

Northamptonshire Pension Fund

Report on the actuarial valuation at 31 March 2022

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30 March 2023

For and on behalf of Hymans Robertson LLP

Hymans Robertson LLP is authorised and
regulated by the Financial Conduct Authority

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Executive Summary

The key result of the valuation of the Northamptonshire Pension Fund as at 31 March 2022 are set out below. Further explanation of the outcomes of the valuation are contained in the remainder of this report.

Contribution rates

The contribution rates for individual employers set at this valuation can be found in the [Rates & Adjustments certificate](#). Table 1 shows the combined individual employer rates set at this valuation and the last valuation (31 March 2019).

Table 1: Whole fund contribution rates compared with the previous valuation

	This valuation 31 March 2022		Last valuation 31 March 2019	
Primary Rate	20.5% of pay		19.0% of pay	
Secondary Rate	2023/2024	£8,586,000	2020/2021	£20,339,000
	2024/2025	£8,155,000	2021/2022	£20,463,000
	2025/2026	£7,660,000	2022/2023	£20,696,000

- The Primary rate has increased mainly due to higher inflation
- The Secondary rate has decreased due to good investment performance since the last valuation

Funding position

At 31 March 2022, the past service funding position has improved from the last valuation at 31 March 2019. Table 2 shows the single reported funding position at the current and previous valuation.

Table 2: Single reported funding position at 31 March 2022 compared with 31 March 2019

Valuation Date	31 March 2022	31 March 2019
Past Service Liabilities	(£m)	(£m)
Employees	833	781
Deferred Pensioners	840	709
Pensioners	1,311	1,188
Total Liabilities	2,984	2,679
Assets	3,364	2,502
Surplus/(Deficit)	380	(176)
Funding Level	113%	93%

The required investment return to be 100% funded is now 3.6% pa (4.3% pa at 2019). The likelihood of the Fund's investment strategy achieving the required return is 78% (66% at 2019).

Approach to valuation

Valuation Purpose

The triennial actuarial valuation is an important part of the Fund's risk management framework. Its main purpose is to ensure the Fund continues to have a contribution plan and investment strategy that will achieve the objectives set out in the Funding Strategy Statement.

We have been commissioned by West Northamptonshire Council (the Administering Authority) to carry out a valuation of the Northamptonshire Pension Fund (the Fund) as at 31 March 2022. This fulfils Regulation 62 of the Local Government Pension Scheme Regulations 2013. This report marks the culmination of the valuation process and contains its two key outcomes:

1

Employer contribution rates for the period 1 April 2023 to 31 March 2026.

2

The funding level of the Fund at 31 March 2022.

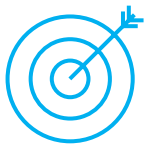
Further information on the valuation process, methodology and strategy is set out in the publicly available Funding Strategy Statement, Investment Strategy Statement and published papers and minutes of the Fund's Pensions Committee. Additional material is also contained in [Hymans Robertson's LGPS 2022 valuation toolkit](#)¹.

Setting employer contribution rates

Employer contributions need to be set at a level which ensures the Fund has a reasonable likelihood of having enough money to pay members' benefits. Identifying the amount of benefits that may be paid is complex as those earned today might only start being paid in 50 years' time. Over that time period, there is significant uncertainty over factors which affect the cost of benefits, eg inflation, investment returns. These uncertainties are allowed for by taking a risk-based approach to setting employer contribution rates. This approach is built around three key funding decisions set by the Fund and asset-liability modelling.

Key funding decisions

For each employer, the Fund determines the most appropriate choice for the following three funding decisions. Further detail is set out in the Funding Strategy Statement.



What is the funding target for each employer?

Will the employer remain in the Fund for the long-term or exit at some point



What is the funding time horizon?

How long will the employer participate in the Fund



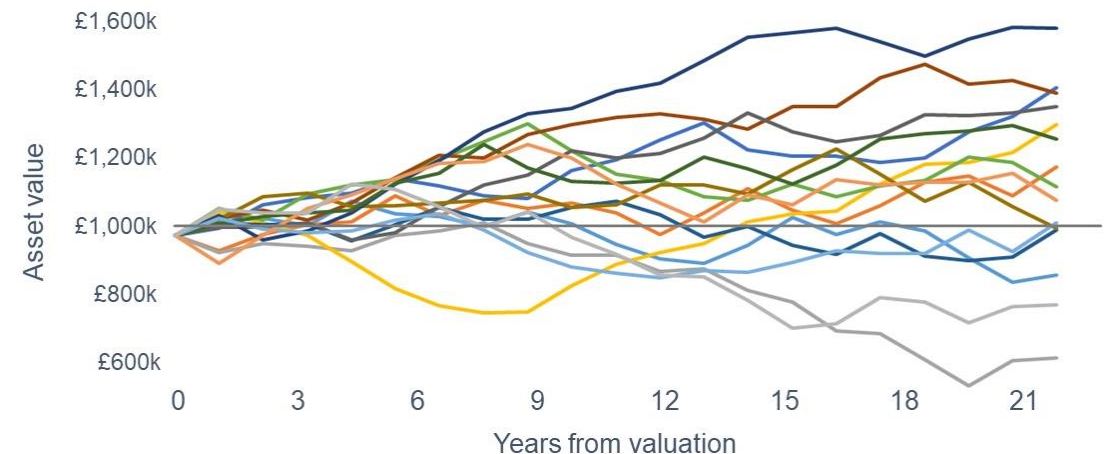
What is the required likelihood?

How much funding risk can the employer's covenant support

Asset-liability modelling

Asset-liability modelling is used to project each employer's assets and benefit payments into the future using 5,000 different economic scenarios. The economic scenarios are generated using Hymans Robertson's Economic Scenario Service (ESS) (further information in [Appendix 2](#)).

Picture 1: sample progression of employer asset values



Measuring the funding level

The past service funding level is measured at the valuation. Whilst it is limited in providing insight into a funding plan, it is a useful high-level summary statistic. To measure the funding level, a market-related approach is taken to calculating both the assets and the liabilities (so they are consistent with each other).

- The market value of the Fund's assets at the valuation date have been used.
- The liabilities have been valued using assumptions based on market indicators at the valuation date (these assumptions are detailed in [Appendix 2](#)).

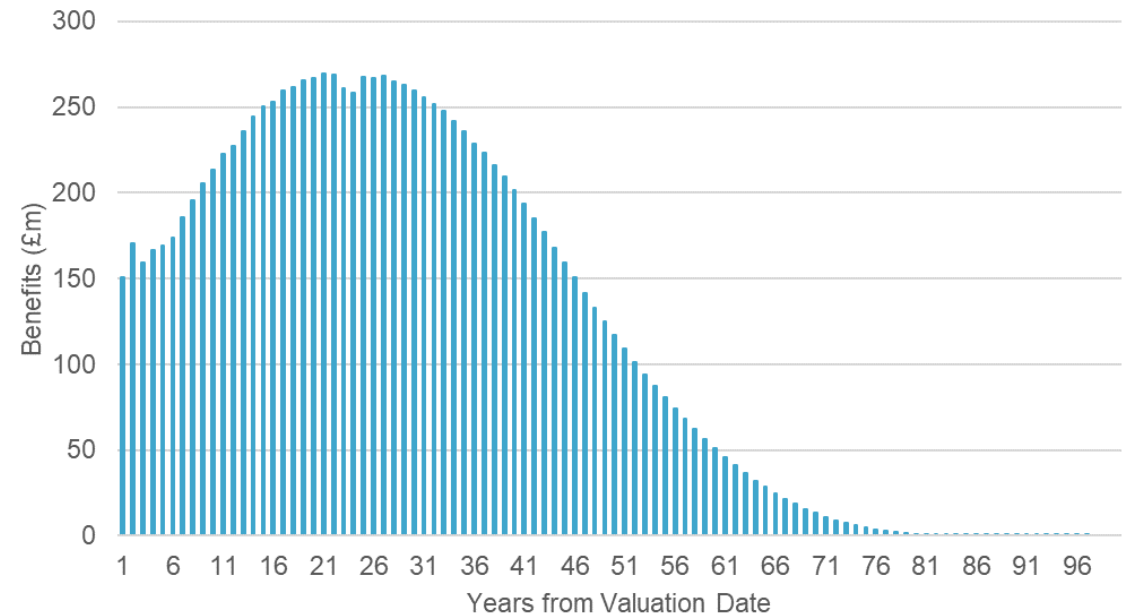
Further detail on the liabilities

The liabilities are the value of all future payments to members based on all benefits earned up to the valuation date, expressed in today's money.

Chart 1 shows the projected payments for all members in the Fund at the valuation date. The projections are based on the membership data provided for the valuation ([Appendix 1](#)), the assumptions ([Appendix 2](#)) and our understanding of the LGPS benefit structure as at 31 March 2022 (details at www.lgpsregs.org).

To express the future payments in today's money, the projections are discounted with an assumed future investment return on the Fund's assets (the discount rate).

Chart 1: projected benefit payments for all service earned up to 31 March 2022



Valuation results

Employer contribution rates

The primary objective of the Fund is to set employer contribution rates that will adequately cover the cost of benefits which will accrue in the future and any costs related to benefits already earned. A secondary objective is to ensure the rates are as stable as possible. The risk-based approach detailed earlier is used to meet both these objectives.

- The employer contribution rate is made up of two components.
1. A primary rate: the level sufficient to cover all new benefits.
 2. A secondary rate: the costs associated with sufficiently funding benefits accrued up to the valuation date.

Each employer has a contribution rate which is appropriate to their circumstances and these can be found in the [Rates & Adjustments Certificate](#). Broadly speaking:

- Primary rates have increased since the last valuation due to rising inflation.
- Secondary rates have decreased due to strong investment performance since the previous valuation.

However all employers will be different and the contribution rate will reflect the membership and experiences of each employer.

Table 3 shows the total of all employer contribution rates to be paid into the Fund over the period 1 April 2023 to 31 March 2026.

Table 3: Whole-fund contribution rate, compared with the previous valuation

	This valuation 31 March 2022		Last valuation 31 March 2019	
Primary Rate	20.5% of pay		19.0% of pay	
Secondary Rate	2023/2024	£8,586,000	2020/2021	£20,339,000
	2024/2025	£8,155,000	2021/2022	£20,463,000
	2025/2026	£7,660,000	2022/2023	£20,696,000

The primary rate includes an allowance of 0.8% of pensionable pay for the Fund’s expenses.

Employees pay a contribution to the Fund in addition to these rates. These rates are set by the LGPS Regulations. The average employee contribution rate at 31 March 2022 is 6.3% of pay (6.3% at 31 March 2019).

Funding level

The funding level is the ratio of assets to liabilities. The market value of the assets at the valuation date are known. The value of the liabilities is uncertain given that the level of future investment returns are unknown.

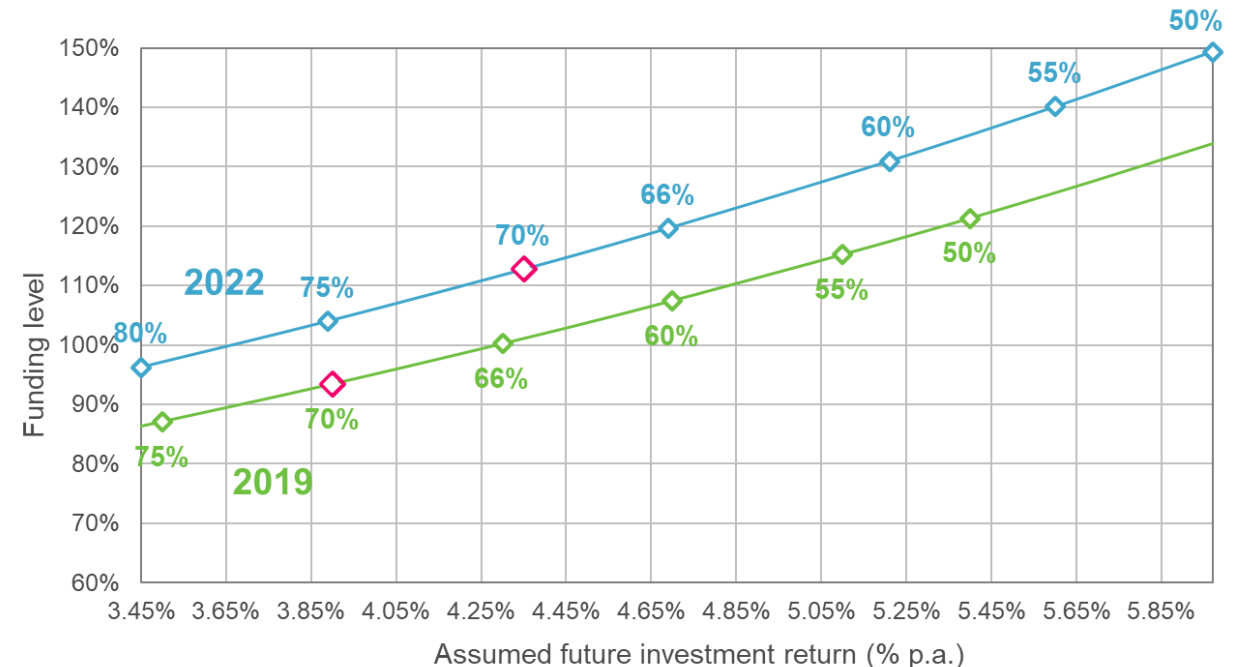
Therefore, the liabilities and funding level have been calculated across a range of different investment returns (the discount rate).

To help better understand funding risk, the likelihood of the Fund's investment strategy (detailed in [Appendix 1](#)) achieving certain levels of return has also been calculated.

Chart 2 shows how the funding level varies with future investment return assumptions at 31 March 2022 (blue line). The green line shows the same analysis at 31 March 2019.

- The funding level is 100% if future investment returns are c.3.6% pa.
- The likelihood of the Fund's assets yielding at least this return is around 78%.
- The comparator at 2019 was a return of 4.3% pa which had a likelihood of 65%.
- The funding position at 2022 is stronger than 2019.
- There is a 50% likelihood of an investment return of 6.0% pa. So the best-estimate funding level is 150% at 31 March 2022 (121% at 2019).

Chart 2: funding level across a range of future investment returns



Figures on each line show the likelihood of the Fund's assets exceeding that level of return over the next 20 years

Single funding level as at 31 March 2022

Whilst the chart on the previous page provides a better understanding of the past service funding position, there is still a requirement to report a single funding level at 31 March 2022.

To report a single funding level and funding surplus/deficit for the 2022 valuation, a discount rate of 4.4% pa has been used. There is a 70% likelihood associated with a future investment return of 4.4% pa.

Table 4 details the liabilities, split by member status and the market value of assets at the valuation date. The results at the 2019 formal valuation are shown for comparison.

The funding level and surplus/deficit figures provide a high-level snapshot of the funding position of the Fund as at 31 March 2022, however there are limitations:

- The liabilities are calculated using a single set of assumptions about the future and so are very sensitive to the choice of assumptions.
- The market value of assets held by the Fund will change on a daily basis.

The future progression of the funding position is uncertain. If the financial and demographic assumptions made at this valuation actually occur, employers pay contributions in line with the R&A certificate and there are no other changes in the financial or demographic environment, we project that the funding level at the next valuation (31 March 2025) remains approximately the same.

Table 4: single reported funding level

Valuation Date	This valuation 31 March 2022	Last valuation 31 March 2019
Past Service Liabilities	(£m)	(£m)
Employees	833	781
Deferred Pensioners	840	709
Pensioners	1,311	1,188
Total Liabilities	2,984	2,679
Assets	3,364	2,502
Surplus/(Deficit)	380	(176)
Funding Level	113%	93%

Important: the reported funding level does not directly drive the contribution rates for employers. The contribution rates consider how assets and liabilities will evolve over time in different economic scenarios and also reflect each employer's funding profile and covenant.

Changes since the last valuation

Events between 2019 and 2022

The most significant external event to occur since the last valuation has been the Covid-19 pandemic. The experience analysis below shows that there has sadly been a higher than expected number of deaths over the period. However, the impact on the funding position has been small. This is likely due to the age profile of the excess deaths and the level of pension.

Other significant factors occurring which affect the funding strategy of the Fund have been the better than expected investment returns. This has had a material positive impact on the funding position and employers' secondary contribution rates.

Financial

Table 5: analysis of financial experience between 2019 and 2022 valuations

	Expected	Actual	Difference	Impact on funding position
Investment returns				
3 year period	12.2%	28.7%	16.5%	+£466m
Annual	3.9% pa	8.8% pa	4.9% pa	

Membership

Table 6: analysis of membership experience between 2019 and 2022 valuations

	Expected	Actual	Difference	Impact on funding position
Pre-retirement				
Early leavers	9,569	11,716	2,147	+£4m
Ill-health retirements	101	90	-11	+£4m
Salary increases	3.5% pa	4.5% pa	1.0% pa	-£14m
Post-retirement				
Benefit increases	2.3% pa	1.8% pa	-0.6% pa	+£41m
Pension ceasing	£6.1m	£6.4m	£0.3m	+£3m

Changes since the last valuation

Future outlook

Expectations about the future, which inform the assumptions used to value the liabilities, have changed since the last valuation. The most significant changes are:

- Future inflation: this is expected to be on average higher than at 2019 due to the current level of high inflation.
- Investment returns: due to change in the Fund's investment strategy and financial markets, future investment returns are now expected to be higher than at the last valuation.

Table 7: summary of change in future outlook

Factor	What does it affect?	What's changed?	Impact on liabilities
Future investment returns	The rate at which you discount back future benefit payments i.e. the discount rate assumption	Future investment returns slightly higher at 2022 than at 2019. The required return is now 4.4% pa vs. 3.9% pa at 2019.	Decrease of £250m
Inflation	The rate at which pensions (both in payment and deferment) and CARE pots increase	Significant increase in short-term future inflation expectations.	Increase of £216m
Salary increases	The rate at which future salaries increase which will affect the benefits that are still linked to final salary i.e. accrued before 1 April 2014	No material change since last valuation given competing factors e.g. tighter budgetary conditions vs. strong job market and pressure from National Living Wage increases.	None
Current life expectancy	How long we expect people to live for based on today's current observed mortality rates.	Slight reduction in life expectancy based on current observed data (not allowing for Covid-related excess deaths)	Decrease of £11m
Future improvements in life expectancy	How we expect life expectancies to change (increase) in the future.	Uncertainty about effectiveness of mitigations against life expectancy increases in the LGPS i.e. State Pension Age increases and Cost Cap. Need to better reflect wider pension and insurance industry long-term expectations.	Increase of £19m

Reconciling the overall change in funding position

The tables below provide insight into the funding position change between 31 March 2019 and 31 March 2022. Firstly, the changes we expect to happen (Table 8), which relate mostly to items on the asset side. Then the impact of actual experience (Table 9), which mainly affects the liabilities.

Expected development

Table 8: expected development of funding position between 2019 and 2022 valuations

Change in the surplus/deficit position	Surplus / Deficit
	£m
Last valuation at 31 March 2019	(176)
Cashflows	
Employer contributions paid in	277
Employee contributions paid in	70
Benefits paid out	0
Net transfers into / out of the Fund	
Other cashflows (e.g. Fund expenses)	(4)
Expected changes	
Expected investment returns	344
Interest on benefits already accrued	(327)
Accrual of new benefits	(321)
Expected position at 31 March 2022	(137)

* We have insufficient data to value the impact on the liabilities as a result of transfers in/out

Impact of actual events

Table 9: impact of actual events on the funding position at 31 March 2022

Change in the surplus/deficit position	Surplus / Deficit
	£m
Expected position at 31 March 2022	(137)
Events between 2019 and 2022	
Salary increases greater than expected	(14)
Benefit increases greater than expected	41
Early retirement strain (and contributions)	(1)
Ill health retirement strain	4
Early leavers less than expected	4
Commutation less than expected	(5)
Pensions ceasing less than expected	3
McCloud remedy	(3)
Other membership experience	3
Higher than expected investment returns	466
Changes in future expectations	
Investment returns	250
Inflation	(216)
Salary increases	0
Longevity	(8)
Other demographic assumptions	(6)
Actual position at 31 March 2022	380

Numbers may not sum due to rounding

Sensitivity & risk analysis

Sensitivity and risk analysis: assumptions

There is risk and uncertainty inherent with funding benefit payments that will be paid out many years in the future. The Fund is aware of these and has in place a risk register which is regularly reviewed. Additionally, as part of the valuation, the Fund reviews sources of risk that may impact its funding position and the contribution rates payable by employers.

This section discusses some of the most significant sources of funding risk (assumptions, regulatory, administration and governance and climate change). Further information of the Fund's approach to funding risk management, including monitoring, mitigation and management, is set out in the Funding Strategy Statement.

The valuation results depend on the actuarial assumptions made about the future. By their nature, these assumptions are uncertain which means its important to understand their sensitivity and risk levels.

Contribution rates

The risk-based approach to setting employer contribution rates mitigates the limitation of relying on one set of assumptions. Therefore, there is no need to carry out additional analysis of the sensitivity of contribution rates to changes in financial assumptions. The contribution rates are sensitive to changes in demographic assumptions. The results in this section in relation to the funding position can be broadly applied to the contribution rates.

Funding level

Financial assumptions

On page 10, we have already set out how the results vary with the assumed future investment return. The table below considers inflation.

Table 10: sensitivity of funding position to inflation assumption

CPI Assumption	Surplus/ (Deficit)	Funding Level
p.a.	£m	%
2.5%	475	116%
2.7%	380	113%
2.9%	282	109%

Demographic assumptions

The main area of demographic risk is if people live longer than expected. The table below shows the impact of longer term longevity rates improving at a faster rate (1.75% pa vs 1.5% pa used in the results)

Table 11: sensitivity of funding position to longevity assumption

Long term rate of improvement	Surplus/ (Deficit)	Funding Level
p.a.	£m	%
1.5%	380	113%
1.75%	356	112%

Sensitivity and risk analysis: other risks & climate change

Regulatory, Administration and Governance risks

Potential risks in this area include change in central government legislation which changes the future cost of the LGPS and failures in administration processes leading to incorrect data and inaccuracies in actuarial calculations. At this valuation, specific risks include:

- **McCloud:** the remedy to resolve the McCloud case is yet to be formalised in regulations. However, an allowance has been included for this expected benefit change at the 2022 valuation as directed by the Department of Levelling Up, Housing and Communities [in their letter dated March 2022](#)¹.
- **Goodwin:** the remedy to this issue is still uncertain, it is difficult to identify who it would apply to and its impact is estimated to be very small for a LGPS fund (0.1-0.2% of liabilities). Therefore, no allowance has been made for this case at the 2022 valuation.
- **Cost Cap:** a legal challenge is ongoing in relation to the 2016 cost cap valuation and no information is known about the outcome of the 2020 cost cap valuation. At this valuation, no allowance has been made for any changes to the benefit structure that may occur as a result of a cost cap valuation.
- **GMP indexation:** it is assumed that all increases on GMPs for members reaching State Pension Age after 6 April 2016 will be paid for by LGPS employers. This is the same approach that was taken for the 2019 valuation.

Climate change

Background

Climate change is a major source of uncertainty which could affect future investment returns, inflation and life expectancies. Therefore, the Fund has explicitly explored the resilience of its funding and investment strategy to future potential climate change outcomes.

It is impossible to confidently quantify the effect of climate risk given the significant uncertainty over the impact of different possible climate outcomes. Instead, three different climate change scenarios have been considered as a stress-test (instead of trying to predict how climate change affects the funding level in the future).

All the scenarios assume that there will be a period of disruption linked either to the response to climate risk (transition risks) or the effect of it (physical risks). This disruption will lead to high volatility in financial markets, and the later the disruption, the more pronounced it will be.

Further detail on the scenarios is shown on the next page and in our guide 10 of [Hymans Robertson's LGPS 2022 valuation toolkit](#)²

Sensitivity and risk analysis: climate change & post valuation events

Background

Climate change is a major source of uncertainty which could affect future investment returns, inflation and life expectancies. Therefore, the Fund has explicitly explored the resilience of its funding and investment strategy to future potential climate change outcomes.

It is impossible to confidently quantify the effect of climate risk given the significant uncertainty over the impact of different possible climate outcomes. Instead, three different climate change scenarios have been considered as a stress-test (instead of trying to predict how climate change affects the funding level in the future).

All the scenarios assume that there will be a period of disruption linked either to the response to climate risk (transition risks) or the effect of it (physical risks). This disruption will lead to high volatility in financial markets, and the later the disruption, the more pronounced it will be.

Further detail on the scenarios is shown on the next page and in our guide 10 of [Hymans Robertson's LGPS 2022 valuation toolkit](#)¹

Outcome of analysis

The Fund has set its funding and investment strategy using asset-liability modelling and considering two main risk metrics:

- Likelihood of success – the chance of being fully funded in 20 years' time
- Downside risk – the average worst 5% of funding levels in 20 years' time

When exploring the potential impact of climate change, the Fund has compared how these risk metrics change under each climate change scenario (against the 'Core' model used when setting the funding and investment strategy). The stress test results for the Fund are shown in Table 12 below.

Table 12: sensitivity of funding position to longevity assumption

Scenario	Likelihood of success	Downside risk
Core	82%	53%
Green Revolution	79%	48%
Delayed Transition	79%	51%
Head in the Sand	79%	53%

The results are worse in the climate scenarios. This is to be expected given that they are purposefully stress-tests and all the scenarios are bad outcomes. Whilst the risk metrics are weaker, they are not materially so and not enough to suggest that the funding and investment strategy are unduly exposed to climate change risk. The Fund will continue to monitor this risk as more information emerges and climate change modelling techniques evolve.

Final comments

Final comments

The Fund's valuation operates within a broader framework, and this document should be considered alongside the following:

- The Funding Strategy Statement, which in particular highlights how different types of employer in different circumstances have their contributions calculated
- The Investment Strategy Statement, which sets out the investment strategy for the Fund
- The general governance of the Fund, such as meetings of the Pension Committee and Local Pension Board, decisions delegated to officers, the Fund's business plan, etc
- The Fund's risk register.

New employers joining the Fund

Any new employers or admission bodies joining the Fund should be referred to the Fund Actuary to assess the required level of contribution. Depending on the number of transferring members the ceding employer's rate may also need to be reviewed.

Cessations and bulk transfers

Any employer who ceases to participate in the Fund should be referred to the Fund Actuary in accordance with Regulation 64 of the LGPS regulations.

Any bulk movement of scheme members:

- involving 10 or more scheme members being transferred from or to another LGPS fund
- involving 2 or more scheme members being transferred from or to a non-LGPS pension arrangement

should be referred to the Fund Actuary to consider the impact on the Fund.

Valuation frequency

Under the LGPS regulations, the next formal valuation of the Fund is due to be carried out as at 31 March 2025 where contribution rates payable from 1 April 2026 will be set.



Douglas Green FFA
30 March 2023

For and on behalf of Hymans Robertson LLP



Robert McInroy FFA

Appendices

APPENDIX 1

Data

Membership data

A summary of the membership data provided by the Fund for the 2022 valuation is set out in Table 13. The corresponding membership data from the previous valuation is also shown for reference.

The results of the valuation are dependent on the quality of the data used. We have carried out a series of validation checks on the data supplied to us by the Administering Authority to ensure that it is fit for purpose.

More information on how we verify the quality of the data used in the valuation has been shared with the Administering Authority in our report ‘Data Report for the 2022 Valuation’, dated March 2023.

Asset data

To check the membership data and derive employer asset values, we have used asset and accounting data and employer level cashflow data provided by the Fund.

Table 13: Whole fund membership data as at 31 March 2022 and 31 March 2019

Whole Fund Membership Data	This Valuation 31 March 2022	Last Valuation 31 March 2019
Employee members		
Number	22,657	19,689
Total actual pay (£000)	397,713	329,197
Total accrued pension (£000)	54,736	48,337
Average age (liability weighted)	52.4	51.6
Future working lifetime (years)	4.8	6.8
Deferred pensioners (including undecideds)		
Number	41,981	36,683
Total accrued pension (£000)	49,686	41,467
Average age (liability weighted)	52.4	51.5
Pensioners and dependants		
Number	17,718	16,012
Total pensions in payment (£000)	85,451	75,589
Average age (liability weighted)	69.3	68.7

APPENDIX 1

Data

Investment strategy

A summary of the investment strategy allocation used for the calculation of employer contribution rates and to derive the future assumed investment return is set out in Table 14.

This information is as set out in the Fund’s Investment Strategy Statement.

Table 14: Investment strategy used for the 2022 valuation

Asset class	Allocation
UK equities	8.7%
Global equities	46.3%
Private equity	5.0%
Property	10.0%
Infrastructure	5.0%
Diversified Growth	5.0%
UK corporate bonds	10.0%
UK index linked gilts	10.0%
Total	100.0%

APPENDIX 2

Assumptions

To set and agree assumptions for the valuation, the Fund carried out in-depth analysis and review in February 2022 with the final set agreed by the Pensions Committee on 30 March 2022.

Financial assumptions

Setting employer contribution rates

An asset-liability model is used to set employer contributions at the 2022 valuation. This model relies on Hymans Robertson's proprietary economic model, the Economic Scenario Service (ESS). The ESS reflects the uncertainty associated with future levels of inflation and asset returns and the interactions and correlations between different asset classes and wider economic variables. In the short term (first few years), the models are fitted with current financial market expectations. Over the longer term, models are built around views of fundamental economic parameters, for example equity risk premium, credit spreads and long term inflation. The table below shows the calibration of the ESS at 31 March 2022. Further information on the assumptions used for contribution rate setting is included in the Funding Strategy Statement.

Table 15: ESS individual asset class return distributions at 31 March 2022

Time period	Percentile	Asset class annualised total returns								Inflation/Yields		
		Index Linked Gilts (medium)	Developed World ex UK Equity	Private Equity	Property	Listed Infrastructure Equity	Diversified Growth Fund (low equity beta)	All World Equity GBP Hedged	CorpMedium A	Inflation (CPI)	17 year real yield (CPI)	17 year yield
10 years	16 th	-1.9%	-0.7%	-1.2%	-0.6%	-1.1%	1.4%	-0.3%	-0.1%	1.6%	-1.7%	1.1%
	50 th	0.2%	5.6%	9.4%	4.4%	4.9%	3.2%	5.9%	1.6%	3.3%	-0.5%	2.5%
	84 th	2.4%	11.7%	20.1%	9.5%	10.9%	5.1%	11.9%	3.2%	4.9%	0.7%	4.3%
20 years	16 th	-1.5%	1.5%	2.4%	1.4%	1.2%	2.1%	1.9%	1.1%	1.2%	-0.7%	1.3%
	50 th	0.1%	6.1%	10.0%	5.0%	5.6%	3.8%	6.4%	2.1%	2.7%	1.1%	3.2%
	84 th	1.9%	10.8%	17.6%	8.9%	10.1%	5.7%	11.0%	3.2%	4.3%	2.7%	5.7%
40 years	16 th	-0.3%	3.1%	4.7%	2.6%	2.6%	2.5%	3.5%	2.0%	0.9%	-0.6%	1.1%
	50 th	1.2%	6.5%	10.3%	5.5%	6.1%	4.4%	6.8%	3.1%	2.2%	1.3%	3.3%
	84 th	3.1%	10.2%	16.1%	8.8%	9.8%	6.5%	10.4%	4.4%	3.7%	3.2%	6.1%
Volatility (5yr)		7%	19%	30%	15%	18%	5%	18%	7%	3%	-	-

APPENDIX 2

Assumptions

Financial assumptions
Calculating the funding level

The table below summarises the assumptions used to calculate the funding level at 31 March 2022, along with a comparison at the last valuation.

Table 16: Summary of assumptions used for measuring the funding level, compared to last valuation on 31 March 2019

Assumption	This valuation 31 March 2022	Required for	Last valuation 31 March 2019
Discount rate	4.4% pa	To place a present value on all the benefits promised to scheme members at the valuation date. The Fund’s assets are estimated to have a 70% likelihood of returning above the discount rate.	3.9% pa
Benefit increases / CARE revaluation	2.7% pa	To determine the size of future benefit payments.	2.3% pa
Salary increases	3.2% pa	To determine the size of future final-salary linked benefit payments.	2.8% pa

Allowing for the McCloud remedy

Allowance has been included for this expected benefit change at the 2022 valuation as directed by the Department of Levelling Up, Housing and Communities [in their letter dated March 2022](#)¹. Further technical detail about this assumption is set out in guide 13 of [Hymans Robertson’s LGPS 2022 valuation toolkit](#)²

APPENDIX 2

Assumptions

Demographic assumptions

The same demographic assumptions are used in setting contribution rates and assessing the current funding level.

Longevity

Table 17: Summary of longevity assumptions

	This valuation 31 March 2022	Last valuation 31 March 2019
Baseline assumption	VitaCurves based on member-level lifestyle factors	VitaCurves based on member-level lifestyle factors
Future improvements	CMI 2021 model Initial addition = 0.25% (both Female and Male) Smoothing factor = 7.0 1.5% pa long-term rate of improvement	CMI 2018 model Initial addition = 0.25% (Female), 0.5% (Male) Smoothing factor = 7.0 1.25% pa long-term rate of improvement

Further information on these assumptions can be provided upon request. Sample rates are included on the next page.

Other demographic assumptions

Table 18: Summary of other demographic assumptions

Death in service	See sample rates in Tables 19 & 20
Retirements in ill health	See sample rates in Tables 19 & 20
Withdrawals	See sample rates in Tables 19 & 20
Promotional salary increases	See sample rates in Tables 19 & 20
Commutation	55% of future retirements elect to exchange pension for additional tax free cash up to HMRC limits
50:50 option	1.0% of members (uniformly distributed across the age, service and salary range) will choose the 50:50 option (main scheme) if they are currently in the main scheme (50:50 scheme).
Retirement age	The earliest age at which a member can retire with their benefits unreduced
Proportion married	A varying proportion of members are assumed to have a dependant at retirement or on earlier death. For example, at age 60 this is assumed to be 90% for males and 85% for females. The dependant of a male member is assumed to be 3 years younger than him and the dependent of a female member is assumed to be 3 years older than her.

APPENDIX 2

Assumptions

Sample rates for demographic assumptions

Males

Table 19: Sample rates of male demographic assumptions

Age	Salary Scale	Death Before Retirement	Withdrawals		III Health Tier 1		III Health Tier 2	
FT & PT			FT	PT	FT	PT	FT	PT
20	105	0.17	505.38	1,000.00	0.00	0.00	0.00	0.00
25	117	0.17	333.83	832.39	0.00	0.00	0.00	0.00
30	131	0.20	236.86	590.51	0.00	0.00	0.00	0.00
35	144	0.24	185.06	461.32	0.10	0.07	0.02	0.01
40	150	0.41	148.99	371.3	0.16	0.12	0.03	0.02
45	157	0.68	139.95	348.69	0.35	0.27	0.07	0.05
50	162	1.09	115.37	287.10	0.90	0.68	0.23	0.17
55	162	1.70	90.85	226.2	3.54	2.65	0.51	0.38
60	162	3.06	80.97	201.53	6.23	4.67	0.44	0.33
65	162	5.10	0.00	0.00	11.83	8.87	0.00	0.00

Females

Table 20: Sample rates of female demographic assumptions

Age	Salary Scale	Death Before Retirement	Withdrawals		III Health Tier 1		III Health Tier 2	
FT & PT			FT	PT	FT	PT	FT	PT
20	105	0.10	440.53	724.43	0.00	0.00	0.00	0.00
25	117	0.10	296.42	487.38	0.10	0.07	0.02	0.01
30	131	0.14	248.48	408.49	0.13	0.10	0.03	0.02
35	144	0.24	214.46	352.44	0.26	0.19	0.05	0.04
40	150	0.38	178.49	293.22	0.39	0.29	0.08	0.06
45	157	0.62	166.56	273.59	0.52	0.39	0.10	0.08
50	162	0.90	140.43	230.41	0.97	0.73	0.24	0.18
55	162	1.19	104.78	172.10	3.59	2.69	0.52	0.39
60	162	1.52	84.44	138.52	5.71	4.28	0.54	0.40
65	162	1.95	0.00	0.00	10.26	7.69	0.00	0.00

Figures are incidence rates per 1,000 members except salary scale. FT and PT denoted full-time and part-time members respectively.

APPENDIX 3

Reliances and limitations

We have been commissioned by West Northamptonshire Council (“the Administering Authority”) to carry out a full actuarial valuation of the Northamptonshire Pension Fund (“the Fund”) as at 31 March 2022 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (“the Regulations”).

This report is addressed to the Administering Authority. It has been prepared by us as actuaries to the Fund and is solely for the purpose of summarising the main outcomes of the 2022 actuarial valuation. It has not been prepared for any other third party or for any other purpose. We make no representation or warranties to any third party as to the accuracy or completeness of this report, no reliance should be placed on this report by any third party and we accept no responsibility or liability to any third party in respect of it.

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This summary report is the culmination of other communications in relation to the valuation, in particular:

- Our [2022 valuation toolkit](#) which sets out the methodology used when reviewing funding plans
- Our paper to the Fund’s Pension Committee dated June 2022 which discusses the funding strategy for the Fund’s councils, Police and Fire employers
- Our paper to the Fund’s Pension Committee dated February 2022 which discusses the valuation assumptions
- Our initial results report dated August 2022 which outlines the whole fund results and inter-valuation experience

- Our data report dated March 2023 which summarises the data used for the valuation, the approach to ensuring it is fit for purpose and any adjustments made to it during the course of the valuation
- The Funding Strategy Statement which details the approach taken to adequately fund the current and future benefits due to members

The totality of our advice complies with the Regulations as they relate to actuarial valuations.

The following Technical Actuarial Standards apply to this advice, and have been complied with where material and to a proportionate degree. They are:

- TAS100 – Principles for technical actuarial work
- TAS300 – Pensions

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APPENDIX 4

Glossary

Term	Explanation
50:50 option	An option for LGPS members to pay half contributions and earn half the retirement benefit (pre-retirement protection benefits are unreduced).
Asset-liability modelling	An approach to modelling and understanding risk for a pension fund. The assets and liabilities are projected forward into the future under many different future scenarios of inflation, investment returns and interest rates. The future scenarios are then analysed to understand the risk associated with a particular combination of contribution rates and investment strategy. Different combinations of contribution rates and/or investment strategies may be tested.
Baseline longevity	The rates of death (by age and sex) in a given group of people based on current observed data.
Club Vita	A firm of longevity experts we partner with for longevity analysis. They combine data from thousands of pension schemes and use it to create detailed baseline longevity assumptions at member-level, as well as insight on general longevity trends and future improvements.
Commutation	The option for members to exchange part of their annual pension for a one-off lump sum at retirement. In the LGPS, every £1 of pension exchanged gives the member £12 of lump sum. The amounts that members commute is heavily influenced by tax rules which set an upper limit on how much lump sum can be taken tax-free.
CPI inflation	The annual rate of change of the Consumer Prices Index (CPI). The CPI is the UK government's preferred measure of inflation and is the measure used to increase LGPS (and all other public sector pension scheme) benefits each year.
Deferred pensioners	A former employee who has left employment (or opted out of the pension fund) but is not yet in receipt of their benefits from the fund.
Demographic assumptions	Assumptions concerned with member and employer choices rather than macroeconomic or financial factors. For example, retirement age or promotional salary scales. Demographic assumptions typically determine the timing of benefit payments.

APPENDIX 4

Glossary

Term	Explanation
Discount rate	A number used to place a single value on a stream of future payments, allowing for expected future investment returns.
Employee members	Members who are currently employed by employers who participate in the fund and paying contributions into the fund.
ESS	Economic Scenario Service - Hymans Robertson's proprietary economic scenario generator used to create thousands of simulations of future inflation, asset class returns and interest rates.
Funding position	The extent to which the assets held by the fund at 31 March 2022 cover the accrued benefits ie the liabilities. The two measures of the funding position are: • the funding level - the ratio of assets to liabilities; and • the funding surplus/deficit - the difference between the asset and liabilities values.
Inflation	Prices tend to increase over time, which is called inflation. Inflation is measured in different ways, using a different 'basket' of goods and mathematical formulas.
Liabilities	An employer's liability value is the single value at a given point in time of all the benefit payments expected to be made in future to all members. Benefit payments are projected using demographic and financial assumptions and the liability is calculated using a discount rate.
Longevity improvements	An assumption about how rates of death will change in future. Typically we assume that death rates will fall and life expectancies will improve over time, continuing the long-running trend.
Pensioners	A former employee who is in receipt of their benefits from the fund. This category includes eligible dependants of the former employee.

APPENDIX 4

Glossary

Term	Explanation
Primary rate	The estimated cost of future benefits, expressed in percentage of pay terms. The primary rate will include an allowance to cover the fund’s expenses.
Prudence	To be prudent means to err on the side of caution in the overall set of assumptions. We build prudence into the choice of discount rate by choosing an assumption with a Prudence Level of more than 50%. All other assumptions aim to be best estimate.
Prudence Level	A percentage indicating the likelihood that a discount rate assumption will be achieved in practice, based on the ESS model. The higher the prudence level, the more prudent the discount rate is.
Secondary rate	An adjustment to the primary rate, generally to reflect costs associated with benefits that have already been earned up to the valuation date. This may be expressed as a percentage of pay and/or monetary amount.
Withdrawal	Refers to members leaving the scheme before retirement. These members retain an entitlement to an LGPS pension when they retire, but are no longer earning new benefits.

Rates & Adjustments certificate

Rates and Adjustments Certificate

In accordance with Regulation 62 of the LGPS regulations, we have assessed the contributions that should be paid into the Northamptonshire Pension Fund (the Fund) by participating employers for the period 1 April 2023 to 31 March 2026 in order to maintain the solvency of the Fund.

The method and assumptions used to calculate the contributions set out in this Rates and Adjustments certificate are detailed in the Funding Strategy Statement dated March 2023 and in Appendix 2 of the report on the actuarial valuation dated 31 March 2023. These assumptions underpin our estimate of the number of members who will become entitled to a payment of pensions under the provisions of the LGPS and the amount of liabilities arising in respect of such members.

The table below summarises the whole fund primary and secondary contribution rates for the period 1 April 2023 to 31 March 2026. The primary rate is the payroll weighted average of the underlying individual employer primary rates and the secondary rate is the total of the underlying individual employer secondary rates, calculated in accordance with the LGPS regulations and CIPFA guidance. The secondary rate has been shown both as a monetary amount and an equivalent percentage of the projected pensionable pay.

This valuation 31 March 2022		
Primary rate	20.5% of pay	
Secondary rate	Monetary amount	Equivalent to % of payroll
	2023/24	£8,586,000 2.0%
	2024/25	£8,155,000 1.9%
	2025/26	£7,660,000 1.7%

The required minimum contribution rates for each employer in the Fund are set out in the remained of this certificate.

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Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Town and Parish Councils									
234	Brackley Town Council	24.4%	1.0%	2.0%	3.0%	25.4%	26.4%	27.4%	
235	Moulton Parish Council	24.4%	1.0%	2.0%	3.0%	25.4%	26.4%	27.4%	
237	Raunds Town Council	24.4%				24.4%	24.4%	24.4%	
238	Towcester Town Council	24.4%	1.0%	2.0%	3.0%	25.4%	26.4%	27.4%	
239	Oundle Town Council	24.4%		-1.0%	-2.0%	24.4%	23.4%	22.4%	
240	Duston Parish Council	24.4%	1.0%	2.0%	3.0%	25.4%	26.4%	27.4%	
241	Rushden Town Council	24.4%	1.0%	2.0%	3.0%	25.4%	26.4%	27.4%	
242	Irthlingborough Town Council	24.4%				24.4%	24.4%	24.4%	
247	Stanwick Parish Council	24.4%		-1.0%	-2.0%	24.4%	23.4%	22.4%	
250	Grange Park Parish Council	24.4%		-1.0%	-2.0%	24.4%	23.4%	22.4%	
251	Brixworth Parish Council	24.4%		-1.0%	-2.0%	24.4%	23.4%	22.4%	
304	Higham Ferrers Town Council	24.4%				24.4%	24.4%	24.4%	
616	Earls Barton Parish Council	24.4%				24.4%	24.4%	24.4%	
712	Deanshanger Parish Council	24.4%				24.4%	24.4%	24.4%	
860	Thrapston Town Council	24.4%		-1.0%	-2.0%	24.4%	23.4%	22.4%	
869	Desborough Town Council	24.4%	1.0%	2.0%	3.0%	25.4%	26.4%	27.4%	
909	West Haddon Parish Council	24.4%				24.4%	24.4%	24.4%	
911	Finedon Town Council	24.4%				24.4%	24.4%	24.4%	
937	Weedon Bec Parish Council	24.4%				24.4%	24.4%	24.4%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Resolution Bodies									
	East Hunsbury Parish Council	24.3%	-13.0%	-13.2%	-13.4%	11.3%	11.1%	10.9%	
	Wootton Parish Council	25.2%	-6.9%	-6.7%	-6.5%	18.3%	18.5%	18.7%	
80	The Children's Trust	19.1%	-2.3%	-2.3%	-2.3%	16.8%	16.8%	16.8%	
96	Northampton Town Council	21.9%	3.9%	4.1%	4.2%	25.8%	26.0%	26.1%	
118	Wellingborough Town Council	21.2%	1.5%	1.0%	0.5%	22.7%	22.2%	21.7%	
127	Corby Town Council	22.0%	4.0%	1.9%	-0.2%	26.0%	23.9%	21.8%	
947	Upton Parish Council	23.2%	-2.8%	-2.5%	-2.2%	20.4%	20.7%	21.0%	
980	Rothwell Town Council	22.7%	1.6%	0.8%	-0.1%	24.3%	23.5%	22.6%	
Academies									
	Old Stratford Primary School	20.7%	2.3%	2.9%	2.9%	23.0%	23.6%	23.6%	
	Northampton Academy	19.9%	-2.7%	-3.7%	-4.7%	17.2%	16.2%	15.2%	
	Prince William Academy	21.0%	8.9%	9.0%	9.0%	29.9%	30.0%	30.0%	
	The Good Shepherd	20.4%	6.5%	6.5%	6.5%	26.9%	26.9%	26.9%	
	Malcolm Arnold Academy	20.7%	-3.0%	-4.0%	-5.0%	17.7%	16.7%	15.7%	
	Bishop Stopford Academy	20.7%	-1.4%	-1.4%	-1.4%	19.3%	19.3%	19.3%	
	Briar Hill Primary Academy	20.5%	-1.7%	-1.7%	-1.7%	18.8%	18.8%	18.8%	
	The Arbours Academy	20.0%	-1.7%	-1.7%	-1.7%	18.3%	18.3%	18.3%	
	Friars Academy	20.1%	-0.5%	-0.5%	-0.5%	19.6%	19.6%	19.6%	
	The Castle Primary	20.5%	0.7%	0.7%	0.7%	21.2%	21.2%	21.2%	
	Upton Meadows Primary School	20.4%	0.7%	1.2%	1.2%	21.1%	21.6%	21.6%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Academies cont'd									
	St Brendans Catholic Primary School	21.0%	8.8%	9.0%	9.0%	29.8%	30.0%	30.0%	
	Montsaye Academy	20.2%	-2.7%	-3.7%	-4.7%	17.5%	16.5%	15.5%	
	St Thomas More Catholic Primary School	21.0%	5.5%	5.5%	5.5%	26.5%	26.5%	26.5%	
	Southfield Academy (Kettering)	19.4%	0.7%			20.1%	19.4%	19.4%	
	Magdalen College	20.9%	1.6%	0.6%		22.5%	21.5%	20.9%	
	The Ferrers School	20.2%	0.4%	0.4%	0.4%	20.6%	20.6%	20.6%	
	Wootton Park School	19.4%	-1.6%	-1.2%	-1.2%	17.8%	18.2%	18.2%	
	Parker E-ACT Academy	18.8%	-1.2%	-1.2%	-1.2%	17.6%	17.6%	17.6%	
	Grange Community School	20.5%	-1.1%	-2.1%	-3.1%	19.4%	18.4%	17.4%	
	Thomas Becket Academy	20.6%	7.3%	7.3%	7.3%	27.9%	27.9%	27.9%	
	Campion Academy	21.1%	-2.0%	-2.0%	-2.0%	19.1%	19.1%	19.1%	
	Eastfield Academy (David Ross Education Trust)	19.9%	-2.1%	-3.1%	-4.1%	17.8%	16.8%	15.8%	
	Elizabeth Woodville School	21.0%				21.0%	21.0%	21.0%	
	Chenderit School Academy Trust Ltd	20.9%	-1.3%	-1.3%	-1.3%	19.6%	19.6%	19.6%	
	Kingsley Special Academy Trust	20.1%	0.4%			20.5%	20.1%	20.1%	
	Southfield Primary Academy	20.3%	-2.3%	-3.3%	-4.3%	18.0%	17.0%	16.0%	
	The Hawksmoor Learning Trust	20.8%	-0.1%	0.5%	0.5%	20.7%	21.3%	21.3%	
	InMAT	20.6%	0.3%	1.3%	2.0%	20.9%	21.9%	22.6%	
	Peterborough Diocese Education Trust	20.4%	-0.1%	0.9%	1.4%	20.3%	21.3%	21.8%	
	The Brooke Weston Trust	19.9%	-2.7%	-3.7%	-4.7%	17.2%	16.2%	15.2%	
	Pathfinder Schools	20.4%	1.1%	1.1%	1.1%	21.5%	21.5%	21.5%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Academies cont'd									
	Innovate MAT	20.1%	-1.0%	-1.0%	-1.0%	19.1%	19.1%	19.1%	
2	Studfall Junior Academy	20.4%	4.7%	4.7%	4.7%	25.1%	25.1%	25.1%	
3	Studfall Infant School & Nursery Academy	20.1%	2.7%	1.7%	0.7%	22.8%	21.8%	20.8%	
8	Farthinghoe Primary School	19.7%				19.7%	19.7%	19.7%	
14	Parklands Primary School	20.3%	2.4%	2.4%	2.4%	22.7%	22.7%	22.7%	
15	Hospital and Outreach Education PRU	20.2%	2.7%	3.7%	4.7%	22.9%	23.9%	24.9%	
23	Red Kite Academy	19.5%	-0.7%	-0.1%	-0.1%	18.8%	19.4%	19.4%	
44	Priors Hall - A Learning Community	19.3%	1.1%	0.1%	0.0%	20.4%	19.4%	19.3%	
49	Wollaston School (Secondary)	20.4%	2.6%	1.6%	0.6%	23.0%	22.0%	21.0%	
51	Irchester Community Primary School	20.8%	2.8%	2.8%	2.8%	23.6%	23.6%	23.6%	
59	Bozeat Community Primary School Academy	20.8%	4.1%	4.4%	4.4%	24.9%	25.2%	25.2%	
60	Raunds Park Infant School	20.6%	4.4%	3.4%	2.4%	25.0%	24.0%	23.0%	
62	Woodford Church of England Primary School	20.4%	1.9%	0.9%	0.0%	22.3%	21.3%	20.4%	
70	Glaphorn CE Primary	20.8%	0.3%	0.6%	0.6%	21.1%	21.4%	21.4%	
74	Polebrook Church of England Primary School	20.5%	4.7%	3.7%	2.7%	25.2%	24.2%	23.2%	
94	Our Lady's Catholic Primary School (Wellingborough)	21.0%	2.1%	1.1%	0.1%	23.1%	22.1%	21.1%	
95	Ruskin Infant School	20.4%	1.2%	0.2%	-0.8%	21.6%	20.6%	19.6%	
120	Buckton Fields Primary School	20.3%	1.4%	0.4%	0.0%	21.7%	20.7%	20.3%	
706	Kettering Buccleuch Academy	19.6%	-3.0%	-4.0%	-5.0%	16.6%	15.6%	14.6%	
710	Northampton School for Boys	20.7%	-1.8%	-1.8%	-1.8%	18.9%	18.9%	18.9%	
715	Tove Learning Trust	20.6%	-0.8%	-0.8%	-0.8%	19.8%	19.8%	19.8%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Academies cont'd									
716	Guilsborough School Academy	20.7%	-1.3%	-1.3%	-1.3%	19.4%	19.4%	19.4%	
717	Duston School Academy	20.0%	-1.3%	-1.3%	-1.3%	18.7%	18.7%	18.7%	
718	Hartwell Academy	20.7%	-1.5%	-1.5%	-1.5%	19.2%	19.2%	19.2%	
721	Caroline Chisholm School	20.5%	-1.7%	-1.7%	-1.7%	18.8%	18.8%	18.8%	
729	Moulton School and Science College	20.2%	-2.0%	-2.0%	-2.0%	18.2%	18.2%	18.2%	
730	Manor School Sports College	20.0%	-0.8%	-0.8%	-0.8%	19.2%	19.2%	19.2%	
731	Northgate Academy	20.6%	-1.6%	-1.6%	-1.6%	19.0%	19.0%	19.0%	
734	Sir Christopher Hatton Academy	20.2%	-1.4%	-1.4%	-1.4%	18.8%	18.8%	18.8%	
735	Woodland View Primary	21.0%				21.0%	21.0%	21.0%	
736	Waynflete Infants' School	21.1%	5.6%	4.6%	3.6%	26.7%	25.7%	24.7%	
737	Danetre and Southbrook Learning Village	20.4%	-1.5%	-1.5%	-1.5%	18.9%	18.9%	18.9%	
738	Huxlow Science College	20.8%	2.0%	2.0%	2.0%	22.8%	22.8%	22.8%	
739	Woodnewton - A Learning Community	20.2%	-3.1%	-4.1%	-5.1%	17.1%	16.1%	15.1%	
740	Cedar Road Academy	20.3%		1.0%	1.5%	20.3%	21.3%	21.8%	
741	Boughton Primary School	21.2%	-2.0%	-2.0%	-2.0%	19.2%	19.2%	19.2%	
742	Weston Favell Academy	20.3%				20.3%	20.3%	20.3%	
747	Maplefields School	19.4%	-0.8%	-0.8%	-0.8%	18.6%	18.6%	18.6%	
748	Abbeyfield School	19.5%	-0.4%	-0.4%	-0.4%	19.1%	19.1%	19.1%	
749	Welton Church of England Primary School	20.4%	-2.6%	-3.6%	-4.6%	17.8%	16.8%	15.8%	
750	Wootton Primary School	20.6%	-1.7%	-1.7%	-1.7%	18.9%	18.9%	18.9%	
754	Kingsthorpe College Academy	20.2%	4.0%	4.0%	4.0%	24.2%	24.2%	24.2%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Academies cont'd									
755	Lumbertubs Primary Academy	20.7%	-3.1%	-4.1%	-5.1%	17.6%	16.6%	15.6%	
756	Spring Lane Primary Academy	19.8%	-2.2%	-3.2%	-4.2%	17.6%	16.6%	15.6%	
758	Ruskin Junior Academy	20.0%	2.7%	1.7%	0.7%	22.7%	21.7%	20.7%	
759	Warwick Primary Academy	19.7%	-2.7%	-3.7%	-4.7%	17.0%	16.0%	15.0%	
761	The CE Academy	20.4%	-0.5%	-0.5%	-0.5%	19.9%	19.9%	19.9%	
762	Weston Favell CofE VA Primary School	20.9%	-1.8%	-1.8%	-1.8%	19.1%	19.1%	19.1%	
763	Abington Vale Primary School	20.3%	-0.4%	0.1%	0.1%	19.9%	20.4%	20.4%	
764	Headlands Primary School	20.3%	1.6%	2.6%	3.2%	21.9%	22.9%	23.5%	
765	Lings Primary School	20.2%	-0.9%	-0.9%	-0.9%	19.3%	19.3%	19.3%	
766	Ecton Brook Primary School	20.8%	-1.0%	-1.0%	-1.0%	19.8%	19.8%	19.8%	
768	Preston Hedges Primary School	20.1%	-0.6%	-0.4%	-0.4%	19.5%	19.7%	19.7%	
770	Rushden Community College	20.8%				20.8%	20.8%	20.8%	
771	Blackthorn Primary School	20.1%	-1.5%	-1.5%	-1.5%	18.6%	18.6%	18.6%	
772	Lodge Park Academy	20.7%				20.7%	20.7%	20.7%	
774	Exeter Primary School	20.0%	-1.0%	-1.0%	-1.0%	19.0%	19.0%	19.0%	
776	Sunnyside Primary School	19.9%	1.5%	0.5%	0.0%	21.4%	20.4%	19.9%	
777	Woodvale Primary School	20.1%	-0.7%	0.3%	1.0%	19.4%	20.4%	21.1%	
778	Silverstone UTC	19.7%	-0.5%	-0.5%	-0.5%	19.2%	19.2%	19.2%	
779	Thorplands Primary Academy	20.4%	-0.4%	-0.4%	-0.4%	20.0%	20.0%	20.0%	
780	Kingswood Primary Academy	20.6%	2.9%	1.9%	0.9%	23.5%	22.5%	21.5%	
783	St Mary's Church of England VA Primary Academy (Kettering)	20.0%	1.3%	1.3%	1.3%	21.3%	21.3%	21.3%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Academies cont'd									
784	Olympic Primary School	20.1%	0.1%			20.2%	20.1%	20.1%	
785	Windmill Primary School	20.7%	-0.4%	0.1%	0.1%	20.3%	20.8%	20.8%	
787	Newton Road School	20.7%	-2.9%	-3.9%	-4.9%	17.8%	16.8%	15.8%	
789	Rockingham Primary School	20.1%	-0.8%	-0.8%	-0.8%	19.3%	19.3%	19.3%	
791	Boddington Primary (South Northants C of E)	20.7%	-2.9%	-3.9%	-4.9%	17.8%	16.8%	15.8%	
792	St Loys Primary (South Northants C of E)	20.8%	5.3%	6.3%	7.1%	26.1%	27.1%	27.9%	
793	Culworth Primary (South Northants C of E)	20.9%	3.4%	3.9%	3.9%	24.3%	24.8%	24.8%	
794	Chacombe Primary (South Northants C of E)	20.3%	-0.4%			19.9%	20.3%	20.3%	
795	Chipping Warden (South Northants Village)	20.3%	2.9%	1.9%	0.9%	23.2%	22.2%	21.2%	
796	Kings Sutton (South Northants Village)	20.8%	-0.1%	-0.1%	-0.1%	20.7%	20.7%	20.7%	
797	Middleton Cheney (South Northants Village)	21.1%	-0.2%	-0.2%	-0.2%	20.9%	20.9%	20.9%	
798	Newnham Primary School	20.5%	1.1%	0.1%		21.6%	20.6%	20.5%	
807	Queen Eleanor Primary School	20.3%	-1.7%	-1.7%	-1.7%	18.6%	18.6%	18.6%	
808	Corby Primary School	19.5%	-0.1%	-0.1%	-0.1%	19.4%	19.4%	19.4%	
809	Weavers Academy	20.7%	2.4%	2.4%	2.4%	23.1%	23.1%	23.1%	
811	Greenfields School	20.4%	-1.0%	-1.0%	-1.0%	19.4%	19.4%	19.4%	
812	St Peters C of E Junior School	20.3%	0.2%	0.2%	0.2%	20.5%	20.5%	20.5%	
814	Wrenn School	20.3%	0.8%			21.1%	20.3%	20.3%	
815	Billing Brook Academy	20.1%	-1.7%	-1.7%	-1.7%	18.4%	18.4%	18.4%	
817	Hardingstone School	20.6%	-1.8%	-1.8%	-1.8%	18.8%	18.8%	18.8%	
818	Daventry Abbey Junior School Academy	20.3%	-0.1%	-0.1%	-0.1%	20.2%	20.2%	20.2%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Academies cont'd									
819	Victoria Primary Academy	20.1%	-1.0%	-1.0%	-1.0%	19.1%	19.1%	19.1%	
820	Northampton School for Girls	20.8%	2.7%	2.7%	2.7%	23.5%	23.5%	23.5%	
821	Kingswood Secondary Academy	20.6%	1.9%	0.9%	0.0%	22.5%	21.5%	20.6%	
822	Green Oaks Academy	20.4%	2.8%	2.8%	2.8%	23.2%	23.2%	23.2%	
823	Kings Heath Academy	19.6%	-0.8%	-0.8%	-0.8%	18.8%	18.8%	18.8%	
824	Malcolm Arnold Prep School	19.4%	-1.1%	-1.1%	-1.1%	18.3%	18.3%	18.3%	
825	Greenfields School and Sports College	20.2%		0.2%	0.2%	20.2%	20.4%	20.4%	
826	Stimpson Avenue Primary	20.5%	2.6%	3.6%	4.6%	23.1%	24.1%	25.1%	
828	Naseby C of E Primary School	20.9%				20.9%	20.9%	20.9%	
830	Falconers Hill Academy	20.2%	1.8%	2.6%	2.6%	22.0%	22.8%	22.8%	
838	Brambleside Primary School	20.2%	4.0%	5.0%	6.0%	24.2%	25.2%	26.2%	
853	Oakway Academy	20.0%	3.8%	2.8%	1.8%	23.8%	22.8%	21.8%	
875	Isebrook SEN College	20.0%				20.0%	20.0%	20.0%	
876	Our Lady of Walsingham Catholic Primary School	20.5%	-0.5%	-0.5%	-0.5%	20.0%	20.0%	20.0%	
877	St Edwards Catholic Primary School	20.8%	3.7%	3.7%	3.7%	24.5%	24.5%	24.5%	
879	Simon de Senlis Academy	20.5%	2.7%	3.2%	3.2%	23.2%	23.7%	23.7%	
888	Hazel Leys Primary and Infant School	20.2%	4.1%	3.1%	2.1%	24.3%	23.3%	22.3%	
890	Danesholme Junior School	20.9%	5.2%	4.2%	3.2%	26.1%	25.1%	24.1%	
900	Rushden Primary School	20.4%	-1.6%	-1.6%	-1.6%	18.8%	18.8%	18.8%	
902	Ecton Village Primary Academy	19.6%	1.0%			20.6%	19.6%	19.6%	
910	St Luke's Academy Trust HQ Staff	20.7%	-2.4%	-3.4%	-4.4%	18.3%	17.3%	16.3%	

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Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Community Admission Bodies									
276	The Northampton Theatres Trust Limited	29.8%				29.8%	29.8%	29.8%	
278	The Girls Day School Trust	32.9%	1.6%	1.6%	1.6%	34.5%	34.5%	34.5%	
295	Futures Housing Group	43.2%	£120,000	£144,000	£169,000	43.2% plus £120,000	43.2% plus £144,000	43.2% plus £169,000	
300	Greatwell Homes	42.0%	-42.0%	-42.0%	-42.0%	0.0%	0.0%	0.0%	
301	Grand Union Housing	44.3%	-44.3%	-44.3%	-44.3%	0.0%	0.0%	0.0%	
302	Rockingham Forest Trust	50.8%	-50.8%	-50.8%	-50.8%	0.0%	0.0%	0.0%	
303	EMPSN	26.1%	-6.4%	-3.2%		19.7%	22.9%	26.1%	
Transferee Admission Bodies									
	Places for People (DC Leisure)	35.3%	-35.3%	-35.3%	-35.3%	0.0%	0.0%	0.0%	
19	Parkwood Ltd (The Castle Theatre)	31.2%	-11.5%	-11.5%	-11.5%	19.7%	19.7%	19.7%	
73	ABM Catering (St Mary's CE Primary Academy)	37.9%	-37.9%	-37.9%	-37.9%	0.0%	0.0%	0.0%	
97	RM Education (Brooke Weston Academy Trust)	32.4%	-32.4%	-32.4%	-32.4%	0.0%	0.0%	0.0%	
117	Birkin Cleaning Services	40.4%	-40.4%	-40.4%	-40.4%	0.0%	0.0%	0.0%	
284	Shaw Healthcare	35.7%	-35.7%	-35.7%	-35.7%	0.0%	0.0%	0.0%	
286	Amey Plc	28.3%	-10.6%	-10.6%	-10.6%	17.7%	17.7%	17.7%	
393	Northamptonshire Music and Performing Arts Trust	36.8%	-36.8%	-36.8%	-36.8%	0.0%	0.0%	0.0%	
398	University of Northampton Enterprise Ltd	33.7%	-33.7%	-33.7%	-33.7%	0.0%	0.0%	0.0%	
399	Kier (May Gurney Fleet and Pass)	39.7%	-39.7%	-39.7%	-39.7%	0.0%	0.0%	0.0%	
714	Kier (May Gurney Nordis)	33.4%	-10.4%	-10.4%	-10.4%	23.0%	23.0%	23.0%	
720	Unity Leisure	35.5%	-35.5%	-35.5%	-35.5%	0.0%	0.0%	0.0%	

Further comments to the Rates and Adjustments Certificate

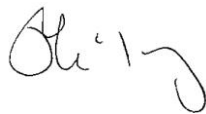
- Contributions expressed as a percentage of payroll should be paid into the Fund at a frequency in accordance with the requirements of the Regulations
- Further sums should be paid to the Fund to meet the costs of any early retirements and/or augmentations using methods and factors issued by us from time to time or as otherwise agreed.
- Payments may be required to be made to the Fund by employers to meet the capital costs of any ill-health retirements that exceed those allowed for within our assumptions.
- The certified contribution rates represent the minimum level of contributions to be paid. Employing authorities may pay further amounts at any time and future periodic contributions may be adjusted on a basis approved by the Fund Actuary.
- The monetary contributions set out in the certificate above can be prepaid in advance with appropriate adjustments for interest as and when agreed with the Administering Authority. Under these circumstances a revised Rates and Adjustments certificate may be issued reflecting any advance payments.



Douglas Green FFA

30 March 2023

For and on behalf of Hymans Robertson LLP



Robert McInroy FFA

Section 13 Dashboard

Section 13 dashboard

Metric	Unit	2022 valuation
2022 funding position – local funding basis		
Funding level (assets/liabilities)	%	113%
Funding level (change since previous valuation)	%	20% increase
Asset value used at the valuation	£m	3,364
Value of liabilities (including McCloud liability)	£m	2,984
Surplus (deficit)	£m	380
Discount rate – past service	% pa	4.4%
Discount rate – future service	% pa	Past service and future service are consistently valued with the same underlying assumptions, methodologies and models regarding future expected levels of inflation, interest rates and investment returns.
Assumed pension increase (CPI)	% pa	2.7%
Method of derivation of discount rate, plus any changes since previous valuation		There is a 70% likelihood that the Fund's assets will return at least 4.4% over the 20 years following the 2022 valuation date. This is the same methodology and likelihood used for the 2019 valuation.

Section 13 dashboard

Metric	Unit	2022 valuation
Assumed life expectancy at age 65		
Life expectancy for current pensioners – men age 65	years	21.6
Life expectancy for current pensioners – women age 65	years	24.3
Life expectancy for future pensioners – men age 45	years	22.5
Life expectancy for future pensioners – women age 45	years	25.8
Past service funding position – SAB basis (for comparison purposes only)		
Market value of assets	£m	3,364
Value of liabilities	£m	2,783
Funding level on SAB basis (assets/liabilities)	%	121%
Funding level on SAB basis (change since last valuation)	%	15% increase

Section 13 dashboard

Metric	Unit	2022 valuation	2019 valuation
Contribution rates payable			
Primary contribution rate	% of pay	20.5%	19.0%
Secondary contribution rate (cash amounts in each year in line with CIPFA guidance)			
1 st year of rates and adjustments certificate	£m	8.586	20.339
2 nd year of rates and adjustments certificate	£m	8.155	20.463
3 rd year of rates and adjustments certificate	£m	7.660	20.696
Giving total expected contributions			
1 st year of rates and adjustments certificate (£ figure based on assumed payroll)	£m	95.117	84.783
2 nd year of rates and adjustments certificate (£ figure based on assumed payroll)	£m	97.475	86.731
3 rd year of rates and adjustments certificate (£ figure based on assumed payroll)	£m	99.859	88.840
Assumed payroll (cash amounts in each year)			
1 st year of rates and adjustments certificate	£m	422.794	338.500
2 nd year of rates and adjustments certificate	£m	436.423	348.100
3 rd year of rates and adjustments certificate	£m	450.491	358.000
3 year average total employer contribution rate	% of pay	22.4%	24.9%
Average employee contribution	% of pay	6.3%	6.3%
Employee contribution rate (£ figure based on assumed payroll of £423m)	£m pa	26.774	21.265

Section 13 dashboard

Metric	Unit	2022 valuation	2019 valuation
Deficit recovery and surplus spreading plan			
Latest deficit recovery period end date, where this methodology is used by the fund's actuarial advisor	Year	Methodology not used	Methodology not used
Earliest surplus spreading period end date, where this methodology is used by the fund's actuarial advisor	Year	Methodology not used	Methodology not used
The time horizon end date, where this methodology is used by the fund's actuarial advisor	Year	2042	2039
The funding plan's likelihood of success, where this methodology is used by the fund's actuarial advisor	%	81%	75%
Percentage of liabilities relating to employers with deficit recovery periods of longer than 20 years	%	0%	0%
Additional information			
Percentage of total liabilities that are in respect of Tier 3 employers	%	12%	11%
Included climate change analysis/comments in the 2022 valuation report		Yes	
Value of McCloud liability in the 2022 valuation report (on local funding basis)	£m	2.700	