



Agenda

Meeting: Pension Fund Committee

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

Date: Friday, 9 September 2022

Time: 10.00 am

Councillors: John Weighell (Chairman), Sam Gibbs, George Jabbour, Carl Les, Cliff Lunn, David Noland, Neil Swannick, Angus Thompson, Matt Walker, 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 3b, Confidential Minutes, on the grounds that this involves 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 and apologies

3(a) Public Minutes of the Committee Meeting held on 1st July 2022 (Pages 3 - 6)

3(b) Confidential Minutes of the Meeting held on 1st July 2022 (Pages 7 - 10)

4. Declarations of Interest

5. 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 6th September 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.

6. Triennial Valuation Assumptions - Presentation by the Actuary

- 7. Pensions Administration Report - Report of the Treasurer (Pages 11 - 50)**
- 8. Quarterly Funding and Investments Report (Including Investments Update) - Report by AON (Pages 51 - 100)**
- 9. Budget and Cashflow - Report of the Treasurer (Pages 101 - 104)**
- 10. Pension Board - Minutes of the 7th July 2022 and Annual Report - Report back by Chair and to provide an opportunity for the Committee to comment on the Board's 2021/22 Annual Report before this is submitted to the Administering Authority for approval (Pages 105 - 142)**
- 11. 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, 1 September 2022

For all enquiries relating to this agenda or to register to speak at the meeting, please contact Stephen Loach, Democratic Services Officer on Tel: 01609 532216 or by e-mail at: stephen.loach@northyorks.gov.uk

North Yorkshire County Council

Pension Fund Committee

Minutes of the meeting held on 1 July 2022 held at County Hall, Northallerton commencing at 10 am.

Present:-

County Councillors John Weighell OBE (Chairman), George Jabbour, Sam Gibbs, Carl Les (as substitute for Peter Wilkinson) David Noland, Neil Swannick, Angus Thompson, Matt Walker and Andrew Williams.

David Portlock - Chair of the Pension Board.

County Councillors Margaret Atkinson and Peter Wilkinson, Councillor Christian Vassie - City of York Council, and Councillor Patrick Mulligan – North Yorkshire District Councils submitted their apologies

Copies of all documents considered are in the Minute Book

10. 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 Min.15 Asset Allocation Issues

11. Minutes

Resolved -

That the Minutes of the meeting held on 27th May 2022 were confirmed and would be signed by the Chairman as a correct record, subject to the following additions:-

The addition of County Councillor David Noland to the list of apologies.

County Councillor George Jabbour requested that his concerns regarding the Fund's significant exposure to Baillie Gifford be added to Minute No.8 – Performance of the Fund – Baillie Gifford rebalancing

12. Declarations of Interest

County Councillor George Jabbour noted that, at the previous meeting he had declared an interest in relation to the business in which he is involved, but had subsequently received advice that there was no need to declare this. He would continue to declare the non-registerable interest that he has been campaigning on issues involving the

way public sector organisations, pension funds and other institutions manage their finances.

13. Public Questions or Statements

There were no public questions or statements.

14. Governance Arrangements

Considered -

The report of the Treasurer requesting Members to review a range of governance documents and for the Committee to approve or note the following documents, as appropriate, and to provide Members with an update on the draft 2021/22 Statement of Accounts:

- a) Investment Strategy Statement
- b) Governance Compliance Statement
- c) Funding Strategy Statement
- d) Communications Policy
- e) Admissions and Terminations Policy
- f) Risk Register
- g) Pensions Administration Strategy
- h) Administering Authority Discretions Policy
- i) Internal Dispute Resolution Procedure (IDRP) Guide
- j) Governance Roles and Responsibilities
- k) Charging Policy
- l) Breaches Policy
- m) GDPR Privacy Notice
- n) GDPR Memorandum of Understanding
- o) Training Policy
- p) Cashflow Policy
- q) Responsible Investment Policy

Details of the alterations made, if any, since the previous review of the documents, were outlined by officers. Details of the current position in respect of the North Yorkshire Pension Fund (NYPF) draft Statement of Final Accounts were provided for information and it was noted that they were not available at this stage.

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

- A Member queried the 5% investment allowance for entities connected to the administering authority. In response it was stated that this position reflected the 2016 Local Government Pension Scheme (LGPS) legislation, but the NYPF did not have any such investments, and it would be for the Committee to decide if they chose to pursue this.
- It was stated that completed versions of the documents would be provided to Members, without the tracked-changes, when the review had taken place.
- A Member referred to the training policy and noted that it recommended that all Committee Members complete the LGPS Toolkit and the Hymans online training package. He raised concerns that requiring both to be undertaken could lead to repetition and overlap. In response it was stated that the different toolkits provided different perspectives to the workings of the LGPS, therefore, it was useful to have knowledge of both. The Hymans package provided a good basis for understanding the LGPS and was continually updated to ensure that Members were kept abreast of any developments. The toolkit provided by the Pensions' Regulator was a good

supplement to this. Members discussed the training opportunities available and the Hymans platform was highlighted as being particularly useful and beneficial. A Member suggested that some of the modules appeared a little in-depth, providing knowledge at a level more expected for officers rather than Committee Members. In response it was stated that the modules were a useful tool to assist Members with their service to the Committee, with officers providing guidance at meetings, but the in-depth knowledge would assist Members with difficult decisions, going forward. The Treasurer acknowledged the benefits of the training modules, particularly for new Members, and suggested that the Hymans package was approached first, as part of the Continued Professional Development for Members. A review of Members training requirements would be undertaken in 6 months time. It was noted that, currently, a review of governance arrangements for LGPS funds was awaiting a response from the Government, and this could result in changes being made to the governance of the NYPF as a result. A Member emphasised that the unique role of the Committee required Members to have as much detail as possible as to how Funds in the LGPS operate, to ensure that their function could be delivered effectively.

- Members discussed the cashflow policy and position of the Fund, and it was asked whether a minimum limit for the amount of cash required should be set out in the policy. The Treasurer stated that the issue of cashflow had been raised as a concern by both the PFC and the Pension Board, previously, however, he emphasised that the Fund would not find itself in a position whereby there was insufficient money to pay what was required. The framework, set out in the policy, enabled funds to be moved around to ensure payments could be made even if the Fund should become cashflow negative. It was noted that a number of LGPS Funds now operated with a negative cashflow and it was not a significant concern.
- In terms of the draft Statement of Final Accounts, it was explained that these were not available at this stage but would be provided to Members as soon as they were. It was noted that the Committee was not required to approve the accounts, as that was undertaken through the Authority's Audit Committee, however, the Committee did consider these for information and the final accounts would be reviewed as part of the consideration of the Annual Report.

Resolved –

(i) that the changes made to the following governance documents be approved:

- Communications Policy
- Risk Register
- Pension Administration Strategy
- IDRP Guide
- Governance Roles and Responsibilities
- Charging Policy
- Breaches Policy
- GDPR Privacy Notice
- GDPR Memorandum of Understanding
- Training Policy

(ii) that the following governance documents be noted:

- Investment Strategy Statement
- Governance Compliance Statement
- Funding Strategy Statement
- Admissions and Terminations Funding Policy
- Administering Authority Discretions Policy
- Cashflow Policy
- Responsible Investment Policy

(iii) that the update on the 2021/22 NYPF Statement of Accounts be noted.

Minute No.15 was considered as a private item (see Minute No. 10, above) and a separate confidential minute was produced. The Minute below provides a public record of the consideration of that item.

15. Asset Allocation Changes

Considered –

The report of the Treasurer:-

Providing background information on the steps taken to implement the investment strategy agreed by Members in 2021.

Setting out the Fund's asset allocation position and the options available to Members to rebalance between equity managers.

Updating Members on the Global Property and the expected timing of the launch of Border to Coast's Global Property Fund.

Noting the position on the Fund's residual allocations which were due to come to an end.

Resolved –

That the Committee agrees to disinvest from Dodge & Cox, and reinvest into Baillie Gifford up to their strategic allocation of 18% of the value of the Fund, in two tranches and as soon as practicable, with any surplus being invested at the discretion of the Treasurer.

The meeting concluded at 11.40 am 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

9 September 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 31/03/2022	+/- Change (%)	At 30/06/2022
Active	32,155	-4.92%	30,572
Deferred	38,672	+1.5%	39,244
Pensioner (incl spouse & dependant members)	27,206	+1.77%	27,687
Total	98,033		97,503

3.2. Throughput Statistics

- Period from 1 April 2022 to 30 June 2022

Case type	Cases Outstanding at Start	New Cases	Cases Closed	Cases Outstanding at End
Transfer In quotes	2	29	21	10
Transfer Out quotes	11	114	64	61
Employer estimates	4	38	38	4
Employee estimates	13	96	90	19
Retirement quotes	53	385	407	31
Preserved benefits	74	368	300	142
Death in payment or in service	127	311	343	95
Refunds	47	387	390	44
Actual retirement procedure	834	641	827	648
Interfund transfers	285	359	444	200
Aggregate member records	178	737	715	200
Process GMP	0	0	0	0
Others	212	169	182	199
Total Cases	1,840	3,634	3,821	1,653

- Alongside the above cases, the Pensions team also handled 2,959 phone calls (average 63 per working day) and 6,526 emails received via the Pensions Inbox (average 108 per working day) in the quarter to 30 June 2022.

Performance Statistics

- The performance figures for the period 1 April 2022 to 30 June 2022 are as follows:

Performance Indicator	Target in period	Achieved
Measured work completed within target	98%	92%
Customers surveyed ranking service good or excellent	94%	97%
Increase numbers of registered self-service users by 700 per quarter (total registered users 37,318)	700	999

- Our Measured work completed within target rating continues to be impacted by the high demand into the team. It is anticipated that recent team changes and staff recruitment will start to have a positive impact on this in the near future.
- Our priority continues to be to pay member benefits as promptly as we can. When demand is high on the retirements team staff from other teams are drafted in to assist and this then has an impact on the delivery against their targets. As we are able to increase the knowledge and experience of the new staff, numbers can be increased across all teams, reducing the impact of busy periods.

3.3. Commendations and Complaints

- This quarter the following commendations and complaints were received:

Commendations

Date	Number	Summary
Apr	2	Fantastic help
May	3	All very helpful, knowledgeable and patient
Jun	0	

Complaints

Date	Number	Summary
Apr	0	
May	3	Admin – explanation of previous error not clear and late interest not paid IHER – level of IHER awarded Regs – complaint about reductions being applied to benefits
Jun	1	Admin – delays in processing benefits

- 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 there were no patterns identified requiring further attention.

3.4. **Annual Benefit Statements 2022**

Annual benefit statements have now been produced.

Deferred members: 100% of membership – 38,823 statements produced on 25 July 2022 and published online on 5 August 2022.

Active members as at 12 August 2022:

97.73% of membership – 28,873/29,545 statements produced on 9 August 2022 and are due to be published online once checking has been finalised (ahead of 31 August 2022 statutory deadline).

Of the remaining 672 members:

120 – have outstanding year end tasks

201 – have “other” outstanding administration tasks on record

56 – are x’d out, no outstanding task, prohibits statement creation due to error on record

295 – pending further investigations as to why statement not produced

All statements are published online with 1,578 paper copies issued to those members who have opted to receive one. Members are notified of statements being available by email and via their employers.

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 late provision of the 2021 Pension Savings Statements to five recipients.

We have submitted a report to HMRC advising of the late issuing of the statements and await a response from them. Previous reporting has resulted in no response at all so we don’t expect anything in this case either.

To prevent this issue recurring we have undertaken a review of the annual process and made amendments so similar cases can be identified early.

4. **Issues and Initiatives**

4.1. **Administration System Project**

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

- Both NYCC & CYC have uploaded their month 12, year end, files via i-Connect and we are now working on catching up with monthly files for both employers from April onwards.
- On-boarding of employers to our online portal i-Connect has been temporarily paused due to the team focussing on year end processing, Valuation data processing and annual benefit statement production. This will resume as soon as possible and our aim is still to have all employers on-boarded by 31 March 2023.
- Website development continues.

4.2. **McCloud**

We continue to collect and collate data from employers. The third party supplier is still collating, formatting and validating the data before moving onto the next stage of data load.

We have undertaken a large amount of manual work on both the NYCC & CYC data files and whilst we have managed to get part of the data to the third party for loading the remaining data will need to be loaded by the pension team in house. This will be approximately 50% of the data for each employer and is a significant piece of work.

When the data has been loaded, the errors will need to be reviewed and corrections made before the live data load can happen. Again, this will be a significant piece of work and will be resourced by a small project team taken from within the administration function.

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 final versions of the draft legal documents are being agreed and, subject to agreement, a transfer date will be then be agreed.

6 Governance Documents

The Funding Strategy Statement has been amended. The changes that have been made to the previously approved version can be seen in tracked changes.

The Funding Strategy Statement, attached as **Appendix 3** describes how employers' pension liabilities are to be met going forward, how employer contributions will be kept as stable as possible, and a prudent long-term view of those liabilities. The policy has been reviewed and updated by the Fund's actuary ahead of the 31 March 2022 triennial valuation of the Fund and information regarding pre-payment of employer contributions has been added. The FSS will be subject to further explanation as part and parcel of the Actuary presentation to PFC elsewhere on the agenda. **Members are asked to approve this document** and, following consultation with employers, delegate authority to the Treasurer of the Fund to respond to any comments and feedback from employers.

7 Member Training

The Member Training Record showing the training undertaken to March 2022 is attached as **Appendix 4**. 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. Consideration has been given to undertaking the Hymans Knowledge Assessment, however, it was determined that it feels too early, at this stage, for this. Members are encouraged to complete the Hymans online modules on offer and then an assessment will be undertaken as to whether there are knowledge gaps to fill.

Upcoming courses, seminars and conferences available to Members are set out in the schedule attached as **Appendix 5**. 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 currently limited due to the pandemic.

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

The latest timetable for forthcoming meetings of the Committee and Investment Manager meetings is attached as **Appendix 6**.

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.
- 9.3 Members to approve the updated Funding Strategy Statement and delegate authority to the Treasurer of the Fund to respond to any comments and feedback from employers

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

02 September 2022

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Academy Conversions – 27 ‘in progress’

Name of School	Local Authority	Multi Academy Trust (MAT) Name	Target Conversion Date	Current Position
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
St Barnabas Church of England VC Primary School	COYC	Pathfinder Multi Academy Trust	1.9.2022	In progress
St Margaret Clitherow Catholic Academy Trust		Trust is closing on 31.8.2022. Schools will transfer to Nicholas Postgate Catholic Academy Trust (an existing Trust in the Fund) and St Cuthbert’s Roman Catholic Academy Trust (a new Trust)	31.8.2022	In progress
St Cuthbert’s Roman Catholic Academy Trust		A new Trust (see above)	1.9.2022	In progress
Dacre Braithwaite CE Primary School St Albans CE Primary Grantley School St Andrew Gedwelthorpe CE Primary School Holy Infant CE Infant School Holy Infant CE Junior School Roecliffe Primary School Kirby Hill Primary School Carleton Endowed CE Primary School	NYCC	Leeds Diocesan Learning Trust	Between 1.9.2022 and 1.11.2022	In progress
Ripley Endowed CE VC Primary School	NYCC	Elevate Multi Academy Trust	1.10.2022	In progress
Beckwithshaw CP School	NYCC	Elevate Multi Academy Trust	1.10.2022	In progress
Kettlesing Felliscliffe Primary School	NYCC	Elevate Multi Academy Trust	1.10.2022	In progress
Oakridge Community Primary School	NYCC	Yorkshire Endeavour Academy Trust	1.11.2022	In progress

Name of School	Local Authority	Multi Academy Trust (MAT) Name	Target Conversion Date	Current Position
South Kilvington CE VC Primary School	NYCC	Elevate Multi Academy Trust	1.11.2022	In progress
Brompton Hall Special School	NYCC	Venn Academy Trust	1.12.2022	To progress nearer the time
Great Smeaton Primary School		Changing from a single Academy Trust to join Lingfield Education Trust	Possibly 1.4.2023	In progress
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
Norton College		Evolution Schools Learning Trust transferring to the Ryedale Learning Trust	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
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
Fishergate Primary School	COYC	South York Multi Academy Trust	Not known	Delayed from 1.12.2018

Admission Bodies - 14 '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	Complete
City of York Council Carr Infant School	Mellors Catering Services Limited	28.7.2021	Complete
City of York Council Lord Deramore's Primary School	Mellors Catering Services Limited	28.7.2021	Complete
City of York Council Poppleton Road Primary School	Mellors Catering Services Limited	28.7.2021	Complete
City of York Council Ralph Butterfield Primary School	Mellors Catering Services Limited	28.7.2021	Complete
City of York Council St Paul's Primary School	Mellors Catering Services Limited	28.7.2021	Complete
City of York Council Yearsley Grove Primary School	Mellors Catering Services Limited	28.7.2021	Complete
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
North Yorkshire Fire & Rescue Service (cleaning contract)	Atlas	29.4.2022	In progress
Pathfinder MAT Badger Hill Primary	Hutchison Catering Limited	1 May 2022	In progress
Coast & Vale Learning Trust Filey School	Hutchison Catering Limited	1 June 2022	In progress
South Bank Multi Academy Trust Carr Junior School Millthorpe School York High School	Bulloughs Cleaning Services Ltd	1.8.2022	In progress
NYCC Borton Salmon Primary School	Mellors Catering Services Limited	1.9.2022	In progress
NYCC Chapel Haddlesey Primary School	Mellors Catering Services Limited	1.9.2022	In progress
NYCC Barwic Parade Community Primary School	Mellors Catering Services Limited	1.9.2022	In progress
Selby Educational Trust Selby Community Primary School Carlton Primary School	Mellors Catering Services Limited	September 2022	In progress
South Bank Multi Academy Trust Scarcroft School	Bulloughs Cleaning Services Ltd	1.1.2023	Will be progressed nearer the time
Elevate MAT Caretaking and cleaning contract	SBFM Limited	1.9.2022	In progress

Exited Employers – 24

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
Elite Cleaning and Environmental Services	31.12.2021
4 Site Security Services Limited	11.4.2022
Welcome to Yorkshire	14.4.2022

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 - No report	N
28/07/2022	Administration	Five Pension Savings Statements (PSS) issued after statutory deadline of 6 October 2021	Records were not selected in the bulk annual allowance process as the year end pay information used in the calculation had not been updated on the records	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. None of the members have advised if they have a tax charge yet, there could possibly be two. The deadline for an online tax return was 31 January 2022 so affected members will need to contact HMRC.	Senior officer review of annual process. Process amended so that future similar cases are identified.	N/A	N/A	09/09/2022	06/10/2022	PFC - PB -	

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20212 Funding Strategy Statement (FSS)



Local Government
Pension Scheme

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This Statement has been prepared by North Yorkshire County Council (the Administering Authority) to set out the funding strategy for the North Yorkshire Pension Fund (the NYPF), in accordance with Regulation 58 of the Local Government Pension Scheme Regulations 2013 (as amended) and the 2016 guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) Pensions Panel.

1. Introduction

The Local Government Pension Scheme Regulations 2013 (as amended) (“the Regulations”) provide the statutory framework from which the Administering Authority is required to prepare a FSS. The key requirements for preparing the FSS can be summarised as follows:

- After consultation with all relevant interested parties involved with the Fund, the Administering Authority will prepare and publish their funding strategy.
- In preparing the FSS, the Administering Authority must have regard to: -
 - the guidance issued by CIPFA for this purpose;
 - the supplementary statutory guidance issued by MHCLG ([now DLUHC](#)): Guidance on preparing and maintaining policies on review of employer contributions, employer exit payments and deferred debt agreements; and
 - the Investment Strategy Statement (ISS) for the NYPF published under Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (as amended);
- The FSS must be revised and published whenever there is a material change in either the policy on the matters set out in the FSS or the ISS.

The Administering Authority has also considered the Scheme Advisory Board's Guide to Employer Flexibilities for Administering Authorities and Employers in developing the FSS with details on the Fund's policy on these flexibilities set out in the Admissions and Terminations Funding Policy.

Benefits payable under the NYPF are guaranteed by statute and thereby the pensions promise is secure. The FSS addresses the issue of managing the need to fund those benefits over the long term, whilst at the same time, facilitating scrutiny and accountability through improved transparency and disclosure.

The Scheme is a defined benefit arrangement with principally final salary related benefits for contributing members up to 1 April 2014 and Career Averaged Revalued Earnings (“CARE”) benefits earned thereafter. There is also a “50:50 Scheme Option”, where members can elect to accrue 50% of the full scheme benefits and pay 50% of the normal member contribution rate.

The benefits provided by the NYPF are specified in the governing legislation (the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014) and the Regulations referred to above. The required levels of employee contributions are also specified in the Regulations.

Employer contributions are determined in accordance with the Regulations which require that an actuarial valuation is completed every three years by the actuary, including a rates and adjustments certificate. Contributions to the NYPF should be set so as to “secure its solvency” and to “ensure long-term cost efficiency”, whilst the actuary must also have regard to the desirability of maintaining as nearly constant a primary rate of contribution as possible. The actuary must have regard to the FSS in carrying out the valuation.

2. Purpose of the FSS in Policy Terms

Funding is the making of advance provision to meet the cost of accruing benefit promises. Decisions taken regarding the approach to funding will therefore determine the rate or pace at which this advance provision is made. Although the Regulations specify the fundamental principles on which funding contributions should be assessed, implementation of the funding strategy is the responsibility of the Administering Authority, acting on the professional advice provided by the actuary.

The purpose of this Funding Strategy Statement is:

- to establish a clear and transparent fund-specific strategy which will identify how employers' pension liabilities are best met going forward;
- to support the desirability of maintaining as nearly constant a primary contribution rate as possible;
- to ensure the regulatory requirements to set contributions so as to ensure the solvency and long-term cost-efficiency of the fund are met; and
- to take a prudent longer-term view of funding those liabilities

The intention is for this strategy to be both cohesive and comprehensive for the NYPF as a whole, recognising that there will be conflicting objectives which need to be balanced and reconciled. Whilst the position of individual employers must be reflected in the statement, it must remain a single strategy for the Administering Authority to implement and maintain.

3. Aims and Purpose of the NYPF

The aims of the Fund are to:

- enable primary contribution rates to be kept as nearly constant as possible and (subject to the Administering Authority not taking undue risks) at reasonable cost to the taxpayers, scheduled, resolution and admitted bodies, whilst achieving and maintaining fund solvency and long-term cost efficiency, which should be assessed in light of the risk profile of the fund and employers, and the risk appetite of the Administering Authority and employers alike
- manage employers' liabilities effectively
- ensure that sufficient resources are available to meet all liabilities as they fall due, and
- seek returns on investments within reasonable risk parameters.

The purpose of the Fund is to:

- receive monies in respect of contributions, transfer values and investment income,
- and pay out monies in respect of scheme benefits, transfer values, costs, charges and expenses as defined in the Regulations and in the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

4. Responsibilities of Key Parties

The Administering Authority should:

- operate a pension fund
- collect employer and employee contributions, investment income and other amounts due to the pension fund as stipulated in LGPS Regulations
- pay from the pension fund the relevant entitlements as stipulated in LGPS Regulations
- invest surplus monies in accordance with the Regulations
- ensure that cash is available to meet liabilities as and when they fall due
- manage the valuation process in consultation with the NYPF's actuary

- prepare and maintain an FSS and an ISS, both after proper consultation with interested parties, monitor all aspects of the NYPF's performance and funding and amend the FSS/ISS accordingly
- effectively manage any potential conflicts of interest arising from its dual role as both fund administrator and scheme employer
- enable the local pension board to review the valuation process as set out in their terms of reference.
- determine the amount of any exit credit following the exit of an individual employer from the Fund in accordance with the Fund's [Admissions and Terminations Funding Policy](#).
- ensure consistent use of policies relating to revising employer contributions between formal valuations, entering into deferred debt arrangements and spreading exit payments and ensure the process of applying those policies is clear and transparent to all fund employers.

The Individual Employer should:

- deduct contributions from employees' pay correctly after determining the appropriate employee contribution rate (in accordance with the Regulations)
- pay all contributions, including their own as determined by the actuary, promptly by the due date
- develop a policy on certain discretions and exercise those discretions as permitted within the regulatory framework
- make additional contributions in accordance with agreed arrangements in respect of, for example, augmentation of scheme benefits and early retirement strain notify the Administering Authority promptly of all changes to membership or, as may be proposed, which affect future funding
- pay any exit payments on ceasing participation in the NYPF
- notify the Administering Authority of any material change in financial circumstances for the employer

The Fund actuary should:

- prepare valuations including the setting of employers' contribution rates at a level to ensure fund solvency and long-term cost efficiency after agreeing assumptions with the Administering Authority and having regard to the FSS and the LGPS Regulations
- prepare advice and calculations in connection with bulk transfers and the funding aspects of individual benefit-related matters such as pension strain costs, ill health retirement costs, compensatory added years costs etc,
- provide advice and valuations on the exiting of employers from the NYPF
- provide advice to the Administering Authority on bonds or other forms of security against the financial effect on the fund of employer default
- assist the Administering Authority in assessing whether employer contributions need to be revised between valuations as permitted or required by the Regulations, in particular in relation to any review of contributions between triennial valuations under Regulation 64A
- provide views in relation to any decision by the Administering Authority to spread an exit payment under Regulation 64B
- ensure that the Administering Authority is aware of any professional guidance or other professional requirements that may be of relevance to his or her role in advising the NYPF
- advise on funding strategy, the preparation of the FSS, and the inter-relationship between the FSS and the ISS.

5. Solvency Issues and Target Funding Levels

Funding Objective

To meet the requirements of the Regulations the Administering Authority's long term funding objective is for the Fund to achieve and then maintain sufficient assets to cover 100% of projected accrued liabilities (the "funding target") assessed on an ongoing past service basis including allowance for projected final pay in relation to pre-2014 benefits or where the underpin applies. In the long term, the employer rate would ultimately revert to the Primary Contribution Rate (also known as the Future Service Rate).

Determination of the Funding Target and Recovery Period

The principal method and assumptions to be used in the calculation of the funding target as at 31 March 2022~~19~~ are set out in Appendix 1.

Underlying these assumptions are the following two principles:

- that the Scheme is expected to continue for the foreseeable future; and
- favourable investment performance can play a valuable role in achieving adequate funding over the longer term.

This allows us to take a longer term view when assessing the contribution requirements for certain employers. As part of this valuation when looking to avoid material, and potentially unaffordable, increases in employer contribution requirements we will consider whether we can build into the funding plan the following: -

- stepping in of contribution rate changes ~~for employers where the orphan funding target is adopted or where the intermediate funding target is being introduced (as defined later in this statement).~~ For the 2022~~19~~ valuation, the Administering Authority's default approach is to step any contribution ~~increases~~ changes over a period of 3 years, although in certain circumstances a longer period may be considered, after consultation with the Actuary.
- a longer deficit recovery period than the average future working lifetime, particularly where there are a number of younger active members.

In considering this the Administering Authority, based on the advice of the Actuary, will consider if this results in a reasonable likelihood that the funding plan will be successful.

As part of each valuation separate employer contribution rates are assessed by the actuary for each participating employer or group of employers. These rates are assessed taking into account the experience and circumstances of each employer, following a principle of no cross-subsidy between the distinct employers in the Scheme, other than where grouping of employers has been agreed in line with the policy set out in the Fund's Admissions and Terminations Funding Policy.

In attributing the overall investment performance obtained on the assets of the Scheme to each employer a pro-rata principle is adopted. This approach is effectively one of applying a notional individual employer investment strategy identical to that adopted for the Scheme as a whole (except where an employer adopts a bespoke investment strategy – see below).

The Administering Authority, following consultation with the participating employers, has adopted the following objectives for setting the individual employer contribution rates arising from the 2022~~19~~ actuarial valuation:

- A default recovery period of 15 years will apply for open employers that are assessed to have a deficit.
- A default recovery period equal to the average future working lifetime of the membership of the employer will apply for closed employers that are assessed to have a deficit.
- In addition, at the discretion of the Administering authority, a maximum deficit recovery period of ~~1821~~ years will apply. Employers will have the freedom to adopt a recovery plan on the basis of a

shorter period if they so wish. A shorter period may be applied in respect of particular employers where the Administering Authority considers this to be warranted (see Deficit Recovery Plan below).

- As a general rule, the Fund does not believe it appropriate for contribution reductions to apply compared to the [2016-2019](#) funding plan for those employers where substantial deficits remain.
- For any open employers assessed to be in surplus, their individual contribution requirements will be adjusted at the [2019-2022](#) valuation as follows:
 - Where the funding level is 100-110% employers will pay the future service rate only.
 - Where the funding level is over 110% the default approach for Scheduled Bodies and Admission Bodies with no subsumption commitment from a Scheduled Body in the Fund (as defined in Appendix 1) will be to remove any surplus in excess of 10% over a maximum period of [2118](#) years.
 - Where the funding level is over 110% the default approach for Admission Bodies with a subsumption commitment from a Scheduled Body in the Fund will be to remove any surplus in excess of 10% over the recovery period adopted by that Scheduled Body at the [201922](#) valuation.
 - If surpluses are sufficiently large, contribution requirements will be set to a minimum nil total amount.
 - The current level of contributions will be stepped down as appropriate, consistent with the approach of stepping contribution increases where appropriate.

For the avoidance of doubt, for practical purposes where employers are in surplus and contributions are to be set below the cost of future accrual this will be implemented via a reduction in the percentage of pensionable pay rate rather than via a negative monetary amount.

For any closed employers assessed to be in surplus, the above approach will generally be followed but the Administering Authority will consider the specific circumstances of the employer in setting an appropriate period to remove the surplus.

The employer contributions will be expressed and certified as two separate elements:

- a percentage of pensionable payroll in respect of the future accrual of benefit (less allowance for surplus as appropriate)
- a schedule of lump sum amounts over [20239/236](#) in respect of the past service deficit subject to the review from April [20263](#) based on the results of the [20252](#) actuarial valuation.

On the cessation of an employer's participation in the Fund, the actuary will be asked to make a termination assessment. Any deficit in the Fund in respect of the employer will be due to the Fund as a termination contribution, unless it is agreed by the Administering Authority and the other parties involved that the assets and liabilities relating to the employer will transfer within the Fund to another participating employer.

However, the Administering Authority has ultimate discretion where the particular circumstances of any given Employer warrant a variation from these objectives. A period of consultation will take place once employers have been issued with their draft contribution rates.

In determining the above objectives, the Administering Authority has had regard to:

- the responses made to the consultation with employers on the FSS principles
- relevant guidance issued by the CIPFA Pensions Panel
- the need to balance a desire to attain the target as soon as possible against the short-term cash requirements which a shorter period would impose, and
- the Administering Authority's views on the strength of the participating employers' covenants in achieving the objective.

Deficit Recovery Plan

If the assets of the scheme relating to an employer are less than the funding target at the effective date of any actuarial valuation, a recovery plan will be put in place, which requires additional contributions from the employer to meet the shortfall.

Additional contributions will be expressed as annual monetary lump sums, subject to review based on the results of each actuarial valuation.

In determining the actual recovery period, and other aspects of the funding strategy, to apply for any particular employer or employer grouping, the Administering Authority may take into account some or all of the following factors:

- the size of the funding shortfall;
- the business plans of the employer;
- the assessment of the financial covenant of the Employer; and the security of future income streams
- any contingent security available to the Fund or offered by the Employer such as guarantor or bond arrangements, charge over assets, etc.
- length of expected period of participation in the Fund.

It is acknowledged by the Administering Authority that, whilst posing a relatively low risk to the Fund as a whole, it is possible that some smaller employers may be faced with contributions that could seriously affect their ability to function in the future. The Administering Authority therefore, after specific agreement has been obtained by Fund Officers from the North Yorkshire Pension Fund Committee, would be willing to use its discretion to negotiate an **evidence based** affordable level of contributions for the organisation for the three years 2020³/2023⁶. Any application of this option is at the ultimate discretion of the Administering Authority and will only be considered after the provision of the appropriate evidence and on the basis that it is not inconsistent with the requirements to set employer contributions so as to ensure the solvency and long-term cost efficiency of the NYPF.

The Primary Contribution Rate (Future Service Contribution Rate)

In addition to any contributions required to rectify a shortfall of assets below the funding target, contributions will be required to meet the cost of future accrual of benefits for members after the valuation date (the “primary rate”). The method and assumptions for assessing these contributions are set out in Appendix 1.

Amending of contributions between triennial valuations

The Administering Authority may also amend contributions between valuations as permitted by Regulations 64 and 64A. Further details of the Administering Authority's policy in relation to Regulation 64A is set out in the Admissions and Terminations Funding Policy.

Pre-payment of contributions

The Administering Authority may, after considering the advice of the Fund Actuary, permit particular employers to pay contributions early as a lump sum that would otherwise be payable over the following year (or a longer period not exceeding three years). An appropriate discount, as determined by the Fund Actuary, would be applied to the contributions to reflect the early payment. A true-up adjustment may be required if the early payment of contributions based on an estimated payroll results in lower contributions being paid into the Fund (after allowing for the discount) than would otherwise have been the case.

6. Link to Investment Policy set out in the Investment Strategy Statement

In assessing the value of the NYPF's liabilities in the valuation, allowance is made for a long-term investment return assumption as set out below, taking into account the investment strategy adopted by the NYPF, as set out in the ISS.

It is not possible to construct a portfolio of investments which produces a stream of income exactly matching the expected liability outgo. However, it is possible to construct a portfolio which closely matches expected future benefit payments and represents the least risk investment position. Such a portfolio would consist of a mixture of long-term index-linked and fixed interest gilts. Investment of the NYPF's assets in line with the least risk portfolio would minimise fluctuations in the NYPF's ongoing funding level between successive actuarial valuations.

Departure from a least risk investment strategy, in particular to include equity type investments, gives the prospect that out-performance by the assets will, over time, reduce the contribution requirements. The funding target might in practice therefore be achieved by a range of combinations of funding plan, investment strategy and investment performance.

The current benchmark investment strategy, as set out in the ISS dated July 2021, is:

Asset Class (Summary)	%
Equities	50
Infrastructure	10
Property	7.5
Private Credit	5
Multi Asset Credit	5
Corporate Bonds	7.5
Government Bonds	15
TOTAL	100

The funding strategy adopted for the 2021 investment strategy review was based on an assumed long-term investment return assumption of 4.0% per annum. This is below the Administering Authority's view of the best estimate long-term return assumption of 5.6% as at the date of the investment strategy review.

Bespoke Investment Strategy for individual employers

The Investment Strategy adopted by NYPF is determined for the Fund as a whole. This Strategy takes into account the characteristics of NYPF as a whole, and therefore those of the constituent employers as an aggregated entity - it does not seek to distinguish between the individual liability profiles of different employers. The Strategy adopted to date, as reflected in the current ISS, is to invest a significant proportion of the assets in equities. Such investments offer a higher expected return, but also carry a higher level of risk.

NYPF is prepared to consider offering any employer the opportunity to adopt a lower risk Bespoke Investment Strategy (e.g. 100% government bonds). However, to the extent that any Bespoke Investment Strategy will necessitate different investment return assumptions to those used by the Actuary for NYPF overall, there may be a consequential material impact on the contribution rate calculated for that employer.

In addition, if an employer opts for a Bespoke Investment Strategy, NYPF reserves the right to determine the most appropriate way of arranging for the investment of the relevant share of the assets according to that Bespoke Strategy. Employers should be aware that they would be required to meet any costs associated with the design and implementation of a Bespoke Investment Strategy

7. Identification of Risks and Counter Measures

The funding of defined benefits is by its nature uncertain. Funding of the NYPF is based on both financial and demographic assumptions. These assumptions are specified in the Appendices and the actuarial valuation report. When actual experience is not in line with the assumptions adopted a surplus or shortfall will emerge at the next actuarial assessment and will require a subsequent contribution adjustment to bring the funding back into line with the target.

The Administering Authority has been advised by the actuary that the greatest risk to the NYPF's funding is the investment risk inherent in the predominantly equity (or return seeking) based strategy, so that actual asset performance between successive valuations could diverge significantly from the overall performance assumed in the long term.

The Administering Authority keeps, and regularly reviews, a risk register to identify and monitor the risks to the Fund and will, wherever possible, take appropriate action to limit the impact of these both before and after they emerge.

What are the Risks?

Whilst the activity of managing the Fund exposes the Administering Authority to a wide range of risks, those most likely to impact on the funding strategy are investment risk, liability risk, liquidity/maturity risk, regulatory/compliance risk, employer risk and governance risk.

Investment risk

The risk of investments not performing (income) or increasing in value (growth) as forecast. Examples of specific risks would be:

- assets not delivering the required return (for whatever reason, including manager underperformance)
- systemic risk with the possibility of interlinked and simultaneous financial market volatility
- insufficient funds to meet liabilities as they fall due
- inadequate, inappropriate or incomplete investment and actuarial advice is taken and acted upon
- counterparty failure

The specific risks associated with assets and asset classes are:

- equities – industry, country, size and stock risks
- fixed income - yield curve, credit risks, duration risks and market risks
- alternative assets – liquidity risks, property risk, alpha risk
- money market – credit risk and liquidity risk
- currency risk
- macroeconomic risks

The Fund mitigates these risks through diversification, permitting investment in a wide variety of markets and assets, and through the use of specialist managers with differing mandates.

The majority of the Fund's investments are in pooled investment vehicles and the Fund is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The Committee carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitors any changes to the operating environment of the pooled manager.

In addition, the Fund holds assets in the LGPS pooling arrangement with Border to Coast Pension Partnership ('BCPP') and will transition further assets to BCPP in the future. Through this arrangement the Fund is exposed to the risk of failing to transition effectively to new pooling arrangements resulting in poorer value for money; lower investment returns; and inability to effectively execute investment strategy."

Employer risk

Those risks that arise from the ever-changing mix of employers, from short-term and ceasing employers, and the potential for orphaned liabilities and/or a shortfall in payments where employers are unable to meet their obligations to the Scheme. The response to the COVID-19 pandemic is a specific ~~current~~ risk which may have adverse consequences in relation to employers' finances and their ability to make contributions. The Administering Authority monitors employer payments and expects employers to engage with the Fund where their financial circumstances have changed, noting that contributions can be reviewed between formal valuations if the conditions in Regulation 64A and the terms of the Administering Authority's policy as set out in the Admissions and Terminations Funding Policy are met.

The Administering Authority maintains a knowledge base on its employers, their basis of participation and their legal status (e.g. charities, companies limited by guarantee, group/subsidiary arrangements) and uses this information to inform the FSS.

The Administering Authority monitors the active membership of closed employers and considers what action to take when the number of active members falls below 10, such as commissioning a valuation under Regulation 64(4).

The Administering Authority commissioned the Fund Actuary to carry out a high level risk analysis of employers in the Fund to assist the Administering Authority in setting the funding strategy for employers at the [2019-2022](#) valuation of the Fund.

Liquidity/Maturity risk

This is the risk of a reduction in cash flows into the Fund, or an increase in cash flows out of the Fund, or both, which can be linked to changes in the membership and, in particular, a shift in the balance from contributing members to members drawing their pensions. Changes within the public sector and to the LGPS itself may affect the maturity profile of the LGPS and have potential cash flow implications. For example,

- The implications of budget cuts and headcount reductions could reduce the active (contributing) membership and increase the number of pensioners through early retirements;
- An increased emphasis on outsourcing and other alternative models for service delivery may result in falling active membership (e.g. where new admissions are closed),
- Public sector reorganisations may lead to a transfer of responsibility between different public sector bodies, (e.g. to bodies which do not participate in the LGPS),
- Scheme changes and higher member contributions in particular may lead to increased opt-outs;

The Administering Authority seeks to maintain regular contact with employers to mitigate against the risk of unexpected or unforeseen changes in maturity leading to cashflow or liquidity issues.

Climate Risk

The systemic risks posed by climate change and the policies implemented to tackle them will fundamentally change economic, political and social systems and the global financial system. They will impact every asset class, sector, industry and market in varying ways and at different times, creating both risks and opportunities for investors. The Administering Authority keeps the effect of climate change on future investment returns [and life expectancy](#) under review and will commission advice from the Fund actuary on the potential effect on funding as required. [\[At the 2022 valuation the Fund actuary will undertake scenario analysis to assess the resilience of the funding strategy to climate change risk over an agreed period.\]](#)

Liability risk

The main risks include inflation, life expectancy and other demographic changes, and interest rate and pay inflation, which will all impact upon future liabilities.

The Administering Authority will ensure that the Fund Actuary investigates these matters at each valuation and reports on developments. The Administering Authority will agree with the Fund Actuary any changes which are necessary to the assumptions underlying the measure of solvency to allow for observed or anticipated changes.

The Fund Actuary will also provide quarterly funding updates to assist the Administering Authority in its monitoring of the financial liability risks. The Administering Authority will, as far as practical, monitor changes in the age profile of the Fund membership early retirements, redundancies and ill health early retirements and, if any changes are considered to be material, ask the Fund Actuary to report on their effect on the funding position.

If significant liability changes become apparent between valuations, the Administering Authority will notify all participating employers of the anticipated impact on costs that will emerge at the next valuation and consider whether to require ~~the review of~~ the bonds that are in place for Admission Bodies.

Where it appears likely to the Administering Authority that for an employer the amount of the liabilities arising or likely to arise has changed significantly since the last valuation, the Administering Authority may consider revising an employer's contributions as permitted by Regulation 64A.

Regulatory and compliance risk

Regulatory risks to the scheme arise from changes to general and LGPS specific regulations, taxation, national changes to pension requirements, or employment law.

The Administering Authority keeps abreast of all the changes to the LGPS and will normally respond to consultations on matters which have an impact on the administration of the Fund.

There are a number of uncertainties associated with the benefit structure at the current time including:

~~— How Government will address the issues of GMP indexation and equalisation for the LGPS beyond expiry of the current interim solution from 6 April 2021.~~

- The timing and detail of any regulations in relation to the remedy to compensate members for illegal age discrimination ~~full scale of the costs~~ following the outcome of the McCloud/Sargeant cases.

For the purposes of the 2022 valuation, an approximate employer specific allowance will be made in respect of the McCloud remedy based upon a high-level analysis of the employer's fund membership. Members' benefits will be valued as required by relevant legislation as in force as at 31 March 2022, except for the following assumptions:

- It will be assumed that the current underpin (which only applies to those members within 10 years of their Normal Pension Age at 31 March 2012) will be revised and apply to all members who were active in the scheme on or before 31 March 2012 and who join the 2014 Scheme without a disqualifying service gap.
- The period of protection will apply from 1 April 2014 to 31 March 2022 but will cease when a member leaves active service or reaches their final salary scheme normal retirement age (whichever is sooner).
- Where a member remains in active service beyond 31 March 2022, the comparison of their benefits will be based on their final salary when they leave the LGPS or when they reach their final salary scheme normal retirement age (whichever is sooner).
- Underpin protection will apply to qualifying members who leave active membership of the LGPS with an immediate or deferred entitlement to a pension.

iv) The underpin will consider when members take their benefits, so they can be assured they are getting the higher benefit.

- The outcome of the cost management process as at ~~31 March 2016 and~~ 31 March 2020, ~~noting the agreement reached in relation to the Scheme Advisory Board (SAB) process for member contributions to be reduced and benefits enhanced to achieve an additional cost of 0.9%, before the process was paused due to the McCloud/Sargeant ruling~~
- The Goodwin case in which an Employment Tribunal ruled (in relation to the Teachers' Pension Scheme) that the less favourable provisions for survivor's benefits of a female member in an opposite sex marriage compared to a female in a same sex marriage or civil partnership amounts to direct discrimination on grounds of sexual orientation. Following a written ministerial statement by the chief secretary to the Treasury on 20 July 2020 it is expected that changes will be made to the LGPS Regulations to reflect the ruling, but no changes have yet been proposed.

In determining how these uncertainties should be allowed for in employer contributions the Administering Authority will have regard to guidance issued by the SAB, taking account of the Fund Actuary's advice. The Fund's policy for allowing for the possible cost of the McCloud judgement / Cost Management process ~~and GMP equalisation / indexation~~ for new employers joining the Fund and employers exiting the Fund is set out in the Fund's [Admissions and Terminations Funding Policy](#).

In addition, a consultation document was issued by MHCLG ~~(now DLUHC)~~ entitled "Local Government Pension Scheme: Changes to the Local Valuation Cycle and the Management of Employer Risk" dated May 2019. This included a proposal to change the LGPS local fund valuations to quadrennial cycles. The Administering Authority will have regard to any changes in the Regulations as a result of this consultation and consider any actions required at the ~~2019-2022~~ valuation or subsequent valuations, taking account of the Fund Actuary's advice.

8. Monitoring and Review

The Administering Authority has taken advice from the actuary in preparing this Statement, and has also consulted with employing organisations.

A full review of this Statement will occur no less frequently than every three years, to coincide with completion of a full actuarial valuation. Any review will take account of then current economic conditions and will also reflect any legislative changes.

The Administering Authority will monitor the progress of the funding strategy between full actuarial valuations. If considered appropriate, the funding strategy will be reviewed (other than as part of the triennial valuation process), for example:

- if there has been significant market volatility
- if there have been significant changes to the NYPF membership and/or maturity profile
- if there have been changes to the number, type or individual circumstances of any of the employing authorities to such an extent that they impact on the funding strategy e.g. closure to new entrants
- where employers wish to make additional (voluntary) contributions to the NYPF
- if there has been a material change in the affordability of contributions and/or employer financial covenant strength
- to reflect significant changes to the benefit structure / Regulations

**North Yorkshire County Council
as Administering Authority for the North Yorkshire Pension Fund**

**Actuarial Valuation as at 31 March 2022~~19~~
Method and assumptions used in calculating the funding target**

Risk Based Approach

The Administering Authority adopts a risk based approach to funding strategy. In particular the discount rate (for most employers) has been set on the basis of the assessed likelihood of meeting the funding objectives. The Administering Authority has considered 3 key decisions in setting the discount rate:

- the long-term Solvency Target (i.e. the funding objective - where the Administering Authority wants the Fund to get to);
- the Trajectory Period (how quickly the Administering Authority wants the Fund to get there), and
- the Probability of Funding Success (how likely the Administering Authority wants it to be now that the Fund will actually achieve the Solvency Target by the end of the Trajectory Period).

These three choices, supported by complex (stochastic) risk modelling carried out by the Fund Actuary, define the discount rate (investment return assumption) to be adopted and, by extension, the appropriate employer contributions payable. Together they measure the riskiness (and hence also the degree of prudence) of the funding strategy. These are considered in more detail below.

Solvency Target

The Administering Authority's primary aim is the long-term solvency of the Fund. Accordingly, employers' contributions will be set to ensure that 100% of the liabilities can be met over the long term using appropriate actuarial assumptions.

The Administering Authority believes that its funding strategy will ensure the solvency of the Fund because employers collectively have the financial capacity to increase employer contributions should future circumstances require, in order to continue to target a funding level of 100%.

For most Scheduled Bodies and Admission Bodies where a Scheme Employer of sound covenant has agreed to subsume the Admission Body's assets and liabilities in the NYPF following its exit, the Solvency Target is set:

- at a level advised by the Fund Actuary as a prudent long-term funding objective for the Fund to achieve at the end of the Trajectory Period,
- based on continued investment in a mix of growth and matching assets intended to deliver a return above the rate of increases to pensions and pension accounts (CPI).

As at 31 March 2022~~19~~ the long-term rate of CPI is assumed to be 2% p.a. and a prudent long-term investment return of 2% above CPI is assumed.

This then defines the Solvency Target. As at 31 March ~~2019-2022~~ this equates to a solvency discount rate of 4% p.a.

For Admission Bodies and other bodies whose liabilities are expected to be orphaned following cessation, a more prudent approach will be taken. The Solvency Target will be set by considering the valuation basis which would be adopted should the body leave the Fund. For most such bodies, the Solvency Target will be set commensurate with assumed investment in Government bonds after exit.

Probability of Funding Success

The Administering Authority considers funding success to have been achieved if the Fund, at the end of the Trajectory Period, has achieved the Solvency Target. The Probability of Funding Success is the assessed chance of this happening based on asset-liability modelling carried out by the Fund Actuary.

With effect from 31 March 2024¹⁹ the discount rate, and hence the overall required level of employer contributions, has been set such that the Fund Actuary estimates there is an 80% chance that the Fund would reach or exceed its Solvency Target after 25 years (the Trajectory Period)

Funding Target

The Funding Target is the amount of assets which the Fund needs to hold at the valuation date to pay the liabilities at that date as indicated by the chosen valuation method and assumptions and the valuation data. The valuation calculations, including the primary contribution rates and adjustment for the surplus or deficiency, set the level of contributions payable and dictate the chance of achieving the Solvency Target at the end of the Trajectory Period. The key assumptions used for assessing the Funding Target are summarised below.

Consistent with the aim of enabling the primary rate of employers' contribution rates to be kept as nearly constant as possible, contribution rates are set by use of the Projected Unit valuation method for most employers. The Projected Unit method is used in the actuarial valuation to determine the cost of benefits accruing to the Fund as a whole and for employers who continue to admit new members. This means that the contribution rate is derived as the cost of benefits accruing to employee members over the year following the valuation date expressed as a percentage of members' pensionable pay over that period. The future service rate will be stable if the profile of the membership (age, gender etc) is stable.

For employers who no longer admit new members, the Attained Age valuation method is normally used. This means that the contribution rate is derived as the average cost of benefits accruing to members over the period until they die, leave the Fund or retire. This approach should lead to more stable employer contribution rates than adoption of the Projected Unit method for closed employers.

Funding Targets and assumptions regarding future investment strategy

For Scheduled Bodies whose participation in the Fund is considered by the Administering Authority to be indefinite and Admission Bodies with a subsumption commitment from such Scheduled Bodies, the Administering Authority assumes indefinite investment in a broad range of assets of higher risk than risk free assets.

Academies are currently considered to qualify as indefinite participants in the Fund with full taxpayer backing, as they have a guarantee from the Department for Education. The liabilities and future service (primary) contributions will therefore generally be calculated using the scheduled and subsumption body funding target. However, this guarantee is subject to review and where the Administering Authority believes the guarantee is no longer sufficient to cover the risks posed by the number of academies in the Fund, the Administering Authority will review the approach taken to set the funding target for academies and any admission bodies for which an academy provides a subsumption commitment as well as the default approach taken to the notional assets transferred to academies upon conversion.

For other Scheduled Bodies, in particular the Colleges and Universities whose participation is not considered to be indefinite, the Administering Authority may without limitation, take into account the following factors when setting the funding target for such bodies:

- the type/group of the employer
- the business plans of the employer;
- an assessment of the financial covenant of the employer;
- any contingent security available to the Fund or offered by the employer such as a guarantor or bond arrangements, charge over assets,

For Admission Bodies and other bodies whose liabilities are expected to be orphaned on exit (with the exception of the [colleges and universities](#) where a different approach will be adopted at the ~~2022~~2019 valuation as set out below), the Administering Authority will have regard to the potential for participation to cease (or for the body to have no contributing members), the potential timing of such exit, and any likely change in notional or actual investment strategy as regards the assets held in respect of the body's liabilities at the date of exit (i.e. whether the liabilities will become 'orphaned' or a guarantor exists to subsume the notional assets and liabilities).

Colleges and Universities

Due to concerns about the covenant strength of Colleges and Universities, the Administering Authority ~~will, from the 2019 valuation onwards, has~~ adopted a Funding Target for Colleges and Universities which reflects the Administering Authority's views of the sector. This includes the two universities that are Admission Bodies in the Fund where there is no subsumption commitment, but which continue to admit new members to the Fund.

Whilst the Administering Authority will adopt a general approach of assuming indefinite investment in a broad range of assets of higher risk than Government bonds, a reduction will be made to the discount rate used for the long-term secure scheduled bodies to reflect concerns about the covenant strength of Colleges and Universities. This is known as the Intermediate Funding Target.

The Administering Authority may also adopt the Intermediate Funding Target for other employers where there are concerns about the covenant strength of the employer. At the ~~2019-2022~~ valuation this decision will be informed by the high-level risk analysis of employers within the Fund carried out by the Fund Actuary. The Administering Authority will generally also adopt the Intermediate Funding Target for admission bodies that have an appropriate subsumption commitment provided by a suitable Scheme employer that is subject to the intermediate funding target.

At the 2022 valuation the Administering Authority will adopt a dual approach to the discount rate used for the Intermediate Funding Target. The standard position will be that Colleges and Universities will have their liabilities valued on the Intermediate funding target (standard approach). It will be open to each College and University to satisfy the Fund as to its covenant strength which may allow a move to the Intermediate funding target (strong covenant approach). This would result in lower contribution requirements.

The Fund is deemed to be fully funded when the assets are equal to or greater than 100% of the Funding Target, where the funding target is assessed based on the sum of the appropriate funding targets across all the employers/groups of employers.

Financial assumptions

Investment return (discount rate)

The discount rate for the ~~2022~~2019 valuation is as follows:

- ~~4.2%~~ 4.2% p.a. for employers where the Scheduled ~~and subsumption~~ body ~~/subsumption~~ funding target applies
- [3.85% p.a. for employers where the Intermediate funding target \(strong covenant approach\) applies](#)
- 3.~~68~~6% p.a. for employers where the Intermediate funding target [\(standard approach\)](#) applies
- 3.~~63~~6% in service ~~(equivalent to the yield on long-dated fixed interest gilts at a duration appropriate for the Fund's liabilities plus an asset out-performance assumption of 23% p.a.) and 1.60.8% left service, service (which is intended to be equivalent to the yield on long-dated fixed interest gilts at the valuation date but which has, in the interests of affordability and stability of employer contributions, been increased by 0.23% p.a. to take account of market expectations of future increases in gilt yields after the valuation date), for employers where the Ongoing orphan funding target applies.~~

Inflation (Consumer Prices Index)

The CPI inflation assumption is taken to be the long-term (30 year) Capital Market Assumption at the valuation date as produced by Aon Solutions UK Limited. In formulating the Capital Market Assumption, both consensus forecasts and the inflation risk premium are considered.

For the 2022 valuation we will increase past service liabilities for the Scheduled and subsumption body funding target by 5% will be increased to allow for short-term the 6 months of high inflation not reflected in the Capital Market Assumptions.

Salary increases

The assumption for real salary increases (salary increases in excess of price inflation) in the long term will be determined by an allowance of 1.25% p.a. over the inflation assumption as described above plus an allowance for promotional increases.

Pension increases/Indexation of CARE benefits

Increases to pensions are assumed to be in line with the inflation (CPI) assumption described above. This is modified appropriately to reflect any benefits which are not fully indexed in line with the CPI (e.g. Guaranteed Minimum Pensions in respect of service prior to April 1997 for members who had a State Pension Age before 6 April 2016).

Demographic assumptions

Post-retirement Mortality

Base Rates

Normal Health: Standard SAPS S~~23~~²³N tables, year of birth base rates, adjusted by a scaling factor.

Ill-health: Standard SAPS S~~23~~²³ Ill-health tables, year of birth base rates adjusted by a scaling factor.

Scaling Factors

Rates adjusted by scaling factors as dictated by Fund experience

<u>Active and Deferred</u> Males (normal health)	<u>105</u> 115%
<u>Active and Deferred</u> Females (normal health)	<u>115</u> 105%
<u>Pensioner Males (normal health)</u>	<u>105</u> %
<u>Pensioner Females (normal health)</u>	<u>105</u> %

<u>Active and Deferred</u> Males (ill-health)	<u>105</u> 115%
<u>Active</u> Females (ill-health)	<u>115</u> 140%
<u>Deferred Females (ill-health)</u>	<u>135</u> %
<u>Pensioner Males (ill-health)</u>	<u>110</u> %
<u>Pensioner Females (ill-health)</u>	<u>130</u> %

Appropriate scaling factors will also apply to contingent dependants of members in the above categories.

Future improvement to base rates

An allowance for improvements in line with the CMI 20~~21~~²¹18, for men or women as appropriate, with a long term rate of improvement of 1.50% p.a., s_k of 7.05 and parameter A of 0.50.

Pre-retirement mortality

Males: As for normal health retirements but with a 5540% scaling factor
 Females: As for normal health retirements but with a 5530% scaling factor

Retirement age

The assumed retirement age is dependent on the Group of the member and also the member's Rule of 85 age (Ro85 age).

<u>Category of member</u>	Assumed age at retirement
<u>Group 2 members (taper protected)</u>	63 <u>Greater of Ro85 age and 60</u>
<u>Group 3 members (Ro85 age = 60)</u>	64 <u>3</u>
<u>Group 3 members (Ro85 age > 60)</u>	65
<u>Group 4 members (Joiners pre 1 April 2014)</u>	65
<u>Group 4 members (Joiners post 31 March 2014)</u>	State Pension Age

Any part of a member's pension payable from a later age than the assumed retirement age will assumed to be reduced using factors issued by GAD / DLUHC MHCLG in force on the valuation date.

Withdrawals

Allowance is made for withdrawals from service. On withdrawal, members are assumed to leave a deferred pension in the Fund and are not assumed to exercise their option to take a transfer value.

Retirement due to ill health

Allowance is made for retirements due to ill health. Proportions assumed to fall into the different benefit tiers applicable after 1 April 2008 are:

Tier 1 (upper tier)	90 <u>85%</u>
Tier 2 (middle tier)	51 <u>0%</u>
Tier 3 (lower tier)	5%

Family details

A ~~man-widower~~ is assumed to be ~~3-1~~ 3 years older than his spouse, civil partner or cohabitee ~~female pensioners~~. A ~~woman-widow~~ is assumed to be 3 years younger than her spouse, civil partner or cohabitee ~~male pensioners~~.

~~80~~ 85% of male pensioners / non-pensioners are assumed to be married / cohabitating at age 65 / retirement or earlier death.

~~80~~ 75% of female pensioners / non-pensioners are assumed to be married / cohabitating at age 65 / retirement or earlier death.

Commutation

Each member is assumed to take cash such that the total cash received (including statutory 3N/80 lump sum) is ~~75~~ 80% of the permitted maximum amount permitted of their past service pension entitlements.

Take up of 50/50 scheme

All members are assumed to remain in the scheme they are in at the date of the valuation.

Promotional salary increases

Allowance is made for age-related promotional increases.

Expenses

0.56% of Pensionable Pay added to the cost of future benefit accrual.

Summary of key whole Fund assumptions used for calculating funding target and cost of future accrual (the “primary contribution rate”) for the 202219 actuarial valuation

Investment return / Discount Rate (secure scheduled bodies and admission bodies with a subsumption commitment from a secure scheduled body)	4.2% p.a.
<u>Investment return / Discount Rate (intermediate funding target (strong covenant approach))</u>	<u>3.85% p.a.</u>
Investment return / Discount Rate (intermediate funding target <u>(standard approach)</u>)	3.68% p.a.
Investment Return / Discount Rate for orphan bodies	
In service	3.63% p.a.
Left service	<u>0.81.6%</u> p.a.
CPI price inflation	2.34% p.a.*
Long Term Salary increases	3.5535% p.a.
Pension increases/indexation of CARE benefits	2.31% p.a.

* plus 5% uplift to past service liabilities on the Scheduled and subsumption body funding target to take account of higher short-term inflation

Please note that the discount rate shown above was that used as at the actuarial valuation as at 31 March 2019. The Fund has subsequently carried out an investment strategy review which was based on a discount rate assumption of 4.0% p.a. as at the date of carrying out the investment strategy review.

Date	Title or Nature of Course	Mulligan P	Weighell J	Portlock D	A Thompson	C. Vassie	#C. Les	#S. Gibbs	#G. Jabbour	#C. Lunn	#D. Noland	#A. Williams	#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	✓	✓	✓	✓	✓				✓						
26 May 2022	Asset Allocation Workshop	✓	✓	✓	✓	✓			✓			✓	✓	✓		
30 June 2022	Asset Allocation Workshop		✓	✓				✓	✓		✓	✓	✓	✓		

- Appointed to the Committee following May 2022 elections.

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UPCOMING TRAINING AVAILABLE TO MEMBERS

Provider	Course / Conference Title	Date(s)	Location	Themes / Subjects Covered
BCPP	BCPP Conference	28 – 29 September 2022	Leeds	
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.
Baillie Gifford	Annual Investment Conference	9 – 10 November	Edinburgh	
LGA	LGPS Governance Conference	19 - 20 January 2023	Cardiff (Venue details tbc) or online	The programme includes sessions on: <ul style="list-style-type: none"> • Scheme Advisory Board update • A member and employer view • Legal update • Responsible investment • Fund valuations 2022 • The administration challenge • An update from DLUHC • Investment outlook

Provider	Course / Conference Title	Date(s)	Location	Themes / Subjects Covered
PLSA	Local Authority Conference 2023.	May 2023	Cotswold Water Park in Gloucestershire Local Authority Conference 2023.	More details coming in the autumn.

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:-

- 1: Introduction to the LGPS - Stakeholders; local arrangements for committees, boards, officers and advisers; regulatory framework.
- 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.
- 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.
- 4: Funding and actuarial matters - Role of the actuary; the funding strategy; valuations; employer issues; actuarial assumptions.
- 5: Investments - Investment strategy, asset class characteristics and investment markets; pooling investments; monitoring performance of investments and advisers; responsible investment.
- 6: Current issues - LGPS reform; McCloud; Goodwin; cost sharing.

PENSION FUND COMMITTEE TIMETABLE FOR MEETINGS IN 2022/23

Meeting Date	Time & Venue	Event	Fund Managers
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 June 2022



Prepared for: North Yorkshire Pension Fund

Prepared by: Aon

Date: 30 August 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 10.3% to 113.4%), primarily driven by a reduction in asset values and an allowance for short term inflationary increases (note that we have estimated the funding level to be 118% as at end March 2022 after allowing for short term inflationary increases).

The funding level is c.1% below 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. As part of rebalancing activity, the Fund invested £80m in Ballie Gifford funded by an £80m disinvestment from Dodge & Cox.

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 30 June 2022.

Market Background and Investment Outlook

Inflation fears continued to unsettle central banks over Q2, leading to significant rate rises across the globe. In June, the US Federal Reserve (Fed) continued to tighten monetary policy by increasing its benchmark interest rate by 0.75% to a range of 1.50-1.75%, the most significant rate increase since 1994. The Bank of England (BoE) increased the base rate to 1.25%, its highest level in 13 years. The BoE now expects inflation to rise above 11.0% by the end of 2022.

The MSCI AC World index posted a -13.5% return in local terms and a -8.4% return in sterling terms as global equity markets fell in response to continued inflationary pressure and fears of corresponding tighter monetary policy leading to recession fears.

This year is shaping up as one most investors would rather forget. Return seeking and liability-matching portfolios have had to cope with large sell-offs, high volatility and sharply rising yields. We see the ratcheting up of global monetary tightening as raising recession odds to uncomfortably high levels on a twelve month view. Some market moves are already implying recessionary trends.



Key actions

1. Committee members to consider the triennial valuation results at the September PFC meeting, with a view to reviewing the investment strategy towards the end of 2022.

*This funding update makes no allowance for updated demographic assumptions or data to be used for the 2022 valuation. However this does make an allowance for a 5% loading for short term inflationary impacts. Therefore this report provides only a broad illustration of the change in funding position at 30 June 2022.

Key Stats – Q2 2022

Assets

£4,109m 

Assets increased by £534m since last valuation

£3,575m at 2019 valuation

Funding level

113% 

Funding level decreased by 1% since 2019 valuation

114% at 2019 valuation

Return on Assets Since 2019 Valuation

+4.9% pa 

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

+6.7% 

1.1% increase since 2019 Valuation

5.6 % at 2019 valuation

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

+6.8% 

1.2% increase since 2019 Valuation

5.6% at 2019 valuation

Discount rate

4.5% 

Discount rate has increased by 0.3% since 2019 Valuation

4.2% at 2019 valuation

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

£858m

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

£790m

Note: This funding update makes no allowance for updated demographic assumptions or data to be used for the 2022 valuation. However this does make an allowance for a 5% loading for short term inflationary impacts. Therefore this report provides only a broad illustration of the change in funding position at 30 June 2022.



2. Funding

A review of your funding position and contributions

Funding position

Funding level

113.4%



at end 30 June 2022

Down from 123.7% at end March 2022 and from 114.4% at 31 March 2019

Surplus

£487.1M



at end 30 June 2022

Down from £886.5m at end March 2022 but remains slightly up from £449.8m at 31 March 2019

Comments

Since the last update at 31 March 2022 the Fund's ongoing funding level has deteriorated and the surplus has decreased by £399.4M.

This has been primarily driven by a reduction in asset values and an allowance for short term inflationary increases (note that we have estimated the funding level to be 118% as at end March 2022 after allowing for short term inflationary increases).

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Change to funding level since 31 March 2019

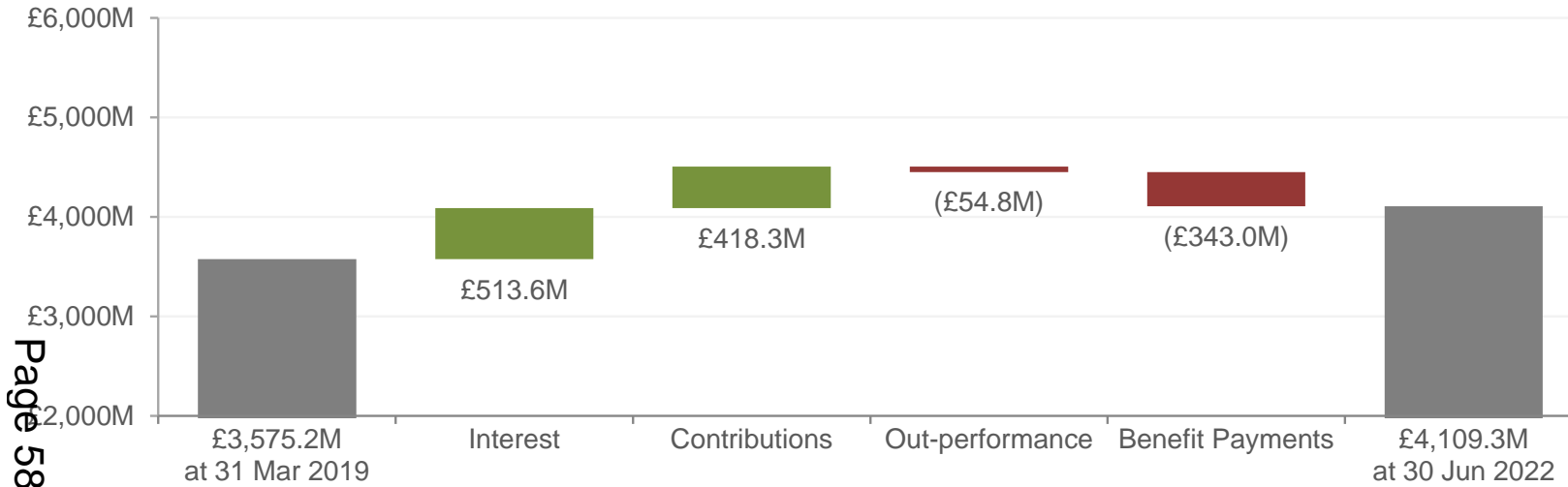


Note: This funding update makes no allowance for updated demographic assumptions or data to be used for the 2022 valuation. However this does make an allowance for a 5% loading for short term inflationary impacts. Therefore this report provides only a broad illustration of the change in funding position at 30 June 2022.

OFFICIAL - SENSITIVE

Analysis – ongoing funding target

Reason for change since 31 March 2019 – Asset Attribution

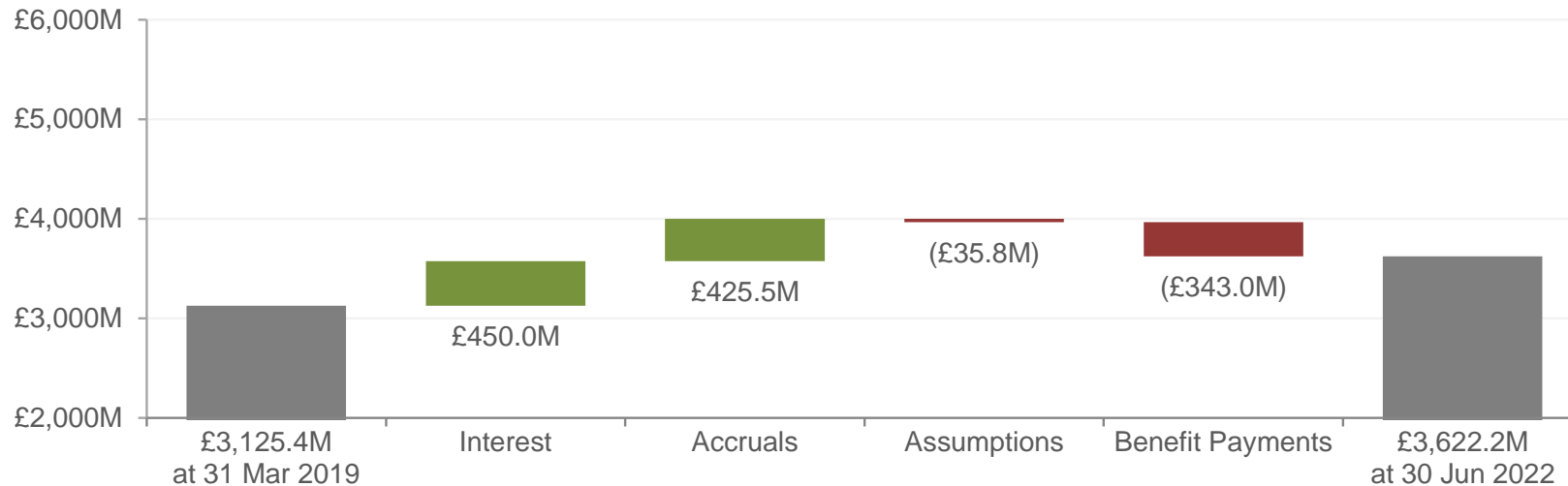


Comments

Since the 2019 valuation the surplus has increased by £37.3M.

For the purpose of this analysis we have continued to show the change since the 2019 valuation as the 2022 valuation has yet to be completed.

Reason for change since 31 March 2019 – Liability Attribution



Note: This funding update makes no allowance for updated demographic assumptions or data to be used for the 2022 valuation. However this does make an allowance for a 5% loading for short term inflationary impacts. Therefore this report provides only a broad illustration of the change in funding position at 30 June 2022.






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3. Asset allocation

A review of your strategic asset allocation

Asset allocation – Q2 2022

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Asset Group	Manager	30 June 2022					
		Valuation (£m)	Current allocation	Long-term strategy	Difference	Rebalancing Range	Possible action
Equities		2,103.5	51.2%	50.0%	+1.2%		
	BCPP UK equity	159.2	3.9%	4.0%	-0.1%	TBC	
	BCPP Global Equity	1,191.7	29.0%	28.0%	+1.0%	+/- 5%	
	Baillie Gifford LTGG	585.4	14.2%	18.0%	-3.8%	+/- 3%	
	Dodge & Cox	166.5	4.1%	0.0%	+4.1%		
	Fidelity	0.7	0.0%	0.0%	0.0%		
Absolute Return		10.5	0.3%	0.0%	+0.3%		
	Leadenhall Remote Risk	3.6	0.1%				
	Leadenhall Diversified	3.8	0.1%				
	Leadenhall Nat Cat	3.1	0.1%				
Property		359.7	8.8%	7.5%	+1.3%	TBC	
	Hermes	42.1	1.0%				
	L&G	92.6	2.3%				
	Threadneedle	225.1	5.5%				

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

OFFICIAL - SENSITIVE

AON

Asset allocation – Q2 2022 (cont'd)



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		30 June 2022					
Asset Group	Manager	Valuation (£m)	Current allocation	Long-term strategy	Difference	Rebalancing Range	Possible action
Infrastructure		451.3	11.0%	10.0%	+1.0%		
	BCPP Infrastructure 1A	35.0	0.9%				
	BCPP Infrastructure 1B	111.1	2.7%				
	BCPP Listed Alts	305.1	7.4%				
Private Credit		115.2	2.8%	5.0%	-2.2%		
	BCPP Private Credit	58.1	1.4%				
	Arcmont	29.0	0.7%				
	Pemira	28.0	0.7%				
Non-Investment Grade Credit		211.0	5.1%	5.0%	+0.1%	TBC	
	PIMCO	1.0	0.0%				
	BCPP Multi Asset Credit	210.0	5.1%				
Investment Grade Credit		310.4	7.6%	7.5%	+0.1%	TBC	
	BCPP Investment Grade Credit	310.4	7.6%				

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

Asset allocation – Q2 2022 (cont'd)

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Asset Group	Manager	30 June 2022					
		Valuation (£m)	Current allocation	Long-term strategy	Difference	Rebalancing Range	Possible action
Gilts		537.5	13.1%	15.0%	-1.9%	TBC	
	BCPP Index Linked Bonds	537.5	13.1%				
Cash		10.3	0.2%	0.0%	+0.2%	TBC	
	Internal Cash	10.3	0.2%				
Total		4,109.3	100.0%	100.0%			

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

Investment strategy update

Decisions taken at the May Pension Fund Committee meeting:

- The decision whether to reinvest with Baillie Gifford, through a disinvestment from Dodge and Cox, up to a maximum of £80m, or to maintain the position with Baillie Gifford, be delegated to the Chairman and Vice-Chairman, in consultation with the Treasurer with guidance from the remaining Members of the Committee, following the meeting with the representatives of Baillie Gifford.
 - Members reconvened and agreed a rebalancing to Baillie Gifford from Dodge and Cox to the sum of £80m.

Decisions taken at the July Pension Fund Committee meeting:

- Page 63
- The Pension Fund Committee agreed to disinvest from Dodge & Cox, and reinvest into Baillie Gifford up to their strategic allocation of 18% of the value of the Fund, in two tranches and as soon as practicable, with any surplus being invested at the discretion of the Treasurer.

Implementation actions over Q2 2022:

- Rebalancing activity;
 - £80m disinvestment from Dodge & Cox
 - £80m investment in Ballie Gifford

Transitions and cashflows

The following rebalancing activities took place over the quarter:

- £80m was invested in the Baillie Gifford's LTGG fund.
- Border to Coast made fourteen Infrastructure capital calls in the quarter totalling £11m and eleven Private Credit capital calls totalling £13m.
- Arcmont made one capital call of £1m.

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£80m was disinvested from Dodge & Cox.



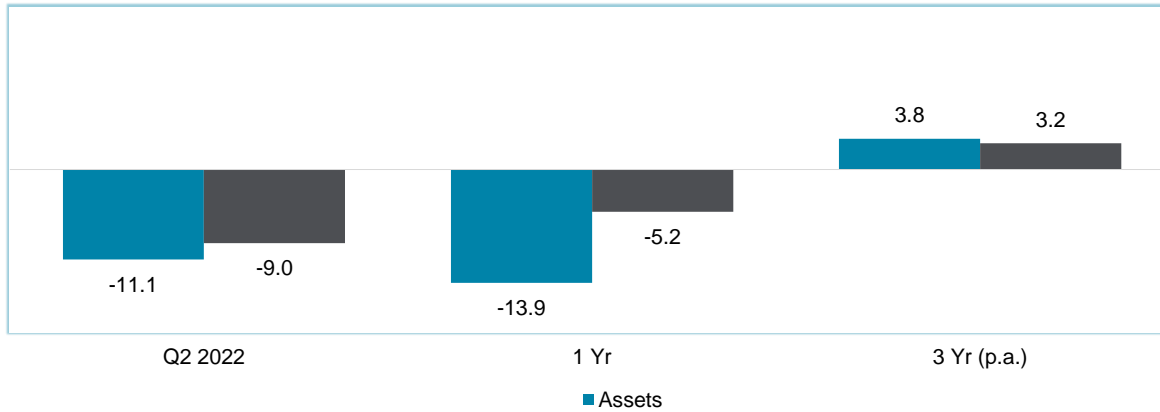
4. Fund performance

A review of your investment performance

Total Fund performance – Snapshot

Fund performance & benchmark

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Quarterly (relative)

-2.1%



The Fund underperformed the benchmark returning -11.1% vs -9.0% over the quarter.

3 year (relative)

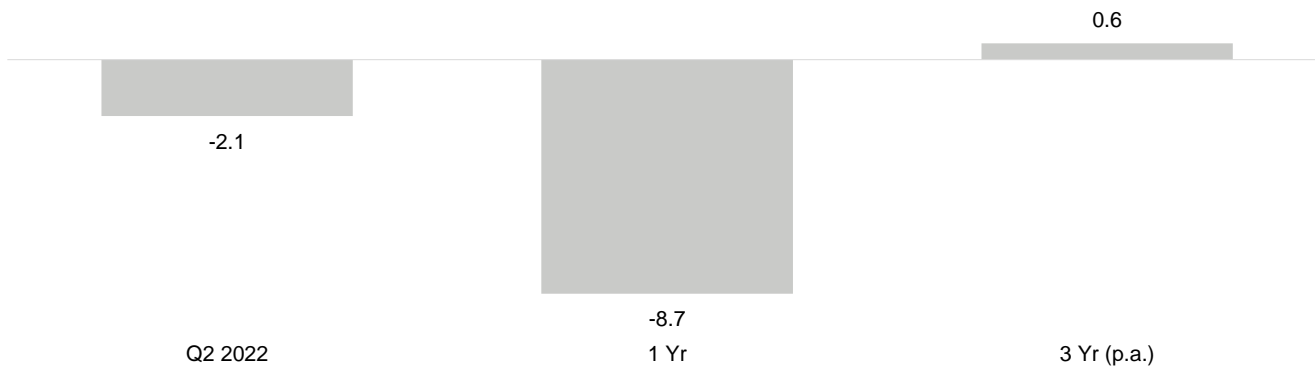
+0.6%



Over 3 years the Fund has outperformed the benchmark returning 3.8% vs 3.2%.

Relative performance

Relative Return (%)

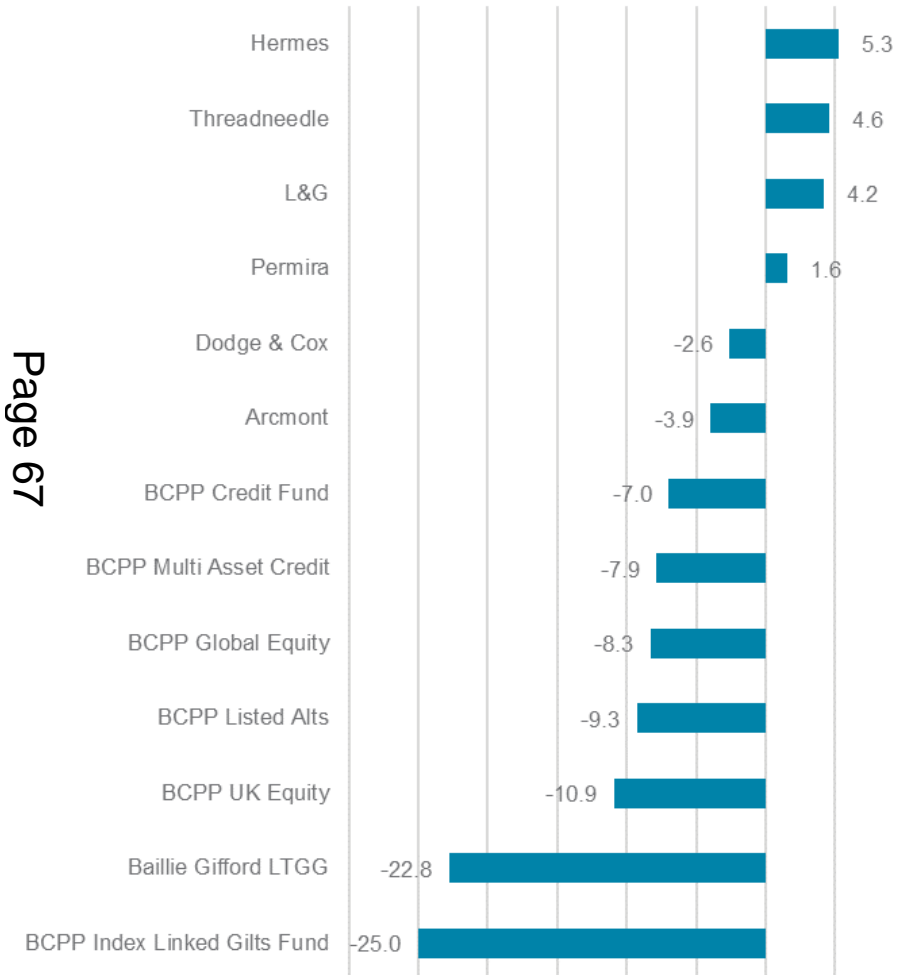


Comments

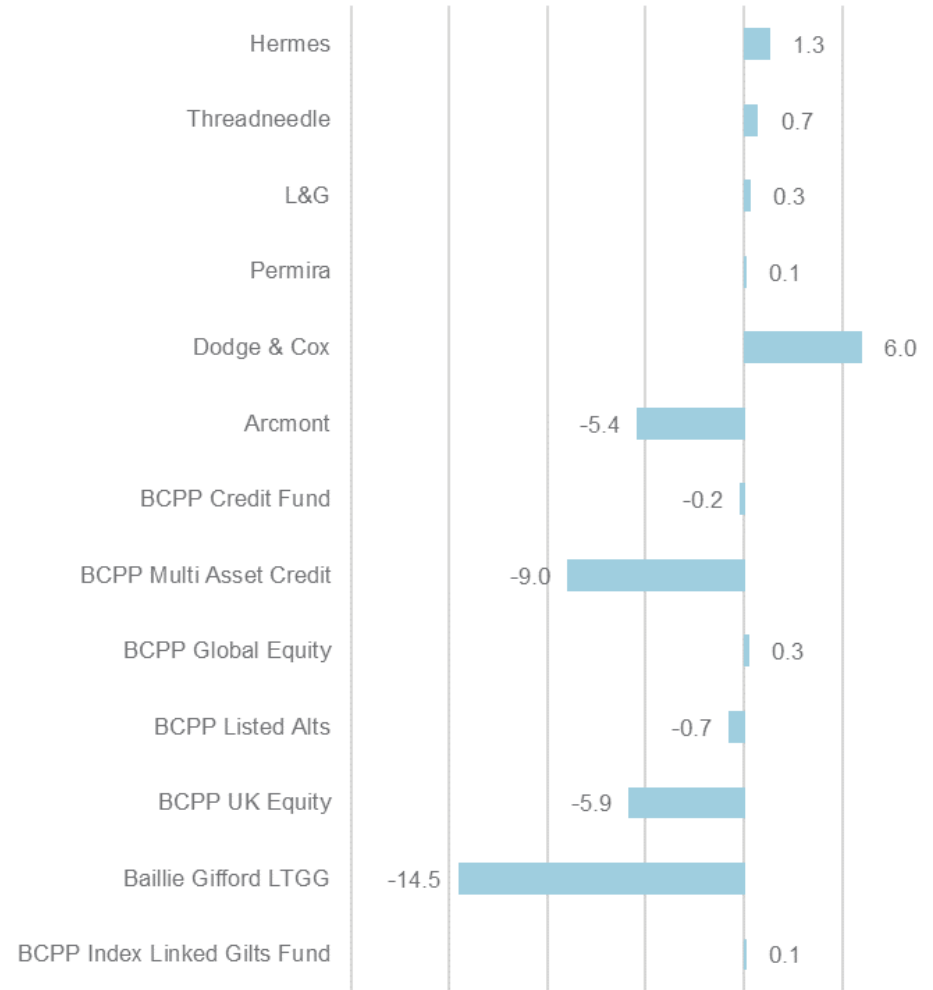
Total Fund performance is behind the composite benchmark over the quarter and 1 year period but ahead of the composite benchmark over 3 year period to 30 June 2022.

Manager performance – Quarter Snapshot

Absolute performance



Relative performance



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Source: BNYM, Managers, Aon.

Note: BCPP Infrastructure returns and BCPP Private Credit returns not shown during initial investment drawdown phase. Performance for Fidelity, Leadenhall and PIMCO is not shown as mandates only hold residual assets. Hermes, L&G, Threadneedle; MSCI data was used for benchmarking purposes, total fund performance was calculated using BNYM data.

Manager performance – Longer term

	1 Year (%)			3 Years (% p.a.)			Since inception			Inception date
	Perf	B'mark	Rel	Perf	B'mark	Rel	Perf	B'mark	Rel	
Equity										
UK Equity										
BCPP UK Equity	-11.4	1.6	-13.0	-0.1	2.4	-2.5	0.5	3.6	-3.1	Jun-19
Global Equity										
BCPP Global Equity	-7.9	-4.0	-3.9	-	-	-	7.0	8.9	-1.9	Oct-19
Baillie Gifford LTGG	-41.5	-3.6	-37.9	11.3	8.4	+2.9	14.2	9.2	+5.0	Sep-06
Dodge & Cox	4.3	-4.0	+8.3	10.3	8.3	+2.0	9.2	9.9	-0.7	Apr-15
Property										
Hermes	22.7	22.7	0.0	9.2	9.1	+0.1	8.7	7.1	+1.6	Mar-12
L&G	23.9	23.3	+0.6	9.2	9.2	0.0	8.3	7.3	+1.0	Dec-12
Threadneedle	24.1	23.3	+0.8	9.3	9.2	+0.1	9.2	7.0	+2.2	Jun-12
Infrastructure										
BCPP Listed Alts	-	-	-	-	-	-	-5.6	-7.3	+1.7	Feb-22
Illiquid credit										
Arcmont	2.9	6.0	-3.1	5.6	6.0	-0.4	6.1	6.0	+0.1	Dec-16
Permira	3.2	6.0	-2.8	5.5	6.0	-0.5	7.4	6.0	+1.4	Mar-17

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

Hermes, L&G, Threadneedle; MSCI 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. Performance for Fidelity, Leadenhall and PIMCO is not shown as mandates only hold residual assets.

Manager performance – Longer term (cont'd)

	1 Year (%)			3 Years (% p.a.)			Since inception			Inception date
	Perf	B'mark	Rel	Perf	B'mark	Rel	Perf	B'mark	Rel	
Investment grade credit										
BCPP Investment Grade Credit	-12.6	-13.1	+0.5	-	-	-	-5.7	-7.0	+1.3	Aug-20
Non-investment grade credit										
BCPP Multi-Asset Credit	-	-	-	-	-	-	-12.5	2.5	-15.0	Nov-21
Gilts										
BCPP Index Linked Bonds	-25.6	-25.7	+0.1	-	-	-	-15.3	-16.6	+1.3	Oct-20
Total	-13.9	-5.2	-8.7	3.8	3.2	+0.6	7.2	7.4	-0.2	Jan-02

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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. Performance for Fidelity, Leadenhall and PIMCO is not shown as mandates only hold residual assets.

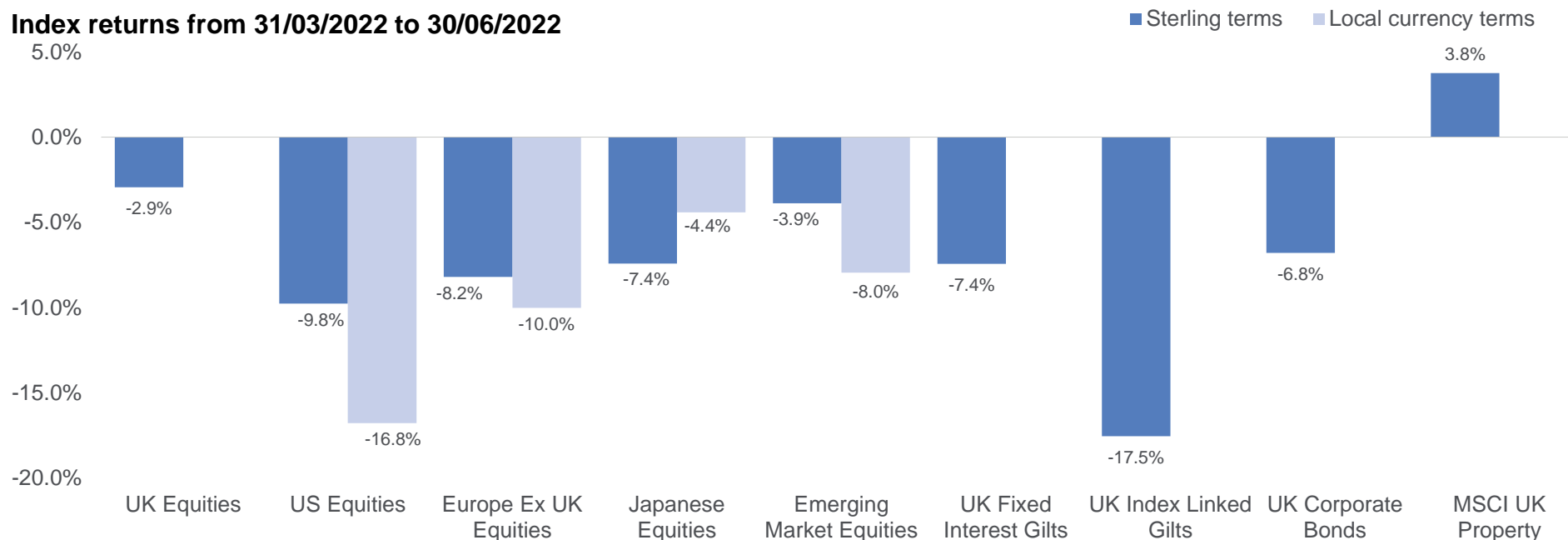


5. Market background and investment outlook

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

Market – Background Q2 2022

Index returns from 31/03/2022 to 30/06/2022



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

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Equities

The MSCI AC World index posted a -13.5% return in local terms and a -8.4% return in sterling terms as global equity markets fell in response to continued inflationary pressure and fears of corresponding tighter monetary policy leading to recession fears.

UK equities fell by 2.9% in sterling terms and were the best performing equity market region.

US equities performed the worst amongst major equity regions, returning -16.8% over the quarter in local currency terms and -9.8% in sterling terms.

Bonds

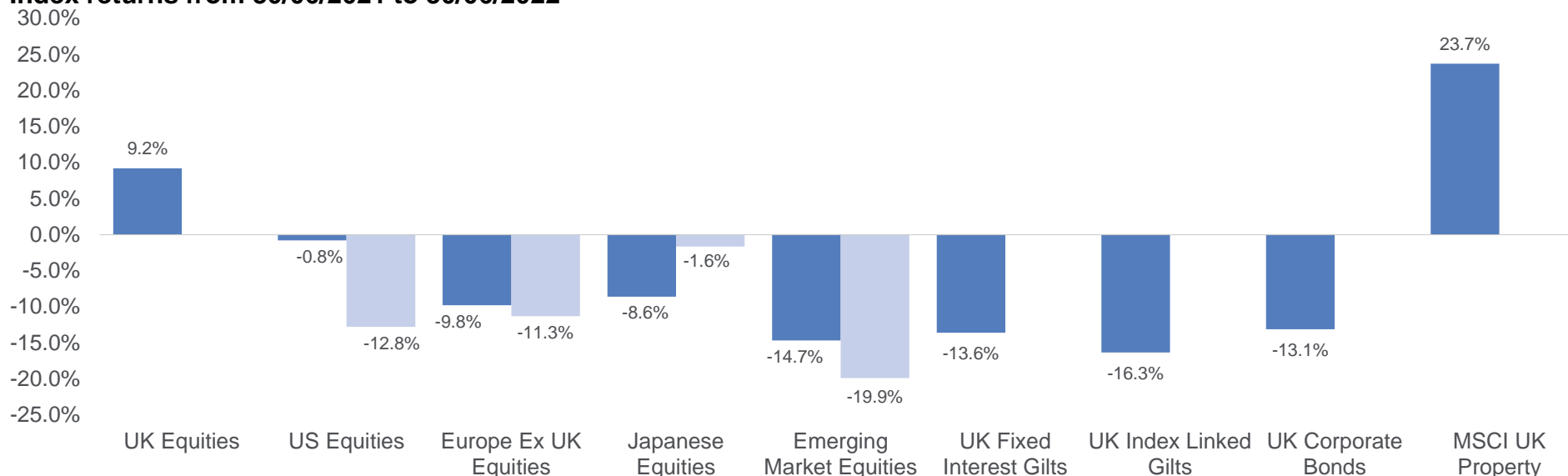
Credit spreads widened over the quarter. UK investment grade credit spreads rose by 0.44% to 1.75%, based on IBoxx Sterling Non-Gilts data. Lower quality bond credit spreads widened more than their higher quality counterparts, with BBB-rated non-gilt spreads rising by 0.70% to 2.54%. The increase in spreads and the significant rise in government bond yields led the Sterling Non-Gilts Index to post a return of -6.8%.

Gilts

The UK gilt curve rose across all maturities over the second quarter on expectations of higher policy rates, driving the negative performance of UK fixed-interest government bonds. Yields rose strongly over the quarter as inflationary concerns around food and energy prices remained and the BoE reiterated its commitment to maintaining tighter monetary policy.

Market – Background 12 month

Index returns from 30/06/2021 to 30/06/2022



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

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Equities

Global equities generated negative 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 erased all their gains by Q2 2022 as geopolitical risk took centre stage with Russia invading Ukraine. Furthermore, inflation fears appeared and began to unsettle central banks over late Q4 and much of 2022, leading to significant rate rises across the globe.

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 0.74% to 1.75%.

Gilts

In Q3 2021, 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 the discovery of the Omicron variant of Covid-19. Short-dated yields later began to factor in potential monetary policy changes and saw notable increases. In the first two quarters of 2022, yields rose strongly as inflationary concerns around food and energy prices remained and the BoE reiterated its commitment to maintaining a tighter monetary policy. Overall, according to FTSE All-Stocks indices, UK fixed-interest gilts fell by 13.6% and index-linked gilts fell by 16.3% over the last twelve months.

Q2 performance

Return-seeking and liability-matching portfolios have had to cope with large sell-offs, high volatility and sharply rising yields. However, UK commercial property and commodities delivered positive returns and some categories of hedge fund strategies benefitted from high volatility.

US interest rates moving up faster

A poor US inflation release and some re-thinking in Fed policy circles led to a change of course in mid-June, with markets being guided to expect a higher policy rate reset of 0.75% moves instead of 0.5%. The Fed now appears more prepared to risk recession in an attempt to bring inflation down to its 2% target and keep it there.

Rising rates bring inflation down

Monetary tightening is already also squeezing commodity prices, which helps the inflation outlook. Labour markets, currently strong, will also eventually weaken as economies slow and unemployment rises, so helping to quell inflation.

Recession looks more likely in 2023

We see global recession more likely next year than this year given the lags between tightening monetary/financial conditions (which began early this year) and the economic response. Likely UK recession-type conditions have already been flagged by the Bank of England.

Recession forces keep a cap on yields

It is a fair bet that global bond yields are peaking. There is still some risk that higher than expected interest rates will be needed to achieve the desired falls in inflation. We are therefore staying duration neutral.

Bond market volatility will likely stay high and liquidity be sometimes weak.

Credit spread moves quite mild

This year's more than double-digit return declines in credit markets have been the largest for more than two decades. The key culprit has been the large rise in interest rates given that most credit segments have significant interest duration, rather than credit spread moves.

When does credit become attractive?

We think that credit conditions will likely deteriorate and drive spreads higher.

Investment grade and high yield bonds become more attractive if spreads rise another 100bps and 150-200bps respectively.

Equities still face daunting hurdles

Valuations are lower, but not enough to entice, given the earnings outlook. We prefer to stay away given too many hurdles to clear.

Are commodities a good diversifier?

Stand-alone investments in commodities remain hard to defend and we prefer commodity exposure to be accessed actively as part of a broader return-seeking strategy.



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6. Aon's latest thinking

Our latest investment ideas for you

Recession on the horizon?

...we think it's likely

Increasing step size in US policy interest rates was seen as unlikely until recently. The recent move to 0.75% increments has raised the odds of global recession in the next 12 months to over 50% in our view.

The depth and length of any recession remains to be seen, but relatively healthy corporate balance sheets indicate that the contraction may not be as severe as in 2020, 2008 or 2001.

This increased risk would normally signal a move from equity into the safety of government bonds. However, lingering inflation risks keep our view on duration at neutral.

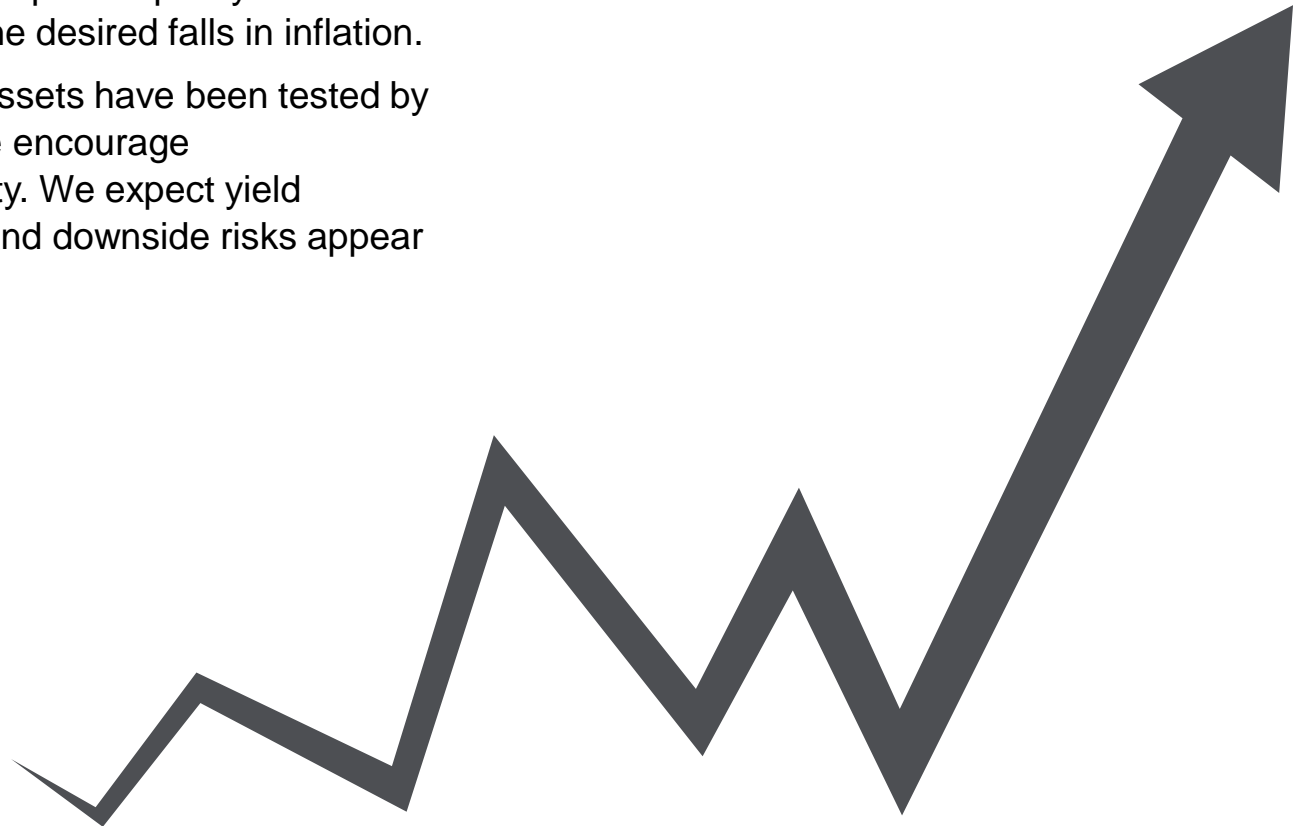


Rising (and peaking?) yields

Fixed income yields have risen sharply year to date. Recessionary risks, potentially eased energy price pressures and easing supply chain issues might be enough to keep yields from rising further. On the other hand, there is still some risk that higher than expected policy interest rates will be needed to achieve the desired falls in inflation.

Investors with liability-matching assets have been tested by recent recapitalisation events, we encourage reassessments of portfolio liquidity. We expect yield volatility to continue, but upside and downside risks appear fairly balanced.

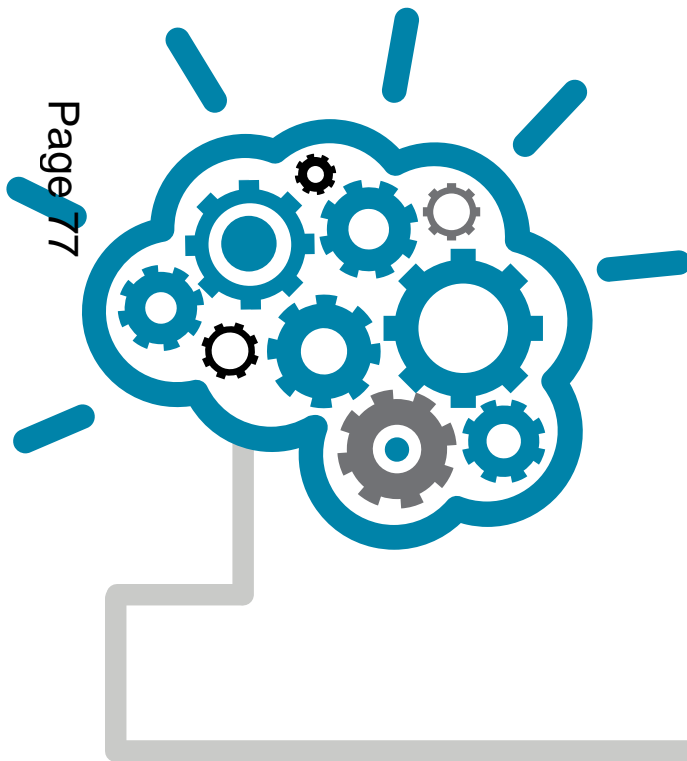
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Will they continue to burn bright?

Energy prices have seen significant increases and we expect them to remain elevated even in the face of recession, with potential supply-side disruption from the impending green transition.

Claims for commodities as an inflation hedge and equity diversifier are once again being heard. However, stand-alone investments in commodities can be volatile and we prefer commodity exposure to be accessed actively as part of a broad return-seeking strategy.



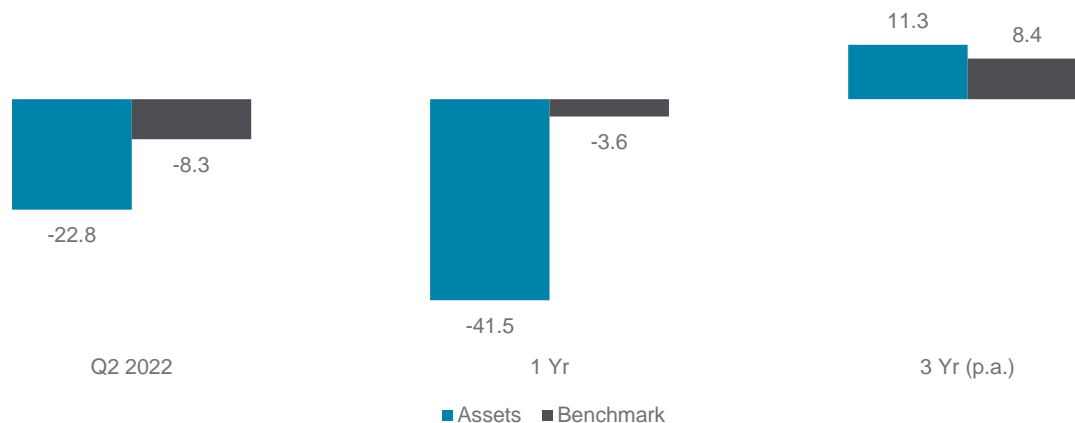
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7. Manager review

Aon ratings and understanding manager performance

Fund performance & benchmark



Performance comments

The manager underperformed in the second quarter of 2022. The same themes as Q1; high inflation, higher interest rates and concerns over global growth continued to create difficult market conditions for the strategy.

Long Term Global Growth performance remains within reasonable expectations; the strategy is one of the most growth-orientated strategies in the industry, and delivered some of the strongest performance in periods when its investment style was in favor, so should be expected to be vulnerable in periods where the growth investment style is out of favor.

Of growth strategies we follow, performance is aligned to its closest competitor (performance is generally more favorable with the exception of the one-year number),

which gives a degree of comfort that recent performance is largely due to external factors, and a reversal in these trends is likely needed for the strategy to generate outperformance.

Negative contributions to performance again came from higher growth and valuation stocks that have borne the brunt of market selloffs; such names included Tesla, Illumina and NVIDIA. On the positive side of the ledger, Chinese technology stocks such as Meituan, NIO and Pinduoduo bounced back from low valuations due, in part to supportive government stimulus.

Buy

Reviewed: August 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.

Positioning and Transactions

A number of positions in the portfolio continue to be assessed closely as the manager reassesses positions in light of company fundamentals and the current market environment. Around 20% of the portfolio could be considered in this category and would include positions such as Beyond Meat, Netflix and Peloton, and some of the Chinese technology companies, which the team questions whether they may find high growth harder to come by in the future. The manager has expressed a preference not to rush these types of investment decisions, which will form part of our review described above, though we note this is consistent with historic portfolio turnover.

The manager has fully exited Delivery Hero, where the team believes that the unit cost economics to be increasingly unattractive, and KE Holdings where the team's perspective view on the Chinese property market continues to worsen.

Whilst acknowledging scrutiny on a section of the portfolio, the manager is of the view that the portfolio is generally well positioned in the current climate; overwhelmingly net cash, and the whole portfolio provides an attractive free cash flow yield. Post quarter end around half of the portfolio reported company results, which the manager was pleased with and points to the bulk of the portfolio delivering well operationally.

No new purchases were made over the period.

Major developments

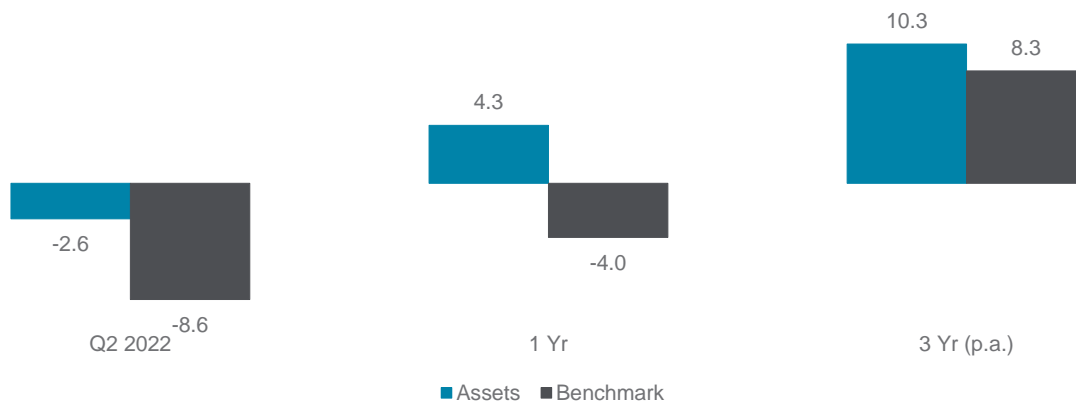
Research Visit

In part due to the passing of time, and in part due to weak performance, we would like to signal our intent to perform a deep dive review of the strategy in Q4 2022.

On the surface Baillie Gifford's relative performance appears in-line with expectations, given the market environment, the strategy construct and cross-checked with peer performance, though we would like to test conviction against our other preferred growth strategies. Areas of interest will include the manager's sell discipline and an assessment of continual process evolution. We will update Trustees if there are any changes to our views following this due diligence.

Dodge & Cox – Global equity

Fund performance & benchmark



Buy

Reviewed: August 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 meaningfully outperformed during the second quarter and is well ahead of the benchmark over the 1 year period to 30 June 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 Consumer Discretionary and Information Technology sectors.

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

Occidental, and Suncor Energy were the large positive contributors given the continued strength of oil and the news a large notable investor and an activist fund had purchased shares. Prosus benefited from an improvement in the government's rhetoric.

Detractors during the quarter included XP, Jackson Financial, and Itau Unibanco. XP and Itau Unibanco, both Brazilian financials lagged as macroeconomic concerns around the Brazilian economy weighed on the stock price. Jackson Financial lagged given the perceived link between its considerable Variable Annuity business and equity markets.

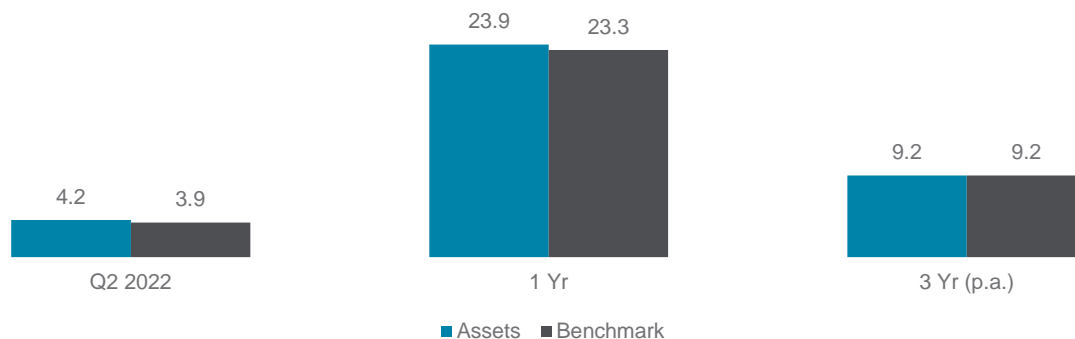
Positioning and Transactions

Stellantis, an automotive manufacturer, was purchased over the quarter.

Juniper and Lyondell Basel were sold over the quarter, both on valuation grounds and higher conviction in other positions. Lyondell Basel was topped up during covid and has rallied markedly since. The Fund also added to existing Financials positions given weakness over the quarter.

LGIM – Managed Property Fund

Fund performance & benchmark



Performance comments

Over the quarter, the Fund returned 4.2% against a benchmark return of 3.9%, delivering relative outperformance of 0.3%.

The Manager continues to have a largely negative view on the retail sector, particularly shopping centres and high street retail. The Fund will therefore continue to underweight retail assets, currently at 16.5% vs the benchmark weighting of 17.5%.

Despite this negative outlook the Manager remains relatively upbeat on retail warehousing, and has a positive view on leisure assets, especially those located in core locations.

Leisure assets remain the largest holding, c.40% of the alternatives weighting, with the Manager highlighting the compelling relative value case.

The Manager continues to favour other areas of the alternative's sector, forecasting out-performance vs Industrial, Office and Retail up to 2026. Most notably, the Manager has a desire to increase the Fund's exposure to student accommodation and urban residential through increasing the allocation to LGIM's BTR Fund. Alternatives currently make up 12.1% of the total portfolio, marginally higher than last quarter.

The Fund remains focused on rent collection, particularly from sectors that have ongoing challenges following COVID-19, predominantly retail and leisure. The Fund's most recent rent collection stats (day 28 post quarter end) show improved levels of rent stabilisation while the Fund is achieving collection rates very close to pre-COVID levels.

Qualified

Reviewed: August 2022

Key info

Appointed: 1 November 2012

Vehicle: Property Fund

Mandate: UK Property Pooled Fund

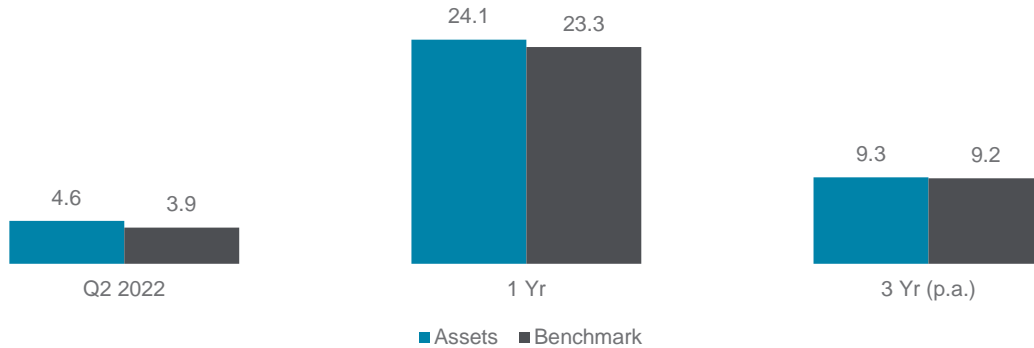
Benchmark: IPD All Balanced Property Fund Index

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

ESG Rating: Not rated

Threadneedle – TPEN

Fund performance & benchmark



Performance comments

Over the quarter the Fund generated a total return of 4.6%, outperforming the benchmark by 0.70%.

The outperformance over Q2 2022 was attributed to the underweight position to Central London office assets and the Fund being overweight to the industrial sector.

The Fund is generally well positioned given the current market environment and outlook. The Fund has an overweight position to industrials, with 47.5% of its portfolio invested in the sector versus the benchmark's 43.0%. The sector, although vulnerable to interest rate rises, is still expected to produce strong rental growth. The Manager has however been a recent net seller of industrial, disposing of weaker assets where significant capital expenditure is required (or no further rental growth expected) to crystallise profits.

The Fund holds an underweight position to the office sector compared to the benchmark following several strategic disposals over the quarter and the Manager is looking to further reduce the holdings either through sales or repositioning them, such as conversion to residential or industrial. The office exposure currently stands at 23.9% versus 24% for the benchmark.

The Fund did not make any new purchases over the quarter, but there were 11 strategic disposals covering retail, office and industrial assets. The sales totalled £92.87 million, £6.99million above the previous independent valuation.

There is currently no redemption queue (as of August), but the Manager expects a redemption request of £50 million to be received in the next few months.

Buy

Reviewed: August 2022

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%.

ESG Rating: Integrated

Source: MSCI data was used for benchmarking purposes, total fund performance was calculated using BNYM data.

BCPP – Quarterly high level monitoring

Changes to Senior Management at BCPP

- Milo Kerr joined as Head of CRM in July 2022. Milo was previously a client director within Mercer's Investment Team.
- Alistair Smith joined as the new Head of Real Estate in May 2022.
- Post quarter end, BCPP confirmed they have not yet been successful in recruiting a new CIO and will be continuing their search. John Harrison has confirmed he will remain as CIO with BCPP until the end of 2022.

Changes to views of External Managers

- BCPP UK Equity Alpha
- There has been no change in the watchlist, with Baillie Gifford remaining on it until a review has been conducted. The six-month watchlist period was to conclude with a review commencing in August 2022.

Breaches to risk controls and ranges

- The new risk system (Barra) uses a different model to calculate ex-ante tracking errors – there were also differences between the Bloomberg and FactSet models. Some funds (particularly UK Alpha) have increased tracking errors under the new model.
- A review of all equity fund tracking error ranges has been undertaken – highlighting inconsistent information ratios across the fund range. There will be no changes to how each portfolio is managed, nor to the risk budgets of the underlying managers.
- No breaches reported in BCPP reporting this quarter.

Changes in structure, investment processes or risk management

- BCPP UK Equity Alpha restructured over Q2, terminating the UBS mandate and appointing both Redwheel and Lindsell Train.

Border to Coast Pensions Partnership – RI Quarterly Report Snapshot

UK Equity Alpha Fund

Fund	Q2 2022 Position	
	Weighted Average Carbon Intensity	Weighted ESG Score
UK Equity Alpha	53.9	7.6
Benchmark (FTSE All Share)	121.9	7.7

Global Equity Alpha Fund

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Fund	Q2 2022 Position	
	Weighted Average Carbon Intensity	Weighted ESG Score
Global Equity Alpha	88.1	6.5
Benchmark (MSCI ACWI)	163.8	6.5

Sterling Investment Grade Credit Fund

Fund	Q2 2022 Position	
	Weighted Average Carbon Intensity	Weighted ESG Score
Sterling Investment Grade Credit	78.1	7.0
Benchmark (iBoxxSterling Non Gilt Index)	82.8	7.4

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8. Further information

Key reference information about your scheme

Explanation of Ratings – Overall ratings

Overall ratings

An overall rating is then derived taking into account both the above outcomes for the product. The table lists how the overall rating can be interpreted.

The comments and assertions reflect our views of the specific investment product and our opinion of its quality. Differences between the qualitative and Aon InForm outcome can occur and if meaningful these will be explained within the Key Monitoring Points section. Although the Aon InForm Assessment forms a valuable part of our manager research process, it does not automatically alter the overall rating where we already have a qualitative assessment. Overall rating changes must go through our qualitative manager vetting process. Similarly, we will not issue a Buy recommendation before fully vetting the manager on a qualitative basis.

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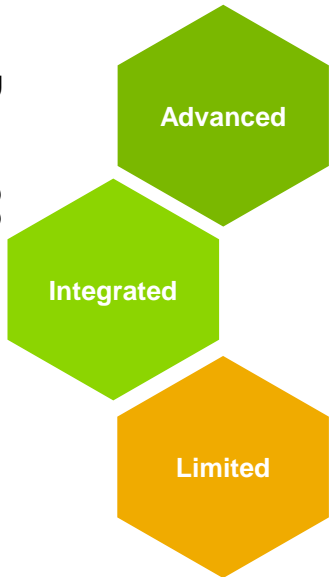
Overall Rating	What does this mean?
Buy	We recommend clients invest with or maintain their existing allocation to our Buy rated high conviction products
Buy (Closed)	We recommend clients invest with or maintain their existing allocation to our Buy rated high conviction products, however it is closed to new investors
Qualified	A number of criteria have been met and we consider the investment manager to be qualified to manage client assets
Not Recommended	A quantitative assessment of this strategy indicates it does not meet our desired criteria for investment. This strategy is not recommended.
Sell	We recommend termination of client investments in this product
In Review	The rating is under review as we evaluate factors that may cause us to change the current rating

Explanation of Ratings – Overall ratings

ESG Factor

The ESG factor is assigned a rating and can be interpreted as follows:

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Key

The fund management team demonstrates an advanced awareness of potential ESG risks in the investment strategy. The fund management team can demonstrate advanced processes to identify, evaluate and potentially mitigate these risks across the entire portfolio.

The fund management team has taken appropriate steps to identify, evaluate and mitigate potential financially material ESG risks within the portfolio.

The fund management team has taken limited steps to address ESG considerations in the portfolio.

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. However, we have allowed for an allowance for short term inflation increases in line with that proposed for the 2022 valuation of the Fund.
- The funding update is projected from the results of the formal actuarial valuation as at 31 March 2019 (as the 2022 valuation has not yet been completed) 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 30 June 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 March 2022	4.20%	3.55%	2.30%
30 June 2022	4.50%	3.45%	2.20%*

* Plus an allowance for short term inflationary increases

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 30 June 2022.

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High level asset class	Expected Return	Expected Volatility
Equities	7.5%	18.9%
Property	5.1%	12.6%
Infrastructure	8.0%	15.8%
Listed alternatives	7.4%	19.2%
Illiquid credit	7.2%	5.9%
Investment grade credit	4.1%	8.1%
Non-investment grade credit	6.1%	9.3%
Absolute Return	5.2%	5.1%
Gilts	2.1%	7.4%
Cash	2.2%	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%	7%	56%	21%	-8%	-3%
Property		100%	19%	36%	28%	6%	27%	8%	-2%	4%
Infrastructure			100%	63%	14%	4%	23%	19%	-3%	0%
Listed Alternatives				100%	28%	7%	55%	21%	-8%	-4%
Illiquid credit					100%	64%	67%	11%	4%	14%
IG Credit						100%	34%	14%	52%	36%
Non-IG Credit							100%	14%	-2%	5%
Absolute Return								100%	8%	28%
Gilts									100%	31%
Cash										100%

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Data and assumptions

Date of calculation	30 June 2022
Number of simulations	5000
Time horizon	10 years
Asset value	£ 4,109,333,045

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- 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.



This document has been prepared in accordance with the framework below.

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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.
- Our paper entitled 'Financial assumptions – Actuarial valuation as at 31 March 2022'
- The latest Funding Strategy Statement.

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NORTH YORKSHIRE COUNTY COUNCIL

PENSION FUND COMMITTEE

09 September 2022

BUDGET AND CASHFLOW

Report of the Treasurer

1.0 PURPOSE OF THE REPORT

1.1 To report on the following:

- (a) the 2021/22 budget and the outturn position of the Fund (see section 2)
- (b) the 4 year cashflow projection for the Fund (see section 3)

2.0 2021/22 BUDGET - THE COST OF RUNNING THE FUND

2.1 The budget and outturn position for 2021/22 is presented in **Appendix 1**. The total running costs of the Fund in 2021/22 were £30.3m against a budget of £33.9m. The underspend of £3.6m is primarily due to a decrease against budgeted costs for investment management fees, which has arisen from a number of factors:

- the Fund's assets performed below the long term return expectations, which in turn results in lower than expected fees as they are based on the values of the assets;
- one-off transition costs to Border to Coast (B2C) funds were included in the budget, however the costs were accounted for in the performance figures for the funds and are therefore not included in the outturn;
- the gradual shift of assets into B2C has led to overall lower ongoing management fees.

2.2 Variances for non-fee budget items include an increase in the pooling operating charge to the Fund. This is also a result of asset transitions to B2C, which in turn attracts a greater share of the pool's overheads.

2.2 The outturn differs significantly from the Fund's last reported forecast of £0.1m overspend in November 2021. The main difference again is on the investment management fees, which were previously forecast as being on budget.

3.0 4 YEAR CASHFLOW PROJECTION

- 3.1 The cash position of the Fund is presented in **Appendix 2**. The table shows the actual cashflow in 2021/22 along with the projected cashflows of the Fund over the next 4 years. This cashflow includes the contribution income and benefits payable, and the main investment inflow and outflow of the Fund, which are the two key determining factors for when the Fund will turn cashflow negative (deficit).
- 3.2 The forecast for pension benefits payments is based on revised assumptions on annual increases in pensioner numbers and inflationary rises (expected to be a combined 12% in 2023/24).
- 3.3 The forecast for contribution income is based on the employers' current contribution rates which are in turn based on the 2019 Triennial Valuation. This assumes contribution requirements will be consistent following the 2022 Valuation, the outcome of which will be known in the coming months. The pay increase assumption for 2022/23 is based on the offer to local authorities of £1,925 per employee, which is being negotiated, and 2% per annum thereafter. This is a quite conservative assumption, given forecasts for inflation.
- 3.4 The overall cashflow position is a surplus for 2021/22, with deficits projected for 2022/23, 2023/24, 2024/25, and 2025/26. However due to the volatile nature of some of the income and expenditure incurred by the Fund, an element of fluctuation is to be expected. Future inflation is a key factor that the forecast will be sensitive to, and we will continue to review and update the assumptions used in forecasting to reflect any new information that becomes available.
- 3.5 The cashflow forecast also takes into account the future cashflows arising from the Fund's investment activities. These include items such as fees directly payable to fund managers, distribution income, capital calls, investments and disinvestments. In 2021/22, investment actions were taken to bring the cash balance to be within 0.5% of the value of the Fund, so that it now reflects the agreed pragmatic level of cash required to manage the day to day requirements of the Fund.

4.0 RECOMMENDATIONS

- 4.1 Members to note the contents of the report.

GARY FIELDING
Treasurer to North Yorkshire Pension Fund
NYCC
County Hall
Northallerton

02 September 2022

North Yorkshire Pension Fund - 2021/22 Budget - Cost of Running the Pension Fund

	Budget 2021/22 £k	Outturn 2021/22 £k	Variance £k
EXPENDITURE			
Admin Expenses			
Finance and Central Services	440	388	(52)
Provision of Pensioner Payroll (ESS)	90	138	48
Pensions Administration Team	1,120	1,164	44
McCloud	80	40	(40)
Other Admin Expenses	510	483	(27)
	2,240	2,213	(27)
Oversight and Governance			
Actuarial Fees	20	96	76
Custodian Fees	50	100	50
Consultants Fees	200	143	(57)
Pooling Operational Charge and Project Costs	776	1,057	281
Other O & G Expenses	100	71	(29)
	1,146	1,467	321
Investment Fees			
Base Fees invoiced	2,900	2,656	(244)
Performance Fees invoiced	2,820	3,527	707
Fees deducted from Fund	24,800	20,401	(4,399)
	30,520	26,584	(3,936)
TOTAL	33,906	30,264	(3,642)

North Yorkshire Pension Fund - Cash Flow

	2021/22 £k	2022/23 £k	2023/24 £k	2024/25 £k	2025/26 £k
SCHEME PAYMENTS					
Benefits					
Pensions	(99,282)	(110,000)	(123,038)	(130,420)	(134,333)
Lump Sums	(29,518)	(33,000)	(34,000)	(35,000)	(36,000)
	(128,800)	(143,000)	(157,038)	(165,420)	(170,333)
Transfers out	(8,878)	(12,460)	(12,750)	(13,000)	(13,250)
Refunds to leavers	(405)	(500)	(550)	(600)	(650)
	(9,283)	(12,960)	(13,300)	(13,600)	(13,900)
Operational Expenses					
Admin Expenses	(2,294)	(2,409)	(2,553)	(2,655)	(2,735)
Oversight and Governance	(1,387)	(1,429)	(1,471)	(1,516)	(1,561)
	(3,681)	(3,837)	(4,025)	(4,171)	(4,296)
TOTAL PAYMENTS	(141,764)	(159,797)	(174,363)	(183,191)	(188,529)
SCHEME RECEIPTS					
Employer and Employee Contributions	135,497	144,628	147,520	150,471	153,480
Transfers in	11,941	14,539	15,039	15,539	16,039
	147,438	159,167	162,559	166,010	169,519
SCHEME SURPLUS/ (DEFICIT)	5,674	(630)	(11,804)	(17,182)	(19,010)
CASH FLOW FROM INVESTMENT ACTIVITIES	(95,780)	649	11,102	16,544	18,975
SURPLUS/ (DEFICIT) AFTER INVESTMENT ACTIVITIES	(90,106)	18	(702)	(638)	(35)
CASH BALANCE B/F	111,848	21,742	21,760	21,059	20,421
CASH BALANCE C/F	21,742	21,760	21,059	20,421	20,386

North Yorkshire County Council

Pension Board

Minutes of the meeting of the Pension Board held on Thursday 7 July 2022 commencing at 10am.

Present: -

Members of the Board

David Portlock (Independent Chairman).

Employer Representatives:

Councillor Ann Hook (City of York Council) and David Hawkins (York College).

Scheme Members:

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

In attendance as a Member of the Pension Fund Committee:

County Councillor George Jabbour

County Council Officers:

Ray Busby, Qingzi Bu, Phillippa Cockerill, Ian Morton, Tom Morrison and Jo Foster-Wade.

Copies of all documents considered are in the Minute Book

1. Chairman's Welcome and Introductions

The Chairman welcomed everyone to the first formal in person meeting of the Pension Board for some time. Members and officers introduced themselves.

2. Apologies for Absence

Apologies were received from Emma Barbery (Askham Bryan College)

3. Minutes of Meeting held on 7th April 2022

Considered –

Minutes of the meeting of the pension board held on Thursday 7th of April 2022 via Microsoft Teams

Resolved -

That the Minutes of the meeting held on Thursday 7th of April 2022 having been printed and circulated, be taken as read and be confirmed and signed by the Chairman as a correct record

4. Progress on Issues Raised by the Board

Considered –

Report of the Assistant Chief Executive (Legal and Democratic Services advising members of

- Progress on issues raised at previous meetings.
- Issues that have arisen relating to the work of the Board since the last meeting.

A response from Government was still awaited in relation to the Hymans Good Governance review. Optimism of an early resolution had receded.

In relation to Minute 265 relating to Pension Administration Breaches Log, this was now regarded as closed.

In relation to the reference to Cyber Security, it was understood that work pressures have delayed the presentation until the October meeting. It would however stay on the list for that reason.

The additional communication exercise planned for pensioners, referred to in Minute No 327 of the table, would undoubtedly place additional demands upon officers. Continuing to meet demand other than by online means – now the default position - was not sustainable under current capacity. IT was explained this is the reason the exercise has been deferred to a later date.

There was some discussion regarding the availability of information and communication particularly for those members who did not have digital access. Gordon Gresty asked that his concern around inclusivity be recorded in the minutes of the meeting.

Phillippa agreed to come back to the Board's October meeting with the scheduling programme for the additional communication to pensioners regarding registering for and using the online functionality.

In response to a question, the Board was advised that the triennial valuation process of the Fund undertaken by the Actuary this year would be the subject of consideration by the Board at a future meeting – date to be determined.

In response to a question regarding Broadacres, it was reported that the application from Broadacres pre-dated LGR and that there would be no financial impact on the NYPF from the proposal, as Hambleton DC were acting as guarantor. Further details on how this was progressing would be submitted in due course.

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.

5. Declarations of Interest

There were no declarations of interest.

6. Public Questions or Statements

There were no public questions or statements.

7. Minutes of Pension Fund Committee held on 27th May 2022

Considered –

Minutes of the meeting of the Pension Fund Committee held on 27th May 2022

The Chairman noted that the Minutes from the meeting had been circulated with the papers for this meeting. Members of the Board did not raise any issues.

Resolved –

That the Minutes be noted.

8. Verbal summary of the Pension Fund Committee held on 1st July 2022

The Chairman explained that the nature of the Pension Fund Committee's considerations at its meeting held on 1 July 2022, comprised the Governance Arrangements papers included in the agenda papers for the Board.

9. Pension Board draft Annual Report 2021/22

Considered –

Draft report of the Pension Board Annual report for 2021/22.

The Chair had identified several typographical and accuracy issues in the report (recorded below). These would need to be taken on board before submission to the Pension Fund Committee, the County Council's Executive and then the full council.

Attendance at Meetings

- There were 4 remote Meetings of the Board during 2021/22 – 1 formal and 3 informal
- Attendance at meetings was as follows: -
- 8th April 2021 – Formal, virtual meeting - County Councillor Bob Baker and Councillor Anne Hook absent. All other Members in attendance.
- 8th July 2021 – Informal, virtual meeting. County Councillor Bob Baker, Emma Barbery and David Hawkins absent. All other Members in attendance.
- 7th October 2021 – Informal, virtual meeting –All Members in attendance.
- 13th January 2022 – Informal, virtual meeting – County Councillor Bob Baker absent. All other Members in attendance.

Data Quality

- In line with the requirement introduced by the Pensions Regulator, to include each Fund's data score in the annual return with effect from 2019, NYPF have submitted the following scores for 2021:
- Common Data: 97.52%
- Conditional Data: 94.95%

In response to a question of clarification relating to the Board's budget, it was explained that the sum allocated was not a cap as such, rather it was a guide as to the amount required for the Board to fulfil its functions effectively.

Resolved –

That the report be approved on that basis.

10. Pension Fund Administration

Considered –

The Head of Pensions Administration, Phillippa Cockerill, provided Members with a report updating on key initiatives undertaken by the Administration Team of the NYPF.

Feedback was welcomed on the documents enclosed relating to pension fund governance.

The NYPF draft accounts had not been finalised by the time of the meeting. They would be circulated to Board members once this has happened. Comments would be welcome. The Chair reminded Board members that the responsibility to approve the final audited accounts rests with the Audit Committee. The deadline for issuing the draft PF accounts is 31 July 2022. The deadline for Audit Committee approval of the audited accounts is 30 November 2022.

In response to a question in relation to cyber security, arrangements for the presentation to members was in hand.

Resolved –

That the contents of the report be noted.

11. Internal Audit Update

Considered

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

Two projects remained in progress as recorded in the report schedule; it was expected that both will be completed shortly with every prospect of being able to report the outcome to the next Board meeting.

The two outstanding items in relation to 2021 audits, required by April 2022, had actions completed.

For the future, it was intended to set out a summary of action to be undertaken in the narrative of the report submitted to the Board.

Resolved –

That the report be noted.

12. Dispute Cases and Exercises of Discretion

Considered –

Report providing members with details of the cases received via the Internal Dispute Resolution Procedure and those cases referred to the Pensions Ombudsman in the scheme year to 31 March 2022.

Resolved -

That the report be noted.

13. Training

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

Members were reminded of the availability and details of the Hymans Robertson online training package and that the aim was for Board meetings to provide an opportunity for Members to undertake appropriate training. The regulations require each Member of the Board to have undertaken the appropriate training. However, to recognise the current demands on Board Members' time the Chair suggested that providing each Board Member undertook some of the Hymans' Online Modules training and attended some of the other training offered by other providers, he would contend with the Administering Authority, or the Pensions Regulator, that collectively the Pensions Board had the required skills and knowledge to carry out its responsibilities..

When discussing the report, Members agreed that in addition to the online resources that were available, it would be timely and advantageous to have in-person training.

Resolved-

That the report, and issues raised, be noted.

14. 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.

The Chairman reported that David Hawkins had given prior notice of his intention to raise the North Yorkshire Pension Fund's proposal to introduce a new Intermediate Funding Target for colleges and universities who can sufficiently demonstrate the strength of their covenant to the Fund. This is part of an overall review of the Intermediate Funding Target which was introduced at the 2019 valuation. He had

concerns about how the opportunity for Colleges and Universities to reduce their contributions if they can demonstrate a strong covenant, would be carried out.

The Chairman understood the concerns raised, but reminded Board members that employer contributions are considered as part of the Triennial Valuation and will include discussions between employers and the Fund, with input from the Actuary as appropriate. The Pension Board would not be involved in these discussions.

David Hawkins acknowledged the position.

Resolved –

That the Work Plan, as detailed in Appendix 1 to the report, be noted.

The meeting concluded at 12.15pm.

NORTH YORKSHIRE LOCAL PENSION BOARD

ANNUAL REPORT FOR PERIOD 1 APRIL 2021 TO 31 MARCH 2022

Background

In June 2014 the Government published a consultation “The Local Government Pension Scheme (Amendment) Regulations 2014: draft Regulations on scheme governance”. These Regulations were essentially a crystallisation of the governance arrangements framework set out in the Public Service Pensions Act 2013.

The Regulations required Administering Authorities to each establish a Local Pension Board by 1 April 2015, being a formal body constituted by North Yorkshire County Council (the Administering Authority for the North Yorkshire Pension Fund (NYPF)), and the Board to be operational by 1 August 2015.

The Terms of Reference for the Pension Board were drafted in February 2015 to comply with the draft Regulations and guidance, in consultation with the Chair and Vice-Chair of the Pension Fund Committee and the Assistant Chief Executive (Legal and Democratic Services). The document was approved by the Council on 18 February 2015.

The Pension Board was established and its membership developed, and it held its first meeting on 30th July 2015.

In April 2016, the LGPS Scheme Advisory Board (SAB) was established as a statutory body encouraging best practice, increasing transparency and co-ordinating technical and statutory issues at a national level. Alongside this the role of the Pensions’ Regulator had been extended to cover public sector schemes, and guidance has been introduced in the form of the Regulator’s Code of Practice 14, which includes the reporting of statutory and regulatory breaches, for example the late payment of contributions and the issue of Annual Benefit Statements after the statutory deadline.

Role

The role of the local Pension Board is defined by sections 5(1) and 5(2) of the Public Service Pensions Act 2013 as follows:

1. To assist the Council as Administering Authority in its role as Scheme Manager to:
 - secure compliance with the Local Government Pension Scheme (LGPS) regulations and any other legislation relating to the governance and administration of the LGPS;
 - secure compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator;
 - secure the effective and efficient governance and administration of the LGPS for the Pension Fund
 - assist in such other matters as the LGPS regulations may specify
2. To provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest

It is not the role of the Pension Board to be involved in the day to day running of the NYPF.

The operation of the Pension Board is open and transparent, its meetings are open to the public and all required details relating to the Pension Board, including minutes of meetings, are on the North Yorkshire County Council website, together with recordings of the virtual, formal meetings, as these were broadcast live –

<https://edemocracy.northyorks.gov.uk/>

www.northyorks.gov.uk/livemeetings

Membership of the Board

The Board consists of 9 members, 4 scheme member representatives, 4 employer representatives and an independent chair. Changes to the Membership of the Board during 2021/22 are detailed in the table below.

The Membership during 2021/22 was as follows:-

PORTLOCK, David	Chairman - Independent Member (Non-voting)
BAKER, Bob (County Councillor)	Employer Representative – North Yorkshire County Council
HOOK, Anne (Councillor)	Employer Representative – City of York Council
BARBERY, Emma	Employer Representative – Askham Bryan College
BRANFORD-WHITE, Louise	Employer Representative – Hambleton District Council – Resigned from the Board in July 2021
HAWKINS, David	Employer Representative Co-opted Member, non-voting – York College – Appointed as Employer Representative in November 2021
HOULGATE, David	Scheme Member Representative - UNISON
PURCELL, Simon	Scheme Member Representative - UNISON
THOMPSON, Sam	Scheme Member Representative – Hambleton District Council - Appointed to vacant position in November 2021
GRESTY, Gordon	Scheme Member Representative – Retired Members

COVID 19

The restrictions brought about by the COVID 19 pandemic had an effect the work of the Pension Board during the 2021/22 Council year, as meetings were required to be held remotely. Alterations to the Terms of Reference allowed virtual, formal meetings to take place up to the cessation of the emergency regulations in May 2021. Following that the remaining meetings were held remotely, but informally, with any decisions made by the Chief Executive of the Administering Authority under his emergency powers, in consultation with the Board.

Terms of Reference

A copy of the Board's Terms of Reference is attached at **Appendix 1**. The Terms of Reference, agreed by the Administering Authority in February 2015, are reviewed at least annually. In 2020 additional items were introduced to enable remote meetings to take place when required, and to enable issues to be escalated when they reached an impasse.

Attendance at Meetings

There were 4 remote Meetings of the Board during 2021/22 – 1 formal and 3 informal (see above).

Attendance at meetings was as follows:-

8th April 2021 – Formal, virtual meeting - County Councillor Bob Baker and Councillor Anne Hook absent. All other Members in attendance.

8th July 2020 – Informal, virtual meeting. County Councillor Bob Baker, Emma Barbery and David Hawkins. All other Members in attendance.

7th October 2020 – Informal, virtual meeting – All Members in attendance.

13th January 2022 – Informal, virtual meeting – County Councillor Bob Baker absent. All other Members in attendance.

Attendance at Pension Fund Committee

The Chair of the Board is an ex-officio, non-voting, Member of the Pension Fund Committee. Each ordinary Meeting of the Pension Fund Committee has an agenda item that provides an opportunity for the Chair of the Board to present feedback and the minutes of the previous meeting of the Board are submitted for information. The minutes of the Pension Fund Committee are also submitted to the Pension Board and, again, the Chairman provides feedback.

Members of the Pension Board attend meetings of the Pension Fund Committee to observe proceedings when available.

Issues Considered

The following have been considered by the Pension Board over the year:-

- NYPF Annual Report for the year ended 31 March 2021
- External Audit Report on the NYPF for the year ended 31 March 2021

- Risk Register
- Internal Audit reports
- Investment Strategy Statement
- Investment Strategy Review
- Publication of Pension Board Annual Report
- Pension Administration – including Breaches Log, Annual Benefit Statements, Data Quality, systems updates, projects, Death Grants, Broadacres, etc.
- Treasurer of the North Yorkshire Pension Fund – Annual Discussion
- Governance Documents Review
- Feedback from training courses attended
- Management, administration and governance process and procedure
- Review of the Terms of Reference
- Border to Coast Pensions’ Partnership (BCPP) Update
- Meetings between representatives of the Pension Boards with partner Funds in the BCPP
- Budget, accounts and Business Plan – including cash-flow position
- Annual Review of Dispute Cases and Exercise of Discretions
- Training – Including an introduction to Hyman’s online training package
- Government Actuary Department – Section 13 Report

Details in relation to the discussions on these issues can be found in the minutes for the meetings which are available on the North Yorkshire County Council website –

<http://democracy.northyorks.gov.uk/committees.aspx?commid=91>

The formal, virtual meetings were live broadcasted to allow the public to watch and participate. Recordings of the meetings can be found through the link below:-

www.northyorks.gov.uk/livemeetings

The LGPS Pooling arrangements had previously been a major issue of consideration for the Pension Board. The NYPF was now committed to membership of the Border to Coast Pensions Pool, along with a number of other LGPS. The pool began operating in July 2018 and the Pension Board has been committed to scrutinising the governance arrangements for the pool.

Data Quality

In line with the requirement introduced by the Pensions Regulator, to include each Fund’s data score in the annual return with effect from 2019, NYPF have submitted the following scores:

Common Data: 97.52%
 Conditional Data: 94.95%

Data from previous years is also provided to enable a comparison:-

Year	Common Data Score	Conditional Data Score
2018	93.47%	85.26%
2019	94.37%	93.52%
2020	95.97%	96.97%

Common data is that set of data that is defined as necessary and applicable to all members of all schemes. This data is that required to identify scheme members. For example, surname, date of birth, national insurance number, address, etc. There are 10 data items listed by the Pensions Regulator as being classed as common data.

Conditional data is that set of data that is defined as additional detailed data required for the administration of a pension scheme. This data is dependent on scheme type, structure and system design. For example, employer, salary history, contributions, transfer in details, etc.

A suite of reports have been developed to enable the identification of data errors and calculation of the annual data score. These reports will form the basis of targeted data cleansing work.

A data improvement plan has been created to ensure quality and scores improve from year to year. Part of this plan is the ongoing rolling schedule of data quality checking and cleansing.

Conflicts of Interest

The Board adopted a Conflicts of Interest Policy, attached as **Appendix 2**, at its inaugural meeting on 30th July 2015 and this is reviewed annually. The requirement to declare Conflicts of Interest is an item on every agenda for Board meetings. No conflicts were identified nor disclosed in the period to 31 March 2022.

Skills and Development Activities

Board Members have undertaken a comprehensive range of training and development opportunities, as required by the Pension Regulator's Code of Practice. An evaluation of skills and experience has been undertaken and is being evaluated to identify possible training requirements and areas where skills and knowledge need development.

During the year a package of online training was acquired for the Members of the Pension Board and Pension Fund Committee, from a third party provider, Hymans Robertson. The available sessions are detailed below:-

1: Introduction to the LGPS

Stakeholders; local arrangements for committees, boards officers and advisers; regulatory framework.

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.

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.

4: Funding and actuarial matters

Role of the actuary; the funding strategy; valuations; employer issues; actuarial assumptions.

5: Investments

Investment strategy, asset class characteristics and investment markets; pooling investments; monitoring performance of investments and advisers; responsible investment.

6: Current issues

LGPS reform; McCloud; Goodwin; cost sharing.

Discussions have previously taken place, with the Pension Fund Committee, in relation to the requirement for Pension Fund Committee Members to undertake appropriate training and development in future, with a training policy having now being adopted. Members of the Committee had undertaken an evaluation of their skills, and the publication of the results was awaited, however, the outcome of the Local Elections in May 2022 was likely to result in changes to the Committee and a re-evaluation being required.

The Board adopted a Training Policy, attached as **Appendix 3**, at its inaugural meeting on 30th July 2015.

Details of the training and development undertaken by Board Members are provided in **Appendix 4**.

Programme of Work

The Board has developed a programme of work which is reviewed and updated at every meeting of the Board. Details of the programme of work are provided in **Appendix 5**.

Pension Board Costs for 2021/22 and Budget for 2022/23

The Board's costs for 2021/22 were as follows:

	Costs	Budget
Chair's Allowance	£3,078	£3,100
Travel	£ 0	£1,500
Skills development	£2,090	£5,000
Total	£5,168	£9,600

The Board's budget for 2022/23 is as follows:

Chair's Allowance	£3,100
Travel	£1,500
Skills development	£5,000
Total	£9,600

The above costs are borne by the Pension Fund.

In addition to the expenditure detailed above, the Board receives assistance and support from the Council's Legal & Democratic Services and Pension Fund Officers. An estimate of the cost and value of this assistance and support has not been calculated.

Pension Board self-assessment

The Board's terms of reference and guidance from the Pension Regulator's Code of Practice 14 require that the Board undertakes a review of its effectiveness and the knowledge and skills of Board members.

In relation to this, questionnaires have previously been circulated to Board Members to provide an evaluation of skills and experience. Details have been fed back into the Board accordingly and an appropriate joint training plan with members of the Pension Fund Committee will be developed. Consideration is currently being given to the provision of a dedicated training package to encompass both bodies and has resulted in the introduction of the online training package, as detailed above.

Equality Impact Review

An Equality Impact Review is not required as there are no relevant decisions to be taken.

David Portlock
Independent Chair of the Local Pension Board - October 2022

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Pension Board of the North Yorkshire Pension Fund

Terms of Reference and Delegated Authorities

1) Role of the Local Pension Board

The role of the local Pension Board as defined by sections 5 (1) and (2) of the Public Service Pensions Act 2013, is

- to assist North Yorkshire County Council (NYCC) as Administering Authority in its role as Scheme Manager
- to secure compliance with the Local Government Pension Scheme (LGPS) regulations and any other legislation relating to the governance and administration of the LGPS
- to secure compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator
- to secure the effective and efficient governance and administration of the LGPS for the North Yorkshire Pension Fund (NYPF, or the Fund)
- in such other matters as the LGPS regulations may specify
- to provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest

The terms “Administering Authority” and “Scheme Manager” are used interchangeably in the Regulations but are separately defined in this document (see section 18). NYCC as the Administering Authority has ultimate responsibility for the Fund and has delegated powers to manage the Fund to the Pension Fund Committee (PFC).

These Regulations provide that the Pension Board has the general power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

The Pension Board will ensure it effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Pension Board will also help ensure that the NYPF is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator, with due regard to guidance issued by Government, the Pensions Regulator and the National Scheme Advisory Board.

The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively, but not less than four times in any year.

The Pension Board will determine the precise timing of its own meetings, which will take place at suitable intervals between PFC meetings so that PFC activity relevant to the Board can be considered and responses to recommendations reviewed prior to the next meeting of the PFC.

The Pension Board will undertake formal meetings remotely, through an appropriate media platform, and subject to the relevant live broadcast requirements, when circumstances arise that prevent physical meetings from taking place. The Meetings should be wholly remote or physical and should not be undertaken in a hybrid manner.

2) Membership and Appointment Process

The Pension Board shall consist of 9 members and be constituted as follows:

i) 4 scheme member representatives, of whom

a. 2 shall represent and be drawn from active members of the Fund

b. 1 shall represent and be drawn from pensioner and deferred pensioner members of the Fund

c. 1 shall represent and be drawn from either the active or deferred/pensioner members of the Fund

ii) 4 employer representatives, of whom

a. 1 shall be nominated by NYCC who shall meet the requirements of the relevant regulations in relation to avoidance of conflict with the County Council's role as Administering Authority

b. 1 shall be nominated by the City, Borough and District Councils, the Police and Fire bodies and the National Parks which are employers within the Fund

c. 1 shall be nominated by all other employers within the Fund

d. 1 shall be nominated by any employer other than NYCC

iii) 1 independent member, who shall be appointed as Chair of the Pension Board

Elected Members and officers involved in the management and administration of the Fund are not permitted to become Pension Board members.

The Administering Authority will contact employers and members of the Fund to inform them of the Pension Board arrangements and to canvass interest whenever appointments to the Pension Board are required. Active, pensioner and deferred pensioner members will be eligible to nominate themselves as "scheme member representatives". Individuals put forward by the Fund's employers, whether or not those individuals are members of the Fund, will be eligible to stand as "employer representatives".

The position of independent member will be advertised publically. The Administering Authority will seek an independently minded individual with a track record of dealing with governance issues. Following receipt of nominations/applications the Administering Authority will arrange an independent as possible appointment process. This process will include assessing information supplied by candidates in support of their nomination/application and may be supplemented by interviews as appropriate.

Members in all categories will only be appointed to the Pension Board by the Administering Authority if they either meet the knowledge and skills requirements set out in the relevant regulations and guidance (see Section 7) or commit to do so within 3 months of the appointment date.

Members of the Pension Board will serve for a term of 4 years following which they may either retire from the Board or seek nomination for an additional term. The term of office may otherwise come to an end

i. for scheme member representatives if they cease to be a member of the relevant group

ii. for employer representatives who are councillors if they cease to hold office as a councillor

iii. for employer representatives who are not councillors when they cease to be employed by their nominating employer

iv. for a councillor member who is appointed to the PFC

v. for a scheme member or employer representative who is appointed to a role with responsibility for the management or administration of the Fund

vi. where there is a conflict of interest which cannot be managed in accordance with the Pension Board's Conflicts of Interest Policy

vii. where a member fails to attend meetings, undertake training or otherwise comply with the requirements of being a Pension Board member

Each Pension Board member should endeavour to attend all Board meetings during the year and is expected to attend at least 3 meetings each year. The chair of the Board is also expected to attend the quarterly meetings of the PFC.

Given the nature of the Pension Board as a supervisory body and the need for appropriate knowledge and skills and the clear avoidance of conflicts of interest, substitute members are not permitted.

In the event of consistent non-attendance by any Board member, then the tenure of that membership should be reviewed by the other Board members in liaison with the Administering Authority.

Other than by ceasing to be eligible as set out above, a Board member may also be removed from office during a term of appointment by the unanimous agreement of all of the other members. The removal of the independent member requires the consent of the Administering Authority.

3) Conflicts of Interest

The policy for identifying, monitoring and managing conflicts of interest is set out in a separate policy document, which should be regularly reviewed by the Pension Board.

4) Standards of Conduct

The role of Pension Board members requires the highest standards of conduct and therefore the “seven principles of public life” will be applied to all Pension Board members and embodied in their code of conduct.

These are:

- selflessness
- integrity
- objectivity
- accountability
- openness
- honesty
- leadership

5) Knowledge and Skills

A member of the Pension Board must be conversant with:

1. The legislation and associated guidance of the LGPS
2. Any document recording policy about the administration of the LGPS which is for the time being adopted by the NYPF

A member of the Pension Board must have knowledge and understanding of:

- a. the law relating to pensions, and
- b. any other matters which are prescribed in the regulations

Individual Pension Board members must satisfy themselves that they have the appropriate degree of local knowledge and understanding to enable them to properly exercise their functions as a member of the Pension Board. This includes being fully aware of all requirements detailed in these terms of

reference for example on standards of conduct and conflicts of interest, and being conversant with the investment strategy of the Fund.

In line with this requirement Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Pension Board members are therefore required to maintain a written record of relevant training and development. Pension Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.

6) Board Review Process

The Board will undertake each year a formal review process to assess how well it and its members are performing with a view to seeking continuous improvement in the Board's performance.

7) Accountability

The Pension Board will be collectively and individually accountable to the Administering Authority.

8) Remit of the Board

The Pension Board must assist the Administering Authority with such matters as the scheme regulations may specify. It is for scheme regulations and the Administering Authority to determine precisely what the Pension Board's role entails. Examples of activity include, inter alia:

- reviewing the Fund's governance and policy documents, such as the Governance Compliance Statement and the Communications Policy Statement
- reviewing the Fund's Annual Report
- reviewing the administrative performance of the Fund
- reviewing shareholder voting and engagement arrangements
- reviewing the Fund's Risk Register
- reviewing the NYPF website
- supporting and challenging PFC actions as a critical friend
- Reviewing the governance of the new pooling arrangements, to assist in ensuring compliance, effective and efficient reporting, and the monitoring of investment management.

9) Decision making

Each Pension Board member who is a scheme member or employer representative will have an individual voting right but it is expected that the Pension Board will as far as possible reach a consensus. The Chair of the Pension Board will not be entitled to vote.

10) Quorum

The Board shall be quorate if the Chair, 1 scheme member representative and 1 employer representative are present.

11) Board Meetings – Notice, Minutes and Reporting

The Administering Authority shall give notice to all Pension Board members of every meeting of the Pension Board and shall ensure that a formal record of Pension Board proceedings is maintained. Following the approval of the minutes by the Chair of the Board, they shall be circulated to all Pension Board members.

The Pension Board is a committee of the Council and as such the Council's rules on notice of meetings, publishing agendas, reports and minutes and that meetings and papers (unless exempt) are open to the public will apply. At the discretion of the Administering Authority items may be edited or excluded on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.

The Pension Board shall annually report to the Administering Authority on its nature and activities. The precise content of this report will be subject to consideration and agreement at a meeting of the Board but as a minimum should include

- a. details of members attendance at meetings of the Pension Board
- b. details of training and development activities made available to Pension Board members and attendance at such activities
- c. details of any recommendations made by the Pension Board to the Scheme Manager and the Scheme Manager's response to those recommendations
- d. details of costs incurred in the operation of the Pension Board
- e. a review of the effectiveness of the Board (see Section 6)

In consideration of items of business at its ordinary meetings the Pension Board shall determine whether it wishes to make recommendations to the Scheme Manager, to which the Scheme Manager shall respond at the subsequent meeting.

The Pension board shall also report as required by the regulations to the Pensions Regulator and the National Scheme Advisory Board.

12) Reporting Breaches

Any breach brought to the attention of the Pension Board, whether potential or actual, shall be dealt with in accordance with the procedure set out in the draft code of practice 14 issued by the Pensions Regulator, *Governance and Administration of Public Service Pension Schemes*.

13) Escalation of matters of serious concern

Where a matter of serious concern arises regarding compliance or a potential breach of the regulations, the Pension Board must inform the Scheme Manager immediately, and may escalate reporting to the Monitoring Officer, to the National Scheme Advisory Board and the Pensions Regulator if considered necessary and appropriate.

14) Publication of Pension Board information

Scheme members and other interested parties will want to know that the NYPF is being efficiently and effectively managed. They will also want to be confident that the Pension Board is properly constituted, trained and competent in order to comply with scheme regulations, and to carry out its role in relation to the governance and administration of the scheme and requirements of the Pension Regulator.

Up to date information will be posted on the NYPF website showing:

- the names of the Pension Board members and other relevant information
- how the scheme members are represented on the Pension Board
- the responsibilities of the Pension Board as a whole
- the full terms of reference and policies of the Pension Board and how they operate
- the Pension Board appointment process

any specific roles and responsibilities of individual Pension Board members

The Administering Authority will also consider requests for additional information to be published or made available to individual scheme members to encourage scheme member engagement and promote a culture of openness and transparency.

15) Advice to the Board

The Board will be supported in its role and responsibilities by the Administering Authority through advice and support as appropriate.

16) Expense Reimbursement, remuneration and allowances

The Administering Authority will determine remuneration and allowances to be paid to Pension Board members based on recommendations made by the Independent Panel on Members Remuneration. These arrangements are reviewed annually.

Expenses in connection with fulfilling Pension Board responsibilities will be met by the Fund based on the Council's Members Scheme of Allowances and officers Travel and Expenses Policy as appropriate. The costs of appropriate training will also be met by the Fund.

17) Insurance

The Council's Public Liability Insurance applies to members of the Pension Board.

18) Updating the Pension Board Terms of Reference

Approval for significant amendments must be pursued through the Council's Constitution Working Group. General updating or housekeeping can be carried out without the need to seek formal approval.

19) Definitions

The undernoted terms shall have the following meaning when used in this document:

<i>"Pension Board" or "Board"</i>	Means the Pension Board for the Council as the Administering Authority of the NYPF as required under the Public Service Pensions Act 2013
<i>"Administering Authority"</i>	Means the Council
<i>"Scheme Manager"</i>	Means the PFC of the Council
<i>"Chair"</i>	The individual responsible for chairing meetings of the Pension Board and guiding its debates
<i>"LGPS"</i>	The Local Government Pension Scheme as constituted by the Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 and the The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009
<i>"Scheme"</i>	Means the Local Government Pension Scheme as defined under "LGPS"

NORTH YORKSHIRE COUNTY COUNCIL**PENSION BOARD****CONFLICTS OF INTEREST POLICY****Introduction**

There is a requirement for Pension Board members not to have a conflict of interest. However, it is important to note that the issue of conflicts of interest must be considered in light of the Pension Board's role, which is to assist the Administering Authority. The Pension Board does not make decisions in relation to the administration and management of the Fund: this rests with the Administering Authority. As a result, it is not anticipated that significant conflicts will arise in the same way as would be the case if the Board were making decisions on a regular basis (compared, for example, to the Pension Fund Committee). Nevertheless, steps need to be taken to identify, monitor and manage conflicts effectively.

The Regulator has a particular role in relation to members of the Pension Board and conflicts of interest. Whilst members of the Pension Board may be subject to other legal requirements when exercising functions as a member of the Pension Board, the Regulator expects the requirements which specifically apply by virtue of the Public Service Pensions Act 2013 to be met and the standards of conduct and practice set out in its Code of Practice to be complied with.

The Code of Practice offers guidance about managing potential conflicts and the identification, monitoring and management of actual conflicts. This Policy is intended to reflect the principles of the Regulator's Code of Practice and apply them in an LGPS context.

Identifying conflicts of interest

For the purposes of a member of the Pension Board, a 'conflict of interest' is defined in section 5(5) of the 2013 Act as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Pension Board. The 2013 Act also specifies that a conflict does not include a financial or other interest arising merely by virtue of that person being a member of the LGPS.

Therefore, a conflict of interest may arise when a member of the Pension Board must fulfil their legal duty to assist the Administering Authority and at the same time they have:

- a separate personal interest (financial or otherwise); or
- another responsibility in relation to that matter, giving rise to a possible conflict with their first responsibility as a Pension Board member

The Regulations place a duty on the Administering Authority to satisfy itself that those appointed to its Pension Board do not have an actual conflict of interest prior to appointment and "from time to time".

There is a corresponding duty on any person who is proposed to be appointed to the Pension Board, and on an appointed member of the Pension Board, to provide the Administering Authority with such information as the Administering Authority reasonably requires to be satisfied that there are no conflicts of interest. Pension Board members also have a responsibility to anticipate potential conflicts of interest in relation to plans for future Pension Board activity.

Some examples of how a conflict might arise specifically in relation to a member of a Pension Board include:

- a finance officer appointed as a member of the Pension Board may, from time to time, be required to take or scrutinise a decision which may be, or appear to be, in opposition to another interest or responsibility. For example, they may be required as a member of the Pension Board to take or scrutinise a decision which involves the use of departmental resources to improve scheme administration, whilst at the same time being tasked, by virtue of their employment, with reducing departmental spending
- a Pension Board member who works in the Administering Authority's internal audit function may be required as part of his work to audit the Fund. For example, the employee may become aware of confidential breaches of law by the Fund which have not yet been brought to the attention of the Pension Board
- an employer representative from the private sector may also have a conflict of interest as a decision-maker in their own workplace. For example, if an employer representative is drawn from a company to which the Administering Authority has outsourced its pension administration services and the Board are reviewing the standards provided by it.

Conflicts of interest may also arise in respect of advisers to the Pension Board. For example, an adviser may have a conflict of interest if he or she (or the same firm) is also advising the Administering Authority. The risk to the Pension Board is that the adviser does not provide, or is not seen to provide, independent advice. Where there is likely to be a conflict of interest in giving advice, the Board should consider carefully whether it is appropriate to appoint the adviser in the first place. It may also be necessary to consider carefully whether they should take steps to remove an adviser who has already been appointed.

Monitoring and Managing potential conflicts of interest

In order for the Administering Authority to fulfil its obligation to ensure that members of the Pension Board do not have a conflict of interest, the Pension Board must include an item on conflicts of interest at each meeting of the Pension Board and in its annual report to the Administering Authority.

The Pension Board is required to maintain a written register of dual interests and responsibilities which have the potential to become conflicts of interest, which may adversely affect members' or advisers' suitability for the role. Each member of the Pension Board (as well as any other attendees participating in the meeting) will be expected to declare, on appointment and at each meeting, any interests which may lead to conflicts of interest. Such a conflict could be in relation to a general subject area or to a specific agenda item of a Pension Board meeting.

The Chair of the Pension Board must be satisfied that the Board is acting within:

- the conflicts of interest requirements of the Public Service Pensions Act and the LGPS Regulations, and
- in the spirit of any national guidance or code of practice in relation to conflicts of interest for Pension Board members, and

Each member of the Pension Board, or a person proposed to be appointed to the Board, (as well as attendees participating in the meeting) must provide the Chair of the Pension Board with such information as he or she reasonably requires for the purposes of demonstrating that there is no conflict of interest.

Pension Board members are required to have a clear understanding of their role and the circumstances in which they may find themselves in a position of conflict of interest, and should know how potential conflicts should be managed.

The Pension Board is required to evaluate the nature of any dual interests and responsibilities, assess the impact on operations and governance were a conflict of interest to materialise, and seek to prevent a potential conflict of interest becoming detrimental to the conduct or decisions of the Pension Board. The Pension Board may consider seeking independent legal advice from a nominated officer (for example, the monitoring officer) or external advisers where necessary on how to deal with these issues, if appropriate.

Individual members of the Pension Board must know how to identify when they have a conflict of interest which needs to be declared and which may also restrict their ability to participate in meetings or decision-making. They also need to appreciate that they have a legal duty under the Regulations to provide information to the Administering Authority in respect of conflicts of interest.

Options for managing an actual conflict of interest, should one arise, include:

- a member withdrawing from the discussion and any decision-making process;
- the Board establishing a sub-board to review the issue (where the terms of reference give the power to do so); or
- a member resigning from the Board if the conflict is so fundamental that it cannot be managed in any other way

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PENSIONS BOARD TRAINING POLICY

1.0 Introduction

- 1.1 This policy statement details the training agenda for members of the Pensions Board and has been drawn up to meet their needs in relation to training.
- 1.2 In addition to the Training Policy for Board members, Board members will have access to all training provided to members of the Pensions Fund Committee.

2.0 Knowledge and understanding required by pension board members

- 2.1 A member of the pension board of a public service pension scheme must be conversant with:
 - a. the rules of the scheme, and
 - b. any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.

A member of a pension board must have knowledge and understanding of:

- a. the law relating to pensions, and
- b. any other matters which are prescribed in regulations.

The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the pension board.

3.0 Training Agenda

- 3.1 Pension Board members will need to carry out a personal training needs self-assessment to identify training needs, and assess their overall level of Knowledge and Understanding.
- 3.2 It is a requirement by the Pensions Regulator (tPR) that Pension Board members should invest sufficient time in learning and development and keep records of learning activities. Using a personalised training plan will help to document and address training needs promptly as well as keep knowledge and understanding up to date.

- 3.3 Council officers will provide details of training events relevant to Pension Board members.
- 3.4 Training should be on-going for Board members, and may consist of some or all of following:
- on-line training provided by tPR
 - attendance at employer and scheme member events hosted by the Pension Fund
 - attendance at seminars and training events offered by the Fund's investment managers and advisors
 - attendance at external training courses, seminars and events suitable for their needs

In addition, unstructured training such as internet research may constitute training.

4.0 Review arrangements

- 4.1 A report will be presented to the Pensions Board on a quarterly basis detailing:
- training completed over the previous year, and by which members
 - advance notification of forthcoming training events
- 4.2 Pension Board members will carry out an annual review of skills, competencies and knowledge to identify any gaps or weaknesses to reassess their overall level of "Knowledge and Understanding".
- 4.3 The Pension Board will review the Training policy annually.

5.0 Costs of Training

- 5.1 All training costs will be met by the Pension Fund.

Pension Board Members - Training, Meetings and Events

Appendix 4

Date	Title or Nature of Course	Sponsor/ Organiser	Venue	David Portlock - Chair	Gordon Gresty	County Cllr Bob Baker	Simon Purcell	David Houlgate	Cllr Anne Hook	Emma Barbery	David Hawkins	Sam Thompson
06/04/11	Pensions' Meeting	UNISON	Leeds					X				
28/06/11	Pensions' briefing	UNISON	Hull					X				
04/11/11	Pensions' briefing	UNISON	Leeds					X				
12/06/12	Pensions' briefing	UNISON	Leeds					X				
14/06/12	Pensions' briefing to members	UNISON	Harrogate					X				
w/c 02/07/12	Briefing sessions to staff x 4	UNISON	Harrogate					X				
w/c 09/07/12	Briefing sessions to staff x 10	UNISON	Harrogate					X				
30/11/12	Pensions' Roadshow	NYCC	Harrogate					X				
21/11/13	AVC/Pensions' Seminar	Prudential	Harrogate					X				
22/04/14	Special LGSG Meeting	UNISON	Leeds					X				
19/11/14	Pensions' Seminar	UNISON	York					X				
06/15	LGPS Governance	UNISON	Leeds				X					
06/15	LGPS Benefits/Administration	UNISON	Leeds				X					
04/06/15	Training Event for Pension Board Members	LGA	Marriott Hotel, Leeds		X		X					
03/07/15	Pension Board Member Training	AON	Leeds									
17/07/15	Pension Board Member Training	AON	Leeds				X					
24/07/15	Pension Board Member Training	AON	Leeds									
30/09/15	Pensions' presentation	UNISON	Harrogate					X				
21/10/15	LGPS Trustee Training – Fundamentals XIV	LGA	Leeds		X							
17/11/15	LGPS Trustee Training – Fundamentals XIV	LGA	Leeds	X	X							
08/12/15	LGPS Trustee Training – Fundamentals XIV	LGA	Leeds	X	X							

Date	Title or Nature of Course	Sponsor/ Organiser	Venue	David Portlock - Chair	Gordon Gresty	County Cllr Bob Baker	Simon Purcell	David Houlgate	Cllr Anne Hook	Emma Barbery	David Hawkins	Sam Thompson
17/10/19	LGPS Trustee Training – Fundamentals	LGA	Leeds				X	X	X			
14/11/19	LGPS Trustee Training – Fundamentals	LGA	Leeds				X	X				
5/12/19	LGPS Trustee Training – Fundamentals	LGA	Leeds				X	X	X			
14/01/16	Governance for North Yorkshire Pension Board	Peter Scales – Independent Observer for the North Yorkshire Pension Fund	County Hall	X	X							
29/06/16	Local Pension Board Conference	CIPFA & Barnett Waddingham	London	X								
24/02/17	LGPS Consultation Meeting	UNISON	Leeds					X				
01/03/17	LGPS Spring Seminar	CIPFA & Barnett Waddingham	Leeds	X								
28/06/17	Local Pension Boards 2 years on	CIPFA & Barnett Waddingham	London	X								
29/06/17 and 30/06/17	Annual LGPS “Trustees” Conference	LGA	Bournemouth	X								
11/09/17 and 12/09/17	Introduction to Pension Funds – New Pension Fund Committee and Pension Board Members	BCPP	York	X	X							
8/11/18 and 9/11/18	BCPP First Annual Conference	BCPP	Leeds	X	X							
10/11/17	Local Pension Boards Autumn Seminar	CIPFA	Liverpool									
12/10/18	Local Pension Boards Autumn Seminar	CIPFA & Barnett Waddingham	Liverpool									
27/06/18	Local Pension Boards Annual Conference	CIPFA & Barnett Waddingham	London	X								
05/07/18	Pension Board, Committee and Officer Training –	AON	London				X					

Date	Title or Nature of Course	Sponsor/ Organiser	Venue	David Portlock - Chair	Gordon Gresty	County Cllr Bob Baker	Simon Purcell	David Houlgate	Cllr Anne Hook	Emma Barbery	David Hawkins	Sam Thompson
	Governance and Key Legislation											
13/11/18	Pensions' Course	UNISON	Leeds					X				
11/12/18	UNISON Pensions' Seminar	UNISON	London				X					
25/02/19	Local Pension Boards - Spring Seminar	CIFPA & Barnett Waddingham	Leeds	X	X							
08/03/19	Regional LGPS Forum	UNISON	Leeds					X				
26/06/19	Local Pension Boards Annual Conference	CIFPA & Barnett Waddingham	London	X								
23 & 24/01/20	LGPS Governance Conference	LGPS	York	X	X							
17/02/20	Local Pension Boards - Spring Seminar	CIFPA & Barnett Waddingham	Leeds	X				X				
28&29/09/20	Local Pension Boards – Autumn Seminar	CIFPA & Barnett Waddingham	Live interactive webinar	X			X					
28/09/20	AON Responsible Investments webinar	AON	Live interactive webinar	X								
02/10/20	BCPP Annual Conference	BCPP	Live interactive webinar	X								
16-17/11/20	CIPFA Pensions' Conference	CIPFA	Live interactive webinar	X								
19/11/20	Cyber Risk in the LGPS	AON	Live interactive webinar	X	X		X	X	X	X	X	
1/12/20	UNISON LGPS Conference	UNISON	Live interactive webinar					X				
25/1/21	Introduction to the LGPS	NYPF	Live interactive webinar	X	X			X	X		X	

Date	Title or Nature of Course	Sponsor/ Organiser	Venue	David Portlock - Chair	Gordon Gresty	County Cllr Bob Baker	Simon Purcell	David Houlgate	Cllr Anne Hook	Emma Barbery	David Hawkins	Sam Thompson
26/1/21	LGPS Training Seminar – Keeping LGPS connected.	LGA	Live interactive webinar	X	X							
15/2/21	LGPS – PB Spring Webinar	CIPFA/Barnett Waddingham	Live interactive webinar	X								
25/2/21	Keeping the LGPS connected	Hymans Robertson	Live interactive webinar	X				X Seen on video 7/4/21				
25/3/21	The Pension Regulator's Modular Code and the LGPS	AON	Live interactive webinar	X								
23/6/21	Annual Pension Boards Conference	CIPFA/Barnett Waddingham	Live interactive webinar	X								
30/6/21	The Pension Regulator's Modular Code and the LGPS	AON	Live interactive webinar				X	X				
30/6/21	Audit Committee Treasury Management	NYCC	Live interactive webinar	X								
12/7/21	What is a healthy and well balanced Pension Board	Bright Talk	Live interactive webinar				X					
22/7/21	Cyber Resilience	AON	Live interactive webinar	X								
28/7/21	Getting ready for the Single Code of Practice	AON	Live interactive webinar				X	X				
6/9/21	Understanding investments within the LGPS	BCPP	Live interactive webinar					X				
13/9/21	Pooling and the work of BCPP	BCPP	Live interactive webinar					X	X		X	
20/9/21	Introduction to the LGPS – refresher course	UNISON	Live interactive webinar					X				

Date	Title or Nature of Course	Sponsor/ Organiser	Venue	David Portlock - Chair	Gordon Gresty	County Cllr Bob Baker	Simon Purcell	David Houlgate	Cllr Anne Hook	Emma Barbery	David Hawkins	Sam Thompson
21/9/21	Getting the member experience right	AON	Live interactive webinar				X					
22/9/21	GMP conversion with PIE	AON	Live interactive webinar				X					
28/9/21	Local Pension Boards Autumn Update	CIPFA/Barnett Waddingham	Live interactive webinar	X								
30/9/21 & 1/10/21	BCPP Annual Conference	BCPP	BCPP, Leeds	X				X				
6/10/21	Pension Dashboards	AON	Live interactive webinar	X				X	X			X
21/10/21	LGPS – Fundamentals Day 1	LGA	Leeds							X		X
18/11/21	LGPS – Fundamentals Day 2	LGA	Leeds							X		
08/12/21	LGPS – Fundamentals Day 3	LGA	Leeds							X		X
10/11/21	Update to Audit Committee Guidance	CIPFA/Barnett Waddingham	Live interactive webinar	X								
10/11/21	AON – UK Pensions Post Pandemic	AON	Live interactive webinar									X
20&21/1/22	LGPS Governance Conference	LGPS	Live interactive webinar					X		X		
16/2/22	Flexibility of Fiduciary Management	AON	Live interactive webinar					X				
21/3/22	Cyber & Information Security	NYCC (Audit Committee)	On-Line	X								
30/3/22	Good Governance in Local Government - 2022 Update	CIPFA	Live interactive webinar	X								
24/8/21	Module 1 – Hymans On-Line Learning Academy	Hymans	On-Line Learning Package	X				X			X	X

Date	Title or Nature of Course	Sponsor/ Organiser	Venue	David Portlock - Chair	Gordon Gresty	County Cllr Bob Baker	Simon Purcell	David Houlgate	Cllr Anne Hook	Emma Barbery	David Hawkins	Sam Thompson
3/11/21	Module 2 – Hymans On-Line Learning Academy	Hymans	On-Line Learning Package	X			X	X				
3/11/21	Module 3 – Hymans On-Line Learning Academy	Hymans	On-Line Learning Package	X				X				
18/11/21	Module 4 – Hymans On-Line Learning Academy	Hymans	On-Line Learning Package	X				X				
6/12/21	Module 5 – Hymans On-Line Learning Academy	Hymans	On-Line Learning Package	X				X				
6/12/21	Module 6 – Hymans On-Line Learning Academy	Hymans	On-Line Learning Package	X								
17/09/15	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
26/11/15	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
15/01/16	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
25/02/16	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
19/05/16	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
07/07/16	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
15/09/16	North Yorkshire Pension Fund Committee	NYCC	County Hall	X	X							
24/11/16	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
26/01/17	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
23/02/17	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
31/03/17	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
25/05/17	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								

Date	Title or Nature of Course	Sponsor/ Organiser	Venue	David Portlock - Chair	Gordon Gresty	County Cllr Bob Baker	Simon Purcell	David Houlgate	Cllr Anne Hook	Emma Barbery	David Hawkins	Sam Thompson
14/09/17	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
23/11/17	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
22/02/18	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
24/05/18	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
05/07/18	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
13/09/18	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
22/11/18	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
21/02/19	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
23/05/19	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
20/06/19	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
04/07/19	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
13/09/19	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
22/11/19	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
21/02/20	North Yorkshire Pension Fund Committee	NYCC	County Hall	X								
10/09/20	North Yorkshire Pension Fund Committee	NYCC	Virtual Meeting	X								
27/11/20	North Yorkshire Pension Fund Committee	NYCC	Virtual Meeting	X								
5/3/21	North Yorkshire Pension Fund Committee	NYCC	Virtual Meeting	X								
4/6/21	North Yorkshire Pension Fund Committee	NYCC	Virtual Meeting	X								

Date	Title or Nature of Course	Sponsor/ Organiser	Venue	David Portlock - Chair	Gordon Gresty	County Cllr Bob Baker	Simon Purcell	David Houlgate	Cllr Anne Hook	Emma Barbery	David Hawkins	Sam Thompson
2/7/21	North Yorkshire Pension Fund Committee	NYCC	Virtual Meeting	X								
10/9/21	North Yorkshire Pension Fund Committee	NYCC	Virtual Meeting	X								
26/11/21	North Yorkshire Pension Fund Committee	NYCC	Virtual Meeting	X								
4/3/22	North Yorkshire Pension Fund Committee	NYCC	Virtual Meeting	X								
25/11/16	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	X								
23/02/17	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	X								
15/09/17	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	X								
17/11/17	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	X								
20/12/17	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	X								
05/07/18	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	X								
14/09/18	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	X								
22/11/18	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	X								
21/02/19	North Yorkshire Pension Investment Strategy Workshop and Fund manager meeting	NYPF	County Hall	X								
24/05/19	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	X								

Date	Title or Nature of Course	Sponsor/ Organiser	Venue	David Portlock - Chair	Gordon Gresty	County Cllr Bob Baker	Simon Purcell	David Houlgate	Cllr Anne Hook	Emma Barbery	David Hawkins	Sam Thompson
21/11/19	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	X								
20/02/20	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	X								
10/09/20	North Yorkshire Pension Investment Strategy Workshop	NYPF	Virtual Meeting	X								
26/11/20	North Yorkshire Pension Investment Strategy Workshop	NYPF	Virtual Meeting	X								
28/1/21	North Yorkshire Pension Investment Strategy Workshop	NYPF	Virtual Meeting	X								
12/2/21	North Yorkshire Pension Investment Strategy Workshop	NYPF	Virtual Meeting	X								
4/3/21	North Yorkshire Pension Investment Strategy Workshop	NYPF	Virtual Meeting	X								
13/5/21	North Yorkshire Pension Investment Strategy Workshop	NYPF	Virtual Meeting	X								
3/6/21	North Yorkshire Pension Investment Strategy Workshop	NYPF	Virtual Meeting	X								
2/7/21	North Yorkshire Pension Investment Strategy Workshop	NYPF	Virtual Meeting	X								
25/11/21	Asset Allocation Workshop	NYPF	County Hall	X								
10/2/22	Asset Allocation Workshop	NYPF	Virtual Meeting	X								
3/3/22	Asset Allocation Workshop	NYPF	County Hall	X								
11/11/16	Triennial Valuation Seminar	Actuary	County Hall	X								
22/11/19	Triennial Valuation Seminar (as part of the Pension Fund Committee meeting)	Actuary	County Hall	X								

Date	Title or Nature of Course	Sponsor/ Organiser	Venue	David Portlock - Chair	Gordon Gresty	County Cllr Bob Baker	Simon Purcell	David Houlgate	Cllr Anne Hook	Emma Barbery	David Hawkins	Sam Thompson
13/01/17	Pooling – Employers Seminar	NYPF	County Hall	X	X							
24/02/17	North Yorkshire Pension Fund Manager Meeting	NYPF	County Hall	X								
03/03/16	Audit Committee Training Session - Counter Fraud	NYCC	County Hall	X								
03/02/16	Governance Forum	Mazars	York	X								
08/07/16	Governance Forum	Mazars	York	X								
03/02/17	Governance Forum – (Including Cyber Security)	Mazars	York	X								
31/01/18	Governance Forum (including GDPR)	Mazars	York	X								
18/06/18	Data – Section 13 – Regional Workshop	Mercer	Manchester	X								
21/06/18	Audit Committee Training Session – Treasury Management	NYCC	County Hall	X								
07/15 – 03/17	Introducing Pension Schemes	The Pensions' Regulator – Toolkit Modules	On-line		X							
07/15 – 03/17	The Trustees' Role	The Pensions' Regulator – Toolkit Modules	On-line	X	X							
07/15 – 03/17	Running a Scheme	The Pensions' Regulator – Toolkit Modules	On-line	X	X							
07/15 – 03/17	Pensions' Law	The Pensions' Regulator – Toolkit Modules	On-line		X							
07/15 – 03/17	An introduction to investment	The Pensions' Regulator – Toolkit Modules	On-Line		X							
07/15 – 01/18	How a DB Scheme works	The Pensions' Regulator – Toolkit Modules	On-line		X		X					

PENSION BOARD WORK PLAN

APPENDIX 5

		14-Jan-21	08-April 21	08-July-21	07-Oct-21	13-Jan-22	07-Apr-22
1	Agree plan for the year	✓				✓	
2	Review Terms of Reference			✓		✓	
3	Review performance against the plan	✓	✓	✓	✓	✓	✓
4	Report to the PFC / NYCC	✓	✓	✓	✓	✓	✓
5	Report to Scheme Advisory Board / MHCLG			✓			

Compliance checks

6	Review such documentation as is required by the Regulations			✓			✓
7	Review the outcome of internal audit reports	✓	✓	✓	✓	✓	✓
8	Review the outcome of external audit reports				✓		
9	Review Pension Board Annual Report			✓			
10	Review the compliance of particular issues on request of the PFC – as required						
11	Review the process and note the outcome of actuarial reporting and valuations – every three years	✓	✓				

Administration procedures, performance and Communication

12	Review and assist with admin/governance procedures/processes-including monitoring performance admin/governance and employers	✓	✓	✓	✓	✓	✓
13	Annual review of the Internal Dispute Resolution Process, Policy and cases			✓			
14	Annual review of cases referred to the Pensions Ombudsman			✓			
15	Review the exercise of employer and administering authority discretions			✓			
16	Assist with the development of improved customer services						
17	Review the risk register and management of risk processes and procedure	✓		✓		✓	
18	Assist in assessing process improvements on request of PFC						
19	Pooling – governance, reporting and transparency (Within the Investment Strategy Review report)	✓	✓	✓	✓	✓	✓
20	Review scheme member and employer communications						

Training

21	Review Pension Board knowledge and skills self-assessment		✓	✓		✓	
22	Review training log	✓	✓	✓	✓	✓	✓
23	Review training arrangements for the Board and other groups	✓	✓	✓	✓	✓	✓

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