



Agenda

Meeting: Pension Fund Committee

Venue: The Brierley Room, County Hall, Northallerton, DL7 8AD

Date: Friday, 27 May 2022

Time: 10.00 am

Councillors: John Weighell (Chairman), Margaret Atkinson, Sam Gibbs, George Jabbour, David Noland, Neil Swannick, Angus Thompson, Matt Walker, Peter Wilkinson and Andrew Williams

Christian Vassie, City of York Council

Patrick Mulligan – North Yorkshire District Councils

David Portlock - Chair of Pension Board (Non-Voting)

Brian Hazeldine, UNISON

Business

1. Exclusion of the Public and Press

To consider the exclusion of the public and press from the meeting during consideration of item 3(b) – Confidential Minutes - on the grounds that they include the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to information)(Variation) Order 2006

2. Welcome, introductions and apologies

3(a) Minutes of the Committee Meeting held on 4th March 2022 (Pages 5 - 12)

3(b) Confidential Minutes of the Meeting held on 4th March 2022 (Pages 13 - 18)

4. Appointment of Vice-Chairman

5. Declarations of Interest

6. Public Questions or Statements

Members of the public may ask questions or make statements at this meeting if they have given notice (including the text of the question/statement) to Steve Loach of Democratic Services (contact details at the foot of page 1 of the Agenda sheet) by midday on Tuesday 24th May 2022. Each speaker should limit themselves to 3 minutes on any item. Members of the public who have given notice will be invited to speak:-

- at this point in the meeting if their questions/statements relate to matters which are not otherwise on the Agenda (subject to an overall time limit of 30 minutes);
- when the relevant Agenda item is being considered if they wish to speak on a matter which is on the Agenda for this meeting.

If you are exercising your right to speak at this meeting, but do not wish to be recorded, please inform the Chairman who will instruct those taking a recording to cease while you speak.

- 7. Pensions Administration Report - Report of the Treasurer (Pages 19 - 38)**
- 8. Performance of the Fund - Report of the Investment Consultants, AON (Pages 39 - 88)**
- 9. Pension Board - Minutes of the Meeting held on 7th April 2022 - Report back by Chair of the Pension Board (Pages 89 - 98)**
- 10. Such other business as, in the opinion of the Chairman should, by reason of special circumstances, be considered as a matter of urgency**

Barry Khan
Assistant Chief Executive
(Legal and Democratic Services)

County Hall
Northallerton

Thursday, 19 May 2022

North Yorkshire County Council

Pension Fund Committee

Minutes of the meeting held on 4 March 2022 held as a live broadcast meeting commencing at 10 am.

Present:-

County Councillors John Weighell OBE (Chairman), Michael Chambers MBE, Cliff Lunn, Don Mackay, Patrick Mulligan, Andy Solloway, Helen Swiers and Angus Thompson.

Councillor Christian Vassie - City of York Council.

David Portlock - Chair of the Pension Board.

Councillor Jim Clark - North Yorkshire District Councils and Brian Hazledine – UNISON retired members, submitted their apologies.

The meeting was available to watch live via the County Council's website and a recording of the meeting is now available on the website via the following link www.northyorks.gov.uk/livemeetings

Copies of all documents considered are in the Minute Book

All decisions made by the Committee are subject to the procedure set out in Minute 251, below.

251. Welcome and Introduction

The Chairman welcomed everyone to the meeting and highlighted the following:-

Under his delegated decision making powers in the Officers' Delegation Scheme in the Council's Constitution, the Chief Executive Officer has power, in cases of emergency, to take any decision which could be taken by the Council, the Executive or a committee. Following on from the expiry of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, which allowed for committee meetings to be held remotely, the County Council resolved at its meeting on 5 May 2021 that, for the present time, in light of the continuing Covid-19 pandemic circumstances, remote live-broadcast committee meetings should continue (as informal meetings of the Committee Members), with any formal decisions required being taken by the Chief Executive Officer under his emergency decision making powers and after consultation with other Officers and Members as appropriate and after taking into account any views of the relevant Committee Members. This approach was reviewed by full Council at its February meeting and it was agreed to continue with this approach with a further review taking place at the County Council AGM Meeting in May 2022.

252. Exclusion of the Public and Press

Resolved –

That on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006, the public was excluded from the meeting during consideration of agenda items: min.no. 253(b) – Confidential minutes of 26th November 2021; and; Min. no. 261 – Asset Allocation

253(a). Minutes

Resolved -

That the Minutes of the meeting held on 26 November 2021 were confirmed and would be signed by the Chairman as a correct record at the first available opportunity.

253(b). Confidential Minutes

That the Confidential Minutes of the meeting held on 26 November 2021 were confirmed and would be signed by the Chairman as a correct record at the first available opportunity.

(There was no discussion of the Confidential Minutes, therefore, the Meeting did not go into private session).

254. Declarations of Interest

There were no declarations of interest.

255. Public Questions or Statements

There were no public questions / statements

256. Pension Administration Report

Considered -

The report of the Treasurer providing Members with information relating to the administration of the Fund in the quarter and updates on key issues and initiatives which impact the administration team, including the following:-

Admission Agreements and New Academies

Administration

Membership Statistics

Throughput Statistics

Performance Statistics

Commendations and Complaints

Annual Benefit Statements 2021

Issues and Initiatives

GMP and Pensioner Data Reconciliation

Breaches Policy & Log

Business Plan update

Administration System Project

Other Key Projects

McCloud

Broadacres

Payment of Death Grants

Member Training

Meeting Timetable

The following issues from the report were highlighted:-

- A recent initiative had provided staff an opportunity to refresh their knowledge in respect of keeping members informed.
- In respect of the issuing of Annual Benefits Statements (ABS), the process for 2021 had now finished, allowing the 2022 process to commence. The countdown to year end had commenced and, as this is a valuation year, the process would need to be completed by early July. Data was starting to come in and employers were being reminded of the need to return this in a timely fashion.
- There had been one breach of the regulations since the previous meeting, with the details outlined in the breaches log, relating to a Pensions Savings Statement being issued after the statutory deadline. When a member receives this it is used to determine their tax liability through a tax return. HMRC were therefore informed of the late provision of this and their response is awaited. The Chair of the Pension Board noted that this issue had been discussed at a recent meeting of the Pension Board and, given an explanation of the facts, Members had agreed to recommend to the Committee that the issue should not be referred to the Pensions' Regulator.
- Efforts continued to try and get NYCC and the City of York Council onto i-Connect by the year end, as the two largest employers, as this would save a great deal of time in terms of processing data, going forward. The City of York Council representative on the Committee stated that he would speak to the appropriate Executive Member with a view to expediting the relevant data.
- The collection of data for McCloud had provided a good response and was currently being worked on by the third party contractor appointed by the Fund.
- Further updates in relation to the Broadacres issue would be provided to the Committee when further progress had been made.
- Consideration had been given to the relevant guidelines in respect of contested Death Grant payments with a view to providing enhanced delegated authority to officers, thereby reducing the number requiring Committee decision. The details were set out in the report and it was noted that the matter would require a Committee decision.

Resolved –

- (i) That the contents of the report be noted;
- (ii) That in terms of the data breach reported, Members agreed that no report should be made to the Pensions' Regulator;

that the following be referred to the Chief Executive Officer for consideration under his emergency delegated powers:

- (iii) That the adoption of the Death Grant Payment guidelines be approved.

257. Business Plan, Budget and Cash-flow Projection

Considered –

The report of the Treasurer:-

Reporting on the progress made against the key business plan activities identified for 2021/22.

Requesting Members to approve the draft Business Plan for 2022/23 - 2024/25.

Requesting Members to approve the draft 2022/23 Budget.

Reporting on the cashflow projection for the Fund.

The following issues were raised:-

- Investment Strategy - a review of the strategy would be required, once the outcome of the triennial valuation was known, to take account of the additional pressures on the Fund.
- The draft budget included proposals for additional staff to assist with those additional pressures.
- The budget had increased on the previous year to take account of increased management fees, which reflects the good performance of investments over the previous year generating higher fees.
- The elections coinciding with the triennial valuation would bring challenges, with a new Committee quickly having to get up to speed with how the Fund operates, and induction/training sessions would be required. It was suggested that any substitute members appointed to the Committee should be involved in the training/induction sessions, to enable them to take part when required.
- It was asked, given the pressures on officers currently, whether service delivery could be affected. In response it was stated that there was a possibility that could occur, however, action was being taken to address this, and the service would continue to strive to meet the needs of scheme members.
- It was stated that Cyber Security, specifically related to the Pension Fund, was likely to be given greater emphasis when the Single Code was introduced. The Treasurer noted the importance of Cyber Security and the current heightened risk regarding these. He emphasised that the Regulator had confidence that the NYPF was covered by the overarching Policy for NYCC.
- A Member stated that the cashflow position, despite being highlighted over recent years as a potential issue, appeared to not be a concern moving forward into 2024. In response it was stated that although the cashflow position had been identified as an issue to address, it had never been seen as a problem. As the valuation was about to be undertaken, this was probably the least

accurate time to forecast cashflow. The forecast would be revisited once the valuation process had been completed.

- A Member welcomed the section provided relating to responsible investment, which highlighted the progress on this.

Resolved -

- (i) That the progress made against the 2021/22 Business Plan be noted;
- (ii) That the 3 year cashflow projection for the Fund be noted;

the following be referred to the Chief Executive Officer for consideration under his emergency delegated powers to:-

- (iii) That the draft 2022/23 Business Plan be approved;
- (iv) That the draft 2022/23 Budget be approved.

258. Border to Coast Responsible Investment Policies

Considered –

The report of the Treasurer presenting the Responsible Investment policies of Border to Coast and requesting the comments of Members.

The NYPF had been working alongside BCPP with the development of their Responsible Investment Policies which were based on best practice and advice. The Policies would be reviewed on an annual basis. The Policies had been considered to BCPPs Joint Consultative Committee, where it was agreed that they be circulated to the representative PFCs for comments.

Copies of the Policies were appended to the report and included the Climate Change Policies.

Members discussed the report and the following issues and points were raised:-

- A Member welcomed the development of the Responsible Investment Policies and the involvement of the NYPF in the development of those, and hoped that these continued to be enhanced without compromising investment opportunities. He noted that more opportunities for lucrative investments within the Climate Change and Responsible Investment arenas were becoming more prominent, providing advantageous investments, and he hoped that BCPP would prioritise these. It was noted that both NYPF and BCPP Policies had developed to take account of these issues, with a focus on risks. BCPP were about to launch a Climate Opportunities Fund and investment opportunities in that would be considered.

Resolved –

That the report be noted.

259. Performance of the Fund

Considered –

Report of the Investment Consultants, AON, providing details of performance and asset allocation information for the Fund along with a background to the investment markets during the third quarter of 2021/22.

The following issues were highlighted:-

- Performance by the Fund's investments in the Quarter sees the Fund 129% funded with assets of around £4.9bn. Liabilities were around £3.8bn, however, it was noted that the data was fairly old now and the forthcoming Triennial Valuation would update that.
- In relation to the situation involving Russia and the Ukraine, and the subsequent freezing of many Russian assets, it was clarified that there were no direct holdings in Russian investments, and only around 0.1% indirect holdings and work was taking place with the fund manager as to how best to address that.
- The performance of the various Fund Managers, and the investments managed within the BCPP were outlined.
- The risk from inflation to the markets, in the short and longer term, was outlined together with the risk of over-reliance on returns from equities. The additional risk of the Ukraine/Russian war was also discussed. It was expected that there would be increased volatility in the markets, going forward.
- Inflation levels remained high, particularly in the USA, and looked to continue to rise in the short-term, however they were still expected to start falling next year, although the war in the Ukraine could affect that position.
- The actuary would be considering the impact of inflation during the forthcoming Triennial Valuation which could affect the level of contributions, going forward.
- The move towards private markets through BCPP would take some time to have an impact.
- Details relating to liabilities, assets and equities, and the impact of the current economic situation on those, were outlined.
- The Fund would continue with the Baillie Gifford mandate as their long term LTGG strategy fitted in well with the investment beliefs of the Committee. The other investments balanced the risk from that strategy.
- It was likely that unexpected levels of investment performance could occur in the short term, given the current market pressures, and it could not be expected that the levels of outperformance enjoyed by the Fund's investments over recent years could continue indefinitely.

The following issues and points were raised during a discussion of the report:-

- The issue of high inflation and its effect on investments was discussed. It was noted that inflation would have a detrimental effect on some investments, with bonds not expected to perform well, whereas equities, infrastructure, etc may offer some long term protection. Some hedge funds may be able to take advantage of the current inflationary position, however, these were not in the current strategy and were very expensive. It was emphasised that no rushed decisions about the investment strategy should be made at this stage, but consideration of real assets would be beneficial, as investments of this type were less risky during periods of high inflation. It was suggested that further consideration could be given to this position, going forward. Members noted that there had been periods of high inflation previously which were sustained. It was stated that although there was not expected to be a lengthy period of inflation this time, the situation in the Ukraine could make this more likely. It was also noted that wage demands could also prove to be inflationary and sustain this current high inflation period for longer than expected, particularly in the UK. The Fund's policy of investing globally was expected to provide some protection against this risk. It was noted that the issues raised would continue to be discussed with fund managers, BCPP and the

Committee through various Workshops, to ensure that the situation was carefully monitored.

Resolved –

That the contents of the report, and the issue raised, be noted.

260. Pension Board – report back by Chair on the meeting held on 14th January 2021

Considered -

A verbal update by the Chair of the Pension Board based on the Minutes which had been provided.

The Chair of the Pension Board, David Portlock, summarised the discussions at the meeting held on 14th January 2022 highlighting the following:

- The usual annual review of the Terms of Reference was postponed, as there had been a review undertaken in July 2021. The current Terms of Reference, as amended in July, were provided for information.
- A discussion of the proposed transfer of Broadacres to the NYPF was undertaken and further reports would be considered as progress was made.
- Details of the breach, outlined earlier in this meeting, were provided to the Board and it was agreed that it be recommended to the PFC that no further action was required.
- The Internal Audit reports for 2021/22 were reported to the Board, these related to Income, Expenditure and Investments and all provided substantial assurance, which indicated that there should be confidence in how the NYPF is operating.
- A Review of the Risk Register was undertaken and consideration was given to the impact of LGR on resources within the NYPF.
- Details of the Work Plan and training were discussed. In terms of the Work Plan it was noted that the intended “deep dive” investigations by Members of the Board into specific areas of work within the NYPF had been put on hold for a further year in recognition of the intensity of work putting pressure on resources that would be required to assist with these.

Members discussed the report and the following issues and points were raised:-

- Clarification was provided in respect of the grading system used in the Risk Register, with these being “RAG” rated as well as graded from 1 (highest risk) to 5 (lowest risk). The Treasurer stated that he would circulate a key to assist Members’ understanding of this.
- The current capacity of the NYPF in terms of the workforce was discussed. It was noted that there was a good, strong team in place but it was working to its limits, which was why extra resources had been requested. There had been recent investment in IT systems to assist the team in vital areas, and these were starting to bed in, however, these did not alleviate the need for additional capacity to be obtained. It was stated that a potential risk in terms of creating this extra capacity was the availability of appropriate staff, as the current labour market was particularly challenging.

Resolved -

That the details of the meeting outlined be noted and the Board’s Chairman be thanked for his updates.

Minute No. 261 was considered as a private item (see Minute No. 252, above) and a separate confidential minute was produced. The Minute below provides a public record of the consideration of that item.

261. Asset Allocation and Investments Update

Considered -

The report of the Treasurer to the Fund regarding the following:-

- (i) To update Members on progress towards aligning the Fund's investments with the long term investment strategy.
- (ii) To make recommendations for commitments to Border to Coast's Infrastructure, Private Credit and Climate Opportunities funds.

Members' consideration of the proposals is outlined in the confidential minutes.

Resolved – that the following be referred to the Chief Executive Officer for consideration under his emergency delegated powers:

- (i) That a commitment to Border to Coast's Private Credit fund of £70 million be agreed;
- (ii) That a commitment to Border to Coast's Infrastructure fund of £120 million be agreed; and
- (iii) That a commitment to Border to Coast's Climate Opportunities fund of £180 million be agreed.

The meeting concluded at 11.25am.

SML

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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North Yorkshire County Council

Pension Fund Committee

27 May 2022

Administration Report

Report of the Treasurer

1. Purpose of the Report

1.1. To provide Members with information relating to the administration of the Fund in the quarter and to provide an update on key issues and initiatives which impact the administration team.

2. Admission Agreements & New Academies

2.1. The latest position relating to admission agreements and academy conversions is shown in **Appendix 1**.

3. Administration

3.1. Membership Statistics

Membership Category	At 31/12/2021	+/- Change (%)	At 31/03/2022
Active	31,585	+1.80%	32,155
Deferred	38,486	+0.48%	38,672
Pensioner (incl spouse & dependant members)	26,732	+1.77%	27,206
Total	96,803		98,033

3.2. Throughput Statistics

- Period from 1 January 2022 to 31 March 2022

Case type	Cases Outstanding at Start	New Cases	Cases Closed	Cases Outstanding at End
Transfer In quotes	2	28	28	2
Transfer Out quotes	12	271	272	11
Employer estimates	3	70	69	4
Employee estimates	2	288	277	13
Retirement quotes	14	988	949	53
Preserved benefits	74	634	634	74
Death in payment or in service	96	527	496	127
Refunds	18	607	578	47
Actual retirement procedure	679	1406	1,251	834
Interfund transfers	199	189	103	285
Aggregate member records	200	653	675	178
Process GMP	0	0	0	0
Others	151	327	266	212
Total Cases	1,450	5,988	5,598	1,840

- Alongside the above cases, the Pensions team also handled 2,709 phone calls (average 54 per working day) and 6,694 emails received via the Pensions Inbox (average 106 per working day) in the quarter to 31 March 2022.

Performance Statistics

- The performance figures for the period 1 January 2022 to 31 March 2022 are as follows:

Performance Indicator	Target in period	Achieved
Measured work completed within target	98%	96%
Customers surveyed ranking service good or excellent	94%	96%
Increase numbers of registered self-service users by 700 per quarter (total registered users 36,253 an increase of 4,504 over the year)	700	1083

- Our performance and satisfaction rating continue to be impacted by the high demand into the team.
- Both ratings have improved since last quarter and we are working hard to maintain this trend. It is anticipated the recent change to the team structure will enable improvements to continue to be achieved.
- Our priority continues to be to pay member benefits as promptly as we can.

3.3. Commendations and Complaints

- This quarter the following commendations and complaints were received:

Commendations

Date	Number	Summary
Jan	0	
Feb	3	Really helpful and supportive
Mar	2	Great customer experience

Complaints

Date	Number	Summary
Jan	0	
Feb	3	Admin – from independent financial adviser about delay providing transfer value Admin – from independent financial adviser about delay paying transfer value due to delay by Prudential in disinvesting AVCs Admin – member believes has suffered financial loss by taking AVCs early and not at age 65
Mar	0	

- The complaint categories are:
 - Admin - these can relate to errors in calculations, delays in processing and making payment of benefits.
 - Regs - these relate to a complaint where regulations prevent the member being able to do what they want to.
 - IHER - these are where members have been declined for early retirement on the grounds of ill health and are appealing the decision through the Internal Disputes Resolution Procedure.

Lessons Learned

Having reviewed the complaints received in the period the main area for improvement is the chasing up of outstanding information and AVC monies in relation to ongoing transfer out cases. The recent change to the team structure will assist the transfer team in keeping on top of these work items.

3.4. **Annual Benefit Statements 2022**

Work has commenced on the production of the 2022 annual benefit statements for active and deferred members. It was hoped we would be able to redesign and simplify the statements but a lack of time and resource has meant we are unable to do that this year. Year end data files are being received and processed. It is hoped we can get both NYCC & CYC year end data via the month 12 i-Connect submission which will free up considerable amount of time within the development and processes team to undertake a more thorough data validation exercise before the Valuation data extract is required.

3.5. **Breaches Policy & Log**

The North Yorkshire Pension Fund's Breaches Log is included at **Appendix 2** for review. There is one new entry this time relating to the accidental disclosure of personal data caused by multiple letters being sent to the same recipient.

To prevent this issue we are currently piloting centralised printing and mailing using the Council's print unit. If the pilot is successful the whole team will move to this process and the need to have someone in office printing and posting for everyone is removed.

4. **Issues and Initiatives**

4.1. **Administration System Project**

The delivery stage of this project and its various work streams is progressing well.

- On-boarding of employers to our online portal i-Connect continues with 92 employers currently using the system
- We have uploaded the first NYCC file and resolved the member matching queries. The next step is to load the month 11 data into the administration system and see what errors that produces before we can progress to hopefully loading the month 12, year end file.
- CYC have also sent us their test file so we can start the member matching process. They do have an outstanding issue with their software provider but we can progress the other work whilst the issue is being resolved.
- Any further on-boarding will be paused due to the team having to focus on year end processing, annual benefit statement production and data preparation for the triennial Valuation.
- Website development continues.

4.2. **McCloud**

There has been a good response from employers following the data collection exercise with only 45 employers still to send data. The third party supplier is still wrestling with the task of collating, formatting and validating the data before moving onto the next stage of data load.

It appears every Fund is struggling with this issue unless they were one of the minority that continued to collect the relevant data after the scheme changed in April 2014.

5 **Broadacres**

Progress continues with the request from Broadacres Housing Association (BHA) to transfer their pension assets and liabilities from the London Pension Fund Authority to the North Yorkshire Pension Fund. The Fund's lawyer continues to advise on the process and has reviewed the draft agreements provided by BHA's legal advisers. A Direction from the Secretary of State is needed to substitute the London Pensions Fund Authority for the North Yorkshire Pension Fund. This will not be requested until the Fund's lawyer has signed off on all legal issues.

6 Member Training

- 6.1 The Member Training Record showing the training undertaken to March 2022 is attached as **Appendix 3**. Please contact Stephen Loach (01609 532216 or email stephen.loach@northyorks.gov.uk) with any details of training undertaken or conferences attended and these will be added to the training record.
- 6.2 Upcoming courses, seminars and conferences available to Members are set out in the schedule attached as **Appendix 4**. Please contact Kirsty Howes (01609 533298 or email kirsty.howes@northyorks.gov.uk) for further information or to reserve a place on an event. Events are limited currently due to the pandemic.
- 6.3 Given the start of a new Committee further training has been devised to help with the induction of new Members and the creation of a new team. The views of Members will be sought as we progress through this approach but, given the technical nature of some of the areas of responsibility, there will be a significant number of training events and it will be suggested that on-line training is made mandatory for all Members. It is recognised however that this will need to be done proportionately and over a period of time.

8 Meeting Timetable

- 8.1 The latest timetable for forthcoming meetings of the Committee and Investment Manager meetings is attached as **Appendix 5**.

9 Recommendations

- 9.1 Members to note the contents of the report.
- 9.2 Members to determine whether a report should be made to the Pensions Regulator regarding the data breach reported.

Gary Fielding
Treasurer of North Yorkshire Pension Fund
NYCC
County Hall
Northallerton

19 May 2022

Academy Conversions – 23 ‘in progress’

Name of School	Local Authority	Multi Academy Trust (MAT) Name	Target Conversion Date	Current Position
Alanbrooke Community Primary School	NYCC	Elevate Multi Academy Trust	1.3.2022	Complete
Bishopthorpe Infant School	COYC	South York Multi Academy Trust	1.3.2022	Complete
Willow Tree Community Primary School	NYCC	Northern Star Academies Trust	1.4.2022	Complete
Malton Community Primary School	NYCC	Hull Collaborative Academy Trust	1.1.2022	Approval received from the Secretary of State to join the East Riding Pension Fund. Transfer in progress
Oakridge Community Primary School	NYCC	Yorkshire Endeavour Academy Trust	1.8.2022	To progress nearer the time
Dacre Braithwaite CE Primary School Fontains CE Primary Grantley School Grewelthorpe CE Primary School Holy Infant CE Infant School Holy Infant CE Junior School Kirby Hill Primary School Roecliffe Primary School Carleton Endowed CE Primary School	NYCC	Leeds Diocesan Learning Trust	1.8.2022 or 1.9.2022	To progress nearer the time
Great Smeaton Primary School		Changing from a single Academy Trust to join Lingfield Education Trust	1.9.2022	To progress nearer the time
Brompton Hall Special School	NYCC	Venn Academy Trust	1.9.2022	To progress nearer the time
Middleham CE VA Primary School (NYCC)	NYCC	Possibly Dales Academies Trust	TBC	Will be progressed when conversion date known
Spennithorne CE VC Primary School (NYCC)	NYCC	Possibly Dales Academies Trust	TBC	Will be progressed when conversion date known

Name of School	Local Authority	Multi Academy Trust (MAT) Name	Target Conversion Date	Current Position
Ripley Endowed CE Primary School	NYCC	Possibly Elevate MAT	TBC	Will be progressed when conversion date known
Beckwithshaw CP School	NYCC	Possibly Elevate MAT	TBC	Will be progressed when conversion date known
Barkston Ash RC Primary School	NYCC	Possibly with Bishop Wheeler Catholic Academy Trust	Not known	Delayed from 1.9.2020
St Wilfrid's Catholic Primary School, Ripon	NYCC	Possibly with Bishop Wheeler Catholic Academy Trust	Not known	Delayed from 1.9.2020
All Saints, York	COYC	St Margaret Clitherow Academy Trust	Not known	Delayed from 1.9.2019
Naburn CoE Primary School	COYC	South York Multi Academy Trust	Not known	Delayed from 1.10.2018
Lord Deramore's Primary School	COYC	South York Multi Academy Trust	Not known	Delayed from 1.11.2018
Elvington CoE Primary School	COYC	South York Multi Academy Trust	Not known	Conversion delayed, new date not yet known
Fenbergate Primary School	COYC	South York Multi Academy Trust	Not known	Delayed from 1.12.2018

Admission Bodies - 19 'in progress'

Name of Employer	Name of Contractor	Staff Transfer Date	Current Position
City of York Council Bishopthorpe Infant School	Mellors Catering Services Limited	28.7.2021	In progress
City of York Council Carr Infant School	Mellors Catering Services Limited	28.7.2021	In progress
City of York Council Lord Deramore's Primary School	Mellors Catering Services Limited	28.7.2021	In progress
City of York Council Poppleton Road Primary School	Mellors Catering Services Limited	28.7.2021	In progress
City of York Council Ralph Butterfield Primary School	Mellors Catering Services Limited	28.7.2021	In progress
City of York Council St Paul's Primary School	Mellors Catering Services Limited	28.7.2021	In progress
City of York Council Yearsley Grove Primary School	Mellors Catering Services Limited	28.7.2021	In progress
Northern Star Academies Trust New Park Primary Academy Harrogate High School Hookstone Chase Primary School Starbeck Primary Academy	Aspens Services Limited	1.1.2022	In progress
South York Multi Academy Trust Bishopthorpe Infant School	Mellors Catering Services Limited	1.1.2022	In progress
Outwood Grange Academies Trust Outwood Academy Ripon	ISS Mediclean Limited	1.1.2022	In progress

Name of Employer	Name of Contractor	Staff Transfer Date	Current Position
The Rodillian Trust Brayton Academy	Aspens Services Limited	8.4.2022	In progress
Pathfinder MAT Badger Hill Primary	Hutchison Catering Limited	1 May 2022	In progress
South Bank Multi Academy Trust Cleaning contract	Contractor not yet appointed	August 2022	In progress
NYCC Catering contracts at:- Barlow Primary School Burton Salmon Primary School Chapel Haddlesey Primary School	Contractor not yet appointed	1.9.2022	In progress
NYCC Baywick Parade Community Primary School	Contractor not yet appointed	1.9.2022	In progress
NYCC Longman's Hill Community Primary School	Contractor not yet appointed	September 2022	In progress
Selby Educational Trust Selby Community Primary School Carlton Primary School	Contractor not yet appointed	September 2022	In progress
City of York Council Joseph Rowntree School	Contractor not yet appointed	TBC	Waiting for further details
Hope Learning Trust Catering contracts at:- Baldersby St James CoE Primary Academy Burton Green Primary School Forest of Galtres Anglican Methodist Primary School Poppleton Ousebank Primary Academy Skelton Primary School	Contractor not yet appointed	TBC	Delayed from July 2020 due to Covid-19

Exited Employers – 22

Name of Employer	Date exited the Fund
OCS Group UK Limited	31.3.2017
Superclean Services Limited	16.7.2017
Joseph Rowntree Charitable Trust	31.12.2017
York Arts Education (Community Interest Company)	31.3.2018
Be Independent	31.7.2018
Housing & Care 21	31.8.2018
Consultant Cleaners	31.10.2018 (voluntary liquidation)
The Wilberforce Trust	22.3.2019
Dolce Limited	14.4.2019
Schools Plus	30.4.2019
Sewells Facilities Management Limited	21.12.2020
Sheffield International Venues	31.1.2021
Caterservice Ltd	12.2.2021
Enterprise Managed Services Ltd (Amey)	28.2.2021
Taylor Shaw Limited	12.2.2021

Name of Employer	Date exited the Fund
RCCN Limited	31.3.2021
Streamline Taxis Limited	28.5.2021
Ringway Infrastructure Services Limited	31.5.2021
Churchill Security Solutions Limited	31.5.2021
Hexagon Care Services Limited	6.8.2021
Sanctuary Housing Association	20.12.2021
Atalian Servest Food Co Limited	31.12.2021
4 Site Security Services Limited	11.4.2022

Date	Category	Description of Breach	Cause of Breach	Regulation being breached	Effect of Breach & Wider Implications	Response to Breach	Reported to DPO	DPO outcome	Referred to PFC	Referred to PB	Outcome of Referral to PFC & PB	Reported to Regulator
31/08/2017	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	Large backlog meant we were unable to establish which category members should fall into at statement date. Year End queries still outstanding at issue date.	Reg 89 of LGPS Regs 2013	85.88% of Active members received a statement = 14.12% did not 94.51% of Deferred members received a statement = 5.49% did not	Large backlog means we do not yet know actual total eligible for a statement. Continue to reduce the backlog with targetted initiatives. Target is to have a controlled work throughput by end 2018. Continue to work through errors & queries & issue ABS' when able to. Introduce monthly returns for our 2 largest employers by end of 2018 so that errors can be identified in real time rather than at year end.			14/09/2017	19/01/2018	Noted the position, no requirement to report. Creation of Breaches Log to record position.	N
08/11/2017	Administration	Statutory deadline for issuing Personal Savings Statements not met for all members	Human error		2 members received statements after the 6/10/2017 deadline. 192 manual calculations undertaken and 56 statements issued. 3.5% of members affected	Statements issued immediately. Process under review by team leader. Checklist created and process will be audited in 2018 to ensure checklist being used and process being robustly followed			22/02/2018	19/01/2018	PB - Noted the position, no requirement to report. PFC - Noted the position, no requirement to report.	N
18/12/2017	Administration	Incorrectly paid trivial commutation to a member who has benefits with another fund and had not commuted those benefits	Human error		Member received benefits he wasn't entitled to. No other member affected. Payment is an unauthorised payment & must be reported to HMRC, resulting in tax liability at 55% for the member & additional tax for the scheme.	As soon as realised payment was unauthorised, informed member and reported to HMRC. Awaiting confirmation of scheme tax liability.			22/02/2018	19/01/2018	PB - Noted the position, no requirement to report. PFC - Noted the position, no requirement to report.	N - Reported to HMRC
31/08/2018	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	Year End queries still outstanding at issue date.	Reg 89 of LGPS Regs 2013	86.52% of Active members received a statement = 13.48% did not 99.76% of Deferred members received a statement = 0.24% did not	Backlog has been reduced so in a better position regarding correct eligibility for statements. Significant year end queries (2,399) have impacted statement production. Ers being chased for response. Continue to work through errors & queries & issue ABS' when able to. Viability of monthly returns being investigated			22/11/2018	11/10/2018	PB - noted the position, agreed not to report this time but will in 2019. PFC - noted position, agreed not to report this time.	N
31/08/2019	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	Year End queries still outstanding at issue date. Clarification on members not worked in year still outstanding at issue date. Manual calculation of Annual Allowance figures still outstanding at issue date.	Reg 89 of LGPS Regs 2013	100% of Deferred members received a statement. 95.69% of Active members received a statement. (1,342 members did not)	Analysis of the 1,342 unissued statements undertaken to identify and isolate reasons. Each group being worked through to identify what is required to enable statement to be produced. Number reduced to 329 as at 9 October, work will continue until end of year to further reduce number unissued. Final position: 329 unissued			22/11/2019	03/10/2019	PB - discussed position, noted improvement from 2018, requested further analysis by employer to identify whether an issue exists at individual employer level. Following provision of above information both PFC & PB agreed not to report this time.	N
09/04/2020	Administration	A member's leaver statement was incorrectly sent to the wrong member.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.			11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N
11/05/2020	Administration	A member's retirement statement was incorrectly sent to the wrong member.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.			11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N
15/05/2020	Administration	A member's letter was incorrectly sent to the wrong member along with their own letter.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.			11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N
15/05/2020	Administration	A member's calculation print was incorrectly sent to the wrong member.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.			11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N
26/05/2020	Administration	A pensioner received a payslip which belonged to another pensioner.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.			11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N
27/05/2020	Administration	A member received a letter meant for a solicitor dealing with the death of another member.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.			11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N
31/08/2020	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	Year End queries still outstanding at issue date. Manual calculation of Annual Allowance figures still outstanding at issue date. Issues with data quality, suppressed statements until data corrected and accurate statments can be issued.	Reg 89 of LGPS Regs 2013	100% of Deferred members received a statement. 94.21% of Active members received a statement. (1,784 members did not)	Analysis of the 1,784 unissued statements undertaken to identify and isolate reasons. Each group being worked through to identify what is required to enable statement to be produced. Number reduced to 274 as at 20 October, work will continue until end of year to further reduce number unissued.			27/11/2020	29/10/2020	PB - Oct meeting, noted position, agreed not to report. PFC - Nove meeting, noted position, agreed not to report.	N

Date	Category	Description of Breach	Cause of Breach	Regulation being breached	Effect of Breach & Wider Implications	Response to Breach	Reported to DPO	DPO outcome	Referred to PFC	Referred to PB	Outcome of Referral to PFC & PB	Reported to Regulator
30/11/2020	Administration	A member contacted us to advise she had received the starter pack for another member but with her address on it. The member also advised there were 2 other members affected.	Employer submitted starter file and the data has been mixed up for a number of members, address 26 records, date of birth 11 records, payroll no 21 records, date joined 8 records and school name 18 wrong	Data Protection Act 2018	Accidental disclosure of personal data for a number of members to another member. It is highly likely that the recipient knows the person whose information was disclosed. The 3 original members had discussed it.	Reported to Veritau. They assessed it as Low risk level and did not need to be reported to the ICO. Data sent back to employer to provide corrected information. Employer advised we have reported the data breach and we've asked for clarification of what process changes they have made to prevent it recurring. Replacement starter packs issued with correct details on and covering letter advising reason for disclosure and contact details for employer.			05/03/2021	14/01/2021	PB - Recognised the issue was an employer one rather than a Fund one. PFC - Recommended no report required	N
05/10/2020	Administration	Failure to issue 3 members with annual Pension Saving Statements (PSS) in the relevant years. One member was missing a PSS for the 18/19 year, one was missing a PSS for 16/17 and one was missing a PSS for 16/17, 17/18, 18/19 & 19/20.	There are two main causes as follows: missing data and staff not realising a statement should have been issued when the record was recalculated.	Finance Act 2004	When the member receives a PSS they have to declare the tax liability to HMRC via an annual tax return. They can elect to either pay the tax charge via a Scheme Pays option or directly to HMRC. Because the PSS haven't been issued members are now late submitting to HMRC. We are aware of members who have ignored the information we have sent for a number of years, when they do contact HMRC they are advised to just pay what is due. There appear to be no penalties applied. Because we haven't advised members at the correct time they have been unable to take action to mitigate the impact in subsequent years. Members in this position often switch to the 50/50 section to reduce their pension accrual. A penalty of up to £300 for failure to provide the required information on time may be levied on NYPF when we resubmit our annual returns for the relevant years.	We have issued the relevant PSS to all 3 members and have had discussions with them regarding the actions they now need to take. We have struggled to establish how to report the breach to HMRC but will resubmit the annual HMRC returns for the relevant years. We will then respond to HMRC accordingly. We have reviewed our internal processes and are taking steps to educate the wider team and address some of the issues at source rather than waiting until year end. A targeted working group will be established in the summer to address the backlog of changes we get each year. This will involve training a small number of staff on the whole Annual Allowance process, what it is, why it's important, the impact on affected members and how to update and maintain records correctly. This taskforce will take responsibility for updating member records. Once knowledge is established and embedded further staff will be trained until the whole team knows what is expected.			05/03/2021	14/01/2021	PB - Require further information on mitigating actions taken to prevent recurrence before reaching a decision about reporting to tPR. Confirmed by email 01/03/2021 no need to report to tPR. PFC - Recommended no report required	N
05/02/2021	Administration	A member contacted us to advise she had received a transfer letter addressed to another member enclosed with her own letter.	Member of staff on post duty that day did not follow the agreed process put in place to prevent breaches from happening.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to destroy the information. Process and working practice was reviewed to ensure it remained relevant. Staff were reminded of the correct process. Individual member of staff was spoken to personally to stress importance of following the correct process.	05/02/2021	Score of 4 - low no further action	04/06/2021	08/04/2021	PB - April meeting, noted position, agreed not to report. PFC - June meeting, noted position, agreed not to report.	N
31/08/2021	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	Calculation failing to run on system. Year End queries still outstanding at issue date. Manual calculation of Annual Allowance figures still outstanding at issue date. Issues with data quality, suppressed statements until data corrected and accurate statements can be issued.	Reg 89 of LGPS Regs 2013	99.78% of Deferred members received a statement. (87 members did not) 96.06% of Active members received a statement. (1,158 members did not)	87 Deferred members missing a statement are being worked through, these failed due to the system calculation not running, analysis has identified these failed due to data related issues. Analysis of the 1,158 Active members missing a statement is being undertaken to identify and isolate reasons. Each group being worked through to identify what is required to enable statement to be produced.	N/A	N/A	26/11/2021	07/10/2021	PB - No report for deferred ABS but decision delayed on active awaiting outcome of review of missed ones. PFC - Agreed with PB recommended course of action. Further update on Active statements is required. 13/01/22 no report	N
17/09/2021	Administration	McCloud data sent to the City of York Council (CYC) for three schools that no longer use CYC to provide their payroll service (although they have in the past). Data for an NYCC school (that has opted out of NYCC's payroll service) also sent to CYC as it was incorrectly coded on our database.	The way the data was held on the administration system did not enable the 3rd party to identify the members affected.	Data Protection Act 2018	Information for 330 data subjects was wrongly disclosed to the City of York Council (CYC). CYC is a trusted external organisation and information was only disclosed to a small number of staff.	A new process has been implemented so that the data can be easily identified on the database going forward. The process change has been communicated to the wider team. Veritau response - notification to the ICO is not recommended as the reporting threshold has not been reached.	N/A	N/A	26/11/2021	13/01/2022	PFC - No report PB - No report	N
28/09/2021	Administration	McCloud data sent to City of York Trading (CYT) in error for one City of York Council (CYC) employee, the employer code on our database had been set up incorrectly. The same data fields as the incident number 101008635966 are involved.	Member record created on the administration system but the wrong employer code was applied	Data Protection Act 2018	Information for one data subject was wrongly disclosed to City of York Trading Limited	The data has now been coded correctly on the administration system Veritau response - notification to the ICO is not recommended as the reporting threshold has not been reached.	N/A	N/A	26/11/2021	13/01/2022	PFC - No report PB - No report	N
28/09/2021	Administration	A member's letter was found on a printer but was not printed by member of pensions team.	Believe issue was caused by network and system issues experienced on that particular day and as a result the letter printed directly out and didn't queue.	Data Protection Act 2018	One letter produced, contained within NYCC. No other letters affected.	Letter was destroyed internally and a replacement was re-issued to the member. Reported to Veritau, awaiting outcome.	N/A	N/A	26/11/2021	13/01/2022	PFC - No report PB - No report	N

Date	Category	Description of Breach	Cause of Breach	Regulation being breached	Effect of Breach & Wider Implications	Response to Breach	Reported to DPO	DPO outcome	Referred to PFC	Referred to PB	Outcome of Referral to PFC & PB	Reported to Regulator
19/11/2021	Administration	One Pension Savings Statement (PSS) issued after statutory deadline of 6 October 2021	Record was inhibited from bulk annual allowance run whilst a query on another record was resolved	The Registered Pension Scheme Regulations 2006 Finance Act 2004	When a member receives a PSS they have to declare the tax liability to HMRC via an annual tax return. The deadline for a paper annual tax return was 31 October 2021 so the member could not use this option. However, the deadline for an online tax return is 31 January 2022.	Senior officer review of annual process	N/A	N/A	04/03/2022	13/01/2022	PB - No report PFC - No report	N
22/02/2022	Administration	5 letters were included in the same envelope to a single recipient who was the next of kin of a deceased member	Staff member on post duty did not follow the agreed process	Data Protection Act 2018	Accidental disclosure of personal data for 4 members to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient confirmed destruction of 4 letters received in error. Staff reminded again of correct process to follow. Staff involved spoken to directly. Alternative printing and posting arrangements being investigated. Reported to Veritau. They assessed it as Low risk level and did not need to be reported to the ICO.	N/A	N/A	27/05/2022	07/04/2022	PB - No report PFC -	

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Date	Title or Nature of Course	Mulligan P	Weighell J	Portlock D	A Solloway	A Thompson	C. Vassie	#M. Atkinson	#S. Gibbs	#G. Jabbour	#P. Wilkinson	#D. Noland	#A. Ailliams	#M. Walker	#N. Swannick	Unison (Vacancy)	Unison (Vacancy)
28 January 2021	Investment Strategy Workshop	✓	✓	✓	✓	✓	✓										
12 February 2021	Investment Strategy Workshop	✓	✓	✓	✓	✓	✓										
4 March 2021	Investment Strategy Workshop	✓	✓	✓		✓	✓										
13 May 2021	Investment Strategy Workshop	✓	✓		✓	✓	✓										
18-19 May 2021	PLSA Local Authority Conference			✓													
3 June 2021	Investment Strategy Workshop	✓	✓	✓	✓	✓	✓										
1 July 2021	Investment Strategy Workshop	✓	✓	✓		✓	✓										
20 July 2021	BCPP Responsible Investment	✓															
30 September/1 October 2021	BCPP Conference	✓		✓			✓										
25 November 2021	Investment Strategy Workshop		✓	✓			✓										
10 February 2022	Investment Strategy Workshop	✓	✓	✓		✓	✓										
3 March 2022	Investment Strategy Workshop	✓	✓	✓	✓	✓	✓										

- Appointed to the Committee on 18th May 2022.

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UPCOMING TRAINING AVAILABLE TO MEMBERS

Provider	Course / Conference Title	Date(s)	Location	Themes / Subjects Covered
PLSA	Local Authority Conference	13 – 15 June 2022	De-Vere Cotswold Water Park Hotel, Gloucestershire	Our Local Authority Conference is the largest of its kind dedicated to Local Government Pension Scheme. It is attended by over 400 local authority officers, councillors, members of Local Pension Boards, admitted bodies and their advisors. We are excited to be returning to face-to-face event again for Local Authority Conference 2022.
PLSA	Annual Conference	12 – 13 October 2022	Liverpool ACC	The PLSA Annual Conference is the UK's number one pensions conference, welcoming more than 1,000 pension professionals to two days of world-class keynotes, educational sessions, and topic deep-dives.
<p>Hymans Robertson package (Aspire) of on-line training can now be utilised by Members - “bite-size” sessions that can be dipped in and out of at Members convenience. The training modules are as follows:-</p> <p>1: Introduction to the LGPS - Stakeholders; local arrangements for committees, boards, officers and advisers; regulatory framework.</p> <p>2: Governance and oversight - Legislation and guidance; policy documents; roles and responsibilities of committees and board members; Code of Practice 14; pensions administration overview; Government oversight bodies; business plans.</p> <p>3: Administration and fund management - Pension benefits and contributions; service delivery; administration and communication strategies and policy documents and processes; annual report and accounts; procurements.</p> <p>4: Funding and actuarial matters - Role of the actuary; the funding strategy; valuations; employer issues; actuarial assumptions.</p>				

<i>Provider</i>	<i>Course / Conference Title</i>	<i>Date(s)</i>	<i>Location</i>	<i>Themes / Subjects Covered</i>
				<p>5: Investments - Investment strategy, asset class characteristics and investment markets; pooling investments; monitoring performance of investments and advisers; responsible investment.</p> <p>6: Current issues - LGPS reform; McCloud; Goodwin; cost sharing.</p>

PENSION FUND COMMITTEE TIMETABLE FOR MEETINGS IN 2022/23

Meeting Date	Time & Venue	Event	Fund Managers
26 May 2022	10 am, TBC	Pension Fund Workshop	Representative of BCPP and / or Fund Manager TBC
27 May 2022	10 am, TBC	Pension Fund Committee	
30 June 2022	10 am, TBC	Pension Fund Workshop	Representative of BCPP and / or Fund Manager TBC
1 July 2022	10 am, TBC	Pension Fund Committee	
8 September 2022	10 am, TBC	Pension Fund Workshop	Representative of BCPP and / or Fund Manager TBC
9 September 2022	10 am, TBC	Pension Fund Committee	
24 November 2022	10 am, TBC	Pension Fund Workshop	Representative of BCPP and / or Fund Manager TBC
25 November 2022	10 am, TBC	Pension Fund Committee	
2 March 2023	10 am, TBC	Pension Fund Workshop	Representative of BCPP and / or Fund Manager TBC
3 March 2023	10 am, TBC	Pension Fund Committee	

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Quarterly Funding & Investment Report

End March 2022



Prepared for: North Yorkshire Pension Fund

Prepared by: Aon

Date: 27 May 2022



For professional clients only



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1. At a glance...

A high level summary of your investments and funding

At a glance...

Funding*

The funding level has fallen over the quarter (down by 5.2%), primarily driven by a reduction in asset values. The funding level remains above the funding level at the 2019 valuation.

Asset Allocation and Implementation

A number of short/medium term changes to the asset allocation have been agreed by the Committee in light of the agreed long-term investment strategy. The Fund invested in the Border to Coast Listed Alternatives during Q1 2022.

Performance

The Fund underperformed the composite benchmark over the quarter and 1 year period. Performance is ahead of the composite benchmark over the 3 year period to 31 March 2022.

Market Background and Investment Outlook

Geopolitical risk took centre stage over Q1 as Vladimir Putin sent Russian troops into eastern Ukraine on February 24th and has maintained a military presence since then. The G7 enacted a slew of financial sanctions to deter Russia from continuing its operations.

While the US has banned Russian oil and gas imports, the picture in Europe is more complicated given its Russian oil and gas dependence. The UK indicated it would phase out Russian oil imports by the end of the year, and the European Union stated that it would reduce dependency on Russian energy by two-thirds this year.

Central banks have pushed markets lower this year with lots of talk of tighter money. This is a rare reversal in tone after all these years of market-boosting monetary easing. If above-target inflation persists, interest rates may have to rise to levels which choke off economic activity, taking a risk of triggering outright recession.



Key actions

1. Following recent local elections, Officers and advisors to assist new Committee members getting up to speed with recent Pension Fund activity.

*This funding update makes no allowance for updated demographic assumptions, data to be used for the 2022 valuation or short term inflationary impact. Therefore this report provides only a broad illustration of the change in funding position at 31 March 2022.

Key Statistics up to end of March 2022

Assets

£4,627m 

Assets increased by £1,052m since last valuation

£3,575m at 2019 valuation

Funding level

124% 

Funding increased by 10% since 2019 valuation

114% at 2019 valuation

Return on Assets Since 2019 Valuation

+9.3% pa 

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Current Assets Expected Return (10 year p.a.)

+5.9% 

0.3% increase since 2019 Valuation

5.6 % at 2019 valuation

Long-term Strategy Expected Return (10 year p.a.)

+6.1% 

0.5% increase since 2019 Valuation

5.6% at 2019 valuation

Discount rate

4.2% 

No change since 2019 valuation

4.2% at 2019 valuation

Current Assets Value at Risk (1 Year 1 in 20)

£940m

Long-term Strategy Assets Value at Risk (1 Year 1 in 20)

£885m

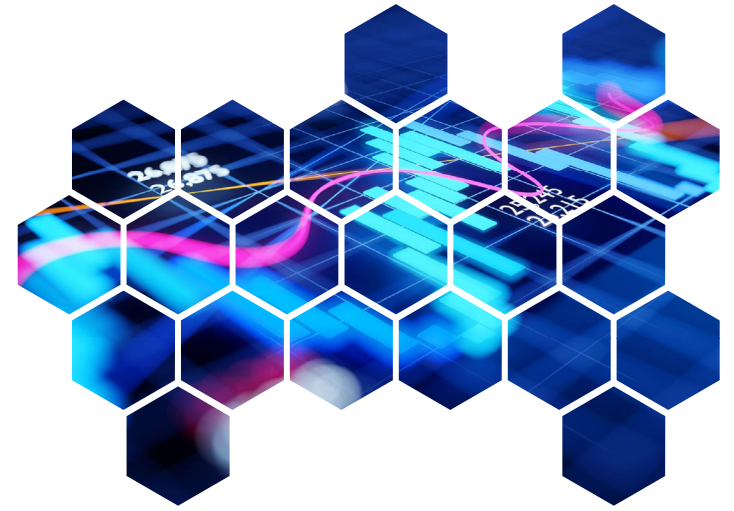
Estimated Total Employer cost

15.8% 

Estimated Total Employer cost decreased by 2.8% since 2019 valuation

18.6% at 2019 valuation

Note: This funding update makes no allowance for updated demographic assumptions, data to be used for the 2022 valuation or short term inflationary impact. Therefore this report provides only a broad illustration of the change in funding position at 31 March 2022.



2. Funding

A review of your funding position and contributions

Funding position – ongoing funding target

Funding level

123.7%



at end March 2022

Down from 128.9% at end December 2021 but remains up from 114.4% at 31 March 2019

Surplus

£886.5m



at end March 2022

Down from £1,105.5m at end December 2021 but remains up from £449.8m at 31 March 2019

Comments

Since the last update at 31 December 2021 the Fund's ongoing funding level has deteriorated and the surplus has decreased by £219M.

This has been primarily driven by a reduction in asset values.

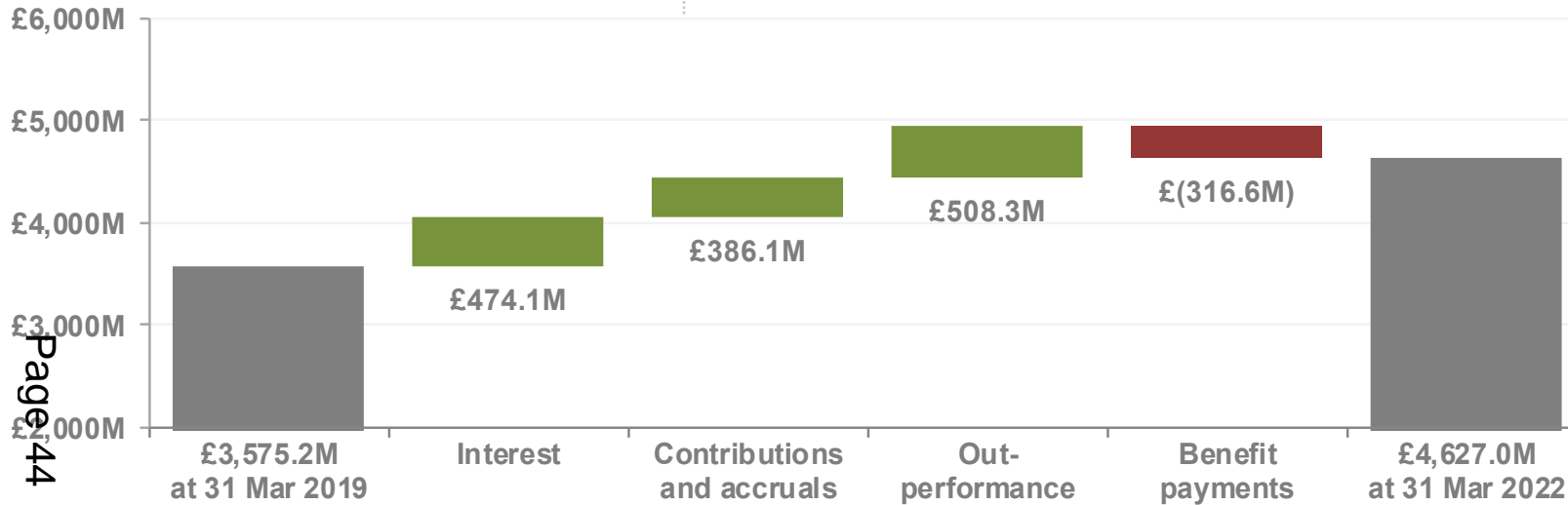
Change to funding level since valuation at 31 March 2019



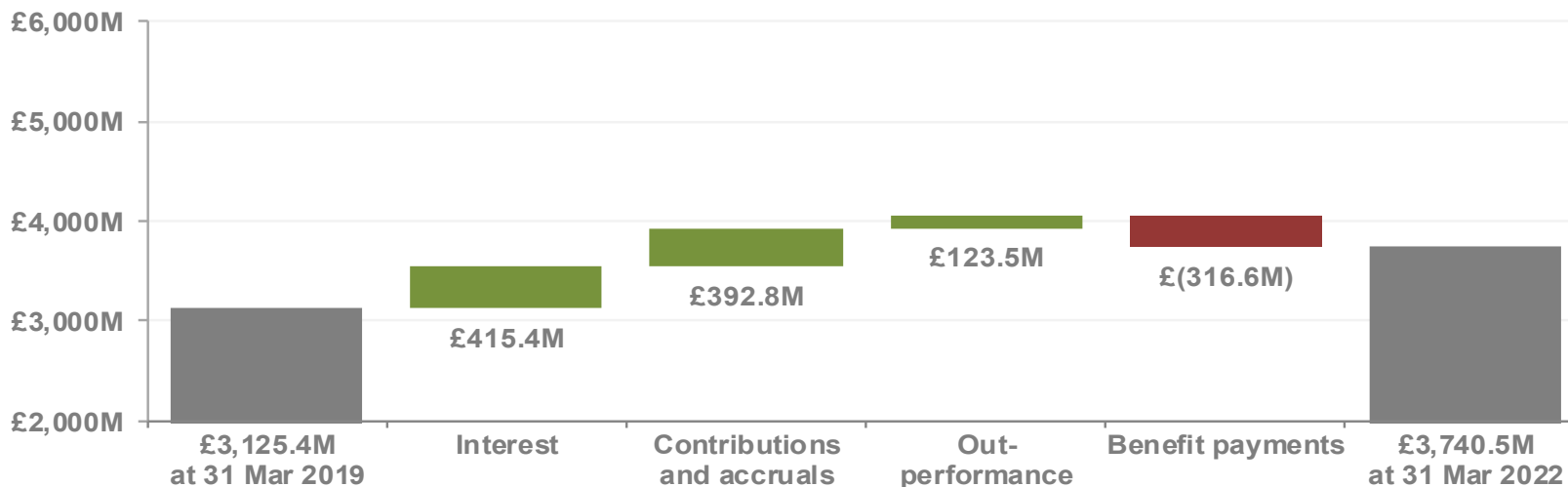
Note: This funding update makes no allowance for updated demographic assumptions, data to be used for the 2022 valuation or short term inflationary impact. Therefore this report provides only a broad illustration of the change in funding position at 31 March 2022.

Analysis – ongoing funding target

Reason for change since 31 March 2019 – Asset Attribution



Reason for change since 31 March 2019 – Liability Attribution



Comments

Since the valuation the surplus has increased by £436.7M. This has been primarily driven by an increase in asset values.

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Note: This funding update makes no allowance for updated demographic assumptions, data to be used for the 2022 valuation or short term inflationary impact. Therefore this report provides only a broad illustration of the change in funding position at 31 March 2022.

Aggregate Employer contributions – ongoing funding target

Total employer contribution rate

15.8%



at end March 2022

Up from 15.0% at end December 2021 but down from 18.6% at 31 March 2019.

Employer cost of accrual

21.5%



at end March 2022

Down from 22.8% at end December 2021 but up from 20.2% at 31 March 2019

Comments

The cost of accrual has decreased over the quarter. However, the surplus has decreased over the quarter which has resulted in an increase in the total employer contribution rate.

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Notes

Cost of accrual includes allowance for McCloud/cost management costs in line with the overall allowance in the 2019 valuation of 0.9% of pay.

The total employer contribution rate quoted above is based on the average total employer contribution rates across the Fund. Individual employer contributions can be very different to the average figure across the Fund shown above depending on their own characteristics, membership profile and funding target. The individual employer contributions will next be reviewed at the triennial valuation at 31 March 2022.

Note: This funding update makes no allowance for updated demographic assumptions, data to be used for the 2022 valuation or short term inflationary impact. Therefore this report provides only a broad illustration of the change in funding position at 31 March 2022.






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3. Asset allocation

A review of your strategic asset allocation

Asset allocation – Q1 2022





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Asset Group	Manager	31 March 2022					
		Valuation (£m)	Current allocation	Long-term strategy	Difference	Rebalancing Range	Possible action
Equities		2,385.4	51.6%	50.0%	+1.6%		
	BCPP UK equity	178.6	3.9%	4.0%	-0.1%	TBC	
	BCPP Global Equity	1,299.7	28.1%	28.0%	+0.1%	+/- 5%	
	Baillie Gifford LTGG	657.5	14.2%	18.0%	-3.8%	+/- 3%	
	Dodge & Cox	248.8	5.4%	0.0%	+5.4%		
	Fidelity	0.8	0.0%	0.0%	0.0%		
Absolute Return		12.0	0.3%	0.0%	+0.3%		
	Leadenhall Remote Risk	3.7	0.1%				
	Leadenhall Diversified	4.2	0.1%				
	Leadenhall Nat Cat	4.1	0.1%				
Property		343.7	7.4%	7.5%	-0.1%	TBC	
	Hermes	40.2	0.9%				
	L&G	88.8	1.9%				
	Threadneedle	214.7	4.6%				

Source: BNYM, Aon. Note: Numbers may not sum due to rounding.



Asset allocation – Q1 2022 (cont'd)

12

		31 March 2022					
Asset Group	Manager	Valuation (£m)	Current allocation	Long-term strategy	Difference	Rebalancing Range	Possible action
Infrastructure		476.3	10.3%	10.0%	0.3%		
	BCPP Infrastructure 1A	29.6	0.6%				
	BCPP Infrastructure 1B	110.3	2.4%				
	BCPP Listed Alts	336.4	7.3%				
Private Credit		105.8	2.3%	5.0%	-2.7%		
	BCPP Private Credit	43.0	0.9%				
	Arcmont	29.7	0.6%				
	Pemira	33.1	0.7%				
Non-Investment Grade Credit		229.1	5.0%	5.0%	0.0%	TBC	
	PIMCO	1.2	0.0%				
	BCPP Multi Asset Credit	227.9	4.9%				
Investment Grade Credit		333.7	7.2%	7.5%	-0.3%	TBC	
	BCPP Investment Grade Credit	333.7	7.2%				

Source: BNYM, Aon. Note: Numbers may not sum due to rounding.

Asset allocation – Q1 2022 (cont'd)

Asset Group	Manager	31 March 2022					
		Valuation (£m)	Current allocation	Long-term strategy	Difference	Rebalancing Range	Possible action
Gilts		716.9	15.5%	15.0%	+0.5%	TBC	
	BCPP Index Linked Bonds	716.9	15.5%				
Cash		24.0	0.5%	0.0%	+0.5%	TBC	
	Internal Cash	24.0	0.5%				
Total		4,627.0	100.0%	100.0%			

Source: BNYM, Aon. Note: Numbers may not sum due to rounding.

Investment strategy update

Decisions taken at the March Pension Fund Committee meeting:

- The Pension Fund Committee agreed to commit:
 - £70m to the BCPP Private Credit fund
 - £120m to the BCPP Infrastructure fund
 - £180m to the BCPP Climate Opportunities fund

Implementation actions over Q1 2022:

- Page 50
- The addition of Border to Coast's Listed Alternatives fund into the portfolio; this was funded with the following transactions
 - Full disinvestment from the Newton Diversified Growth fund
 - Disinvestment from Leadenhall Remote Risk
 - Disinvestment from Leadenhall Diversified
 - Disinvestment from Leadenhall Nat Cat
 - Disinvestment from Dodge & Cox

The following rebalancing activities took place over the quarter:

- £323m was invested in the Border to Coast's Listed Alternatives fund.
- Border to Coast made twenty one Infrastructure capital calls in the quarter totalling £19m and eight Private Credit capital calls totalling £13m.
- £173m was disinvested from Newton (full disinvestment).
- £54m was disinvested from Leadenhall Remote Risk.
- £51m was disinvested from Leadenhall Diversified.
- £45m was disinvested from Leadenhall Nat Cat.
- £26m was disinvested from Dodge & Cox.
- £2m was disinvested from Fidelity, along with the disinvestment from Dodge & Cox to cover the capital calls made above in the quarter.



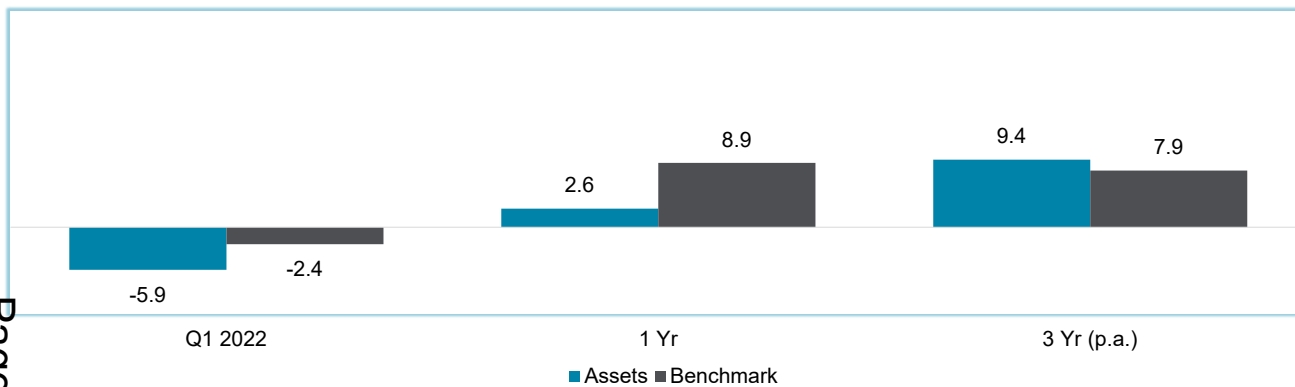
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4. Fund performance

A review of your investment performance

Total Fund performance – Snapshot

Fund performance & benchmark



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Quarterly (relative)

-3.5%



The Fund underperformed the benchmark returning -5.9% vs -2.4% over the quarter.

3 year (relative)

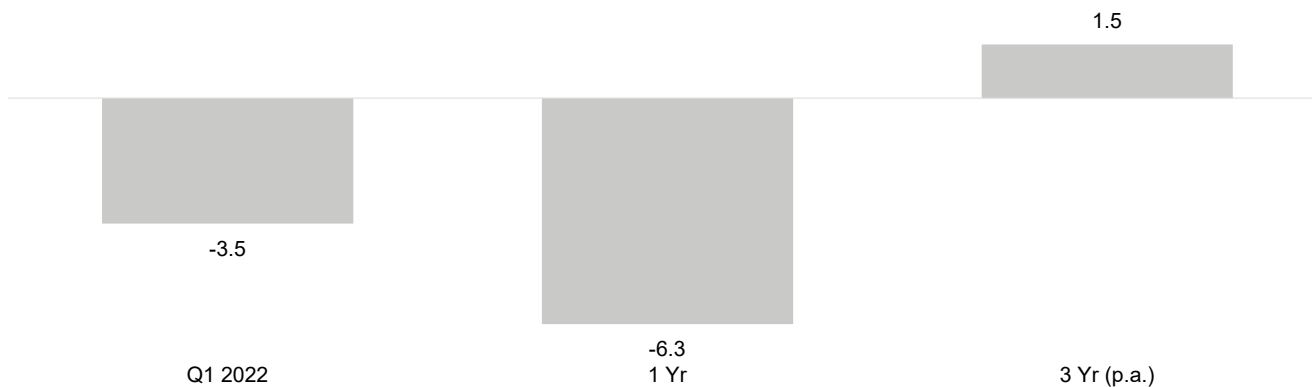
+1.5%



Over 3 years the Fund has outperformed the benchmark returning 9.4% vs 7.9%.

Relative performance

Relative Return (%)

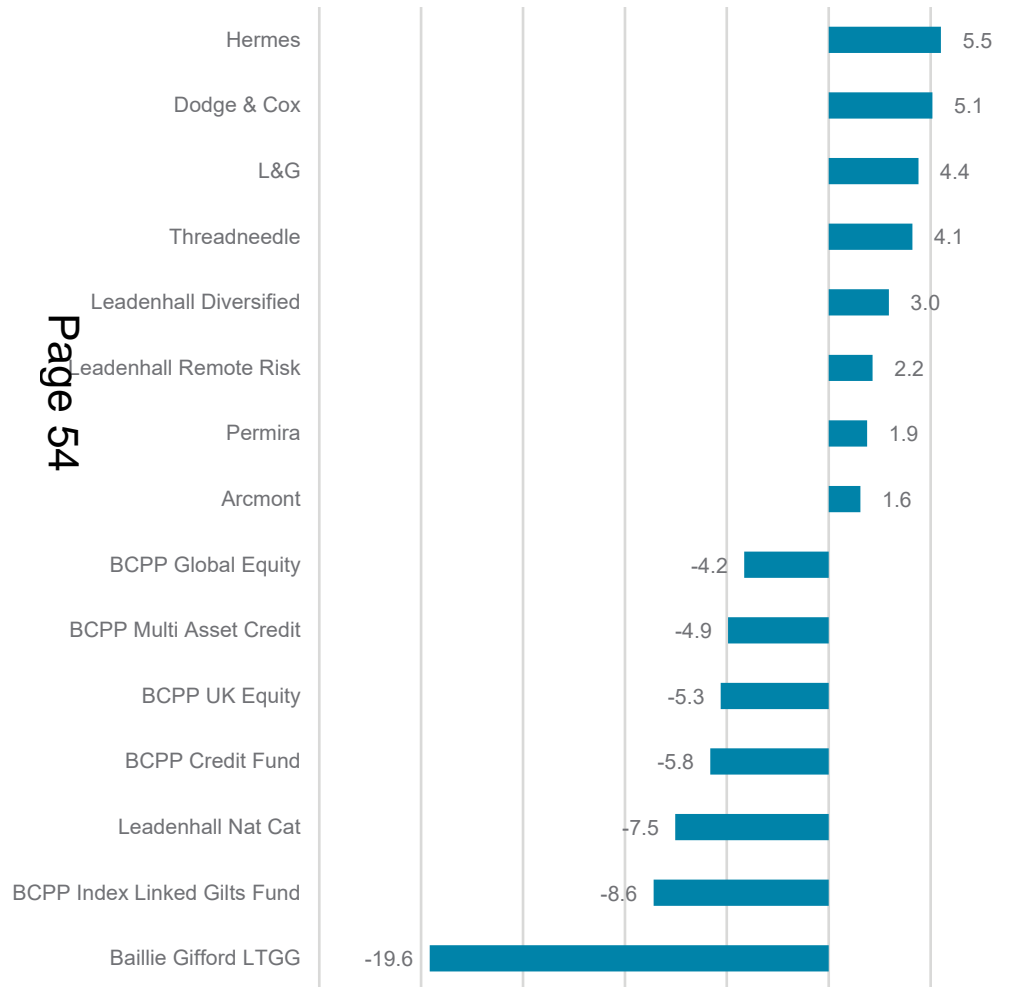


Comments

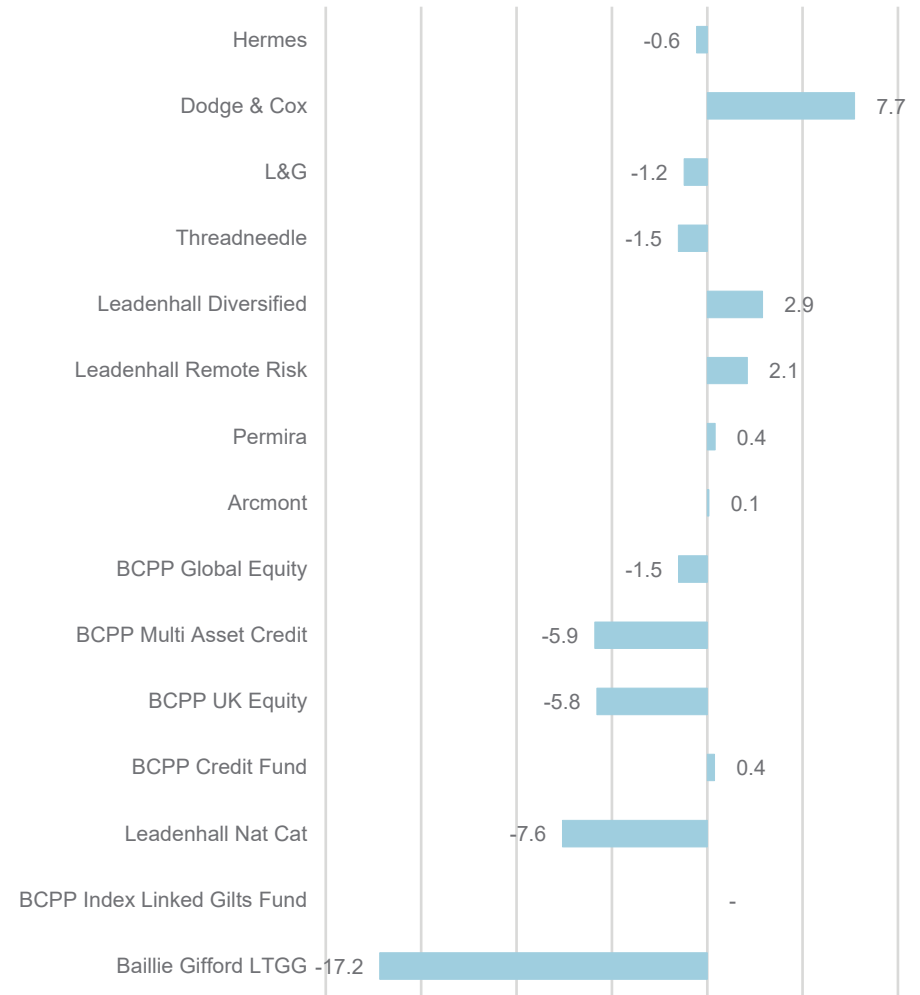
Total Fund performance is behind the composite benchmark over the quarter and 1 year period but ahead of the composite benchmark over 3 year period to 31 March 2022.

Manager performance – Quarter Snapshot

Absolute performance



Relative performance



Source: BNYM, Managers, Aon.

Note: BCPP Infrastructure returns and BCPP Private Credit returns not shown during initial investment drawdown phase. Performance for Fidelity and PIMCO is not shown as mandates only hold residual assets.

Manager performance – Longer term

	1 Year (%)			3 Years (% p.a.)			Since inception		
	Perf	B'mark	Rel	Perf	B'mark	Rel	Perf	B'mark	Rel
Equity									
UK Equity									
BCPP UK Equity	3.3	13.0	-9.7	-	-	-	4.7	5.8	-1.1
Global Equity									
BCPP Global Equity	7.6	12.8	-5.2	-	-	-	11.6	13.8	-2.2
Baillie Gifford LTGG	-13.6	12.8	-26.4	23.1	13.9	+9.2	16.4	10.0	+6.4
Dodge & Cox	15.5	12.8	+2.7	13.1	13.9	-0.8	10.0	11.7	-1.7
Absolute Return									
Insurance-Linked									
Leadenhall Remote Risk	1.3	0.0	+1.3	3.0	0.2	+2.8	2.6	0.3	+2.3
Leadenhall Diversified	2.5	0.0	+2.5	2.1	0.2	+1.9	1.4	0.3	+1.1
Leadenhall Nat Cat	-10.3	0.0	-10.3	-4.4	0.2	-4.6	-4.5	0.3	-4.8
Property									
Hermes	21.1	22.5	-1.4	7.6	7.9	-0.3	8.4	6.9	+1.5
L&G	22.6	23.1	-0.5	7.9	8.1	-0.2	8.0	7.0	+1.0
Threadneedle	23.8	23.1	+0.7	7.8	8.1	-0.3	9.0	6.8	+2.1

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Source: BNYM, Managers, Aon. Numbers may not sum due to rounding.
Hermes, L&G, Threadneedle; IPD data was used for benchmarking purposes, total fund performance was calculated using BNYM data.
Note: BCPP Infrastructure returns and BCPP Private Credit returns not shown during initial investment drawdown phase.

Manager performance – Longer term (cont'd)

	1 Year (%)			3 Years (% p.a.)			Since inception		
	Perf	B'mark	Rel	Perf	B'mark	Rel	Perf	B'mark	Rel
Infrastructure									
BCPP Listed Alts	-	-	-	-	-	-	4.0	1.4	+2.6
Illiquid credit									
Arcmont	8.9	6.0	+2.9	7.6	6.0	+1.6	7.2	6.0	+1.2
Permira	6.0	6.0	0.0	5.7	6.0	-0.3	7.5	6.0	+1.5
Investment grade credit									
BCPP Investment Grade Credit	-4.1	-5.2	+1.1	-	-	-	-2.4	-4.0	+1.6
Non-investment grade credit									
BCPP Multi-Asset Credit	-	-	-	-	-	-	-5.0	1.4	-6.4
Gilts									
BCPP Index Linked Bonds	4.0	3.9	+0.1	-	-	-	-0.1	-1.9	+1.8
Total	2.6	8.9	-6.3	9.4	7.9	+1.5	7.9	8.0	-0.1

Source: BNYM, Managers, Aon. Numbers may not sum due to rounding.

Note: BCPP Infrastructure returns and BCPP Private Credit returns not shown during initial investment drawdown phase.



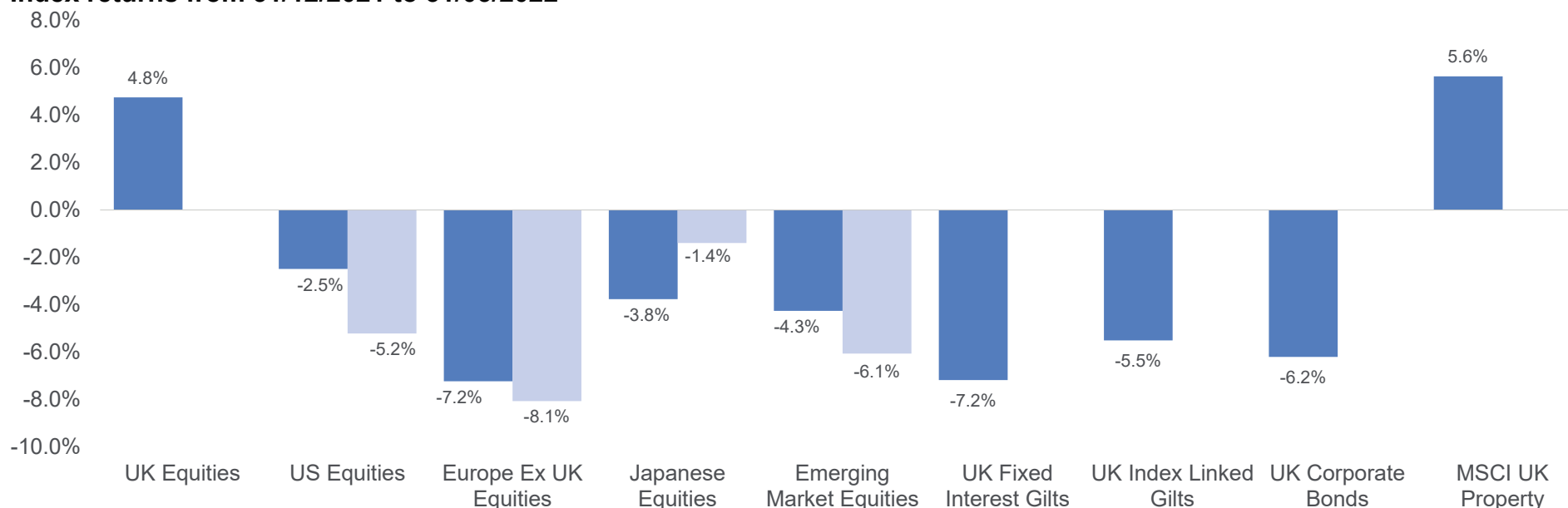
5. Market background and investment outlook

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Aon's views on the market outlook and snapshot of investment markets and key economic data

Market – Background Q1 2022

Index returns from 31/12/2021 to 31/03/2022



Source: FactSet, MSCI (Equities, Property), FTSE (Gilts), iBoxx (Credit)

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Equities

The MSCI AC World index posted a -4.6% return in local terms and a -2.5% return in sterling terms as global equity markets fell in response to heightened geopolitical tensions and continued inflationary pressure.

UK equities rose by 4.8% in sterling terms and were the best performing equity market region.

US equities performed the second-best amongst major equity regions, returning -5.2% over the quarter in local currency terms and -2.5% in sterling terms.

Bonds

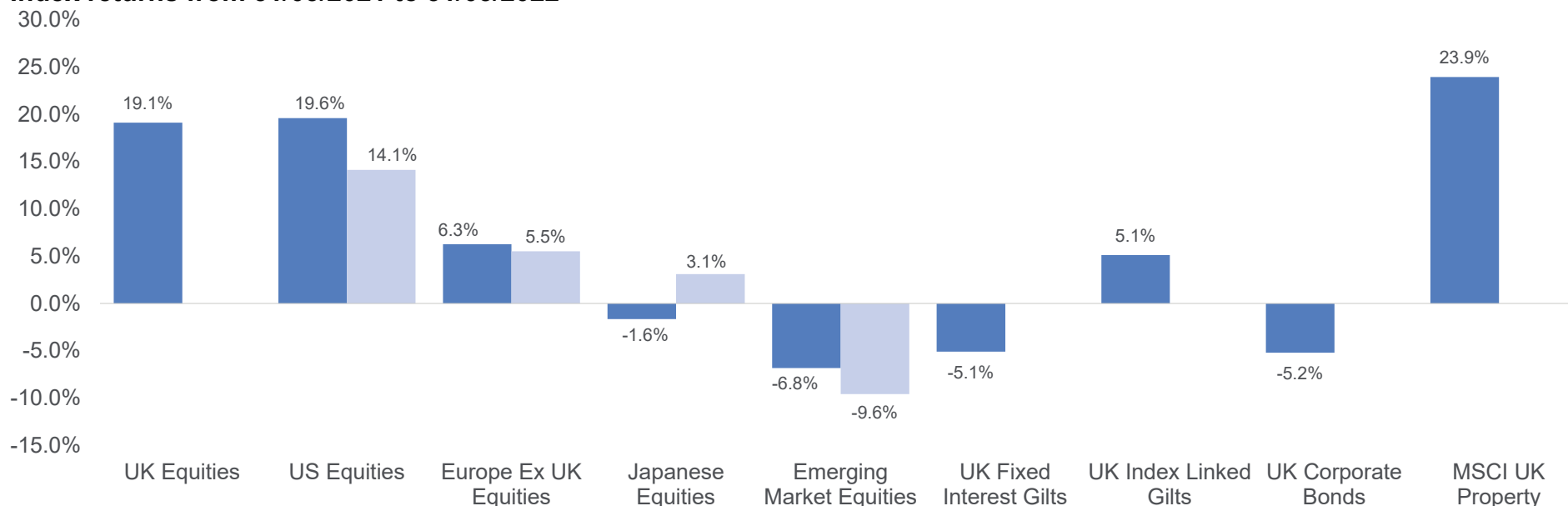
Credit spreads widened over the quarter. UK investment grade credit spreads rose by 22bps to 130bps, based on IBoxx Sterling Non-Gilts data. Lower quality bond credit spreads widened more than their higher quality counterparts, with BBB-rated non-gilt spreads rising by 33bp to 185bps. The increase in spreads and the significant rise in government bond yields led the Sterling Non-Gilts Index to post a return of -6.2%.

Gilts

The UK gilt curve rose across all maturities over the first quarter on expectations of higher policy rates, driving the negative performance of UK fixed-interest government bonds. After rising in January, yields fell back in February as investors flocked to safe-haven assets in response to the beginning of the conflict in Ukraine. However, yields rose strongly over March as inflationary concerns around food and energy prices increased and the BoE reiterated its commitment to tightening monetary policy.

Market – Background 12 month

Index returns from 31/03/2021 to 31/03/2022



Source: FactSet, MSCI (Equities, Property), FTSE (Gilts), iBoxx (Credit)

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Equities

Global equities generated positive returns over the last twelve months. Equities delivered solid returns in 2021, boosted by optimism over Covid-19 vaccine roll-outs, supportive monetary and fiscal policies, and improving economic data. However, markets reversed some of their gains in Q1 2022 as geopolitical risk took center stage with Russia invading Ukraine. Furthermore, major central banks continued to move forward with normalising monetary policy as inflation rates worldwide rose rapidly.

Bonds

Credit markets declined over the past twelve months. UK investment-grade credit spreads (the difference between corporate and government bond yields), based on the iBoxx Sterling Non-Gilt Index, widened by 24bps to 130bps.

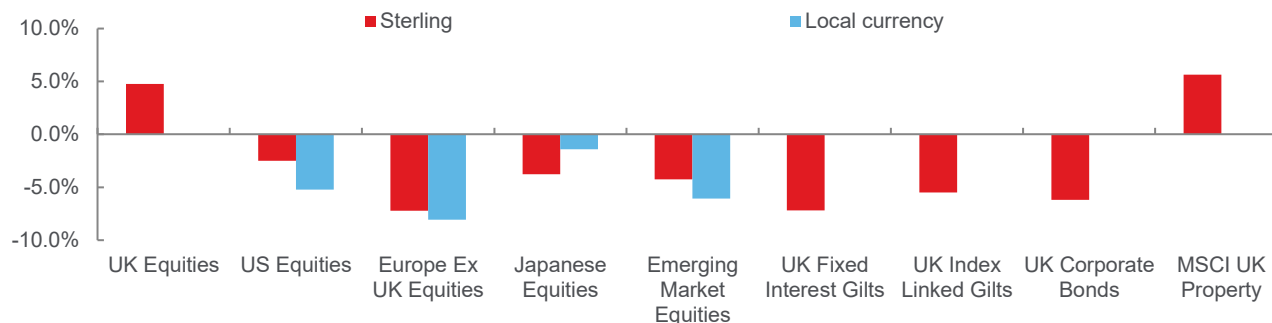
Gilts

Yields fell in Q2 2021 as variant virus risks and worries over a slower pace of global economic recovery arose. Nominal yields then picked up once more over the third quarter of 2021, driving the negative performance of UK fixed-interest government bonds. Yields rose on the back of brought-forward interest rate hike expectations against the background of rising inflation and central bank indications of policy rate increases. However, longer-dated yields briefly fell back in Q4 2021 due to heightened uncertainty surrounding Omicron. Short-dated yields later began to factor in potential monetary policy changes and saw notable increases. In Q1 2022, yields rose strongly across maturities due to expectations of future rate hikes.

Q1 performance

The key liquid asset classes of **equities, credit, and government bonds are all down**. Russia's Ukraine invasion is an aggravating factor rather than a key driver of these market declines.

Only **UK commercial property** (a strong recovery in capital values) and **UK equities** (the UK market's high commodity weighting) resisted the downtrend.



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Even if inflation peaks soon, above-target inflation is a risk

There are more inflation causes than just rising commodity prices. Supply chain strains and tight labour markets are key drivers too.

Inflation should peak this year, but bringing it to target and keeping it there will be hard without a big economic squeeze.

Can the credit sell-off stay moderate?

Further spread widening looks very likely even though some supports remain.

A strong run in secured loans was predictable in a rising rate environment, but this is now nearing completion.

Tighter money is a challenge

Central banks have pushed markets lower this year with lots of talk of tighter money.

If above-target inflation persists, **interest rates may have to rise to levels which choke off economic activity**, taking a risk of triggering outright recession.

We are staying cautious on equities

Corporate profits have been strong but look to be decelerating quickly. The cyclicality of profits always causes trouble for equities if an economic slowdown turns recessionary.

We see little reason to change our view that this is a better market to offload risk than to add to it.

We have become less negative on gilts

A rising bond risk premium is behind the rise in longer duration yields, reflecting lasting inflation and interest rate uncertainty.

The recent sharp rise in gilt yields has now allowed for much of the bond-unfriendly developments that are evident. **We are now reverting to a duration-neutral stance.**

Look for assets with independent drivers

Underlying market volatility is gradually moving higher, a trend that could well endure.

Assets with independent and diversifying return drivers are helpful to navigate these conditions, but will, as usual, need customising to portfolio constraints around liquidity, complexity and cost.



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6. Aon's latest thinking

Our latest investment ideas for you

What should pension schemes be thinking about?

We are deeply saddened by the desperate situation that has unfolded in Ukraine.

The market impact has focused on commodity prices, with both Russia and Ukraine major exporters of oil, agricultural products and metals. The wider investment implications include increased volatility and more persistent inflation.

Key areas we think investors should consider as they navigate the crisis include portfolio exposures, funding objectives, responsible investment policies, liquidity management and cyber risk.



Persistent inflation

...with an uncertain outlook

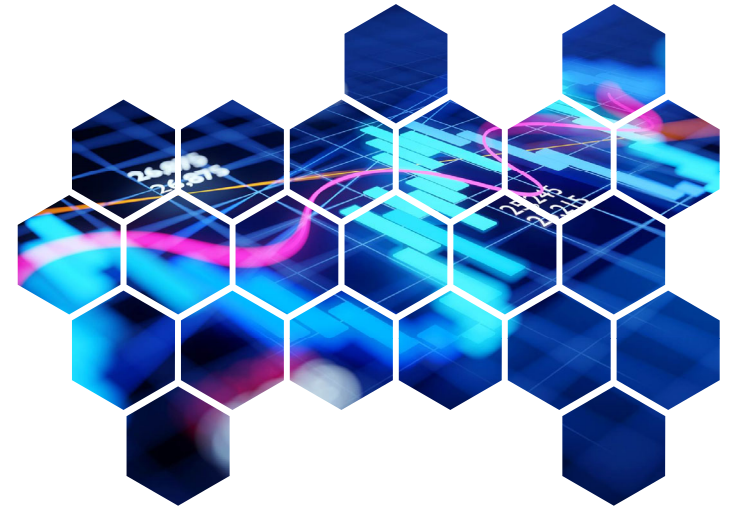
Higher wholesale energy prices, supply chain disruption and the National Insurance increase have all featured in the headlines recently as drivers of higher inflation. The impacts of the Russia-Ukraine war add uncertainty as to when inflation might return to target levels.

We encourage the use of alternative assets in portfolios, such as diversifying hedge funds and gold, to help bolster portfolios against inflation.

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?%

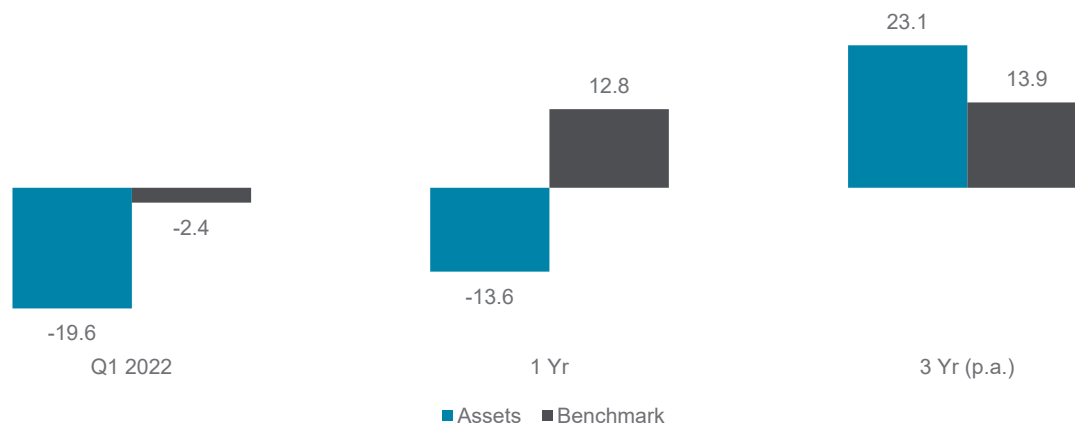




7. Manager review

Aon ratings and understanding manager performance

Fund performance & benchmark



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Performance comments

The manager significantly underperformed in the first quarter of 2022.

Higher inflation, interest rates, strength in commodity markets, concerns over global growth and a regulatory clampdown in China have created very difficult market conditions for the strategy. A continuation of current market trends will see continued relative underperformance.

Growth-orientated strategies we follow also underperformed in the period. As one of the most growth-orientated strategies we follow, recent underperformance following exceptionally strong performance in 2020 is within reasonable expectations.

Large negative contributions to performance came from Meituan, Shopify, Netflix, Delivery Hero, Tencent and Meta (Facebook). All of these names are higher growth and valuation stocks that borne the brunt of market selloffs, particularly if combined with negative news flows (China) or any disappointments in reported results (e.g. Netflix).

Positioning and Transactions

As would be expected, the manager has not made wholesale changes to the portfolio, although is working through the portfolio, recalibrating upside scenarios and making incremental changes. The manager's focus remains on companies that can deliver outlier growth on a five-to-ten-year horizon.

Buy

Reviewed: May 2022

Ratings detail

ODD:	A1 pass	Risk:	●●●●●
Business:	●●●●●	Perf:	●●●●●
Staff:	●●●●●	Terms:	●●●●●
Process:	●●●●●	ESG:	Integrated

Key info

Appointed: 29 September 2006

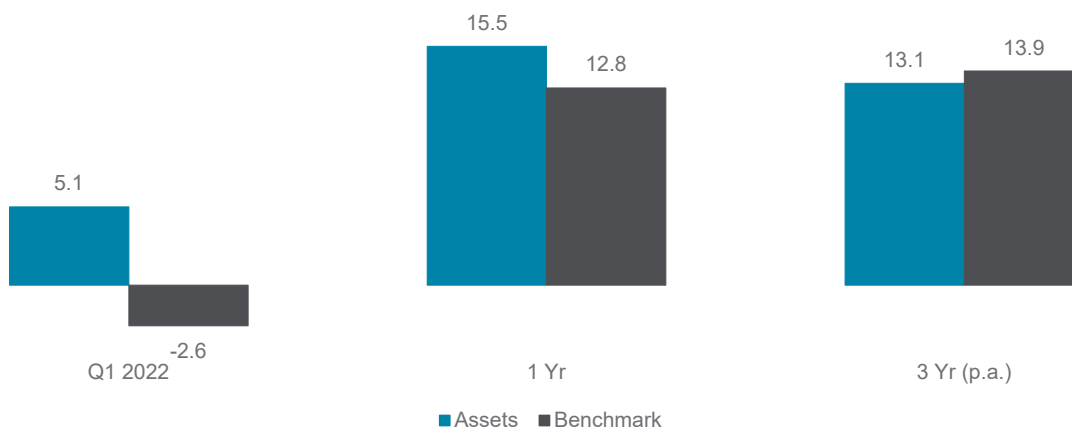
Vehicle: Baillie Gifford Long Term Global Growth (+3% over 5-10yrs)

Mandate: Global Unconstrained Equities

Benchmark: FTSE All World Index from 31 March 2008

Target: To outperform the benchmark by 3% p.a. over rolling three-year periods.

Fund performance & benchmark



Buy

Reviewed: May 2022

Ratings detail

ODD:	A1 pass	Risk:	●●●●●
Business:	●●●●●	Perf:	●●●●●
Staff:	●●●●●	Terms:	●●●●●
Process:	●●●●●	ESG:	Integrated

Key info

Appointed: 1 April 2015
Vehicle: Dodge & Cox Global Stock Fund
Mandate: Global Equities
Benchmark: MSCI All Country World Index
Target: To outperform over a full market cycle.

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Performance comments

The Fund outperformed during the first quarter of 2022.

From both a regional and sector perspective, stock selection was the main driver of outperformance over the quarter, notably within the U.S. and within the Energy, I.T. and Health Care sectors.

Sector allocation also added value, driven by the over-weight to the Energy, Financials and under-weight to I.T.

From a stock specific perspective, Occidental, Ovintiv and Suncor Energy were the largest positive contributors; all were up given the continued strength of oil.

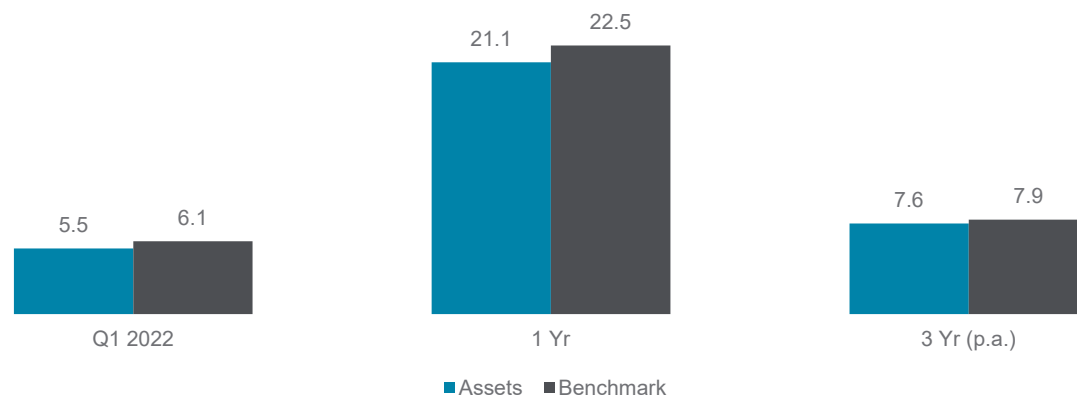
These energy companies also suffered the greatest declines through Covid, as they were believed to have the highest sensitivity to an economic slowdown and doubts over the strength of their balance sheets. The manager's analysis at that time suggested they had the strength to withstand the slowdown and the sharp rebound in oil prices has resulted in increases of cash flows enabling these companies to de-lever their balance sheets.

Positioning and Transactions

The Fund has reduced its energy aggressively over the past few quarters, but remains over-weight given the very large returns. Similarly, Health Care has also been trimmed following a period of strength.

Hermes – Property Unit Trust

Fund performance & benchmark



Performance comments

The Trust underperformed its benchmark over the quarter, with continued underperformance over the longer periods shown.

The Trust is slightly overweight to the retail sector. The Manager continues to hold the view that affordable (from a rent perspective) retail parks and food anchored retail warehouses are likely to be some of the best performing assets over the medium term, given their attractive rental income and scope for further yield compression in the sub sector.

In terms of property level return for the 12 months up to quarter end, The M2 City Link industrial estate is the strongest performer, returning 83.1%. This is followed by The Coln Industrial Estate, returning 69.8% and The Erdington Industrial Park in Birmingham, returning 64.1%.

The largest detractors over the 12 months in terms of weighted contribution remain the Trust's West End offices at 8/10 Great George Street and 27 Soho square, as well as the hotel asset at Broken Warf.

There were no acquisitions or disposals to report over the quarter.

Void rate is marginally down on last quarter, but remains high at 11.7%. However, 6.7% of this is strategic void subject to refurbishment, the largest contributor being Great George Street, which the manager is looking to sell.

We understand there is a potentially large redemption from the Trust that the manager is trying to meet using an auction on the secondary market. We are waiting on updates.

Buy

Reviewed: May 2022

Key info

Appointed: 27 February 2012

Vehicle: Property Unit Trust

Mandate: UK Property Pooled Fund

Benchmark: IPD Other Balanced Property Fund Index

Target: To Outperform the benchmark by 0.5% over three year rolling periods.

Hermes – Property Unit Trust (cont.)

Major developments

Associate Director, Ritu Rajashekar, is now employed full time as an ESG and Net Zero consultant but has moved to the United States. She will still be providing ESG advice to the FHPUT team. However, the Manager has now recruited a new ESG specialist Katerina Papavasileiou to support Kirsty Wilman and the UK real estate team more closely. Ritu's move and the recent departure of Ben Sanderson who headed up the ESG strategy at Federated Hermes has not changed our ESG rating.

The Manager had previously expressed their desire to explore a new fund structure, primarily a Property Authorised Investment Fund (PAIF) or Long-Term Asset Fund (LTAF), in order to accommodate a wider pool of investors, including potentially DC and overseas institutions. After careful consideration, the Manager has decided to pause this exercise for the foreseeable future, mainly due to the cost of implementations and the lack of comparable evidence of the use of LTAFs in the market, given the structure is relatively new.

During the quarter it was announced that Federated Hermes had acquired the final 10.5% share of the business that had been owned by senior Hermes employees. The legacy HFML Long Term Incentive Plan (LTI) is being replaced with the equivalent award of restricted stock which matches the previous vesting schedule. This was always expected to occur, and we do not believe it will have a material impact on the business or the running of the fund. The LTI plan is separate to the annual discretionary bonus awards and all the participants in the scheme are selected by the Executive Committee each year. Participation each year is not guaranteed, ensuring that the performance of individuals in the scheme remains high and giving the opportunity for the Executive Committee to bring in new participants deemed critical to the success of the business.

Buy

Reviewed: May 2022

Key info

Appointed: 27 February 2012

Vehicle: Property Unit Trust

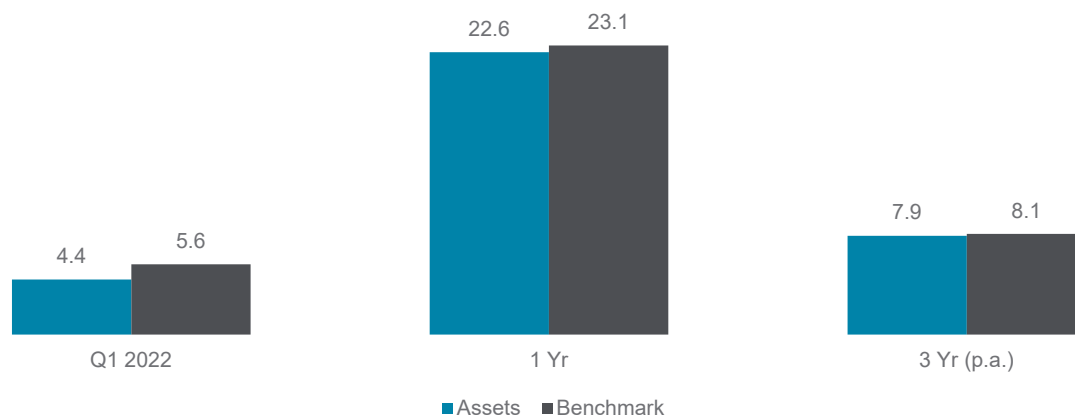
Mandate: UK Property Pooled Fund

Benchmark: IPD Other Balanced Property Fund Index

Target: To Outperform the benchmark by 0.5% over three year rolling periods.

LGIM – Managed Property Fund

Fund performance & benchmark



Qualified

Reviewed: May 2022

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Performance comments

The Fund has underperformed its benchmark over the quarter and has marginally underperformed over the longer periods shown.

Short term underperformance was partly down to cash drag and transaction costs.

The manager continues to have a largely negative view on the retail sector, with the Fund continuing to underweight this sector. Despite this, the manager remains upbeat for food stores and retail warehousing, and will continue to concentrate portfolio exposure in these more resilient sub-sectors.

The manager also continues to hold a positive view of the alternatives sector, and seeks to increase exposure to student accommodation and urban residential.

Rent collection as at 29 April 2022 (day 28) stood at 90% for the quarter's demanded rent.

The Fund made 1 acquisition and 2 disposals over the quarter. The Manager is focused on exiting non-core assets and re-positioning towards favourable sectors.

The most notable transaction over the quarter was the sale of Central St Giles, a Central London office scheme, to Google (as owner occupier) netting £187m for the Fund.

At the end of March, the Fund held 11.7% cash vs the benchmark of 5.4%. This is partly as a result of the large sales over the quarter. However, the manager has historically been slow to deploy capital but is actively seeking re-investment opportunities with £200m of acquisitions targeted to complete in Q2.

Key info

Appointed: 1 November 2012

Vehicle: Property Fund

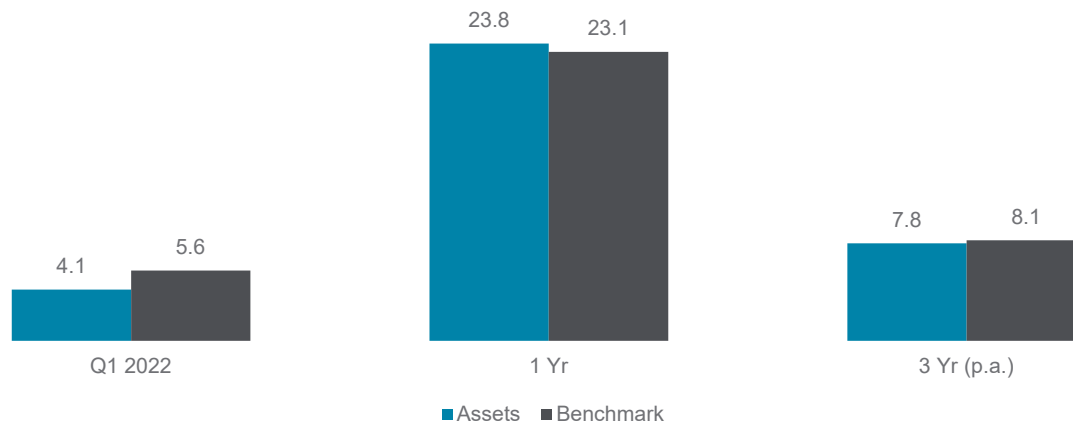
Mandate: UK Property Pooled Fund

Benchmark: IPD All Balanced Property Fund Index

Target: To outperform the benchmark by over three year rolling periods.

Threadneedle – TPEN

Fund performance & benchmark



Buy

Reviewed: May 2022

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Performance comments

The Fund has underperformed its benchmark over the quarter. Over the year, the fund has outperformed the benchmark, but underperformed over the three-year period.

Short term underperformance has been driven by sector weightings, in particular the underweight allocation to the London industrial assets, despite the Fund being overweight to the industrial sector.

Rent collection remains relatively stable across the portfolio, with 93.4% of the demanded rent for the quarter received.

The Fund is generally well positioned given the current market environment and outlook with an overweight position to industrials, underweight to offices and slight overweight to the retail sector.

The Fund made 5 acquisitions and 2 strategic disposals over the quarter. The Manager is focused on increasing the Fund's exposure to industrial properties and retail warehouses.

In line with this strategy, the Fund acquired a six-asset portfolio for £50.28m, which the manager believes can generate stable income has excellent potential to add value.

Other notable transactions include the £9.15m acquisition of a modern purpose-built three-unit retail park in Barnsley

The Fund signed 222 new lettings and lease renewals in the last 12 months and recorded a high retention rate of 85%.

Key info

Appointed: 21 June 2012

Vehicle: Property Fund

Mandate: UK Property Pooled Fund

Benchmark: IPD All Balanced Property Fund Index

Target: To outperform the benchmark by 1 to 5%.

Changes to Senior Management at BCPP

- Andrew Stone (Head of CRM) left BCPP in March 2022 and will be returning to LGIM as a Client Director
- Milo Kerr will be replacing Andrew as Head of CRM in July 2022. Milo is currently a client director within Mercer's Investment Team.
- Alistair Smith will be joining BCPP in May 2022 as the new Head of Real Estate.

Changes to views of External Managers

BCPP UK Equity

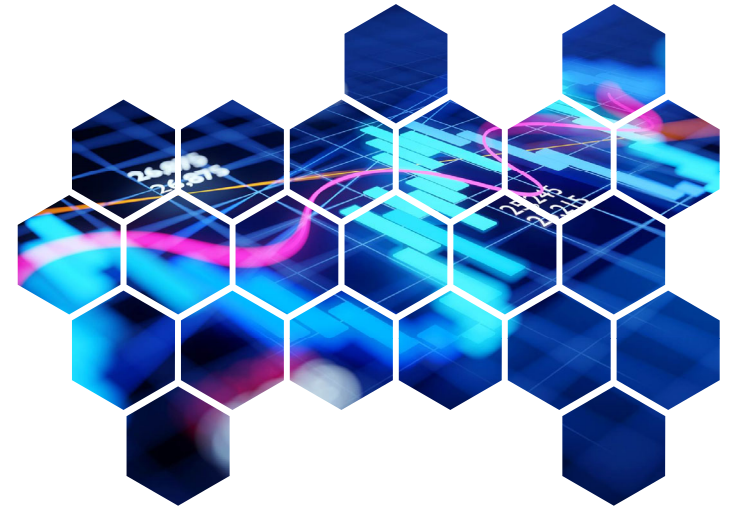
- Baillie Gifford have been added to a 6-month watchlist due to recent underperformance, team changes and changes in their portfolio construction. This will be reviewed in August 2022.

Breaches to risk controls and ranges

- No breaches reported in BCPP reporting this quarter.

Changes in structure, investment processes or risk management

- No material changes reported to structure, investment processes or risk management during the quarter.
- BCPP Global Alpha, change being considered to include Emerging Markets and China



8. Further information

Key reference information about your scheme

Method

The funding update has been prepared in accordance with the framework below.

- This funding update is consistent with the calculations for the formal actuarial valuation as at 31 March 2019. The assumptions used have been modified only insofar as is necessary to maintain consistency with the approach set out in the latest Funding Strategy Statement, reflecting the change in the effective date and in relevant market conditions.
- The funding update is projected from the results of the formal actuarial valuation as at 31 March 2019 and is therefore approximate. Since the update is not based on up-to-date membership data, it becomes more approximate the longer the period of time that has elapsed since the last actuarial valuation.
- The funding update takes account of the following over the period since the last formal actuarial valuation:
 - Cashflows into and out of the Fund estimated based on the 2019 valuation results;
 - Actual price inflation and its impact on benefit increases.
- Demographic experience since the last formal actuarial valuation has been assumed to be in line with the assumptions set out in the 2019 Valuation Report.
- This update is designed to give a broad picture of the direction of funding changes since the actuarial valuation but does not have the same level of reliability as, and therefore does not replace the need for, formal actuarial valuations.
- It does not reflect any changes to assumptions which would be made if a full actuarial valuation were to be carried out to reflect, for example, changes to the investment strategy or economic outlook.
- For the purpose of this funding update, we have used an un-audited value of the assets as at 31 March 2022 provided by the Administering Authority
- The whole of fund total employer contribution rates shown in this funding update allow for a recovery period ending 31 March 2041 and allow for any surplus in excess of 110% to be recovered as set out in the Funding Strategy Statement
- The assumptions used in this funding update are as follows:

	Discount rate	Pay growth	Pension increases
31 March 2019	4.20%	3.35%	2.10%
31 December 2021	3.90%	3.45%	2.20%
31 March 2022	4.20%	3.55%	2.30%

Risk/Return Assumptions



- The table below sets out the asset and liability return assumptions over 10 years, together with the asset allocation and exposures used. These are based on Aon's Capital Market assumptions as at 31 March 2022.

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High level asset class	Expected Return	Expected Volatility
Equities	6.9%	18.8%
Property	5.3%	12.6%
Infrastructure	8.4%	15.8%
Listed alternatives	6.8%	19.2%
Illiquid credit	6.3%	5.4%
Investment grade credit	2.7%	7.9%
Non-investment grade credit	4.3%	9.4%
Absolute Return	4.4%	5.1%
Gilts	0.9%	7.3%
Cash	1.5%	1.0%

Note: all statistics are 10 year median expected returns/volatility of returns.

Correlation Table

High level asset class	Equities	Property	Infrastructure	Listed Alternatives	Illiquid credit	IG Credit	Non-IG Credit	Absolute Return	Gilts	Cash
Equities	100%	38%	61%	100%	29%	5%	53%	19%	-9%	-3%
Property		100%	18%	37%	28%	5%	27%	7%	-3%	4%
Infrastructure			100%	63%	14%	4%	21%	18%	-4%	0%
Listed Alternatives				100%	28%	5%	52%	19%	-9%	-3%
Illiquid credit					100%	60%	67%	13%	4%	19%
IG Credit						100%	32%	15%	55%	39%
Non-IG Credit							100%	14%	-3%	6%
Absolute Return								100%	9%	29%
Gilts									100%	34%
Cash										100%

Date of calculation	31 March 2022
Number of simulations	5000
Time horizon	10 years
Asset value	£ 4,627,027,612



- Infrastructure is modelled as a blend of 37.5% EU and 62.5% US Infrastructure in line with BCPP's mandate.
- Listed Alternatives are modelled as passive global equities (including emerging markets).
- Private Credit modelled as combination of 2/3 Senior Direct Lending (for Arcmont and Permira) and 1/3 Whole Property Debt (for BCPP).
- Gilts are modelled as a 90% long-duration index-linked gilts and 10% long-duration fixed-interest gilts.
- Property is modelled as UK Property.
- Liquid IG Credit modelled as UK corporate bonds (A-rated with average duration of 10 years)
- Liquid Non-IG Credit modelled as high yield multi-asset credit.
- Absolute Return is modelled as Leadenhall Insurance Linked Securities modelled as an equal blend of Aggressive, Conservative and Moderate ILS.
- The Fund has an allocation to Equities which make up 50% of the long term allocation.
- For modelling purposes (and for consistency with the approach taken by the Actuary) we do not allow for any outperformance from active management (alpha).
- We have not allowed for the impact of equity protection on the risk and return of the portfolio
- Equities have been modelled using region splits in line with the long term allocation:

Passive UK Equity	10%
Passive Global Equity (including Emerging Markets)	90%

Key assumptions of the model (1)



- The purpose of the model is to consider and monitor the return and risk characteristics of the current and long term investment strategy of the Fund.
 - The analysis considers the expected return of the Fund’s investment strategy and the 1-in-20 downside 5th percentile Value at Risk implied by the strategy.
 - These metrics are considered as at the stated quarter-end.

- Investment risk is included in the model outputs but this is not the only risk that the Fund faces; other risks include covenant risk, longevity risk, timing of member options, basis risks and operational risks.
- Investment risk has been calculated on an asset only basis.



Key assumptions of the model (2)



- The calculation of portfolio risk is approximate;
 - The calculation considers (5000 stochastic) simulations of returns over a single year of the Fund's investment strategy.
 - The simulations are constructed using Aon Solution's Asset Model – the details and assumptions of which are outlined in this appendix.
 - The calculation does not take into account any cashflows payable over the year; if cashflows are expected to be material the result is likely to be different.
 - Risks are attributed into the categories outlined in the chart only; the investment strategy may be exposed to further risk categories not shown.
 - The calculation does not take into account longevity risk (i.e. liability values increasing due to members living longer than assumed).
 - Owing to these approximations, a more detailed ALM study is likely to result in a different result to the VaR calculation.
 - Other portfolios with different risk and return characteristics may be available to the Fund along the journey to full funding.



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This report should be read in conjunction with:

- The report on the most recent actuarial valuation of the Fund dated 30 March 2020.
- The latest Funding Strategy Statement.

If you require further copies of any of these documents, please let me know.

Third party disclaimer – 1 of 3

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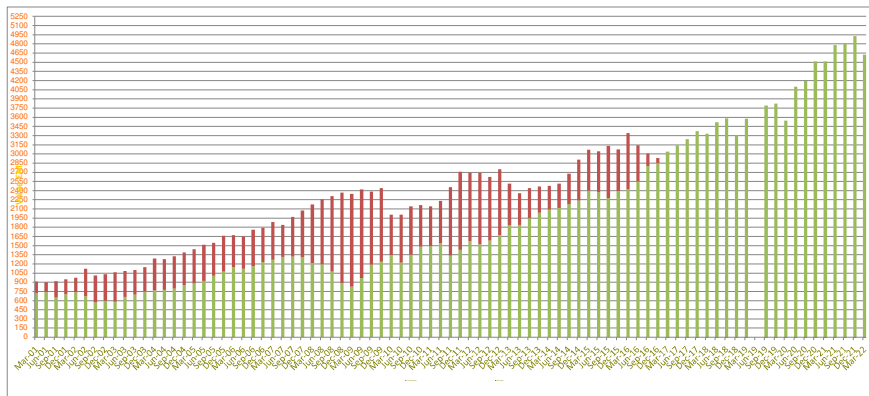
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Actuarial Model of Quarterly Solvency Position

Date	Solvency	Deficit £(M)	Fund Value £(M)	FTSE 100
March 31, 2001	79%	187	724	5,634
June 30, 2001	82%	162	740	5,643
September 30, 2001	71%	265	650	4,903
December 31, 2001	74%	245	702	5,217
March 31, 2002	75%	245	732	5,272
June 30, 2002	69%	450	670	4,656
September 30, 2002	56%	435	574	3,722
December 31, 2002	58%	435	597	3,940
March 31, 2003	55%	478	584	3,613
June 30, 2003	61%	423	662	4,031
September 30, 2003	63%	408	695	4,091
December 31, 2003	65%	402	747	4,477
March 31, 2004	59%	524	767	4,386
June 30, 2004	61%	498	778	4,464
September 30, 2004	60%	524	799	4,571
December 31, 2004	62%	533	854	4,814
March 31, 2005	61%	563	879	4,894
June 30, 2005	61%	592	924	5,113
September 30, 2005	65%	542	1005	5,478
December 31, 2005	65%	585	1075	5,619
March 31, 2006	69%	523	1150	5,965
June 30, 2006	68%	531	1121	5,833
September 30, 2006	66%	593	1163	5,961
December 31, 2006	69%	561	1233	6,221
March 31, 2007	67%	619	1266	6,308
June 30, 2007	72%	522	1316	6,608
September 30, 2007	67%	648	1322	6,467
December 31, 2007	63%	763	1310	6,457
March 31, 2008	56%	958	1217	5,702
June 30, 2008	53%	1064	1195	5,625
September 30, 2008	47%	1235	1074	4,902
December 31, 2008	37%	1481	855	4,434
March 31, 2009	39%	1522	827	3,926
June 30, 2009	40%	1447	972	4,249
September 30, 2009	50%	1196	1187	5,134
December 31, 2009	51%	1204	1239	5,413
March 31, 2010	67%	659	1345	5,889
June 30, 2010	61%	785	1219	4,917
September 30, 2010	63%	791	1354	5,549
December 31, 2010	69%	681	1483	5,900
March 31, 2011	70%	648	1463	5,909
June 30, 2011	69%	695	1538	6,346
September 30, 2011	54%	1123	1335	5,129
December 31, 2011	53%	1277	1430	5,572
March 31, 2012	58%	1121	1571	5,768
June 30, 2012	56%	1176	1517	5,571
September 30, 2012	60%	1040	1584	5,742
December 31, 2012	61%	1079	1672	5,898
March 31, 2013	73%	679	1836	6,412
June 30, 2013	78%	519	1840	6,215
September 30, 2013	80%	490	1949	6,462
December 31, 2013	83%	427	2040	6,749
March 31, 2014	84%	389	2089	6,598
June 30, 2014	84%	397	2117	6,744
September 30, 2014	81%	500	2179	6,523
December 31, 2014	77%	671	2238	6,566
March 31, 2015	78%	669	2399	6,773
June 30, 2015	78%	674	2371	6,521
September 30, 2015	73%	857	2277	6,062
December 31, 2015	78%	682	2394	6,242
March 31, 2016	72%	923	2418	6,175
June 30, 2016	81%	596	2549	6,504
September 30, 2016	93%	203	2801	6,899
December 31, 2016	97%	86	2849	7,143
March 31, 2017	104%	-127.2	3036	7,323
June 30, 2017	105%	-160.2	3144	7,313
September 30, 2017	108%	-225.6	3241	7,373
December 31, 2017	109%	-277.7	3375	7,688
March 31, 2018	107%	-226.2	3331	7,057
June 30, 2018	110%	-327	3522	7,637
September 30, 2018	115%	-464.6	3581	7,510
December 31, 2018	105%	-164.8	3305	6,728
March 31, 2019	108%	-272.8	3577	7,279
September 30, 2019	119%	-620	3793	7,408
December 31, 2019	115%	-503	3823	7,542
March 31, 2020	107%	-221	3544	5,672
June 30, 2020	124%	-786.5	4103	6,170
September 30, 2020	121%	-720.7	4195	5,866
December 31, 2020	126%	-937.7	4517	6,461
March 31, 2021	125%	-893.4	4516	6,714
June 30, 2021	130%	-1115.9	4783	7,037
September 30, 2021	130%	-1095.5	4807	7,086
December 31, 2021	129%	-1105.5	4928	7,385
March 31, 2022	124%	-886.5	4627	7,516

Triennial valuation results highlighted in grey

Movement in Assets and Liabilities



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North Yorkshire County Council

Pension Board

Minutes of the meeting of the Pension Board held on Thursday 7th April 2022 via Microsoft Teams commencing at 10am.

Present:-

Members of the Board

David Portlock (Independent Chairman).

Employer Representatives:

Councillor Ann Hook (City of York Council), Emma Barbery (Askham Bryan College) and David Hawkins (York College).

Scheme Members:

David Houlgate (Unison), Simon Purcell (Unison), Gordon Gresty and Sam Thompson (Hambleton District Council)

County Council Officers:

Qingzi Bu, Phillippa Cockerill, Steve Loach, Ian Morton, Tom Morrison and Jo Foster-Wade.

Copies of all documents considered are in the Minute Book

All decisions made by the Committee are subject to the procedure set out in Minute 336, below.

335 Exclusion of the Public and Press

Resolved –

That on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006, the public was excluded from the meeting during consideration of agenda items: min.no. 342(b) – Confidential minutes of the Pension Fund Committee held on 4th March 2022

336 Chairman's Welcome and Introductions

The Chairman welcomed everyone to the formal, live broadcast, virtual meeting of the Pension Board. Members and officers introduced themselves for the benefit of the broadcast.

He announced that under his delegated decision making powers in the Officers' Delegation Scheme in the Council's Constitution, the Chief Executive Officer has power, in cases of emergency, to take any decision which could be taken by the Council, the Executive or a committee. Following on from the expiry of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, which allowed for committee meetings to be held remotely, the County Council resolved at its meeting on 5 May 2021 that, for the present time, in light of the continuing Covid-19 pandemic circumstances, remote live-broadcast committee meetings would continue, with any formal decisions required being taken by the Chief Executive Officer under his emergency decision making powers and after consultation with other Officers and Members as appropriate and after taking into account any views of the relevant Committee Members. This approach was reviewed by full Council at its February meeting where it was agreed that it be continued with a further review at the May AGM of the full County Council.

337 Apologies for Absence

There were no apologies for absence.

338(a) Minutes

Resolved -

That the Minutes of the meeting held on 13 January 2022, having been printed and circulated, be taken as read and confirmed as a correct record and the Chairman would sign these at a convenient time.

339(b) Progress on Issues Raised by the Board

In respect of consideration given as to whether a breach should be reported to the Pensions Regulator, regarding late issue of Pension Savings Statements, it was stated that further details were yet to be received back from HMRC.

The data reconciliation projects were covered in a later report.

The issue of cyber security was covered in the Administration Report and would be discussed later in the meeting.

A response from Government was still awaited in relation to the Hymans Good Governance review.

Remote meetings were to continue for the time being with a further review of this matter taking place at the May AGM of the County Council, however, it was expected that face-to-face meetings would return following that.

The inclusion of Broadacres within the NYPF continued to be progressed.

In terms of Pensioners opting out of receiving information from the NYPF online it was noted that there had been an increase in the numbers opting for this since the issue had been recomunicated, however, the figure remained low. The issue had been raised within the Pensioners section of the NYPF website, but it was unclear what impact this had had. The issue would continue to be monitored to determine whether further communication was required.

The other issues were included on the agenda and would be updated during consideration of those items.

Resolved -

That the report be noted and any further action highlighted be undertaken accordingly.

340. Declarations of Interest

There were no declarations of interest.

341. Public Questions or Statements

There were no public questions or statements.

342(a). Pension Fund Committee – Minutes of Meeting held on 4th March 2022

The Chairman noted that the Minutes from the meeting had been circulated with the papers for this meeting. He noted that the main issues from that meeting featured on today's agenda. Members of the Board did not raise any issues.

Resolved –

That the Minutes be noted.

342(b). Pension Fund Committee – Confidential Minutes of Meeting held on 4th March 2022

The Chairman noted that the Confidential Minutes from the meeting had been circulated with the papers for this meeting. He stated that should Members wish to discuss any issues arising from those Minutes the meeting would need to go into private session and the broadcast would need to be paused. Members of the Board did not raise any issues.

Resolved –

That the Confidential Minutes be noted.

343. Pension Administration

The Head of Pensions Administration, Phillippa Cockerill, provided Members with an update on key initiatives undertaken by the Administration Team of the NYPF. The report included, as an Appendix, the report that was provided to the PFC at their March 2022 meeting.

The following issues were highlighted:-

- PFC Report

The PFC report from their March 2022 meeting was provided as an Appendix.

- Breaches

There had been one new entry in the breaches log since the previous meeting of the Board. Details of this were outlined together with the action taken to prevent this from reoccurring. A new system of printing was to be introduced, via the NYCC Print Unit, which would eradicate the human error potential in terms of the occurrence of this breach. The appropriate procedures that should be followed had been reinforced to staff. Members discussed the recommendation not to report the breach to the Pensions Regulator and agreed that, as this related to human error, and processes had been put in place to prevent this from reoccurring, that the recommendation should be agreed.

- Major Projects

The 2022 Annual Benefit Statement (ABS) process had commenced. The timescales would be tighter this year as the Triennial valuation would impact on this.

Efforts continued to add NYCC and the City of York Council to the i-Connect project by the year end, with the City of York position having been advanced in comparison to the previous meeting. The roll out will continue until all employers are on-boarded hopefully by the year end in March 2023.

- Broadacres

The situation regarding Broadacres requesting a transfer to the NYPF, as reported at the PFC, was ongoing, with legal and actuarial advice and guidance currently being sought.

- Cyber Security

NYCCs T&C team have stated that they will attend the next meeting of the Board to provide a presentation on Cyber Security within NYCC and how that is adopted to account for the NYPF. A Member noted that recent training events he had attended had indicated that pension Funds should not rely on the Cyber Security offered by their Administering Authority, and should have a stand-alone, dedicated process. It was stated that this issue would be addressed in the presentation.

- Triennial Valuation

Data for the valuation was required by June, therefore, timescales would be tight and meetings with the Actuary would be arranged involving employers in November.

Resolved -

- (i) That the contents of the report be noted;
- (ii) That the contents of the Breaches Log be noted, and it be recommended to the Pension Fund Committee that no further action be taken in respect of the breach identified, with no referral to the Pensions Regulator.

344. Border to Coast's Responsible investment Policies

Tom Morrison presented the report that was submitted to PFC in March 2022 highlighting the development of Responsible Investment Policies by BCPP and how these correlated with the NYPF policies.

He noted that a Climate Change Policy had now been added.

The Responsible Investment Policy and the Corporate Governance & Voting Guidelines document had been introduced in 2018, with subsequent reviews taking place alongside the NYPFs existing policies to ensure that best practice was being implemented. The most recent review had resulted in a number of minor changes, which were detailed in the report. Three policies were considered by the PFC in March and support was provided for these. Members comments have been fed back to BCPP, as would any comments from the Board. The Policies had been referred to each PFC and PB by the Joint Committee with views sought on their suitability.

Members highlighted the following issues:-

- A Member expressed disappointment that the report did not indicate that there would be any consequences where companies do not engage sufficiently. This was echoed by another Member, that there should be consequences for those that did not respond. In response it was emphasised that further details illustrating engagement activity were provided on the BCPP website, however, it was acknowledged that further emphasis could be given to the consequences, as previous experience had shown that shareholders could influence company behaviour when appropriate pressure was put on them. Members noted the response but still considered that it would be appropriate to indicate timeframes for implementation of policies, following engagement, rather than this being left open ended. The Chairman noted that the policies would continue to be developed to address evolving responsible investments including climate change in particular, . It was stated that BCPP was in a strong position to influence companies and would ensure that this influence is maximised going forward. A Member agreed with the issues raised but emphasised that the wording around non-engagement should be altered to state "will" take action rather than "may" take action.

Resolved –

That the report be noted and the issues raised be fed back to BCPP.

345. Internal Audit Reports

Ian Morton, the Assistant Director – Audit and Assurance, provided the Pension Board with an update on Internal Audit activity.

The 2021/22 Audit Plan, agreed in October 2021, had commenced with the all Audits now underway. Details of the issues to be audited during 2021/22 were set out in the report. It was noted that the IT Security audit would focus specifically on how that relates to the NYPF and the guidance from the Pensions Regulator, referred to earlier in the meeting, would be utilised as a framework for the audit.

It was expected that reports on these audits would be available for the next meeting of the Board.

In terms of the four outstanding actions from previous audits, identified in the report, two of these had now been completed with the remainder expected to be completed shortly. This was confirmed by officers, noting that the actions could be implemented relatively quickly.

There was an outstanding action from the 2019/20 Expenditure report that had a revised completion date of the end of March 2022. The action for the 20/21 Income audit was not due until March 2022. The actions for the Investments audit had recently become due and were currently in the process of being followed up. It was noted that some actions identified in the report to be completed by the end of December 2021 had not been, due to workload pressures, but these would be completed as soon as possible.

It was suggested that reference within the report to the Corporate Director Strategic Resources should be altered to Treasurer of the NYPF, when relating to Pension Fund specific matters.

Resolved -

That the report be noted.

346. Business Plan, Budget 2022/23 and Cashflow

Tom Morrison, introduced the report which was presented to the March 2022 meeting of the PFC.

The Business Plan, outlined in the report, set out the key activities for the NYPF for 2022/23. Details of the key activities for the previous year and the progress made were also outlined in the report.

The major changes in respect of the Budget for 2022/23 compared to 2021/22 were:

- An increased budget in relation to investment manager fees, resulting from the excellent performance of the Fund's investments
- An increased budget in terms of staffing resources in line with the added pressures on the Administration Service, as previously reported, resulting in the recruitment of additional staff

An update on the current position regarding the cashflow of the Fund was provided within the report.

Members highlighted the following issues:-

- A Member asked whether the income/expenditure estimates set out in the report would be reflected in the figures in the forthcoming Triennial Valuation (TV). In response it was stated that the figures were initial estimates based on current market conditions, however, as the TV had only just started, and given the significant issues affecting markets currently, these issues widened the range of possible outcomes. It was emphasised that, despite the uncertainty, there was a reasonable amount of comfort in the current and forecast position regarding cashflow. A major concern at the moment was inflation, which could have a significant impact on investments. It was suggested that towards the end of the TV process a presentation be provided to both the Board and PFC on the impact on liabilities and investments.
- In terms of the figures detailed in the report it was emphasised that care had to be taken to ensure that it was clear that the Employer contribution rates were illustrative

and could end up being significantly different, and would be determined by the TV process. It was acknowledged that despite the improvement in the solvency position of the Fund, individual Employer contribution rates resulting from the TV process would be expected to vary widely as they will be influenced by many factors, some specific to each employer..

- The cashflow position of the NYPF was relatively good, but could change due to the various influencing factors – inflation, COVID recovery, war in the Ukraine, etc – therefore it would continue to be closely monitored, but the current forecast did not cause undue concern for the Fund. Operations would continue unaltered should the Fund become cashflow negative.
- A Member asked whether there was any indication of the final impact of the McCloud judgement as yet. In response it was stated that the position was not known as yet and this continued to be worked on. The Actuary had embedded a 0.9% cost into employer contribution rates as part of the 2019 TV. It was noted that the project should be completed by October 2023, however, in view of the scale of the project some slippage is anticipated, which in turn could have an impact on the Valuation process, and this would be discussed with the Actuary.
- It was asked whether the recent recruitment initiative had sufficiently addressed the pressures faced by staff from the increased workload, as it was noted that a number of projects were using third party organisations to meet the required levels of work. In response it was stated that it was believed that the current structure was appropriate for the effective delivery of the service, however, it could not be determined whether there would be further pressures arising moving forward, therefore the position would continue to be monitored. In respect of the use of third party organisations to assist with projects it was noted that despite their involvement it was still challenging to deliver the service, hence the recruitment.
- Noting the recent difficulties in the jobs market, particularly in terms of recruiting people in the financial sector due to competition been exceptionally high, a Member asked if there were any difficulties in recruiting to the new positions and whether that was considered to be a risk. In response it was stated that this was a potential risk going forward. Efforts had been made to fill the positions from the District Councils, but this had not resulted in filling those positions, and the adverts had now gone out more widely. It was stated that a recent change to the application process at the County Council, allowing CVs to be uploaded had generated an increase in the number of applicants.
- It was asked whether officers were still working from home. It was stated that the majority were but there had been a gradual return to the office which was steadily increasing.
- A Member asked whether the cashflow position should be reviewed more regularly than on an annual basis to ensure the matter did not become problematic. In response it was stated that regular updates were submitted to both the Board and PFC, allowing Members to review the position. It was emphasised that the cashflow forecast, assessed immediately before the TV process started, would inevitable include less accurate estimates, but was sufficiently robust to be used in the annual budget setting process, which take place at this time each year.
- In response to Member's questions it was noted that the Administration Structure for the NYPF would not change following LGR, although the structures for NYCC and the District Councils would change, which could result in a less onerous task in terms of collecting data, etc.

Resolved:-

That the report, and issues raised, be noted.

347. Training

Members considered the report of the Assistant Chief Executive (Legal and Democratic Services) providing an update on Pension Board Member training.

The Chairman highlighted the availability of the Hymans online training modules, available for all Members, which offered bite-size training opportunities, enabling Members to keep up to date with current issues. It was noted that the packages were continually updated to keep abreast of current Pensions' information. A module on TVs triennial valuations was available through the platform, which would be useful for Members in terms of the current process.

A Member provided feedback on the LGPS Conference he had attended earlier in the year. He considered that the details provided had been very useful in terms of his service to the Board and recommended that Members of the Board attend future Conferences.

The Chairman emphasised that unlike the PFC, Board Members had a statutory responsibility to keep up to date with Pensions issues through training, conferences, seminars, etc. He noted that the introduction of a single code and the results of the Hymans review may change that position for PFC Members in due course. He acknowledged that Board members were busy with their day to day requirements but asked that they keep up to date with pensions' issues as far as time would allow. He asked that any Members who were struggling to find appropriate time for training contact him to discuss how this could be managed.

Resolved -

- (i) That the report and availability and details of the Hymans Robertson online training package be noted
- (ii) that Meetings of the Board be developed accordingly to provide an opportunity for Members to undertake appropriate training, either individually or collectively.
- (iii) That Members continue to provide details of any training they wish to be included on their training record:

348. Work Plan

Members considered the report of the Assistant Chief Executive (Legal and Democratic Services) detailing the areas of planned work of the Pension Board for the coming year and providing meeting dates for the Pension Board until April 2023.

Resolved -

- (i) That the Work Plan, as detailed in Appendix 1 to the report, be noted.
- (ii) That the dates of ordinary meetings as detailed in the report be noted as follows:-

All Thursdays at 10 am

2022/23

7th July 2022

6th October 2022
12th January 2023
6th April 2023

The meeting concluded at 11.30am.
SL

DRAFT

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