Ombudsman to review the case. The Pensions Ombudsman can investigate and determine any complaint or dispute involving maladministration or matters of fact or law. However matters where legal proceedings have already started cannot be investigated.

Below are the number of disputes the Pension Fund has received in the year.

Stage of complaint	Number
Early resolution	11
Formal complaint	0
IDRP (stage 1)	0
IDRP (stage 2)	1
Ombudsman determinations	0

Administration Resources

The administration team within Hampshire Pension Services is split into two main teams who are supported by projects and systems staff and who work in partnership with the West Sussex Pension Fund team. These are –

- A member services team responsible for administering casework, handling all member queries and paying pensioners.
- An employer services team responsible for most employer work including new and existing employers, training and employer support.

The figures below do not include the West Sussex Pension Fund team.

Resources	
Total number of all administration staff (FTE)	27
Average service length of all administration staff	6 years 5 months
Staff vacancy rate as %	3.6%
Ratio of all administration staff to total number of scheme members (all staff including management)	3,414
Ratio of administration staff (excluding management) to total number of scheme members	3,545

Data Quality

The LGPS is a valuable part of the pay and rewards package of employees who are entitled to join the Scheme. High quality data is critical to the Fund's success.

Employers have a critical role to ensure high quality data is held – which is achieved by employers providing the team with updates on changes to their employees during the year, and at the end of each financial year in the Annual Return.

The Pension Fund will also work to continually improve the data the scheme holds. This involves reviewing data, deciding how it can be improved and agreeing improvement plans to address these items.

The pension administration system processes are fully auditable and control the input of data to ensure the accuracy of member records. The success of the annual bulk processes – year end, benefit statements, valuation, TPR data scoring – wouldn't be possible without the underlying data being of good quality.

In addition to the day-to-day and annual processes, HPS also use TPR data scoring reports to highlight trends in inaccurate data, so amendments can be made to the processes, and/or solutions found to resolve historic data issues – the data issues outstanding have little to no impact on our ability to process and pay benefits.

TPR data scoring reports review both the common data (basic items used to identify scheme members) and conditional data (specific information that is relevant to a particular pension scheme, its structure, and how it operates).

The pensioner records are mortality screened every month to report any deceased pensioners and to prevent overpayment of pension benefits.

Annual Benefit Statements	Active	Deferred
Percentage of annual benefit statements issued as at 31 August	99.8%	99.9%
Short commentary if less than 100%	62 statements outstanding at 31/8/24. 54 due to outstanding information from employers, 8 due to an ongoing TUPE transfer.	8 statements outstanding at 31/8/24.

Data category	
Common data score	98%
Conditional data score	95%
Percentage of active, deferred and pensioner members recorded as 'gone away' with no home address held, or address is known to be out of date	0.9%
Percentage of active, deferred and pensioner members with an email address held on file	63.6%

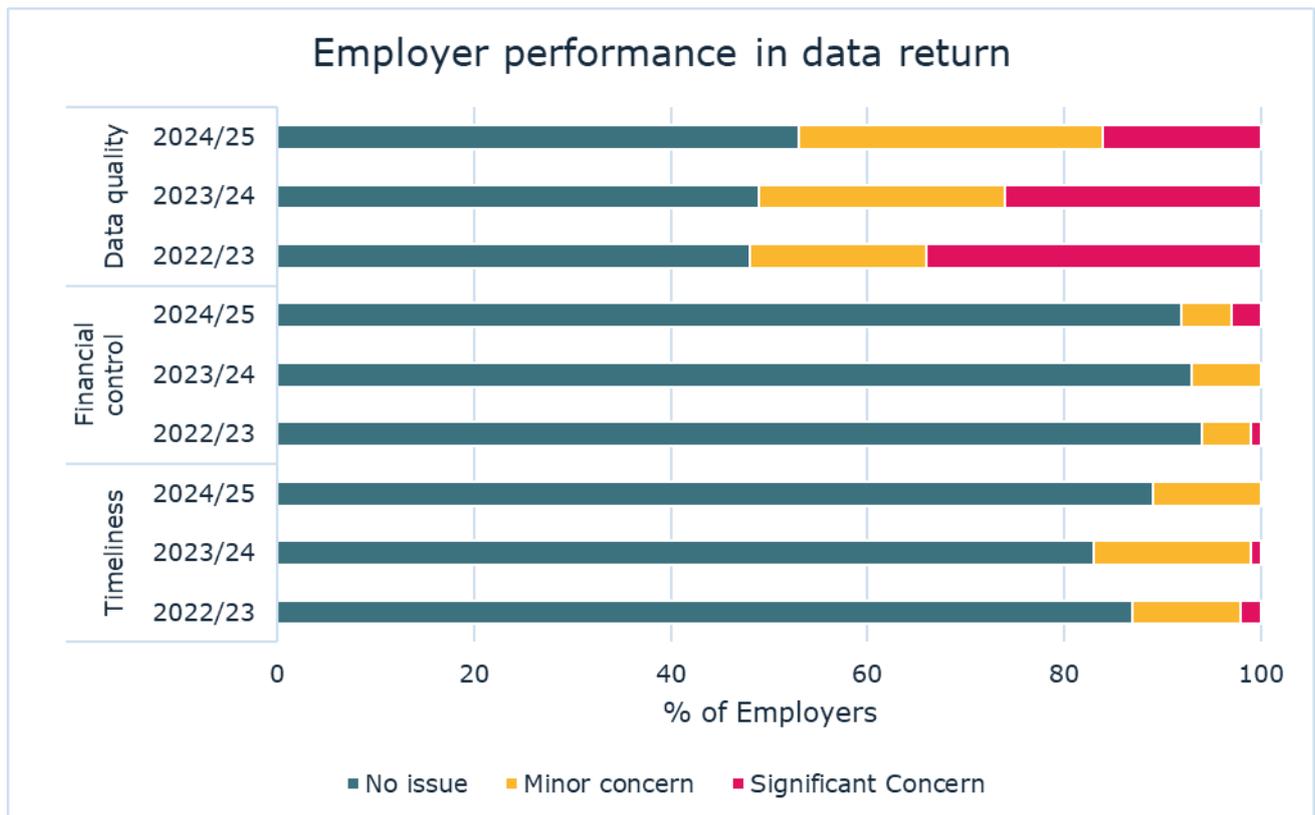
The Pension Fund does not currently require employers to complete monthly data submissions.

Employer Performance

To ensure the Pension Fund can comply with its statutory regulations, timely and accurate information is necessary from scheme employers.

As part of the annual return process the administration team review employer performance for timeliness, financial control and data quality.

The performance categories are shown below along with the percentage of employers in each section for the last three years.

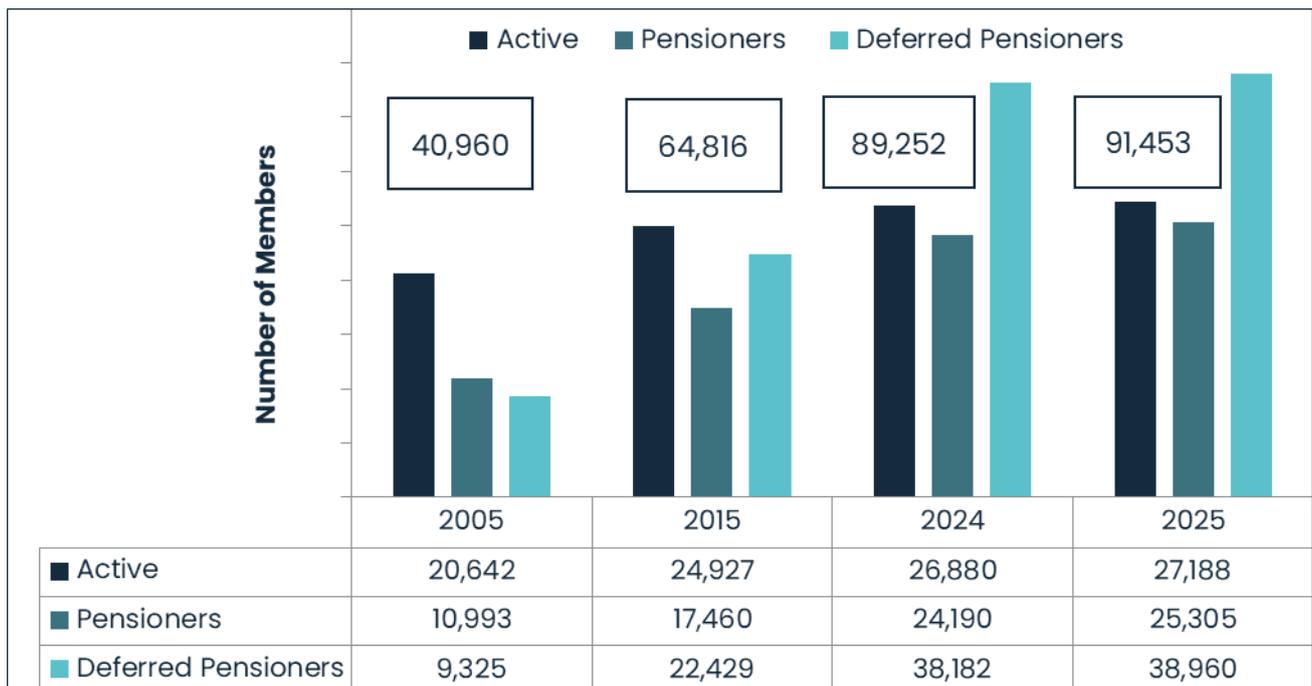


Scheme Participation

The table below summarises the mix of employers participating in the West Sussex LGPS. In total there were 350 employers on 31 March 2025.

Type of employer	Description	With active members	No active members	Total
Scheduled Bodies, Resolution Bodies, Colleges, and Academies	Regulations allow employees of certain bodies to join the Scheme including the County Council, District and Borough Councils, Sussex Police & Crime Commissioner, non-uniformed personnel employed by the Chief Constable, some employees within Town and Parish Councils and non-teaching staff at Colleges and Academies.	194	24	218
Admitted Bodies	These include voluntary, charitable, and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.	45	87	132
Total		239	111	350

Membership has increased by 123.3% over the past twenty years, as illustrated below.



Contributions by Employer

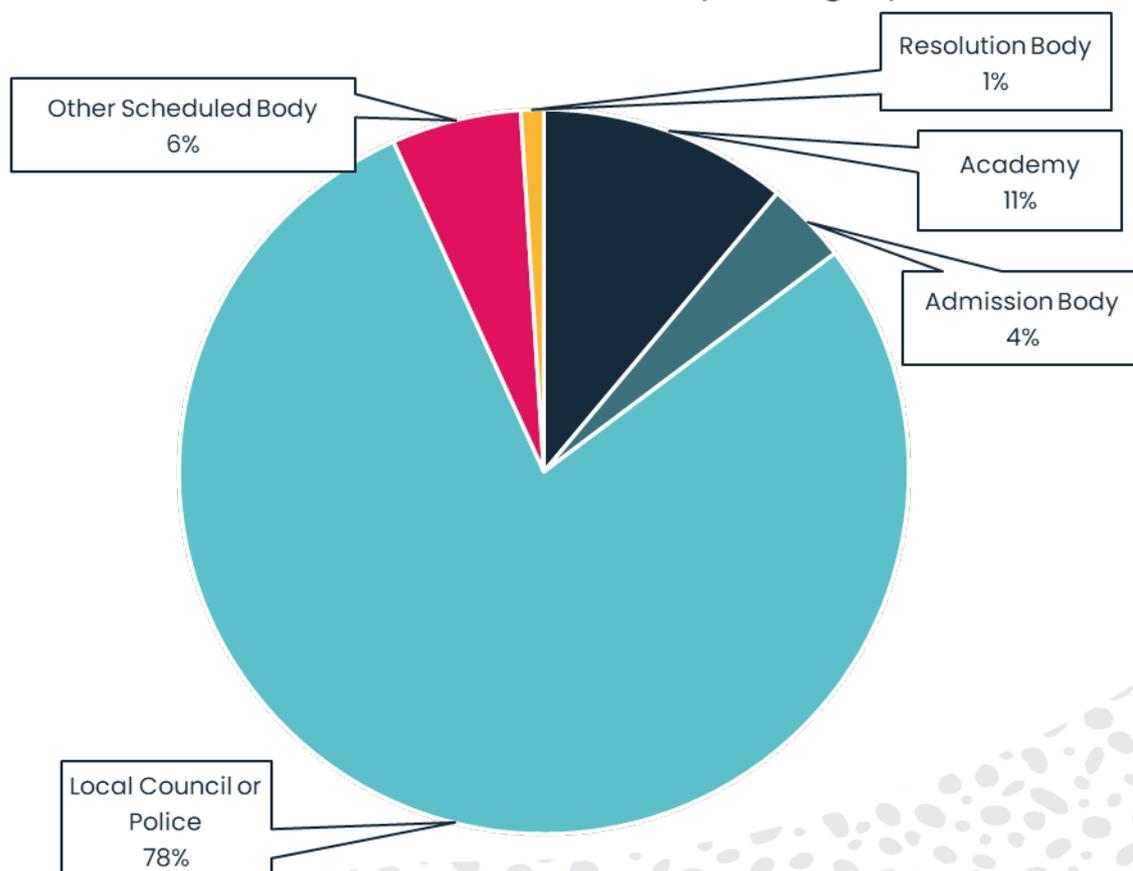
Contribution Receipts

The table below shows some key statistics for contribution receipts for 2024/25. Contributions, which are collected and paid over by employers, must be received by the Fund by the 22nd of the month following the deduction from pay.

Description	2023/24	2024/25
Number of employers paying contributions	233	246
Contributions received – Employer (£000)	122,318	125,571
Contributions received – Employee (£000)	38,163	40,603
Number of Contribution Payments Received	2,631	2,771
Payments received on time	95.0%	94.7%
Interest Charged (£000)	0	64

The number of employers paying contributions in the table above includes a number that either joined or ceased in year. The total number of employers paying contributions at the end of the year is 239.

% of Total Contributions by Category



The Fund received contributions from 14 employers in excess of £1m during the year – this equates to 85.8% of the total contributions received (85.9% in 2023/24).

The employers paying in excess of £1m per annum in contributions are listed below.

Employer	Employer and Employee Contributions £000	% Of Total Contributions to the Pension Fund
West Sussex County Council	78,138	47.0
Chief Constable Sussex Police	22,877	13.8
Chichester College Group	7,209	4.3
Crawley Borough Council	5,135	3.1
Adur Worthing Joint Committee	5,084	3.1
Chichester District Council	4,576	2.8
Arun District Council	4,495	2.7
Horsham District Council	4,096	2.5
Mid Sussex District Council	3,254	2.0
University of Chichester	2,579	1.6
South Downs National Park Authority	1,369	0.8
Worthing Borough Council	1,338	0.8
Shoreham Port Authority	1,212	0.7
Adur District Council	1,179	0.7
All other active employers	23,631	14.2
Total	166,175	100.0

The total employer contribution receipts are shown below split by Scheduled Bodies and Admitted Bodies:

Scheduled Body	Employee Contributions £	Employer Contributions £	Total £
Adur District Council	115,455	1,063,158	1,178,613
Adur Worthing Joint Committee	1,388,443	3,695,812	5,084,255
Albourne C of E Primary School	14,851	56,263	71,115
Angmering Parish Council	8,922	25,215	34,137
Ansty and Stapleford Parish Council	1,420	4,456	5,875
Ardingly Parish Council	1,900	5,768	7,668
Arun District Council	900,652	3,594,773	4,495,425

Scheduled Body	Employee	Employer	Total
	Contributions	Contributions	
	£	£	£
Ashington Parish Council	1,197	3,755	4,951
Ashurstwood Parish Council	2,157	6,922	9,079
Balcombe C of E Primary School	6,304	24,631	30,935
Balcombe Parish Council	1,218	3,823	5,041
Baldwins Hill Primary School	11,759	40,934	52,693
Barnham and Eastergate Parish Council	5,081	14,613	19,694
Barnham Primary Academy	24,394	86,847	111,241
Bersted Parish Council	4,917	14,190	19,107
Bewbush Academy	38,269	132,515	170,785
Billingshurst Parish Council	12,821	38,434	51,254
Billingshurst Primary School	30,645	107,231	137,877
Bishop Luffa School	94,026	316,309	410,335
Blackthorns Primary School	12,555	51,979	64,534
Blackwell Primary School	17,428	60,683	78,112
Bognor Regis Town Council	27,398	75,617	103,015
Bohunt Horsham	55,869	185,192	241,062
Bohunt School Worthing	55,018	187,215	242,233
Bolney Parish Council	765	2,530	3,294
Bolnore Village Primary School	26,440	101,642	128,082
BOSCO Catholic Education Trust	25,800	69,141	94,941
Broadbridge Heath Parish Council	3,996	12,821	16,816
Broadfield Primary Academy	37,881	130,080	167,961
Burgess Hill Academy	48,101	187,573	235,675
Burgess Hill Town Council	37,489	105,523	143,012
Bury Parish Council	822	2,721	3,543
Chichester City Council	27,518	77,203	104,721
Chichester College Group	1,670,800	5,538,481	7,209,281
Chichester District Council Pool	1,222,237	3,354,190	4,576,426
Chichester Free School	67,255	229,932	297,187
Chichester Harbour Conservancy	68,295	194,118	262,412
Chichester High School	63,540	205,933	269,472
Chidham and Hambrook Parish Council	1,189	3,732	4,922
Clapham and Patching C of E Primary School	5,675	19,357	25,032
Colgate Parish Council	724	2,394	3,118
Crawley Borough Council Pool	1,392,865	3,742,568	5,135,433
Crawley Down Village C of E School	7,868	30,719	38,586
Cuckfield Parish Council	6,387	18,958	25,346

Scheduled Body	Employee Contributions	Employer Contributions	Total
	£	£	£
Desmond Anderson Primary Academy	37,456	148,474	185,931
Donnington Parish Council	524	1,733	2,257
Downsbrook Primary School	15,403	58,854	74,257
Downview Primary School	36,381	123,490	159,872
Durrington High School	107,093	363,046	470,139
Earnley Parish Council	617	2,041	2,658
Easebourne Parish Council	744	2,463	3,208
East Grinstead Town Council	42,416	126,082	168,498
East Preston Junior School	15,716	59,165	74,880
East Preston Parish Council	5,278	16,001	21,279
East Wittering & Bracklesham Parish Council	3,838	11,145	14,983
Eastbrook Primary Academy	24,030	85,531	109,561
Edward Bryant School	39,662	150,141	189,803
Felpham Parish Council	3,988	12,515	16,503
Fernhurst Primary Academy	7,781	27,190	34,971
Ferring Parish Council	2,221	6,220	8,441
Orchard Infant School	22,152	75,105	97,257
Fishbourne C of E Primary School	11,127	38,834	49,961
Fishbourne Parish Council	987	3,267	4,254
Fittleworth Parish Council	789	2,613	3,402
Forge Wood Primary School	26,637	94,541	121,178
Glebe Primary School	34,812	116,256	151,067
Gossops Green Community Primary School	41,195	144,628	185,823
Greenway Academy	24,944	86,772	111,715
Halsford Park Primary Academy	40,701	128,773	169,474
Harlands Primary School	26,212	94,330	120,541
Hassocks Parish Council	7,611	21,734	29,345
Hawthorns Primary School	17,290	64,853	82,143
Haywards Heath Town Council	18,550	53,500	72,051
Hazelwick Academy	115,419	373,748	489,167
Heene C of E Primary school	26,108	90,652	116,760
Henfield Parish Council	4,391	13,183	17,574
Hilltop Primary School	41,205	139,219	180,424
Holmbush Primary Academy	16,807	67,205	84,012
Holy Trinity C of E School	18,847	72,392	91,239
Horsham District Council	1,146,655	2,949,513	4,096,168
Hunston Parish Council	1,548	4,991	6,539
Hurstpierpoint Parish Council	9,133	26,126	35,259

Scheduled Body	Employee Contributions	Employer Contributions	Total
	£	£	£
Kilwood Vale School	30,443	105,451	135,895
Kingsham Primary School	23,579	82,139	105,718
Lancing Parish Council	14,756	40,315	55,071
Laurels Primary School	13,933	51,794	65,727
Lavant C of E Primary School	8,902	31,258	40,160
Lindfield Parish Council	4,741	14,240	18,981
Lindfield Primary Academy	33,662	136,205	169,867
Lindfield Rural Parish Council	1,460	4,581	6,041
Littlegreen Academy	31,436	109,658	141,094
Littlehampton Academy	124,829	408,149	532,978
Littlehampton Harbour Board	18,655	49,044	67,699
Littlehampton Town Council	35,991	106,468	142,458
Medmerry Primary School	12,136	45,817	57,953
Mid Sussex District Council	660,975	2,593,518	3,254,493
Midhurst Academy	83,386	262,062	345,448
Midhurst Town Council	5,975	19,372	25,347
Milton Mount Primary School	33,350	118,230	151,580
North Horsham Parish Council	15,495	41,684	57,179
North Mundham Parish Council	1,102	3,357	4,459
Northlands wood Primary Academy	31,005	111,518	142,522
Oak Tree Primary School	5,038	18,653	23,691
Office of the Chief Constable	5,884,453	16,992,998	22,877,450
Orchards Junior School	29,913	98,347	128,260
Ormiston Six Villages Academy	57,503	199,986	257,488
Our Lady Queen of Heaven	29,636	103,482	133,118
Pagham Parish Council	1,157	3,630	4,786
Plaistow and Ifold Parish Council	2,623	7,343	9,966
Police and Crime commissioner for Sussex	103,230	236,153	339,383
Portfield Primary Academy	27,032	89,684	116,717
Poundhill Infant Academy	19,363	78,474	97,836
Pulborough Parish Council	5,507	17,820	23,327
Pyecombe Parish Council	306	1,013	1,319
River Beach Primary School	50,431	189,299	239,731
Rose Green Junior School	21,261	79,580	100,841
Rudgwick Parish Council	2,638	10,625	13,263
Rumboldswyke C of E Infant School	9,501	33,601	43,103
Rusper Primary School	583	1,865	2,447
Rustington Community Primary School	32,406	122,669	155,075
Rustington Parish Council	10,191	31,000	41,191

Scheduled Body	Employee Contributions	Employer Contributions	Total
	£	£	£
Schoolswork Multi Academy Trust	34,154	98,658	132,812
Seal Primary Academy	19,106	64,889	83,996
Seaside Primary Academy	37,156	134,089	171,246
Selsey Town Council	14,095	41,793	55,888
Seymour Primary School	35,950	121,527	157,477
Seymour Primary School	771	2,550	3,321
Shermanbury Parish Council	576	1,906	2,483
Shoreham Academy	149,112	463,401	612,513
Singleton and Charlton Parish Council	570	1,888	2,458
Sir Robert Woodard Academy	105,804	336,304	442,108
Slaugham Parish Council	2,840	7,951	10,790
Slinfold Parish Council	2,179	6,101	8,280
South Downs National Park Authority	320,184	1,048,636	1,368,820
Southbourne Parish Council	5,545	16,600	22,145
Southgate Primary School	19,333	66,123	85,457
Southwater Infants School	24,309	88,396	112,705
Southwater Junior Academy	28,009	94,860	122,869
Southwater Parish Council	7,333	21,658	28,991
Southway Primary School	38,684	127,839	166,523
St Catherine's Catholic Primary School	4,371	15,313	19,684
St Joseph's Infant School	14,438	49,844	64,283
St Joseph's Junior School	14,044	49,626	63,670
St Joseph's Catholic Primary School	30,601	106,851	137,452
St Lawrence Primary School	34,873	126,088	160,961
St Margaret's C of E Primary School	16,928	57,228	74,156
St Mary's Catholic Primary School	22,466	77,024	99,490
St Nicolas and St Mary's C of E Primary School	40,858	119,097	159,955
St Paul's Catholic College	66,584	221,773	288,357
St Peter's C of E Primary School	22,135	83,895	106,030
St Peter's Catholic Primary School	14,855	50,670	65,525
St Philip Howard High School	71,274	234,766	306,040
St Robert Southwell Catholic Primary School	13,092	43,488	56,580
St Wilfrid's C of E Primary School	28,138	109,048	137,186
St Wilfrid's Catholic Primary School Burgess Hill	18,039	62,383	80,423
St. Wilfrid's Catholic Primary School	9,463	34,906	44,368
Steyning Grammar School	159,530	531,730	691,260
Steyning Parish Council	6,896	24,964	31,860

Scheduled Body	Employee	Employer	Total
	Contributions	Contributions	
	£	£	£
Storrington and Sullington Parish Council	3,060	9,348	12,408
Summerlea Community Primary School	10,299	38,559	48,858
Tangmere Parish Council	963	3,187	4,150
Tangmere Primary Academy	13,549	46,786	60,335
The Academy Selsey	35,233	118,316	153,550
The College of Richard Collyer	133,472	508,520	641,992
The Gatwick Free School	44,692	142,079	186,771
The Globe Primary Academy	28,310	94,770	123,079
The March C of E Primary School	11,614	40,072	51,687
The Mill Primary Academy	16,542	59,881	76,423
The Oaks Academy	24,545	83,570	108,115
The Regis Academy	185,360	601,339	786,699
Thomas Bennett Community College	87,664	283,932	371,595
Turners Hill Parish Council	2,506	7,512	10,018
Twineham Parish Council	306	1,013	1,319
UniCAT Multi Academy Trust	100,107	251,280	351,387
Upper Beeding Parish Council	3,348	9,689	13,037
Warden Park Primary Academy	34,711	123,800	158,511
Warden Park Academy	118,049	385,298	503,347
Warnham Parish Council	1,384	4,341	5,726
Waterfield Primary School Academy	23,764	79,691	103,455
West Chiltington Parish Council	1,626	5,101	6,726
West Grinstead Parish Council	501	1,965	2,466
West Hoathly Parish Council	1,540	4,845	6,385
West Itchenor Parish Council	741	2,305	3,046
West Sussex County Council	19,260,125	58,877,979	78,138,104
Westbourne Parish Council	1,493	4,685	6,178
Westhampnett Parish Council	2,028	5,678	7,706
White Meadows Primary Academy	49,436	172,415	221,851
Whytemead Primary School	12,108	44,868	56,976
Woodard Academies Trust	164,167	322,598	486,765
Woodgate Primary School	17,957	64,626	82,583
Woodmancote Parish Council	393	1,300	1,693
Worth Parish Council	39,115	26,182	65,297
Worthing Borough Council	34,643	1,303,438	1,338,081
Worthing High School	87,811	281,329	369,141
Total	39,010,648	121,089,518	160,100,166

Admitted Body	Employee Contributions	Employer Contributions	Total
	£	£	£
Anti Graffiti Systems Ltd	2,463	8,109	10,572
Atlas FM Cleaning (St Mary's C of E Primary School)	412	1,550	1,962
Atlas FM Cleaning (The Meads Primary School)	78	295	373
Balfour Beatty 2020	16,602	62,473	79,075
CAPITA	125	497	622
CAPITA (SSO)	39	153	192
Carers Support 2024	2,172	6,784	8,957
Caterlink (Bourne Community College)	624	2,815	3,439
Change, Grow, Live, 2023	4,299	12,402	16,701
Churchill (Billingshurst Primary School)	375	1,472	1,847
Churchill (Bishop Tufnell)	1,741	7,849	9,589
Churchill (Blackthorns Primary Academy)	1,602	6,902	8,504
Churchill (Burgess Hill Academy)	6,141	26,463	32,605
Churchill (Felpham Community College)	1,622	6,092	7,714
Churchill (Fordwater Primary School)	697	2,739	3,437
Churchill (River Beach Primary School)	450	1,847	2,297
Churchill (Steyning Grammer School)	4,545	20,410	24,955
Churchill (The Forest)	1,330	3,965	5,295
Churchill (Yapton Primary School)	387	1,518	1,905
Churchill (Pound Hill Infant Academy)	609	2,625	3,235
Compass Catering (Burgess Hill Academy 2023)	4,427	22,984	27,411
Compass Catering (Burgess Hill Academy)	9,588	50,035	59,623
Energy Kidz Ltd (Aurora Academies Trust)	870	6,897	7,767
Essex Cares Ltd (2017)	15,131	101,297	116,429
Firefighters Charity	2,063	0	2,063
Homes & Communities Agency	45,745	0	45,745
Martlet Homes Pool	102,349	330,226	432,575
Mears (2020)	7,194	23,433	30,627

Admitted Body	Employee Contributions £	Employer Contributions £	Total £
Medisort Ltd	1,331	4,499	5,830
Glendale Countryside Ltd (Mid Sussex District Council)	6,936	25,245	32,182
Muntham House School	95,058	292,952	388,010
NSL Ltd (2018)	4,272	11,699	15,972
Places for People Leisure Ltd (Mid Sussex)	27,794	94,455	122,250
PPP Taking Care	8,514	24,981	33,495
Ridge Crest Cleaning (Chichester Free School)	290	1,040	1,330
Ridge Crest Cleaning (Littlehampton Academy 2021)	643	3,813	4,456
Royal Society for the Protection of Birds	2,126	7,295	9,421
Schoolsplus Ltd	589	2,123	2,712
Shaw Healthcare Ltd	15,947	0	15,947
Shoreham Port Authority	319,310	893,034	1,212,343
SLM Community Leisure Charitable Trust	24,944	0	24,944
SLM Fitness & Health Ltd	7,058	0	7,058
SLM Food & Beverage Ltd	2,053	0	2,053
Southdowns Leisure	72,326	196,928	269,254
Taylor Shaw Shoreham	894	2,390	3,284
The Grace Eyre Foundation	8,049	29,226	37,275
University of Chichester	673,486	1,905,653	2,579,139
Wates	3,646	11,834	15,480
Wealden Leisure Ltd t/as Freedom Leisure	18,473	90,446	108,919
West Sussex Music Trust	10,156	21,394	31,550
Worthing Theatres and Museums	42,602	109,273	151,874
XMA	12,534	41,651	54,185
Total	1,592,710	4,481,768	6,074,478

ACTUARIAL REPORT ON FUNDS

The actuarial statement can be found in note 19 in the Statement of Accounts. The most recent [Actuarial valuation](#) (March 2022) sets out the employer contribution rates for the following 3 years.

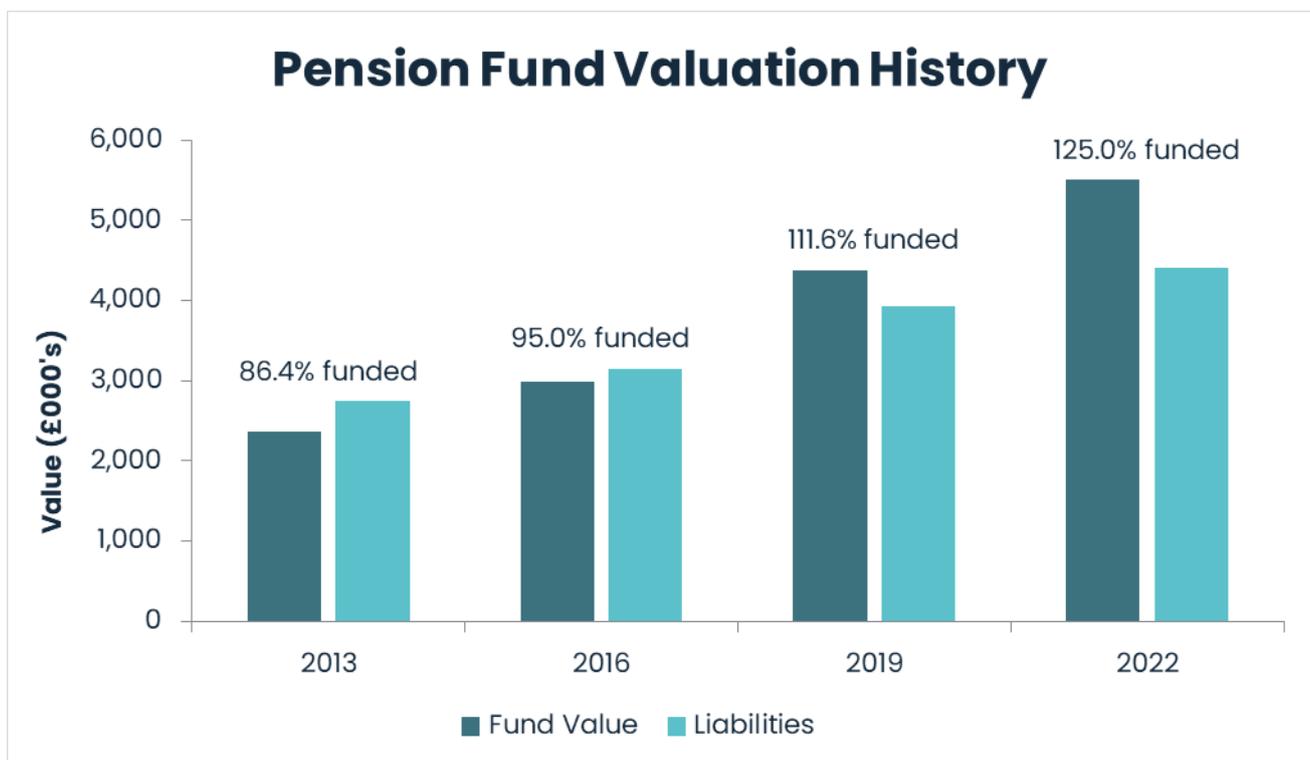
Funding Position

Every three years the Fund is required to undertake a full actuarial valuation of its assets and liabilities. This triennial valuation is an important part of the Fund’s risk management framework to ensure the Fund continues to have an appropriate contribution plan and investment strategy that will achieve the objectives set out in the Funding Strategy Statement.

The most recent full valuation was completed based on 31 March 2022 data. This showed the Fund to be 125% funded and set employer contributions from 1 April 2023 to 31 March 2026.

The next valuation is based on 31 March 2025 data and will review the Fund’s funding position and set employer contributions for 1 April 2026 onwards.

Whilst rising inflation has increased the cost of benefits, and the outlook continues to be uncertain, the shift in the economic environment and positive asset returns are expected to have improved the funding position since 31 March 2022.



EXTERNAL AUDIT OPINION

External Audit Certificate to follow

ADDITIONAL INFORMATION

Internal Audit

The internal audit team are responsible for evaluating the effectiveness of the risk management, control and governance processes to support the risk framework. During the year six audits were undertaken as set out below and Southern Investment Audit Partnership (SIAP) also provide an annual report on all audits undertaken to the [Regulation, Audit and Accounts Committee](#) every July.

The internal audit work is in addition to the external audit which is carried out by Ernst & Young LLP and takes place annually. The external audit focuses on the Pension Funds Financial Statements and ensuring that they are prepared in line with CIPFA's Code of Practice.

Title	Scope	Outcome / Opinion
National Fraud Initiative	The Cabinet Office's National Fraud Initiative runs every two years, the most recent one being October 2024. This project provides identification of potential inappropriate payment because of a member being deceased. Of the 178 possible cases 1 is currently outstanding and being investigated as a lost contact.	Ongoing
Pension Leavers	Audit of the controls to ensure accurate, prompt and complete administration of pension leavers, including the production of on-going annual benefit statements within agreed timescales.	Substantial Assurance
Pension Starters	Review of the control framework to support appropriate, complete and prompt admission of new starters of the various pension schemes administered by HPS.	Ongoing
Cyber Security	To provide assurance over the cyber security arrangements for administration partnership	Ongoing

Title	Scope	Outcome / Opinion
Pension payroll and benefit calculations	Annual review to provide assurance that Hampshire Pension Services' systems and controls ensure that: <ul style="list-style-type: none"> • Lump sum and on-going pension payments are calculated correctly, are valid and paid to the correct recipients. • All changes to on-going pensions are accurate and timely • Pension payroll runs are accurate, complete, timely and secure with all appropriate deductions made and paid over to the relevant bodies. 	Substantial Assurance
Employer Admissions	To provide assurance that employer admissions, cessations and management responsibilities are in line with current regulations and there is effective governance and processes in place to onboard employers timely.	Reasonable Assurance

Additional Voluntary Contributions (AVCs)

Active members of the Fund have can contribute additional funds through AVCs. This is a cost-effective way of increasing retirement benefits as pension contributions qualify for immediate tax-relief through their employer's PAYE system.

An AVC plan is an investment. The amount in an individuals account depends on how much and for long they pay AVC's for, the impact of charges and how well the fund(s) they invest in perform. The value of an AVC can go up as well as down.

The Pension Fund's in-house AVC provider is Legal & General (L&G).

At 31 March 2025 there were 1,085 members (937 active members and 148 deferred members) participating in the AVC arrangement, an increase of 7.2% from 31 March 2024.

Assets managed by L&G on behalf of Pension Fund members was £12.3m on 31 March 2025 an increase of 7% from 31 March 2024.

Each year L&G will produce an AVC benefit statement for each member.

Every year the Pension Fund receives a value assessment on the AVC arrangement to ensure it remains value for money. This looks at charges, quality and suitability and follows the approach advocated as good practice by the Pensions Regulator. The Pension Fund advisers have concluded that the AVC arrangements give good value for members.

Freedom of Information Requests (FOI)

Under the FOI Act 2000 the County Council are obliged to respond to requests for recorded information. The Pension Fund is subject to FOI requests made through the Council procedure. All requests relating to the Pension Fund are logged and can be accessed through the [disclosure log](#) on the County Council website.

During 2024/25 the Fund received a total of 28 Freedom of Information requests. All were responded within the 20 working day deadline. The table below shows the category of FOI received.

Category	Number
Alternative Investment data	20
Other Investment information	4
Annual Reports, Actuarial Valuation Reports and UK investment lists from 2002/3 to date	1
Size of pension payments	1
Transfer out numbers	1
Whole Council request– spend on Christmas tree lights	1
Total	28

Pension Fund Documents (PDF)

[Administration Strategy](#) – a statement outlining the policies and performance standards aimed at providing high quality pensions and administration service. The strategy is effective from 4 March 2019.

[Actuarial Valuation](#)– produced by the Fund Actuary and sets out employer contribution rates for a 3 year period and calculates the funding position.

[Administering Authority Discretions](#) – sets out how the Pension Fund applies provisions of the Scheme that are discretionary. Employers will maintain their own discretions policy which relate to decisions they can make under the Scheme. Please note The Local Government Pension Scheme (LGPS) is a statutory scheme. The rules and regulations governing the scheme are laid down under Acts of Parliament.

[Breaches Policy](#) – specifies the Fund’s procedures for the identification and reporting of breaches of statutory requirements to the Pensions Regulator.

[Business Plan](#) – this annual plan considers performance against the Fund’s objectives during the year and sets out the future priorities.

[Communications Policy Statement](#) – states how the Fund will communicate with members, representatives of members, prospective members and employing authorities.

[Funding Strategy Statement](#) identifies how employers’ pension liabilities are best met going forward (whilst maintaining as near as possible constant employer contribution rates) and sets out how the Fund will take a prudent long term view of funding those liabilities.

[Governance Policy and Governance Compliance Statement](#) – two statements which detail the Fund’s governance and stewardship arrangements and report the extent of compliance against a set of best practice governance principles.

[Internal Dispute Resolution Procedure \(IDRP\)](#) – provides members with a formal complaint procedure if they are not satisfied with any decision affecting their pension benefits held within the scheme.

[Investment Strategy Statement](#)– outlines how investment decisions are made, the types of investment held, risk and corporate governance.

[Training Strategy](#) – establishes the skills and knowledge required for members of both the Pension Committee and Pension Advisory Board to perform their roles.

[West Sussex Council Code of Conduct](#)– details the responsibilities of members and staff, which should be complied with by Pension Committee members, Pension Advisory Board members and Officers.

Contact and Services

Key services provided to pensioners, members and employing bodies:

- Paying out benefits to pensioners and beneficiaries,
- Paying death grants to beneficiaries,
- Collecting employer and employee contributions from employers,
- Maintain members accurate accounts,
- Providing information when requested to members,
- Providing annual benefit statements,
- Investing assets of the Pension Fund.

Self-service portal

This is a secure portal for members. To sign in or register for the [online pension services please visit the website](#).

Members will be able to look at their annual benefit statement and also notify the Fund of change in circumstances such as address. Any notifications online can be dealt with by the administration team in a rapid and efficient manner.

Key information sources for members

Details of information relevant to West Sussex Pension Fund members is held on the [administrators website](#).

Contacting us

Email: pensions@hants.gov.uk

Phone: 01962 845588

Or by writing to:

Hampshire Pensions Services
The Castle
Winchester
Hampshire
SO23 8UB

Ensuring accuracy and confidentiality

The West Sussex Pension Fund website includes the Fund [Privacy Notice](#) and the [compliments and complaints procedure](#).

LGPS Member and Employer site

The [Local Government Pension Scheme](#) has a national website for members of the LGPS in England and Wales. It provides information on how to join the LGPS and gives details about the scheme.

The Local Government Association also hosts a website for [LGPS employers](#) and pension funds in England and Wales. It provides information on the Scheme Regulations and other guides and resources on LGPS administration.

Money and Pensions Service & The Pensions Ombudsman

The Money and Pensions Services is an arm's length body sponsored by the Department for Work and Pensions (DWP). They can help with all kinds of pension questions.

Website address: <https://maps.org.uk/en>

Phone: 0800 111 3797

Address: Money and Pensions Service

Borough Hall

Cauldwell Street

Bedford

MK42 9AB

The Pensions Ombudsman is an independent organisation set up by law to investigate complaints about Pension Administration.

Website address: <https://www.pensions-ombudsman.org.uk/>

Email: enquiries@pensions-ombudsman.org.uk

Phone: 0800 917 4487

Address: 10 South Colonnade

Canary Wharf

E14 4PU