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Agenda

Meeting: Pension Fund Committee

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

Date: Friday, 24 November 2023

Time: 10.00 am

Councillors: Angus Thompson (Chair), John Cattanach, Mark Crane,

Sam Gibbs, George Jabbour, Cliff Lunn, David Noland,

Neil Swannick, Matt Walker, and Andrew Williams

Councillor Jonny Crawshaw, City of York Council 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 12 – Excess Equity Proposals on the grounds that this includes the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to information) (Variation) Order 2006.

- 2. Welcome, introductions and apologies
- 3. Minutes of the Committee Meeting held on 15th September 2023 (Pages 3 12)
- 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 or Harriet Clarke of Democratic Services (contact details at the foot of page 1 of the Agenda sheet) by midday on Tuesday 21st November 2023. Each speaker should limit themselves to 3 minutes on any item. Members of the public who have given notice will be invited to speak:-

Enquiries relating to this agenda please contact Stephen Loach Tel: 01609 532216 or e-mail stephen.loach@northyorks.gov.uk or Harriet Clarke Tel: 01423 556068 e-mail harriet.clarke@northyorks.gov.uk Website: www.northyorks.gov.uk

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- 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.
- 6. BCPP Strategic Direction Plan Presentation by the CEO of BCPP, Rachel Elwell

7.	Pensions Administration Report - Report of the Treasurer	(Pages 13 - 38)
8.	NYPF Annual Report 2022/23 - Report of the Treasurer	(Pages 39 - 112)
9.	Budget and Cashflow - Report of the Treasurer	(Pages 113 - 116)
10.	Quarterly Funding and Investments Report (Including Investments Update) - Report of AON	(Pages 117 - 168)
11.	Pension Board - Minutes of 26th October 2023 and Annual Report 2022/23 - Report of the Chair of Pension Board	(Pages 169 - 212)
12.	Excess Equity Proposals - Report of the Treasurer	(Pages 213 - 222)
13.	Such other business as, in the opinion of the Chairman should, by reason of special circumstances, be considered as a matter of urgency	222)

Barry Khan Assistant Chief Executive (Legal and Democratic Services)

County Hall Northallerton

Thursday, 16 November 2023

Agenda Item 3

North Yorkshire Council

Pension Fund Committee

Minutes of the meeting held on 15th September 2023 held at County Hall, Northallerton commencing at 10 am.

Present:-

Councillors John Weighell OBE (Chair), Alyson Baker (as substitute for Councillor Mark Crane) John Cattanach, George Jabbour, Carl Les (as substitute for Councillor Cliff Lunn), David Noland, Neil Swannick, Angus Thompson and Matt Walker.

David Portlock - Chair of the Pension Board.

Brian Hazeldine – UNISON retired members.

In attendance; Councillor Steve Watson

Apologies for absence – Councillors Mark Crane and Cliff Lunn, Councillor Jonny Crawshaw - City of York Council

One member of the public was also present

Copies of all documents considered are in the Minute Book

18. Minutes

Resolved -

That the Minutes of the meeting held on 30th June 2023 were confirmed and were signed by the Chairman as a correct record.

19. Declarations of Interest

County Councillor George Jabbour declared the following non-registerable interest:-

I have been campaigning on issues involving the way public-sector organisations, pension funds and other institutions manage their finances.

As it was unclear as to whether the new interests regime included declarations for Members who were in receipt of a pension from the NYPF, the following Members declared a non-registerable interest in respect of this, subject to clarification for future meetings:-

Councillors John Cattanach, Carl Les and John Weighell.

20. Public Questions or Statements

Richard Tassell of Fossil Free North Yorkshire outlined the following:-

We are responding to the statement approved by the North Yorkshire pension committee following our submissions to your May meeting.

We are pleased that you have reduced your exposure to fossil fuel investments (currently between 1.38 and 1.8%). We also appreciate that time was given to discuss the climate crisis when undertaking your investment review strategy.

Your assertion that 'we think our approach of investing in and engaging with these companies (oil and gas) to encourage a swifter transition is the right approach' is misguided.

There is no evidence that engagement with oil and gas companies hastens the transition away from polluting fossil fuels. Indeed, there is much evidence to the contrary; witness the increased investment by BP, Shell, Aramco and others in exploiting new oil and gas fields. These companies are not listening to investors' concerns about the climate emergency.

The Church of England Pension Fund (amongst others) has reached the same conclusion and is withdrawing investments from all oil and gas producers.

"Pension funds are risking the retirement savings of millions of people by relying on economic research that ignores critical scientific evidence about the financial risks embedded within a warming climate." So says a recent report, written by Prof. Steve Keen and published by Carbon Tracker. It shows us that pension funds are basing fiduciary climate-related decisions on deeply flawed evidence. Whilst peer-reviewed economic publications suggest minimal economic effects from very extreme global heating, (for example, 6°C of global warming reducing future global GDP by less than 10%), climate science proves that such levels of global heating would be "beyond catastrophic, including existential threats". By ignoring the science, economic literature, upon which investment consultants who advise you, rely, results in flawed and dangerous decisions. We strongly recommend this report to you. For any who still think that greatly reducing our dependence on coal oil and gas is not an absolute priority, it will make for sobering reading.

(Loading the DICE against pension funds. Flawed economic thinking on climate has put your pension at risk)

Do the issues in this report apply to NY pension fund? Do you need to scrutinise the advice that you are accessing for its' congruence with climate science in order to avoid the negative impacts, both in a fiduciary and in a material sense, of flawed decisions now?

One of our number has a son who is a London based fire fighter with close to 20 years' service experience. He was involved in combatting fires in the extreme heat (plus 40 c) experienced in the UK last summer. He reported that he had never experienced conditions like it, with 'spontaneous 'combustion taking place around his crew as they struggled to save lives and livelihoods.

His experience is mirrored by the huge fires across the world this summer including Hawaii, the Greek Islands (the largest ever recorded wildfire in the EU) and British Columbia.

Only an immediate cessation of oil and gas exploration and extraction (Antonio Guterres, UN Secretary General, April 2022) will give a chance of halting the inexorable rise in temperatures together with the continued destruction of the living world

We believe pension funds have a moral duty to take a lead in divesting from fossil fuel companies and speaking publicly about the certain dangers contingent on continued oil and gas extraction.

You are rightfully the stewards of the considerable funds you manage but you must take a view on how those funds are managed for the welfare and betterment of present and future generations.

Will you take a lead now and give this issue the seriousness that it demands and divest your remaining oil and gas investments?

Tom Morrison, on behalf of the NYPF, responded to the issues raised, as follows:-

We have previously set out the North Yorkshire Pension Fund's position in response to similar public questions, but I would like to say a few words.

We agree with the sentiment in the statement, of the seriousness of climate change, but it conflates two issues. North Yorkshire's role as a responsible investor and owner of shares in oil and gas companies is not the same issue as short-term changes in oil and gas production in the midst of a global energy crisis.

The energy crisis has shown us how important energy security is. Oil and gas production has changed in response, as energy requirements cannot be met by renewables alone. The world is gradually moving away from reliance on oil and gas, but this will not happen overnight. The lack of any bidders for offshore wind farm licenses is the most recent illustration of the difficulties faced. Calling for an immediate halt in the production and use of oil and gas when there is no alternative is simply a denial of reality.

On our investments, taking BP as an example, in 2019 they invested 3% of their capital expenditure in renewables and other low carbon projects. In 2022 it was 30%, and by 2050 it is forecast to be 50%. We see BP as a company transitioning to become a renewable energy company, and we engage with them to encourage as swift a transition as possible. Selling the shares we own would have no impact on the real world. It would not reduce production and would not reduce carbon emissions. In reality, it would be likely to make the situation worse, as the shares would be passed to investors interested in sweating oil and gas assets, with no interest in influencing the transition.

On the report by Carbon Tracker, it's an interesting report which calls into question economists' projections. The scenario analysis advice we have received from Aon considers these projections. However, this is just one source of information, recognising the limitations of its usefulness, which is used alongside other sources. On the more extreme scenario, Aon's forecast is for a higher, not lower, impact than the Carbon Tracker report. Our conclusion is we are happy with the advice we have received, we recognise projections will evolve over time, and we will revisit scenario analysis in due course.

A Member stated that there was no consensus amongst Members of the Committee on these issues, therefore the response did not necessarily reflect all views. It was also noted that there were a number of conflicting sources of information in relation to these issues.

21. BCPP Update

Joe McDonell – the new CIO at BCPP; and Dave Knight – Customer Relations Manager at BCPP, provided an update to the Committee in respect of the following:-

- An introduction to Joe McDonnell including his investment experience
- Global Equity Alpha
- Timeline for the next 12 months
- Consultation response
- CIO priorities
 - o Investment Programme Development
 - New products
 - Investment teams

Following the initial presentation a discussion was held with Members and the following issues were highlighted:-

It was noted that BCPP do not currently provide an investment similar to that
provided by Baillie Gifford's LTTG, which saw the NYPF continue to invest in
that product, and it was asked whether that position was to be addressed. In

response it was stated that a similar fund was being developed by BCPP, however, it was unlikely to math the Baillie Gifford LTTG Fund as BCPP did not consider that to be viable in the long term and sought alternative investments for equity based products. It was asked whether there were alternative views within BCPP to what was being outlined. It was emphasised that, currently, this was not the case, but various investment opportunities would be available, which were outlined.

 It was asked whether BCPP considered that they had sufficient exposure to climate change, carbon reducing, ESG investments that would outperform the set benchmarks, in terms of their long term vision. In response it was stated that BCPP had a good investment team in place, but improvements were continually sought, and if the Funds required an enhanced focus on these issues then further consideration on enhancing this provision.

The CIO set out the Investment Strategy Schedule for BCPP for 2023/24/25.

A Member emphasised the need for continued communication between BCPP and the Committee, to understand the variety of views demonstrated in terms of investments and ESG/sustainability, and the continuing discussions in relation to those.

- A discussion took place in respect of investments in private markets and how these were being affected by climate issues. It was emphasised that investments in smaller, private markets would be important, going forward.
- Consideration was given to UK Real Estate. It was noted that the NYPF had a
 7% allocation to UK property, and further discussions were planned with
 Members of the Committee around the future of this investment. The carbon
 impact of online retailers, as opposed to physical retail space, was discussed,
 and it was emphasised that there was an impact from online retailers, which
 was often disregarded.
- The management of the various portfolios and the matrix calculations involved were outlined.
- A discussion commenced in respect of the Government's consultation on a further revision of the pooling operations. It was noted that this was an agenda item for this meeting, therefore, the item was brought forward for consideration at this stage.

Resolved -

That Joe McDonell – the new CIO at BCPP be thanked for his presentation and update, the contents of which be noted

22. LGPS Pooling Consultation

Considered -

The report of the Treasurer presenting the draft response to the consultation titled "Local Government Pension Scheme (England and Wales): next steps on investments" seeking the comments of Members to the draft response. The CIO of BCPP, present at the meeting, was also invited to take part in the discussion.

The following issues were raised:-

 The NYPF had made good progress on pooling investments since it was introduced, and had undertaken what was required through the initial pooling development. It was considered that the new consultation related to those Funds that had not adhered to the initial development, and the overall approach

- was designed to prevent an intervention from the Secretary of State. The CIO of BCPP agreed that this was the case.
- In terms of the potential for BCPP to grow much larger through the proposals, with a substantially higher level of investments and additional Funds involved, the CIO emphasised that he was not considering this position currently as he was concentrating on the current position, however, the Partnership was in a position to expand, should that be required.
- It was asked whether the Funds currently involved with BCPP were complying with the pooling requirements. In response the CIO stated that BCPP was operating at an advanced level in terms of pooling arrangements with the various Funds working together effectively within the pool to assist each other. There were a number of investments currently held by Funds outside of the pool, and he would be focussing on how this position can be addressed, going forward. It was emphasised that the investments outside of the pool were not seen as a contentious issue, as this mainly related to Funds not being able to identify certain investments within the pool, but the CIO would be looking to provide those options, allowing further investment within the pool.
- The Treasurer highlighted his concerns regarding the objectives of the consultation and the potential impact that this could have on the existing pooling arrangements that were working well in the case of BCPP. Others shared those concerns.
- A Member raised concerns that the Government may be seeking to use the LGPS to pursue its policies, hence the move towards further pooling. He emphasised that the Pension Fund belongs to the pensioners and future pensioners that had contributed to it. Another Member suggested that the Fund was ultimately backed by the taxpayer and, as such, was publicly funded, as opposed to private Funds, which were wholly funded through contributions. This was also contested as it was stated that those in the LGPS paid into the scheme, with many paying additional contributions to enhance their pension, and it was not envisaged that this could be utilised by the Government to pursue their particular policy objectives. In terms of the tax payer supporting the LGPS it was emphasised that they would only be required to provide backing for a Fund should that collapse, which was highly unlikely.
- A Member highlighted his support for investment in Government schemes for "Levelling Up" with the caveat that these created a "return" for the Pension Fund. It was considered that, should the opportunity provide a suitable return for the investment, that more than matched other opportunities, this could provide an opportunity to diversify investments. This would also provide an opportunity for investment in the UK market. Details of the expected returns for this to be worthwhile were discussed.
- Members considered the draft response to the consultation and it was noted that it was a collaborative response formulated through BCPP and the various partner Funds.
- The full draft response was provided as an appendix to the report.

Resolved -

That the comments of members be taken into account before the response to the consultation "Local Government Pension Scheme (England and Wales): next steps on investments" is submitted.

23. Pension Administration Report

Considered -

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

Admission Agreements and New Academies

Administration

Membership Statistics

Throughput Statistics

Performance Statistics

Commendations and Complaints

Annual Benefit Statements 2023

Breaches Policy & Log

Issues and Initiatives

Ongoing projects – i-Connect Rollout/Website development

New logo

LGR

McCloud

Member Training

Meeting Timetable

The following issues from the report were highlighted:-

- The total number of members in the NYPF had risen above 100k for the first time, however, there had been a reduction in the number of active members during the quarter.
- There were fewer complaints during the quarter which was the likely result of the now embedded enhanced team.
- The 2023 Annual Benefits Statements (ABS) had now been issued, with 98.71% of these sent to the appropriate member by the deadline. There were 114 Statements where the data still required checking.
- There had been two new reported breaches of the regulations over the previous quarter and the details of those, and how they had been subsequently addressed, were set out in the report. The breaches had been reported to the July meeting of the Pension Board.
- i-Connect, for monthly data returns, now had 144 employers on board.
- Work on the new website had been delayed to October 2023, with the launch now expected in December 2023.
- The new logo was currently being rolled out.
- LGR had now taken place and the outstanding queries, following this, had now been resolved. All letters had been issued on time and data was up to date.
- Work continued to process McCloud data returns with a Project Team now in place and good progress is being made.

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

 The Chair of the Pension Board noted that the breaches outlined had been discussed at the most recent meeting of the Board where it had been concluded

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that there was no need to report the matters to the Regulator as the issues had been addressed effectively and had been reported to the internal auditor. He noted that, technically, not issuing 100% of the ABS was a breach of the regulations, however, this had been one of the best outcomes for a number of years and clearly the service was making progress in relation to this. It was reiterated that the service would not issue ABS unless the data had been verified, which was why 100% had not been issued by the deadline.

- Members discussed the newly developed logo and whilst it was welcomed it
 was suggested that further consideration should be given to the colours used
 as these could cause difficulties for those that are colour blind. It was stated
 that the colours used helped to provide a differential from the Council logo
 colours, however, the colour blindness issue would be considered.
- The Chair encouraged Members to attend the conferences and seminars attached to the report as these assisted with the development of knowledge for Members and provided an opportunity to network with leading figures involved in the LGPS and pensions in general. It was noted that Members who had expressed a wish to attend the BCPP Conference could do so.
- Although, currently, Pension Fund Committee Members did not have any
 official training requirements it was noted that the national governance review
 could see a requirement for PFC Members to have a relevant level of pensions
 knowledge and experience. It was emphasised, therefore, that Members
 should be trying to develop their knowledge of the LGPS and the Hymans
 online platform provided an excellent basis for developing that knowledge.
 Details were provided within the appendix related to training and conferences.
- The Chair highlighted the importance of the Workshop events which usually took place the day before the Committee meeting and the difficulty faced by some Members in being able to attend for two concurrent days. The Treasurer stated that he would give consideration to re-timetabling the Workshops but these would need to be held close to the Committee meetings to be meaningful.

Resolved -

- (i) That the contents of the report be noted.
- (ii) that the contents of the breaches log be noted and no report be made to the Pensions' regulator in relation to these.

24. Budget and Cashflow

Considered -

The report of the Treasurer outlining the following:-

the 2023/24 budget and the cost of running the Fund;

the 4 year cashflow projection for the Fund.

An update on the Fund's final accounts and annual report 2021/22

The main changes to the budget were lower Pooling Operational Costs and a reduction in Investment Base fees. It was expected that, in the long term, the position would recover. No significant variances were apparent as it is still early in the financial year.

The cashflow position was set out in the report showing a move towards being cashflow negative in 2023/24 and moving further into deficit in 2024/25. Income generating investments such as rental income would be utilised, initially, to cover any deficit.

The final accounts had still to be signed off with no clear indication as to when this would be resolved.

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

- A Member stated that the report indicated that the cashflow position related to an
 increased life expectancy, but he thought that life expectancy was now decreasing.
 In response it was stated that life expectancy was still increasing but at a slower
 rate than previously.
- It was emphasised that plans were in place to address the cashflow negative position, and there was no problem so long as the money was available to meet the pension payments.

Resolved -

That the contents of the report be noted.

25. Performance of the Fund

Considered -

Report of the Investment Consultants, AON, providing comprehensive details of performance and asset allocation information for the Fund along with a background to the investment markets during the second quarter of 2023/24. The Fund's Independent Financial Advisor also provided analysis of the details.

The risks to the Fund's investment strategy and the performance of the various fund managers were also detailed.

The following issues were highlighted:-

The Fund's Equity Allocation

- This remained at a high level despite action having being taken to reduce this exposure
- Current equity investment allocations were with BCPP UK, BCPP Global and Baillie Gifford - LTGG.
- Consideration continues to be given as to what is the most appropriate mix for the NYPF and further details, together with a proposal, will be submitted to the November meeting.
- The Baillie Gifford investment is very different to those held with BCPP, which had led to this investment being retained by the Fund outside of the Pool.
- The issues to be considered on how to move forward on the equity allocations were outlined and discussed. A further report on the issues fully setting out the pros and cons of the various options for equities would be provided to the November meeting of the PFC, allowing a fully informed decision to be made as to how to move forward. It was stated that there was a great deal of detail for the Committee to consider in respect of this matter and it may be that additional Meetings, or a Sub-Committee, may be required to implement these changes. A Member noted that the Committee had some different views on this matter, particularly around Baillie Gifford LTGG and further, extensive discussions would be required before a consensus could be achieved.

Quarter 2 Investments Report

• Due to the nature of the reporting of Quarter 2 much of the information provided was now out of date, however, a summary of the quarter highlighted the following:-

- The Fund remain in a surplus funded position
- Equity returns has increased
- US Tech Companies had provided large returns
- The rest of the markets had been mainly flat to reasonable
- It was unclear how long this position would last
- High interest rates were still causing a great deal of instability
- The risk of recession still remained for next year.

Moving on from Quarter 2

- Yields on Index linked bonds are much higher
- Equities remain the key driver for the NYPF but retain the risks Bonds would provide a possible alternative
- This was against the current Investment Strategy so would not be undertaken unless a change to the Strategy was agreed.
- The markets have remained broadly the same since the end of Quarter 2.
- It was not currently expected that the funding position would drop below 100% in the short term, but a recession could affect that position.

Members and advisors undertook a general discussion on the Fund's performance and the following issues and points were highlighted:-

- The performance of both BCPP Global Equities and Baillie Gifford LTGG had both been very good over a period of time, with both outperforming their respective benchmarks. Baillie Gifford had been through a strange period of late, mainly due to market conditions, which had seen their performance fluctuate each quarter. Members noted that their most recent performance had been encouraging.
- It was noted that the property portfolio continued to underperform.
- A Member asked what was the legal position should a Local Government Pension Fund be in a position where it was unable to pay its pensioners, noting that in relation to Private Pension Schemes the PPF would cover the liability. It was stated that there was no equivalent to the PPF for LGPSs, with the Government being required to step in and assist should this position arise. It was also noted that, currently, as the Fund was over 100% funded, should all the employers close down, there was still sufficient funding to pay all creditors, which was why retention of the 100% funding position was important. It was noted that there was no legal requirement for the Government to step in and back up a failing LGPS Fund.

Resolved -

- (i) That the contents of the report, and the issue raised, be noted;
- (ii) That further consideration be given to the investment strategy at forthcoming PFC meetings and workshops.

26. Pension Board – report back by the Chair on the meetings held on 6th July 2023

Considered -

A verbal update by the Chair of the Pension Board based on the Minutes of the meeting held on 6th July, which had been provided.

A draft of the Board's Annual report was presented to the Meeting. A final, amended version would be provided for final agreement at the October meeting of the Board, and this would be provided to the PFC, Executive and Full Council.

As outlined earlier in the meeting details of the Breaches Log were discussed, and it was agreed that the issues raised should not be referred to the Regulator.

The suite of Governance Documents presented to the June meeting of the PFC were considered by the Board.

Internal Audit reports continue to be presented to the Board and it was expected that a number of final reports would be presented to the October meeting of the Board.

Ian Morton, an Assistant Director at Veritau, who had presented reports to the Board since its inception in 2015 was to retire, with Stuart Cutts taking over his role. The Board wished to place on record their thanks to Ian for his excellent support and advice offered.

The annual review of dispute cases and exercises of discretion, presented to the meeting, highlighted nine cases received via the Internal Dispute Resolution Procedure, with no cases referred to the Pensions Ombudsman.

The Chair asked that the Board's plaudits be passed on to the Administration Team for their continued high level of support provided to the operation of the NYPF.

Resolved -

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

The meeting concluded at 12.25.

SML

Agenda Item 7

North Yorkshire County Council

Pension Fund Committee

24 November 2023

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 30/06/2023	+/- Change (%)	At 30/09/2023
Active	30,424	-1.48%	29,975
Deferred	40,352	-1.03%	39,938
Pensioner	29,286	+2.05%	29,895
(incl spouse & dependant members)			
Total	100,062		99,808

3.2. Throughput Statistics

Period from 1 July 2023 to 30 September 2023

Case type	Cases Outstanding at Start	New Cases	Cases Closed	Cases Outstanding at End
Transfer In quotes	23	68	85	6
Transfer Out quotes	34	165	184	15
Employer estimates	0	709	661	48
Employee estimates	4	105	109	0
Retirement quotes	10	658	600	68
Preserved benefits	986	1,944	1,200	1,730
Death in payment or in service	98	705	686	117
Refunds	15	256	251	20
Actual retirement procedure	466	850	771	545
Interfund transfers	461	584	576	469
Aggregate member records	4	536	454	86
Process GMP	0	0	0	0
Others	174	342	310	206
Total Cases	2,275	6,922	5,887	3,310

• As well as processing the above cases, the Pensions team also handled 1,957 phone calls (average 38 per working day) in the quarter.

3.3. Performance Statistics

• The performance figures for the period 1 July 2023 to 30 September 2023 are as follows:

Performance Indicator	Target in period	Achieved
Measured work completed within target	98%	98%
Customers surveyed ranking service good or excellent	94%	98%
Increase numbers of registered self-service users by 700 per quarter (total registered users 43,669)	700	1,613

- We continue to focus on completing all of our work within target and encouraging sign up for member self-service.
- Our reduced backlog and quicker turnaround times is reflected in the increase in our service score.

3.4. Commendations and Complaints

This quarter the following commendations and complaints were received:

Commendations

Date	Number	Summary
July	8	Excellent service at all times. I spoke to a very kind lady, who took her time to explain procedure.
Aug	4	Very impressed with the quality and speed of the service.
Sept	2	Thank you for sorting out all the complexities around my pension.

Complaints

Date	Number	Summary
July	0	
Aug	2	Regs – Impact of new early retirement factors
		Admin – Prudential alleged we had not responded to an enquiry but we had
		replied on the same day
Sept	4	IHER – Appeal against IHER being declined
		Admin – Prudential not transferring members AVCs in a timely manner
		Admin – Issues with GAYE donations not being allocated correctly
		Regs – Benefits from previous fund automatically combined in line with regs

- 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.
 - c) 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.

3.5. Annual Benefit Statements 2023

The current position with the active benefits statements is:

29,487 / 29,545 statements issued (99.80%)

58 eligible active records without an annual benefit statement of which:

- 8 have outstanding admin task preventing ABS creation
- 50 have outstanding year end task preventing ABS creation

We continue to work on the 50 with an outstanding year end task.

3.6. Breaches Policy & Log

The North Yorkshire Pension Fund's Breaches Log is included at **Appendix 2** for review. There are three new entries.

- 1. Accidental disclosure of data by email for a single member
- 2. Failing to issue 100% of active benefit statements within the statutory deadline we don't issue statements where we have a query with the data on record which we believe will result in incorrect benefits being quoted
- 3. Late issue of a pension saving statement for the 2021/2022 tax year to 1 member due to an error with a manual calculation at the time of retirement which has subsequently been found as part of the 2022/2023 exercise. This has been reported to HMRC.

3.7. Business Plan Update

In the NYPF 2023/24 – 2025/26 Business Plan 10 key actions for the 2023/24 year were identified and approved by Members in the March 2023 Committee meeting. It was agreed that officers would provide a progress report against these key actions, this progress report is attached as **Appendix 3**.

4. Issues and Initiatives

4.1. Ongoing projects

We continue to make progress with both the i-Connect rollout and the new website:

- Work has recommenced on the rollout of i-Connect to our employers with 152 now onboarded and only 77 remaining. We are hoping to make quite rapid progress with the remaining employers as a large proportion of them are contract payrolls for North Yorkshire Council.
- Website development continues with the focus on getting the employer site fully configured before we go live. We have just completed the testing stage with pensions staff and a select few employers. The development team are now working through the feedback and it remains on target to be live from 1 December.

4.2. McCloud

The McCloud data team has been working through the data returns and updating member records as required, adding a free format memo so we can identify which records have been processed.

Missing data has been identified and every employer affected has been contacted to provide the missing information. So far we've had a very good response. Regulations and guidance continues to be issued and we are reviewing this as it is released.

We are required to notify every member of the Scheme by 1 January 2024 of the changes that came into force from 1 October 2023 as a result of McCloud. We will be emailing every member with an email on record, making use of employer intranets and key messages for active members and posting the information to those deferred and pensioner members without an email. We will also be posting the information to our website.

5 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.

6 Meeting Timetable

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

7 Recommendations

- 7.1 Members to note the contents of the report.
- 7.2 Members to note the contents of the Breaches log and determine whether a report should be made to the Pensions Regulator.

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

02 November 2023

Academy Conversions – 19 'in progress'

Name of School	Local	Multi Academy Trust (MAT) Name	Target Conversion	Current Position
	Authority		Date	
Nidderdale High School	NYC	Moorlands Learning Trust	1.9.2023	Complete
Darley Primary School	NYC	Yorkshire Collaborative Academy Trust	1.9.2023	Complete
Summberbridge Primary School	NYC	Yorkshire Collaborative Academy Trust	1.9.2023	Complete
Huntington Primary Academy		Single Academy moving to Pathfinder Multi Academy Trust	1.9.2023	Complete
Rossett School		Single Academy moving to Red Kite Learning Trust	1.9.2023	Complete
Poppleton Road Primary School	COYC	Pathfinder Multi Academy Trust	1.9.2023	Complete
School	COYC	The Education Alliance	1.10.2023	Complete
St Barnabas Church of England VC Primary School	COYC	Pathfinder Multi Academy Trust	1.11.2023	In progress
North Stainley CE Primary School	NYC	Leeds Diocesan Learning Trust	1.12.2023	In progress
Christ Church CE Primary School	NYC	Leeds Diocesan Learning Trust	1.1.2024	In progress
Barkston Ash RC Primary School	NYC	Bishop Wheeler Catholic Academy Trust	1.2.2024	Will be progressed nearer the time
St Wilfrid's Catholic Primary School, Ripon	NYC	Bishop Wheeler Catholic Academy Trust	1.2.2024	Will be progressed nearer the time
Threshfield Primary School	NYC	Yorkshire Collaborative Academy Trust	1.3.2024	Will be progressed when conversion date known

Wykeham CE Primary School	NYC	Elevate Multi Academy Trust	1.4.2024	Will be progressed when conversion date known
Name of School	Local Authority	Multi Academy Trust (MAT) Name	Target Conversion Date	Current Position
Hackness CE Primary School	NYC	Elevate Multi Academy Trust	1.4.2024	Will be progressed when conversion date known
Sherburn CE Primary School	NYC	Ebor Academy Trust	1.4.2024	Will be progressed when conversion date known
Luttons Community Primary School	NYC	Ebor Academy Trust	1.4.2024	Will be progressed when conversion date known
St Hilda's Ampleforth CE VC Primary School	NYC	Ryedale Learning Trust	TBC	Will be progressed when conversion date known
Hertford Vale CE VC Primary School	NYC	Ryedale Learning Trust	ТВС	Will be progressed when conversion date known
Middleham CE VA Primary School (ND CC)	NYC	Possibly with Dales Academies Trust	TBC	Will be progressed when Trust has been confirmed and conversion date known
Spennithorne CE VC Primary School (NYCC)	NYC	Possibly with Dales Academies Trust	TBC	Will be progressed when Trust has been confirmed and conversion date known
Beckwithshaw CP School	NYC	ТВС	TBC	Will be progressed when Trust has been confirmed and conversion date known
Kettlesing Felliscliffe Primary School	NYC	ТВС	ТВС	Will be progressed when Trust has been confirmed and conversion date known
Ripley Endowed CE VC Primary School	NYC	ТВС	TBC	Will be progressed when Trust has been confirmed and conversion date known
Husthwaite CE VC Primary School	NYC	ТВС	ТВС	Will be progressed when Trust has been confirmed and conversion date known
East Ayton Primary School	NYC	ТВС	ТВС	Will be progressed when Trust has been confirmed and conversion date known

Name of Employer	Name of Contractor	Staff Transfer Date	Current Position
Hope Sentamu Learning Trust	Hutchison Catering Limited	26.7.2023	Complete
Red Kite Learning Trust Coppice Valley Primary School Oatlands Junior School Rossett Acre Primary School Western Primary School	Hutchison Catering Limited	1.8.2023	Complete
South York Multi Academy Trust Bishopthorpe Infant School	Mellors Catering Services Limited	1.1.2022	In progress
Beyond Housing	Ground Control	1.3.2023	In progress
Nicholas Postgate Catholic Academy Trust ATD aints RC School, York ເບ	Hutchison Catering Limited. Transfer from COYC to Nicholas Postgate Catholic Academy Trust.	1.5.2023	In progress
The Rodillian Multi Academy Trust Brayton Academy	RCCN Limited	17.7.2023	In progress
Outwood Grange Academies Trust Outwood Primary Academy Alne	Cater Link Limited	1.9.2023	In progress
Ebor Academy Trust	Hutchison Catering Limited	1.9.2023	In progress
Yorkshire Causeway Schools Trust St Peter's Church of England School, Harrogate Hampsthwaite Primary School All Saints CE Primary School North Rigton CE Primary School	Aspens Services Limited	1.9.2023	In progress
North Yorkshire Council	Align Property Services Limited	1.9.2023	In progress
Northern Star Academies Trust Willow Tree Primary School	Aspens Services Limited	1.9.2023	In progress

City of York Council	Not yet appointed	1.1.2024	In progress
(Young Persons Counselling Services)			

Exited Employers – 27

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
Chsultant Cleaners	31.10.2018 (voluntary liquidation)
T 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
Streamline Taxis Limited	28.5.2021

31.5.2021
31.5.2021
6.8.2021
20.12.2021
31.12.2021
31.12.2021
11.4.2022
14.4.2022
31.7.2022
19.7.2023
6.10.2023
31.3.2024
31.3.2024

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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
	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 identifed 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		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		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.			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		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		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 Pag		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 receipient 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
11/05/2 0 00 25		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 receipient 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		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 receipient 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		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 receipient 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.		Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the receipient 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		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 receipient 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		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
30/11/2020		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		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

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
05/10/2020	Administration Failure to issue 3 members with annual Pension Saving Statements (PSS) in the relevant years. There are two main causes as following statements (PSS) in the relevant years.		There are two main causes as follows: missing data and staff not realising a statement should have been issued when	Finance Act 2004		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 targetted 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, teh impact on affected members and how to update and maintain records correctly.			05/03/2021	14/01/2021	PB - Require further information on mitigating actions taken to prevent recurrance 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 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 receipient knows the person whose information was disclosed.	5 .	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 Page 2	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	s 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
	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	26/11/2021	13/01/202	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	26/11/202	13/01/2022	PFC - No report PB - No report	N
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	2 13/01/202	PFC - 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 receipient knows the person whose information was disclosed.		N/A	N/A	27/05/2022	2 07/04/202	PB - No report PFC - No report	N

				Regulation being			Reported to		Referred	Referred	Outcome of Referral	Reported to
Date	Category	Description of Breach	Cause of Breach	breached	Effect of Breach & Wider Implications	Response to Breach	DPO	outcome	to PFC	to PB	to PFC & PB	Regulator
28/07/2022	Administration	5 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 i 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.		N/A	N/A	09/09/2022	06/10/2022	PFC - No report PB - No report	N
31/08/2022	Administration		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	Reg 89 of LGPS Regs 2013	100% of Deferred members received a statement. 97.73% of Active members received a statement. (672 members did not of which only 295 were eligible to receive one)	Of the 672 active members missing a statement only 351 are eligible to receive one. These are being worked through to identify what is required to enable statement to be produced.	N/A	N/A	25/11/2022		PFC - No report PB - No report	N
04/11/2022	Administration		Human error. One record had a data error which resulted in the PSS being supressed but when issue was fixed the marker wasn't removed. Relevant tax year 18/19 One record had been updated incorrectly following receipt of a transfer from another Fund. Relevant tax year 19/20		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 i 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.	scheduled so errors like these can be prevented and f corrective action taken at the time rather than being	N/A	N/A	25/11/2022	12/01/2023	PFC - No report PB - No report	N
11/11/2022	Administration	One member's documentation was sent in error, password protected, to another Fund.	Human error. The wrong attachment was added to the email.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to staff at another Fund. It is highly unlikely that the recipient knows the person whose information was disclosed.	Other Fund deleted email and attachment. Reported to Veritau. They assessed is as Very Low risk - minimal risk of any detriment to the data subject & sent to a trusted partner organisation	N/A	N/A	25/11/2022		PFC - No report PB - No report	N
17/04/2023	Administration	Email querying pay and CARE was sent to the wrong Adam. It contained name, NINO & Pay information. Recipient is a senior officer at CYC.	Human error	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to staff at another employer. It is highly unlikely that the recipient knows the person whose information was disclosed.		N/A	N/A	15/09/2023	06/07/2023	PFC - No report PB - No report	Z
05/06/2023 Page	Administration	A member received another member's pension payslip in the same envelope as her own. The envelope wasn't sealed either.	Machine jam and human error in the print unit. Not checking the machien was fully cleared before restarting the pirnt and insert process.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another member. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient posted payslip on. Made print unit aware or error and received confirmation of refreshed instructions to the print team. Reported to Veritau Veritau have confirmed it has been classed as a print unit breach	N/A	N/A	15/09/2023	06/07/2023	PFC - No report PB - No report	N
01/09/2023	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members		Reg 89 of LGPS Regs 2013	100% of Deferred members received a statement. 98.71% of Active members received a statement. (382 members did not, of which only 114 were eligible to receive one)	Of the 382 active members missing a statement only 114 are eligible to receive one. These are being worked through to identify what is required to enable a statement to be produced.	N/A	N/A	24/11/2023	26/10/2023	PFC - PB -	
08/09/2023	Administration	Email was sent to a member with a password protected attachment but the document was for another member.	Human error	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another member. It is highly unlikely that the recipient knows the person whose information was disclosed.	Requested recipient to delete email Reported to Veritau			24/11/2023	26/10/2023	PFC - PB -	
07/10/2023	Administration	1 Pension Savings Statements (PSS) issued after statutory deadline of 6 October 2022	Human error. Error in manual calculation of Annual Allowance at retirement.	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. This member has sufficient carry forward from previous years so we believe there is no tax charge due. The deadline for an online tax return was 31 January 2023 so the affected member will need to contact HMRC.		N/A	N/A	24/11/2023		PFC - PB -	

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NYPF 2023/2026 Business Plan Update November 2023

RAG rating:

Green – completed or not yet due

Orange – ongoing, carried forward to 2024/25

Red – outstanding, overdue

	Key Activity	/	Resource						
Administration			Head of Pensions Administration						
Action	Timescale	Progress Update	rogress Update						
McCloud remedy	Q3 2023/24	In progress – data being check identified.	ked and updated to records. Missing data being gathered. Project plan created and next steps						
Data quality improvement	Q4 2023/24	In progress – data cleanse on	going, records being corrected from issues identified by annual data scoring exercise						
Backlogs	Q2 2023/24	Completed – backlogs reduce	d to 4 weeks. Continued review and monitoring is in place to maintain position.						
	Key Activity	1	Resource						
Business Improvement			Head of Pensions Administration						
Action	Timescale	Progress Update							
Complete roll out of employer portal	Q4 2023/24	In progress – roll out was paus added to the project team to ir	sed for year-end processing but work has recommenced and additional resource has been ncrease speed of onboarding.						
Complete website predevelopment	Q4 2023/24	In progress – user testing com	npleted. Feedback being worked through, on target for go live 1 December 2023.						
Key Activity			Resource						
Governance			Head of Pensions Administration/Head of Investments						
Action	Timescale	Progress Update							
SAB Good governance project	Q4 2023/24	Unable to progress – still waiti	ing for DLUHC's response to SAB's action plan.						
TPR Single Code of Practice	Q4 2023/24	Unable to progress – still waiti	ing for new code to be issued.						
	Key Activity		Resource						
Funding			Pension Fund Committee/ Treasurer/ Head of Investments						
Action	Timescale	Progress Update							
Income monitoring	Q4 2023/24	In progress – preliminary discussions of the submitted to T&C.	ussions held with another Fund using the functionality. Business proposal prepared and						
	Key Activity		Resource						
Investment			Pension Fund Committee/ Treasurer/ Head of Investments						
Action	Timescale	Progress Update							
Responsible Investment	Q4 2023/24		ing the publication of guidance by the Government. Delay of at least a year expected. / for signatory status to new Stewardship Code by the end of the current financial year.						
Pooling and implementation of investment strategy Output Description: Output Descrip									

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Appendix 4

	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	^J. Cattanach	+J. Crawshaw	Unison (Vacancy)	Unison (Vacancy)
	8 September 2022	Asset Allocation Workshop	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
	28/29 September 2022	BCPP Annual Conference	✓		✓				✓		√	✓			✓				
	12/13 October 2022	PLSA Conference	✓																
	9/10 November 2022	Baillie Gifford – Annual Investment Conference	✓			~	✓		✓										
	20 November 2022	Asset Allocation Workshop	✓	✓	~	✓	✓	✓	✓	✓	✓	✓	✓	✓	~				
	20 February 2023	Asset Allocation Workshop	✓	✓	✓	✓		✓	✓	✓	√	✓	√	√	✓				
, מ	2 March 2023	Investment Strategy Workshop	✓	√	✓	✓		√	√	√	√	√		√	√				
3000	2 March 2023 25 May 2023	Investment Manager Workshop (Arcmont)		✓	✓	✓		✓	√	✓	√	✓	√	✓	✓				
	29 June 2023	Investment Manager Workshop (PIMCO)		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓				
	30 June 2023	Investment Manager Workshop (Border to Coast)		√	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓				
	14 September 2023	Asset Allocation Workshop (Equities Review)		✓	✓					✓		✓	✓		✓				
	28-29 September 2023	BCPP Investment Conference									✓	✓		✓	✓				

^{# -} Appointed to the Committee following May 2022 elections.

^{*-} Cllr Patrick Mulligan left the Committee on 1st April 2023 following LGR. " – Cllr Sam Gibbs left the Committee on 17th July 2023

- ^ Cllr John Cattanach appointed to the Committee on 17th July 2023
- + Cllr Jonny Crawshaw appointed to the Committee May 2023 following City of York Council elections
- > Cllr Christian Vassie left the Committee May 2023 following City of York Council elections

UPCOMING TRAINING AVAILABLE TO MEMBERS

	Course /			
Provider	Conference	Date(s)	Location	Themes / Subjects Covered
	Title			
PLSA	Responsible Investment Conference	29 November	PricewaterhouseCoopers 1 Embankment Place London WC2N 6RH	The PLSA's Responsible Investment Conference - formerly our digital ESG Conference - returns for 2023 as a face-to-face event featuring expert speakers discussing the latest developments in this quickly evolving landscape. Meet pension schemes and advisers at this essential event for anyone with an interest in responsible investment. The one-day event takes place in a central London location. Information due shortly.
PLSA	Policy Insights: The Regulatory Horizon for 2024	7 December	Online Webinar 11 – 11.45 am	Your chance to find out about the policy and lobbying work that we do on members' behalf. Hear from the PLSA's Policy and Advocacy team about the conversations they have with Ministers, Government officials and regulators, and ask questions about issues on the current agenda. Join us for a Policy Insights Webinar on the regulatory horizon for 2024. Our policy experts will discuss the developments, themes and challenges expected for the next year in pensions. Learn how these may impact your scheme and what you can do to prepare.

Provider	Course / Conference Title	Date(s)	Location	Themes / Subjects Covered
PLSA	Local Authority Forum	14 December	PLSA, 3rd floor, Queen Elizabeth House, 4 St Dunstan's Hill, London, EC3R 8AD	The new and innovative Local Authority Forum brings together pension professionals from across the industry to help drive policy debate, engage on key issues and share best practice. This Forum creates a space for delegates to discuss the challenges facing local authority pension funds. There will
				also be the opportunity to ask the experts about the key issues affecting local authorities in a moderated Q&A session.
PLSA	Conferences			Investment Conference – 27/29 February – Edinburgh
	2024			Local Authority Conference – 17/19 June – Gloucestershire
				Annual Conference – 15/17 October – Liverpool
				ESG Conference – 28 November – London
				Full details of these Conferences will be provided to Members as soon as they are available

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. There are now two packages available with package two being the most up to date version. 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.

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PENSION FUND COMMITTEE TIMETABLE FOR MEETINGS IN 2023/24

Meeting Date	Time & Venue	Event	Fund Managers
23 November 2023	10 am, TBC	Pension Fund Workshop	Representative of BCPP and / or Fund Manager TBC
24 November 2023	10 am, TBC	Pension Fund Committee	
29 February 2024	10 am, TBC	Pension Fund Workshop	Representative of BCPP and / or Fund Manager TBC
1 March 2024	10 am, TBC	Pension Fund Committee	

Proposed dates of Pension Fund Committee Meetings for 2024/25:-

Friday 24th May 2024 at 10am

Friday 28th June 2024 at 10am

Friday 13th September 2024 at 10am

Friday 22nd November 2024 at 10am

Friday 28th February 2025 at 10am

Arrangements for Workshops are currently under consideration and will be published alongside meeting dates, when available

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Agenda Item 8

NORTH YORKSHIRE COUNCIL

PENSION FUND COMMITTEE

24 NOVEMBER 2023

PENSION FUND ANNUAL REPORT 2022/23

Report of the Treasurer

1.0 PURPOSE OF THE REPORT

- 1.1 To ask Members to approve the draft Pension Fund Annual Report for 2022/23.
- 1.2 To provide Members with an update on the status of the Pension Fund Annual Report for 2021/22.

2.0 FINAL ACCOUNTS AND ANNUAL REPORT 2022/23

- 2.1 The draft North Yorkshire Pension Fund (NYPF) Statement of Accounts was circulated to members of the Pension Fund Committee soon after the Committee meeting on 30 June 2023. It was not possible to present the Accounts at the meeting, due to phasing of work and internal priorities.
- 2.2 The deadline for the publication for the Council's audited Accounts, which includes the Accounts of NYPF, was 30 September 2023. Due to nationwide audit pressures, the start of the audit of many local authority financial accounts for the 2022/23 financial year was delayed. North Yorkshire Council is one of the many authorities which has been impacted by this issue, and whilst the audit of the Council's 2022/23 Accounts has formally commenced and is ongoing, the 30 September deadline has been missed. Nationally, only 5 out of 467 audit opinions were issued on government body accounts by that date. Responsibility to approve the Council's Accounts, once they have been audited, rests with the Audit Committee.
- 2.3 NYPF is also required to produce an Annual Report, which includes the Fund's Statement of Accounts. The publication deadline for the audited Annual Report is 1 December each year, and for the same reason this deadline will also be missed. It is the responsibility of the Pension Fund Committee to approve NYPF's Annual Report.
- 2.4 The audit of NYPF's accounts is substantially complete and it is expected that the Fund's auditor Deloitte will issue an unqualified opinion in due course. No material issues have been identified. Deloitte will take an Audit Update Report to the Audit Committee once the audit process has been completed. This Report will highlight the areas of focus and any issues identified.
- 2.5 Due to these circumstances, the intention is to publish a draft of the Pension Fund Annual report, along with a note explaining the position, by the 1 December 2023

- deadline. This mirrors the approach taken last year, for the 2021/22 Annual Report. The 2022/23 Annual Report is attached as **Appendix 1**, and Members are asked to approve it.
- 2.6 Once the audit has been completed and the Accounts approved, the Council will publish its audited Accounts and the Pension Fund will publish its audited Annual Report.
- 2.7 At this late stage, material adjustments to the NYPF Annual Report and Accounts are not expected, but if this does happen the Committee will be informed.

3.0 FINAL ACCOUNTS AND ANNUAL REPORT 2021/22

- 3.1 The draft NYPF 2021/22 Annual Report and Accounts was approved by Pension Fund Committee on 24 November 2022, which allowed it to be published by the 1 December 2022 deadline.
- 3.2 To remind Members, the accounting treatment of infrastructure assets such as roads and bridges caused significant delays in the audit process for councils across the country, including North Yorkshire Council. Although this issue has been resolved, this was not until after 31 March 2023, by which time the outcome of the 2022 Valuation was known. It was therefore necessary to adjust the Council's Accounts in relation to pension liabilities. As with infrastructure assets, this is a national issue. At the time of writing, the audit remains ongoing, with the team at Deloitte considering the treatment of pensions liabilities in the Council's Accounts.
- 3.3 No material issues have been identified from the audit of the 2021/22 Fund Accounts and it continues to be expected that the Fund's auditor Deloitte will issue an unqualified opinion in due course. As the Fund Accounts are a part of the Council's accounts, this cannot happen until the Council's Accounts have been completed. Once the Council's audit has been completed and the Accounts approved, the Council will publish its audited Accounts and the Pension Fund will publish its audited Annual Report.

4.0 **RECOMMENDATIONS**

4.1 Members are asked to approve the draft Pension Fund Annual Report for 2022/23.

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

14 November 2023

North Yorkshire Pension Fund

Annual Report and Accounts 2022/23



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Part 1 – Management and Financial Performance

1.1 Introduction

North yorkshire county council (NYCC, the Council) is the statutory administering authority for the North Yorkshire Pension Fund (NYPF, the Fund), which is part of the Local Government Pension Scheme (LGPS, the Scheme). All aspects of the Fund's management and administration, including investment matters, are overseen by the Pension Fund Committee (PFC, the Committee), which is a committee of the Council.

The purpose of the Fund is to provide retirement benefits specified by the LGPS regulations for staff working for local authority employers, and other employers admitted by agreement, in the North Yorkshire area. The regulations also specify the member contribution rates as a percentage of pensionable pay, with employer

contribution rates being set every three years by the Fund's Actuary. These contributions are supplemented by earnings on the Fund's investments in order to pay retirement benefits.

The day to day running of the Fund is delegated to the Treasurer who is the Corporate Director - Resources of the Council and is responsible for implementing the decisions made by the PFC. Supporting him is a team of staff split into two sections. The pension administration team administers all aspects of member records, pension benefits etc. and the finance team looks after the accounting and management information requirements of the Fund. All aspects of the day to day management of investment funds are undertaken by external fund managers.

1.2 Pension Fund Committee

PFC membership as at 31 March 2023 was as follows:

Members	Position	Voting Rights
John Weighell OBE (Chairman)	Councillor, NYCC	Yes
Sam Gibbs	Councillor, NYCC	Yes
George Jabbour	Councillor, NYCC	Yes
David Nolan	Councillor, NYCC	Yes
Clifford Lunn	Councillor, NYCC	Yes
Neil Swannick	Councillor, NYCC	Yes
Matt Walker	Councillor, NYCC	Yes
Angus Thompson	Councillor, NYCC	Yes
Patrick Mulligan (Vice-Chairman)	Councillor, District Councils' representative of Local Government North Yorkshire and York	Yes
Andrew Williams	Councillor, NYCC	Yes
Carl Les	Councillor, NYCC	Yes
Christian Vassie	Councillor, City of York Council	Yes
David Portlock	Chairman of the Pension Board	No
3 Unison representatives	Union Officials	No

The powers delegated to the PFC are detailed in paragraph 2.1 of the Governance Compliance Statement (see Part 7).

During the year the PFC formally met on five occasions supported by its Investment Consultant and the Independent Adviser, as well as the Treasurer. The Committee meetings provide a forum for discussion about economic and market trends, monitoring the performance of the investment managers and considering their individual investment strategies.

1.3 Fund Administrators, Advisers and Investment Managers

Treasurer	Gary Fielding
Investment Consultant	Aon
Independent Professional Observer	Vacant
Actuary	Aon
Investment Adviser	Leslie Robb
Legal Services	Ward Hadaway
	Head of Legal Services, NYCC
Auditor	Deloitte
Banker	Barclays Bank
Custodian	Northern Trust
Performance Measurement	Northern Trust
Asset Pool & Operator	Border to Coast Pensions Partnership (BCPP)
Fund Managers	Arcmont
	Baillie Gifford
	Hermes Investment Management
	Leadenhall
	Legal & General Investment Management
	Permira
	Threadneedle Pensions
AVC Provider	Prudential

1.4 Risk Management

Risk management is the process by which the Fund identifies and addresses the risks associated with its activities. Risk management is a key part of the NYPF's governance arrangements, and the Fund has its own dedicated risk management policy and risk register with key risks also appearing on the Administering Authority's corporate risk register. Risks are identified and assessed, and controls are in place to mitigate risks. The Fund's risk register is reviewed every year by the PFC and Pension Board and is monitored during the year by officers. The latest review highlighted:

- (a) Fund solvency remains a high risk, despite the improved funding position, due to the unpredictable and volatile nature of global financial markets on which both investment returns and certain market based actuarial assumptions used to value liabilities are based. The potential consequence of the risk occurring is a significant increase in contribution rates for the Fund's employers and/or an extension to the deficit recovery period.
- (b) Fund Resourcing and Staffing was identified as a risk, with two risks, insufficient capacity and loss of key personnel, identified in this area. The potential consequences of these risks occurring is a delay in responding to customers, reduced performance and increased complaints.

In addition, the approach to managing third party risk such as late payment of contributions is contained in the Pensions Administration Strategy (see Part 7). Contributions received from employers are monitored, the date of receipt is recorded and appropriate action is taken for late payments. For persistent material breaches of this protocol, the employer may be reported to the Pensions Regulator.

The Council's internal audit team regularly undertake audits across different aspects of the Fund's management and administration. These findings are reported to the PFC and Pension Board as appropriate. Assurance from the appointed Fund managers is obtained through the receipt of control reports.

Further detail about how the Fund manages other risks can be found in Note 18 Nature and Extent of Risks Arising from Financial Instruments in the Statement of Accounts in Appendix A.

1.5 Accounting and Cash Flow

Prior to the start of the 2022/23 financial year, a budget was prepared for NYPF which detailed the annual cost of running the Fund. A cashflow forecast was also produced which detailed the main inflows and outflows of the Fund in the year, for example, contribution income, benefits payable, transfers in and transfers out. The budget was monitored at each subsequent quarterly PFC meeting, and revised as necessary to take into account the latest projections.

The total running costs of the Fund in 2022/23 were £33.1m against a budget of £38.7m, resulting in an underspend of £5.6m, as shown in the table below:

EXPENDITURE	Budget 2022/2023 £K	Actuals 2022/2023 £K	Variance £K
Admin Expenses			
Finance and Central Services	453	449	(4)
Provision of Pensioner Payroll (ESS)	93	73	(20)
Pensions Administration Team	1,371	1,375	4
McCloud	50	15	(35)
Other Admin Expenses	678	705	27
	2,645	2,617	(28)
Oversight and Governance			
Actuarial Fees	90	65	(25)
Custodian Fees	86	66	(20)
Consultants Fees	140	204	64
Pooling Operational Charge and Project Costs	709	761	52
Other O & G Expenses	100	42	(58)
	1,125	1,139	14
Investment Fees			
Performance Fees	3,208	2,599	(609)
Investment Base Fees	31,739	26,761	(4,978)
	34,947	29,360	(5,587)
TOTAL	38,717	33,116	(5,601)

The main reasons for the variances were:

- A fall in asset values over 2022/23 has resulted in a fall in Investment fees, as most fee arrangements are on an "ad valorem" basis, so are a percentage of the value of assets under management.
- There was an increase in expenditure versus budget in consultancy fees, driven by additional work undertaken by the investment consultant Aon. Work commissioned included a climate risk analysis and an investment strategy review.

This analysis of expenditure that was reported to the PFC as part of the quarterly Fund management arrangements has been analysed differently in the Statement of Accounts to comply with accounting requirements and guidance.

The table below shows the 2022/23 cashflow statement for the Fund:

	Actual Cashflow 2022/2023 £000
SCHEME PAYMENTS	
Benefits	
Pensions	-106,333
Lump Sums	-29,238
	-135,571
Payments to and on account of leavers	
Transfers out	-14,515
Refunds to leavers	-780
	-15,295
Operational Expenses	
Admin Expenses	-2,405
Oversight and Governance	-1,869
	-4,274
TOTAL PAYMENTS	-155,140
SCHEME RECEIPTS	
Employer and Employee Contributions	145,828
Transfers in (from other schemes)	18,654
TOTAL RECEIPTS	164,482
SCHEME SURPLUS/ (DEFICIT)	9,342
CASH FLOW FROM INVESTMENT ACTIVITIES	-29,308
SURPLUS/ (DEFICIT) AFTER INVESTMENT ACTIVITIES	-19,966
CASH BALANCE B/F	21,742
CASH BALANCE C/F	1,776

The operational cashflow for the Fund in 2022/23 was a surplus of £9m.

Part 2 – Scheme Administration

2.1 Administering Authority Arrangements

The Fund's administration is the responsibility of Gary Fielding, the Treasurer.

Staff within the pension administration team are responsible for administering the Scheme, including the calculation and administration of benefit payments and transfer values, recording employee contributions, the maintenance of pension records, admissions to and exits from the Fund and communications with all stakeholders.

Staff within the finance team are responsible for maintaining the Fund's accounts and investment records, monitoring employer contributions, preparing quarterly reports for the PFC, producing the Annual Report and Accounts and acting as the main point of contact for the Fund's managers, advisers and auditors.

2.2 Disputes Process

The Fund deals with disputes under the statutory Internal Dispute Resolution Procedure (IDRP). This is a two stage process and further information is available on the Fund's website at www.nypf. org.uk/formsandguides/publications.shtml.

However, as part of the pension team's customer care policy, all questions raised are dealt with via an internal process with the aim of resolving issues to the satisfaction of the Scheme member as quickly as possible. In 2022/23 nine cases were received via the IDRP process. This represents less than 0.01% of total work processed in the year.

2.3 Pensions Administration

The NYPF covers the largest geographical area in England and Wales and the varied methods of communication utilised aim to tackle the challenges when communicating with both Scheme members and employers. Continued support and guidance has been provided for employers to ensure they are confident in carrying out their obligations under the Scheme. Employers are encouraged to use the dedicated employers' area on the NYPF website.

An online portal to enable monthly data returns continues to be rolled out which removes the need for an annual year end return ensuring accurate data is received promptly.

Following the Education Act 2011, the number of scheme employers converting to academies continues to grow. A dedicated NYPF contact continues to provide schools with appropriate actuarial information regarding employer contribution rates and deficits.

Scheme members have access to a dedicated telephone helpline and email address. The online self-service module of the Altair administration system continues to provide members with access to their Annual Benefit Statements. Members are also asked to use the online benefit projector to carry out their own pension benefit estimates. Although members are encouraged to use electronic means of communication, NYPF still provides paper versions of documents on request. This is felt to be particularly important for members who may not have access to, or wish to use, electronic methods of communication.

2.4 Member Self-Service (MSS)

This is a web-based self-service facility which allows members to update their contact details and carry out their own pension benefit estimates. This facility has also been used to allow electronic communication with members for the retirement and estimates processes. As at 31 March 2023 there were 41,451 registered users.

A small number of staff from employers within the Fund have direct upload access to the pensions database (with access to their employees only). This allows them to carry out basic pensions administration processes (creating new starter records, updating hours and personal information) and upload associated documents. Work is monitored via a 'task' which is created on the member record by the employer detailing what they have done. All changes can be tracked through an audit report which is run by the NYPF development and processes team.

2.5 Electronic Annual Benefit Statements

Active and deferred Scheme members can view their Annual Benefit Statements online. The majority, representing 98% of all statements, are delivered in this way with only 1,517 being posted to members in 2022/23.

2.6 NYPF Website

All essential information and guides are held on the website at www.nypf.org.uk along with links to further national guidance. Employees and employers are able to use the website to refer questions to a generic pensions email address which is specifically resourced each day to provide a prompt response to queries. An 'Employers Only' area provides a central location to access forms and guides with the facility to securely submit forms electronically.

2.7 Data Quality

The Pensions Regulator's guidelines on data collection and security have been applied by the Fund and validation checks are carried out across all areas of activity. Periodic checks are carried out across the database to ensure that data gaps or queries are caught in 'real-time'. Other validation checks are carried out at each year end and queries are sent to the employer to resolve. This became more complex when the Career Average Revalued Earnings (CARE) Scheme was introduced on 1 April 2014 as NYPF cannot validate CARE pay provided by employers.

In accordance with the requirements of the Pensions Regulator the NYPF completed a data quality assessment and scoring exercise resulting in data scores of:

Common Data: 97.89% Conditional Data: 88.81%

Common data is the set of data that is defined as necessary and applicable to all members of all schemes. This data is required to identify Scheme members and includes surname, date of birth, National Insurance number and address. The Pensions Regulator has identified 10 Common data items.

Conditional data is the 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 data improvement plan has been developed to ensure the continued improvement of the data quality.

Support is sought where appropriate from the internal audit service in order to encourage employers to maintain a consistent level of data accuracy including validating any data before it is supplied. Data is only accepted from named authorised signatories after the appropriate validation checks have been made.

Part 3 – Investment Policy and Performance

3.1. Investment Policy

(a) Regulations

NYCC is required, as the administering authority, to invest any NYPF monies which are not immediately required to pay pensions and other benefits. The LGPS (Management and Investment of Funds) Regulations 2016 set out certain restrictions as to individual investments, the purpose of which is to limit the exposure risk of an LGPS fund. Full details of the investment policy are shown in the Investment Strategy Statement (see Part 7).

(b) Investment Management arrangements

As at 31 March 2023 the following investment management arrangements were in place:

- Baillie Gifford managed an active global (i.e. including UK) equity portfolio, namely Long Term Global Growth (LTGG). This portfolio is in the form of a pooled vehicle, rather than being invested in segregated holdings. It is managed without reference to a benchmark, however the FTSE All World index is used for performance measurement purposes.
- BCPP managed a UK Equities portfolio through a pooled vehicle against the FTSE All Share Index.
- BCPP managed a global equities portfolio in the form of a pooled vehicle against the MSCI All Countries World Index.
- Hermes managed an active UK Property portfolio through a pooled fund with the objective of outperforming the IPD Other Balanced Property Funds index.

- Threadneedle and Legal & General both managed active UK Property portfolios during the year through pooled funds with the objective of outperforming the All Balanced Property Funds index.
- Arcmont and Permira managed private debt portfolios through pooled Funds, both are managed without reference to a benchmark but have an objective to significantly outperform cash.
- Leadenhall managed residual balances for three pooled Insurance Linked Security portfolios, which are in the process of being wound up.
- The Fund held a cash investment with NYCC Treasury Management.
- The Fund had a cash investment with Northern Trust.
- **>** BCPP managed an Infrastructure portfolio in a pooled fund that has the objective to outperform a long term absolute benchmark.
- BCCP managed a Climate Opportunities Portfolio, seeking investments that have a material positive impact on climate change and support long-term net zero carbon emission goals.
- BCPP managed an active Gilts portfolio through a pooled vehicle against the FTSE UK Index Linked Gilts over 15 Years Index.
- BCPP managed an active UK corporate bonds portfolio through a pooled vehicle against the iboxx Sterling Non-Gilts Index.

- BCPP managed a private debt portfolio through a pooled vehicle that has the objective to outperform against a long term absolute benchmark.
- BCPP managed a Multi Asset Credit portfolio through a pooled vehicle with an objective to outperform a long term absolute benchmark.
- BCPP managed a Listed Alternatives portfolio through a pooled vehicle with an objective to outperform MSCI All Countries World Index.
- Investment management arrangements with Dodge & Cox and PIMCO were terminated during the year.

The agreed asset class structure for the investment portfolio as at 31 March 2023 was as follows:

	%
Equities	50
Alternatives	22.5
Bonds	22.5

(c) Custody of Investments

Northern Trust is the custodian for the Fund's assets. There is one exception, being:

(i) Internally Managed Cash, which is held in the Fund's bank account with Barclays Bank, Northallerton. Money in this account forms part of the balance of funds invested by the Council for treasury management purposes. A formal Service Level Agreement exists between the Council and the Fund so that the Fund receives an interest rate return equivalent to that achieved by the Council.

The main services provided by Northern Trust are the custodianship of the Fund's assets, including settlement of trades and collection of income, investment accounting, and performance measurement of the fund managers.

3.2 Performance

(a) Fund and Manager Performance

Pension Fund investment is a long term business, so as well as considering the annual performance of the Fund, performance over extended periods in comparison to peers is also considered; this principle is applied both to individual managers and the overall Investment Strategy of the Fund.

The return produced by the Fund is a contributory factor in setting the employer contribution rates. The mix of assets within the Fund has been established to generate the greatest possible return within appropriate limits of risk.

Performance for the year was -9.2% compared to the benchmark return of -6.7%.

Performance for the North Yorkshire Pension Fund compared with the benchmark for 5 years is shown below.

Periodic Performance	1 Year	5 Years (p.a.)
North Yorkshire Pension Fund	-9.20%	4.90%
Benchmark	-6.70%	4.60%
Performance against benchmark	-2.50%	0.30%

The performance of the Fund as a whole and of the individual fund managers for the year to 31 March 2023 compared with their defined benchmarks is shown in the following table:

Fund Manager	Share of F 31st Mar		Share of Fund as 31st March 2022		Fund Performance	Customised Benchmark	+/-
	£000	%	£000	%	%	%	%
Investments managed by Border to Coast Pension Partnership:							
BCPP - Global Equity Alpha	1,219,592	29.0	1,299,651	28.1	3.6	-1.4	5.0
BCPP - UK Equities	178,386	4.2	178,608	3.9	-0.1	2.9	-3.0
BCPP - Listed Alternatives	288,091	6.9	336,357	7.3	-11.5	-1.4	-10.1
BCPP - Multi Asset Credit	220,369	5.2	227,926	4.9	-3.4	5.8	-9.2
BCPP - Index Linked Gilt Fund	496,490	11.8	716,917	15.5	-39.0	-39.1	0.1
BCPP - Investment Grade Credit	301,144	7.2	333,727	7.2	-9.8	-10.2	0.4
BCPP - Private Debt	99,344	2.4	43,038	0.9	0.0	0.0	
BCPP - Private Debt Series 2	5,087	0.1			6.0	6.0	-
BCPP - Climate Opportunities Fund	16,973	0.4					
BCPP - Infrastructure	213,575	5.1	29,647	0.6	9.8	8.0	1.8
BCPP - Infrastructure 2	6,910	0.2	110,304	2.4			
BCPP - UK Unquoted Equities	1,182	0.0	1,182	0.0			
	3,047,143	72.5	3,277,357	70.8			
Investments managed outside of Border to Coast Pension Partnership:							
Baillie Gifford & Co LTGG	797,479	19.0	657,500	14.2	-14.3	-0.9	-13.4
Dodge & Cox	0	0.0	248,847	5.4			
Threadneedle	188,373	4.5	214,685	4.6	-13.2	-14.5	1.3
Legal & General	44,004	1.0	88,810	1.9	-13.7	-14.5	0.8
Hermes	33,848	0.8	40,246	0.9	-13.8	-14.1	0.3
Northern Trust Held Cash	35,243	0.8					
Permira	22,948	0.5	33,060	0.7		0.0	7.1
Arcmont (formerly Bluebay)	27,696	0.7	29,741	0.6	-1.4	6.0	-7.4
Internally Managed (cash and net debtors)	0	0.0	28,818	0.6			
Leadenhall Diversified Fund	3,347	0.1	4,180	0.1			
Leadenhall NAT CAT Fund	2,012	0.0	4,079	0.1	-16.1	1.6	-17.7
Leadenhall Remote Fund	3,059	0.1	3,731	0.1			
Cash with Bank of New York Mellon	0	0.0	1,469	0.0			
PIMCO	0	0.0	1,162	0.0			
Fidelity International	0	0.0	766	0.0			
UK Equity Transition	0	0.0	2	0.0			
	1,158,009	27.5	1,357,096	29.2			
Total Fund	4,205,152	100.0	4,634,453	100.0	-9.2	-6.7	-2.5

(b) Analysis of Accounts

The Statement of Accounts for the year 20222/23 is shown at Appendix A.

The value of the Fund's assets at 31 March 2022 was £4,635m, and this decreased by £414m during the year to give a value of £4,221m at 31 March 2023.

Analysis of Fund Account over three years to 2022/23

	2022/23	2021/22	2020/21
	€000	£000	£000
Net additions/(withdrawals) from dealings with members	9,342	5,672	10,518
Net investment return	-21,425	-19,136	-24,036
Change in market value of investments	-401,746	137,804	982,096
Net increase/(decrease) in the Fund	-413,829	124,340	968,578

Analysis of Net Asset Statement over three years to 2022/23

	2022/23	2021/22	2020/21
	£000	£000	£000
Fixed Interest Securities	-	-	33,768
Equities	1,182	1,182	1,182
Pooled Funds	3,545,213	4,258,476	3,767,819
Pooled Property	266,255	343,740	279,864
Private Equity	392,532	-	-
Cash Deposits	1,902	1,501	105,209
Other	787	736	2,129
Total Investment Assets	4,207,871	4,605,635	4,493,885
Long-Term Debtors	-	-	203
Current Assets and Current Liabilities	12,883	28,818	16,025
Net Assets of the Fund	4,220,754	4,635,453	4,510,113

3.3 Voting Arrangements

Shares are held indirectly and all voting rights are delegated to the Fund's investment managers. Votes are executed according to predetermined Voting Guidelines agreed by the PFC. These guidelines are aligned to the UK Stewardship Code and to best practice in other jurisdictions. The Fund monitors voting decisions on a regular basis and a summary of the voting activity in 2022/23 is provided in the table below:

In Favour	6,110	Against	800	Abstained/Withheld	12
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Part 4 – Asset Pooling

Background

In 2015 the Government issued the 'LGPS: Investment Reform Criteria and Guidance' which set out its intention to work with the 89 Administering Authorities in the Local Government Pension Scheme (LGPS) to establish asset pooling arrangements with the following objectives to deliver:

- Benefits of scale
- · Strong governance and decision making
- · Reduced costs and excellent value for money, and
- An improved capacity and capability to invest in infrastructure

This has led to the creation of eight asset pools, significantly changing the approach to investing. These regulatory changes do not however affect the responsibility for determining the investment strategy which remains with individual Funds.

NYPF Pooling Arrangements

In order to satisfy the requirements of the guidance issued by the Government, the Fund has become a shareholder of the Border to Coast Pensions Partnership ("BCPP", or "the Pool"). BCPP is an FCA-regulated Operator and Alternative Investment Fund Manager (AIFM), that became operational in July 2018.

The Administering Authorities of the LGPS Funds that are participating in the pool are a combination of "like-minded" UK-based local government Unitary Authorities, Non-Metropolitan County Councils and Metropolitan District Councils with total assets of around £50bn. These are listed in the table below:

Administering Authority	Local Government Pension Fund
Bedford Borough Council	Bedfordshire Pension Fund
Cumbria County Council	Cumbria Pension Fund
Durham County Council	Durham Pension Fund
The East Riding of Yorkshire Council	East Riding Pension Fund
Lincolnshire County Council	Lincolnshire Pension Fund
North yorkshire county council	North Yorkshire Pension Fund
South Yorkshire Pensions Authority	South Yorkshire Pension Fund
Surrey County Council	Surrey Pension Fund
Middlesbrough Council	Teesside Pension Fund
The Borough Council of South Tyneside	Tyne and Wear Pension Fund
Warwickshire County Council	Warwickshire Pension Fund

The core principles of BCPP include the following:

- One Fund one vote so regardless of Fund size, all Funds will be treated equally
- Equitable cost sharing
- Funds retain governance role and ownership of asset allocation
- Generation of improved net-of-fees risk adjusted performance

Border to Coast Pensions Partnership

BCPP is responsible for designing, delivering and operating a range of investment funds and services to allow Partner Funds, BCPP's shareholders and only customers, to implement their investment strategies. BCPP develops a range of internally and externally managed investments across a range of asset classes in both public and private markets. The team of over 100 employees are based in Leeds.

Governance

The Fund will hold BCPP to account through the following mechanisms:

- A representative on the Shareholder Board, with equal voting rights, who will provide
 oversight and control of the corporate operations of BCPP. The performance of the
 pool company is overseen by the shareholder representatives from each Authority
 on an ongoing basis and formally once a year at the BCPP AGM.
- A representative on the Joint Committee which, as an investor, will monitor and oversee the
 investment operations of BCPP. The Chair of each of the Funds' Pension Fund Committees
 sit on the Joint Committee. There is also a non-voting scheme member representative that
 sits on the Joint Committee, who is nominated by the Funds' Local Pension Boards.
- Officer support to the representatives above from the Officer Operations Group and the Statutory Officer Group. Day to day oversight will be provided by these officer groups.

Pooling Costs

The Fund has incurred both set-up costs and ongoing costs since the inception of BCPP and these are detailed in the tables below.

	2022/23	2021/22	2020/21	2019/20	Cumulative Since Inception
	£000	£000	£000	£000	£000
Set-up costs					
Recruitment					17.1
Legal					26.6
Procurement					36.2
Other support (e.g. IT, Accommodation)					2.0
Other working capital			348.5		1,181.8
Staff costs					61.9
Other costs	267.8	234.8	191.5	357.6	1,295.6
Total Set-up Costs	267.8	234.8	540.0	357.6	2,621.2

	2022/23	2021/22	2020/21	2019/20	Cumulative Since Inception
	£000	£000	£000	£000	£000
Transition Costs					
Transition fees				259.0	259.0
Taxation (seeding relief)				1,143.4	1,143.4
Other transition costs				1,254.7	1,254.7
Total Transition Costs	0.0	0.0	0.0	2,657.1	2,657.1

During 2022/23, further transfers to BCPP's funds took place, although there were no explicit costs incurred. At this early stage no savings have yet been realised. These savings are expected to be realised in the longer term. The set-up and transition into the different sub-funds is expected to involve several years of upfront costs before savings can be achieved. In the July 2016 submission to MHCLG it was estimated that the pool overall would recover its costs and start to achieve savings within two to five years.

BCPP is taking a phased approach to the launch of its investment funds. It is therefore expected that the transitioning of the Fund's assets will continue over a number of years.

Ongoing Costs

In addition to the set up costs above there are also ongoing costs that have been incurred in 2022/23. The table below compares costs within and outside of the pool:

	Asset Pool	Non-asset Pool	Fund Total
	£000	£000	£000£
Management fees			
- Ad valorem	8,535	8,916	17,451
- Performance	827	5,742	6,569
Transaction costs	8,522	2,676	11,198
Total Management Fees	17,884	17,334	35,218

Part 5 – Pension Administration Activity

The number of staff (in FTE terms) at the Council involved in pension administration was 37 completing an average of 4,789 cases each. The ratio of members to full time equivalent staff is 2,769:1. The NYPF has a net operating cost of £17.88 per member whilst the average operating cost for all authorities was £20.81 as calculated by the annual CIPFA benchmarking exercise.

(a) Key Performance Indicators

The Local Government Pensions Committee has defined a range of performance indicators through which Funds can be compared. NYPF's performance in these areas for the year to 31 March 2023 is shown here:

Performance Indicator	LGPC Target	Achieved (%)
Letter detailing transfer in quote	10 days	75.15
Letter detailing transfer out quote	10 days	62.71
Process and pay refund	5 days	97.22
Letter notifying estimate of retirement benefits	10 days	98.06
Letter notifying actual retirement benefits	5 days	97.59
Process and pay lump sum retirement grant	5 days	97.59
Initial letter acknowledging death of active/deferred/pensioner member	5 days	tbc
Letter notifying amount of dependant's benefits	5 days	tbc
Calculate and notify deferred benefits	10 days	92.71

For the year ending 31 March 2023, 96% of customers surveyed ranked the service provided by the NYPF as good or excellent.

(b) Benefit Calculation Activity

The number of cases processed during the year requiring benefit calculations is shown here:

Task	Number
Retirements	6,417
Transfers In	498
Refunds	1,152
Frozen Refunds	1,202
Preserved Benefits	2,127
AVCs/ARCs	0
Divorce cases	243
Deaths in Service	32
Deaths of Pensioners	667

(c) Administration

The total numbers of joiners and leavers during 2022/23 were:

Joining	10,645
Retiring	
Incapacity	38
Normal Retirement Date (NRD)	187
Pre NRD	822
Post NRD	1,039
Redundancy/Efficiency	30
Flexible	63
Deaths	759
Other Leavers	8,360

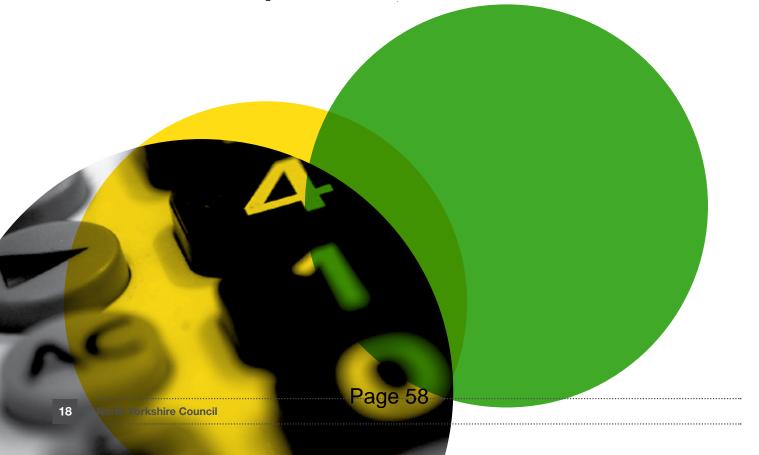
The performance and activity reflect the efforts the pension administration team goes to in providing a first class service to the Fund membership.

NYPF continues to encourage all stakeholders to utilise technology effectively in all communications. Examples of this over 2022/23 include:

 Continued to promote online member self-service and encourage members to check their online Annual Benefit Statement, paying particular attention to their Career Average Benefits

- Encouraged members to plan for their retirement by promoting the use of the benefit calculators available online via member self-service
- Develop relationships with new employers to support them with the requirements of the LGPS. There continues to be significant growth in scheme employers in respect of schools converting to academies and new admission bodies
- Offering guidance and support to all employers
- Dedicated newsletter for retired members
- Roll out of online employer portal for monthly data collection

Administration activity statistics are compiled for national benchmarking purposes and are based on tasks undertaken by the pension administration team; therefore they will not reflect numbers reported elsewhere.



Part 6 – Membership, Contributions and Scheme Benefits

6.1 Membership

NYCC operates the NYPF for its own employees (excluding teachers) together with those of the other local authorities within the County area, and certain other bodies eligible to join the Fund, under the terms of the LGPS regulations. The Fund does not cover teachers, uniformed police or fire-fighters for which separate statutory arrangements exist.

Membership of the LGPS is not compulsory, although employees who are 16 years old or over with a contract of employment for three months or more, are automatically admitted to the Scheme unless they elect otherwise.

Employees therefore have various options to provide a pension in addition to the new State Pension:

- to be a member of the NYPF
- to purchase a personal pension plan or a stakeholder pension managed by a private sector company

The following table summarises the membership of the NYPF over the past 5 years:

Membership Type	31 March 2018	31 March 2019	31 March 2020	31 March 2021	31 March 2022	31 March 2023
Current contributors	33,110	33,462	33,403	33,640	32,155	30,948
Deferred pensions	35,799	37,207	38,848	38,836	38,672	40,160
Pensioners receiving benefits	21,462	22,724	24,181	25,419	27,206	28,702
Undecided leavers			1,959	3,813	6,479	2,667

6.2 Contributions

The Fund is financed by contributions from both members and employers, together with income earned from investments. The surplus of income received from these sources, net of benefits and other expenses payable, is invested as described in the Investment Strategy Statement (see Part 7).

The total contributions received for 2022/23 on an accruals basis were £136m, and NYCC being the main employer in the Fund contributed £58.0m. Employer contributions are set every three years by the Actuary as part of the Triennial Valuation. The last Triennial Valuation took place as at 31 March 2022, at which the funding level of the Fund was reported as 116% (114% as at 31 March 2019) by the actuary.

Details of the employer contribution rates can be seen in the latest Valuation Report by following this link: https://www.nypf.org.uk/Documents/Actuarial%20valuation%20report%202022_29.3.2023.pdf

6.3 Employer Analysis

At 31 March 2023 there were 129 contributing employer organisations within NYPF including the County Council. Full details of all employers can be found in the Statement of Accounts (see Part 7). The following table summarises the number of employers in the fund analysed by scheduled bodies and admitted bodies which are active (with active members) and ceased (no active members but with some outstanding liabilities).

	Active	Ceased	Total
Scheduled	93	2	91
Admitted Body	43	3	40
Total	136	5	131

6.4 Member Rates

For member contributions a banded structure has been in place since April 2008 linked to the rate of pensionable pay a member receives. The band ranges were updated in April 2022 as follows:

Band	Range	Contribution rate
1	£0 to £16,500	5.5%
2	£16,501 to £25,900	5.8%
3	£25,901 to £42,100	6.5%
4	£42,101 to £53,300	6.8%
5	£53,301 to £74,700	8.5%
6	£74,701 to £105,900	9.9%
7	£105,901 to £124,800	10.5%
8	£124,801 to £187,200	11.4%
9	£187,201or more	12.5%

The employer has the discretion to decide how often the contribution rate is changed if the pensionable pay of the member changes. This will usually be once a year, or where there are contractual changes to a member's post(s).

Employers' contributions are determined in a cycle every three years by a Triennial Valuation. The valuation assesses the contributions required to meet the cost of pension benefits payable as they are earned, as well as additional contributions employers may be required to pay to address any deficit relating to previous years. Further details, including a list of each employer's minimum contributions following the 2022 Valuation are

shown at https://www.nypf.org.uk/Documents/ Actuarial%20valuation%20report%20 2022_29.3.2023.pdf

6.5 Scheme Benefits

The LGPS is a comprehensive scheme providing a wide range of benefits for members and their families. This summary does not give details of all the benefits provided by the Scheme or of all the specific conditions that must be met before these benefits can be paid. More detailed information, including the Scheme booklet 'A Brief Guide to the Local Government Pension Scheme for Employees in England and Wales', can be found on the NYPF website at www.nypf.org.uk/formsandguides/schemeguides.shtml. A paper copy can be requested by ringing the NYPF at County Hall, Northallerton on 01609 536335.

Normal Pension Age (NPA)

The Normal Pension Age is a member's State Pension Age for both men and women (earlier voluntary retirement is allowed from age 55 but benefits are reduced for early payment). However, some members have a protected Normal Pension Age of 65 years. The Government has announced the earliest age that retirement benefits can be taken is being raised from 55 to 57 from 6 April 2028.

On retirement, both a pension and a lump sum retirement grant are payable for service up to 31 March 2008. For service from 1 April 2008 only a

pension is payable, with no automatic lump sum. However, members do have the option to convert an amount of pension to a lump sum.

Pension (Normal)

The calculation of pension benefits depends on the dates of membership involved. From 1 April 2014 the LGPS changed to a Career Average Revalued Earnings (CARE) scheme. The pension for membership from 1 April 2014 is worked out as 1/49th of pensionable pay for each year.

For membership up to 31 March 2014 benefits are worked out on a 'final salary' basis. A normal pension is based on the full time equivalent pensionable pay received in the last year of service, or the better of the two previous years, if this gives a higher figure. Also, applicable from 1 April 2008, members who have a reduction in their pensionable pay in the last 10 years (up to date of retirement) can base benefits on the average of any 3 consecutive years in the last 13 years. Pensions are calculated as 1/80th for each year of membership of the scheme for service up to 31 March 2008 and as 1/60th for service between 1 April 2008 and 31 March 2014.

Pension (III Health)

An ill health pension is based on the full time equivalent pensionable pay received in the last year of service and a split of the 80^{ths} and 60^{ths} accrual for membership up to 31 March 2014. A pension of 1/49th of pensionable pay applies for membership from 1 April 2014 onwards. There are three tiers of ill health benefits depending on whether a member can carry out any gainful employment before their Normal Pension Age.

First Tier:

If it is unlikely that the member will be capable of gainful employment before Normal Pension Age (NPA), LGPS service is enhanced by 100% of the remaining potential pension to NPA. This is based on 1/49th of an 'Assumed Pensionable Pay' figure which is a calculation of the pensionable pay on a prescribed basis for the period between the date of retirement and NPA.

Second Tier:

If it is unlikely that the member will be capable of gainful employment within 3 years of leaving but is likely to be capable of undertaking gainful employment before reaching NPA, LGPS service is enhanced by 25% of the remaining potential pension to NPA.

Third Tier:

If it is likely that the member will be capable of undertaking some gainful employment within 3 years of leaving. The member receives payment of the benefits built up to the date of leaving with no enhancement. The benefits are only payable for a maximum of 3 years (reviewed at 18 months to assess any improvement or deterioration in health).

Lump Sum Retirement Grant

For service prior to 31 March 2008, the lump sum retirement grant is calculated as 3/80^{ths} for each year of service, with an appropriate enhancement in respect of ill health. For service after this date there is no automatic lump sum, however, pension entitlement can be converted to a lump sum at the rate of £1 of pension for £12 of lump sum retirement grant. A maximum lump sum of 25% of the capital value of the benefits accrued in the scheme can be taken.

Death Grant

Death in Service

A lump sum death grant usually equal to three times pensionable pay, worked out on a prescribed basis known as 'Assumed Pensionable Pay', would be payable to the member's spouse or nominee.

If a member has a deferred benefit and / or a pension in payment from a previous period of membership, the lump sum death grant will be the greater of any lump sum death grant payable in respect of those benefits or the death in service lump sum death grant of three times their assumed pensionable pay.

Death after Retirement

A death grant is payable in certain circumstances where death occurs after retirement. Retirement pensions are guaranteed for ten years and where death occurs within that period, and the pensioner dies before age 75, a death grant is payable. This provision only applies to a pensioner member who has a period of active membership in the Scheme on or after 1 April 2008. For pensioners who retired prior to this date the guarantee is limited to five years.

Death of a member with Deferred Benefits

A lump sum death grant equal to the current value of the deferred retirement lump sum for leavers prior to 1 April 2008, or five times the preserved annual pension for leavers on or after this date is payable to the member's spouse or nominee.

Spouses, civil partners and eligible cohabiting partners pensions

Any surviving spouse, cohabiting partner or civil partner is entitled to a pension based on 1/160th of the member's final pay for each year of service up to 31 March 2014. For membership from 1 April 2014 the surviving spouse, cohabiting partner or civil partner is entitled to a pension based on 1/160th of career average pensionable pay.

Benefits are payable to a cohabiting partner provided the member paid into the LGPS on or after 1 April 2008 and subject to certain qualifying conditions being met.

The pension available to a cohabiting partner is based on post April 1988 membership only (unless the member elected to pay additional contributions to make any pre April 1988 membership count).

Children's Pension

Each child under age 18, or still in full-time education and under age 23, will receive a proportion of the spouse's, civil partner's or cohabiting partner's pension depending on the number of eligible children and whether or not a spouse's, civil partner's or cohabiting partner's pension is payable.

Pension Increases

Pensions are increased in accordance with the Pensions (Increase) Act 1971. All pensions paid from the Scheme are protected against inflation, rising in line with the Consumer Price Index.

AVCs

A facility is available for scheme members to make Additional Voluntary Contributions (AVCs). The PFC has appointed Prudential as the nominated provider for this purpose. Further details are available from the Prudential on 0345 600 0343. Lines are open Monday - Friday, 8.30am - 6.00pm.



Part 7 – Governance Documentation

The main governance documentation is as follows:

- Investment Strategy Statement
- Governance Compliance Statement
- Funding Strategy Statement
- Communications Policy
- Pension Administration Strategy
- Employer Charging Policy

All of these documents can be found on the NYPF website at www.nypf.org.uk/nypf/policiesandstrategies.shtml

A short summary of each document is included here. The full documents are available on the link above.

(a) Investment Strategy Statement

Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the Regulations) requires administering authorities to formulate, publish and maintain an Investment Strategy Statement (ISS). The ISS must include:

- A requirement to invest money in a wide variety of investments;
- The authority's assessment of the suitability of particular investments and types of investments;
- The authority's approach to risk, including the ways in which risks are to be measured and managed;
- The authority's approach to pooling investments, including the use of collective investment vehicles and shared services:
- The authority's policy on how social, environmental or corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments; and
- The authority's policy on the exercise of rights (including voting rights) attaching to investments.

(b) Governance Compliance Statement

Under the LGPS Regulations 2013 (as amended), an administering authority is required to publish a document describing how the Fund must assess its governance arrangements and compliance with any principles listed in the guidance. The main areas covered by this are:

- Governance arrangements
- Representation and meetings
- Operational procedures
- Key policy / strategy documents
- Assessment of compliance with best practice principles

(c) Funding Strategy Statement

The Funding Strategy Statement (FSS) has been prepared in accordance with Regulation 58 of the LGPS Regulations 2013 (as amended) and the 2016 guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The main purpose is to:

- establish a clear and transparent Fund-specific Strategy which will identify how employers' pension liabilities are best met going forward
- support the regulatory requirement to maintain contribution rates for employers as nearly constant as possible
- take a prudent longer-term view of funding those liabilities

In addition to this, the Funding Strategy Statement covers:

- responsibilities of the key parties
- solvency issues and target funding levels
- link to the Investment Policy Strategy set out in the Investment Strategy Statement
- identification of risks and counter measures
- method and assumptions and results of the 2022 actuarial valuation

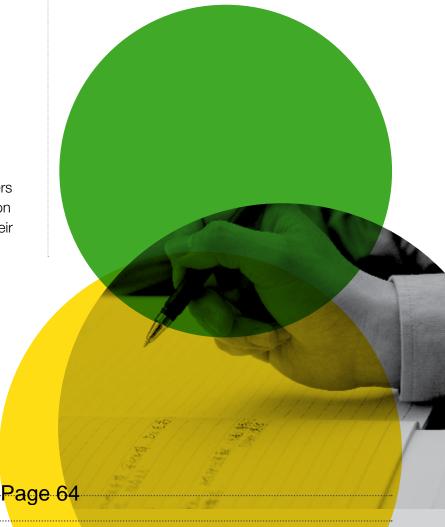
(d) Communications Policy

This document sets out the communication strategy for communication with members, members' representatives, prospective members and employing authorities; and for the promotion of the Scheme to prospective members and their employing authorities.

(e) Pensions Administration Strategy

This document sets out the administration protocols that have been agreed between the Fund and its employers. It includes the responsibilities and duties of the employer and NYPF, performance levels, communications and charging policy.

NYPF'S Local Pension Board is responsible for assisting the Fund in securing compliance with the regulations, and to ensure the efficient and effective governance and administration of the LGPS. The Pension Board therefore has an oversight role in the governance of the Fund. The Board produces its own Annual Report each year that details its roles and responsibilities and activities over the year. This can be found on the NYPF website at https://www.nypf.org.uk/nypf/pensionboard.shtml



Part 8 – Training

8.1 Public Sector Pensions – Finance Knowledge and Skills

The PFC recognises the importance of ensuring that all Members and officers charged with the financial management, governance and decision-making with regard to the pension scheme are fully equipped with the knowledge and skills to discharge their duties and responsibilities. The PFC also seeks to ensure that those Members and officers are both capable and experienced by making available the training necessary for them to acquire and maintain the appropriate level of expertise, knowledge and skills.

Following the issue of CIPFA guidance "Pensions Finance Knowledge and Skills Frameworks" the PFC provides routes through which the recommended knowledge and skills set out in the guidance may be acquired, as described below.

8.2. Training for Pension Fund Committee Members and Officers

(i) Internally Provided

Six investment strategy workshops were held throughout the year, all of which were well attended by PFC Members and officers of the Fund.

During the year Members and officers also made use of the CIPFA Knowledge & Skills resource library, the Hymans Robertson LGPS Online Learning Academy and accessed the Trustee Needs Analysis (TNA) where appropriate, which is aimed at identifying gaps in knowledge and skills, as a complement to alternative training resources.

(ii) Externally Provided

In addition to the training provided through workshops as described previously, Members and officers are encouraged to attend courses, conferences and other events supplied by organisations other than the Council. These events provide a useful source of knowledge and guidance from speakers who are experts in their field. Attendance at these events is recorded and reported to the PFC each quarter.

Events attended by PFC Members during 2022/23 were:

Event	Place	Date
BCCP Annual Conference	Leeds	28 - 29 September 2022
PLSA Conference	Liverpool ACC	13 - 14 October 2022
Baillie Gifford - Annual Investment Conference	Edinburgh	9 - 10 November 2022

Details of the training undertaken by Members is recorded and reported at each PFC meeting. The latest report can be found by looking in the appendix to the pensions administration report in the link below: https://edemocracy.northyorks.gov.uk/documents/s19189/PFC%20Administration%20-%20Appendix%203%20-%20Member%20 Training%20Log.pdf

Part 9 – Glossary and Contact Details

Active member:

Current employee who is contributing to a pension scheme.

Actuary:

An independent professional who advises the Council on the financial position of the Fund.

Every three years the Actuary values the assets and liabilities of the Fund and determines the funding level and the employers' contribution rates.

Additional Voluntary Contributions (AVC):

An option available to active members to secure additional pension benefits by making regular contributions to separately held investment funds managed by the Fund's AVC provider.

Administering Authority:

North yorkshire county council as Administering Authority is responsible for the administration of the Scheme.

Admitted Body:

An organisation who has entered into a service agreement with a Scheme employer. The parties and NYCC (as the Administering Authority) enter into an admission agreement to allow the staff who transferred to the new organisation to participate in the LGPS.

Alternatives:

An alternative investment is an asset that is not one of the conventional investment types, such as stocks, bonds and cash. Alternative investments include private equity, hedge funds, managed futures, real estate, commodities and derivatives contracts.

Asset Allocation:

The apportionment of a fund's assets between different types of investments (or asset classes). The long-term strategic asset allocation of a fund will reflect the fund's investment objectives.

Benchmark:

A measure against which the investment policy or performance of an investment manager can be compared.

CARE (Career Average Revalued Earnings):

From 1 April 2014, the LGPS changed from a final salary scheme to a CARE scheme. It is still a defined benefit scheme but benefits built up from April 2014 are worked out using a member's pay each scheme year rather than the final salary. The pension earned each Scheme year is added to the member's pension account and is adjusted each year in

line with the consumer prices index so that it keeps its value.

Deferred Members:

Scheme members who have left employment or ceased to be an active member of the Scheme whilst remaining in employment, but retain an entitlement to a pension from the Scheme.

Defined Benefit Scheme:

A type of pension scheme where the pension that will ultimately be paid to the member is calculated with reference to a formula and is not impacted by investment returns. It is the responsibility of the sponsoring organisation to ensure that sufficient assets are set aside to meet the pension promised.

Diversified Growth Funds (DGF):

An alternative way of investing in shares, bonds, property and other asset classes.

Employer Contribution Rates:

The percentage of the salary of members that employers pay as a contribution towards the members' pension.

Equities:

Ordinary shares in UK and overseas companies traded on a stock exchange. Shareholders have an interest in the profits of

the company and are entitled to vote at shareholders' meetings.

Fixed Interest Securities:

Investments, mainly in government stocks, which guarantee a fixed rate of interest. The securities represent loans which are repayable at a future date but which can be traded on a recognised stock exchange in the meantime.

Index:

A calculation of the average price of shares, bonds, or other assets in a specified market to provide an indication of the average performance and general trends in the market.

Pooled Funds:

Funds which manage the investments of more than one investor on a collective basis. Each investor is allocated units which are revalued at regular intervals. Income from these investments is normally returned to the pooled fund and increases the value of the units.

Return:

The total gain from holding an investment over a given period, including income and any increase or decrease in market value.

Scheduled Body:

An organisation that has the right to become a member of the LGPS under the scheme regulations. Such an organisation does not need to be admitted as its right to membership is automatic.

MoneyHelper

Since the Money and Pensions Service (MaPS) was formed in 2019, it has operated three legacy consumer facing brands: the Money Advice Service, The Pensions Advisory Service and Pension Wise.

MaPS was created as a single body to bring together financial guidance services and content, making it easier for customers to find what they are looking for in one joined-up service.

Consolidating three brands into one called MoneyHelper means a better and enhanced consumer experience can be provided – a single source of information and guidance where information can easily be found in one place.

Unrealised Gains/Losses:

The increase or decrease in the market value of investments held by the fund since the date of their purchase.

Contact Information

North Yorkshire Pension Fund

County Hall Northallerton North Yorkshire DL7 8AL

Telephone: 01609 536335

Email: pensions@northyorks.gov.uk

Website: www.nypf.org.uk

MoneyHelper

Telephone: 0800 0113797

Website: www.moneyhelper.org.uk

Appendix A

Statement of responsibilities for the financial statements

Responsibility for the Financial Statements, which form part of this Annual Report, is set out below:

a) The Administering Authority

The Administering Authority is North Yorkshire County Council. The Administering Authority is required to:

- make arrangements for the proper administration of the financial affairs of the Fund and to secure that an officer has the responsibility for the administration of those affairs. In this Authority, that officer is the Treasurer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

b) Treasurer

The Treasurer is responsible for the preparation of the Fund's Financial Statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom Based on International Reporting Standards (the Code). This document includes the financial statements for the Pension Fund only. The financial statements of North yorkshire county council are published separately.

In preparing these financial statements, the Treasurer has:

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

The Treasurer has also:

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

Certificate

I hereby certify that the Annual Report and Accounts give a true and fair view of the financial position of the North Yorkshire Pension Fund as at 31 March 2023 and its income and expenditure for the financial year then ended.

Gary Fielding

Treasurer
North Yorkshire Pension Fund

North Yorkshire Pension Fund

Fund account for the year ended 31st March 2023

2021/22	2022/		/23	
£000	CONTRIBUTIONS AND BENEFITS	£000	£000	
	Contributions			
100,316	Employers - Normal	106,551		
1,314	- Deficit	1,343		
1,228	- Early Retirement Costs Recharged	2,339		
32,477	Employees - Normal	35,401		
161	- Additional Voluntary	194		
135,496	Total Contributions Receivable (note 7)		145,828	
11,941	Transfers in (note 8)		18,654	
	Less			
	Benefits			
(99,282)	Pensions	(106,333)		
(25,949)	Commutation and Lump Sum Retirement Benefits	(25,917)		
(3,570)	Lump Sums Death Benefits	(3,321)		
(128,801)	Total Benefits Payable (note 9)		(135,571)	
	Leavers			
(405)	Refunds to Members Leaving Service	(780)		
(8,878)	Transfers Out	(14,515)		
(9,283)	Total Payments on Account of Leavers (note 10)		(15,295)	
(3,681)	Management Expenses (note 11)		(4,274)	
5,672	Net additions/ (withdrawals) from dealings with Members		9,342	
	RETURNS ON INVESTMENTS			
7,447	Investment income (note 12)		12,744	
0	Taxation (note 12a)		0	
(26,583)	Investment management cost (note 11)		(34,069)	
137,804	Change in market value of investments (note 14a)		(401,746)	
118,668	Net returns on investments		(423,071)	
124,340	Net increase/ (decrease) in the Fund during the year		(413,729)	
4,510,113	Opening Net Assets of the Fund		4,634,453	
4,634,453	Closing Net Assets of the Fund		4,220,724	

North Yorkshire Pension Fund

Net Assets Statement

31st March 2022		31st March 2023
£000	INVESTMENT ASSETS	£000
0	Fixed Interest Securities	0
1,182	Equities	1,182
4,258,476	Pooled Investments	3,545,213
343,740	Pooled Property Investments	266,225
0	Private Equity	392,532
4,603,398		4,205,152
1,501	Cash Deposits	1,902
736	Investment Debtors	787
4,605,635	TOTAL INVESTMENT ASSETS	4,207,841
	INVESTMENT LIABILITIES	
0	TOTAL INVESTMENT LIABILITIES	0
4,605,635	NET INVESTMENT ASSETS (note 14a)	4,207,841
0	LONG-TERM DEBTORS	0
	CURRENT ASSETS	
11,863	Contributions due from employers	11,708
1,147	Other Non-Investment Debtors	1,588
21,742	Cash	1,776
34,752	TOTAL CURRENT ASSETS	15,072
	CURRENT LIABILITIES	
(5,934)	Non-Investment Creditors	(2,189)
(5,934)	TOTAL CURRENT LIABILITIES	(2,189)
4,634,453	TOTAL NET ASSETS (note 14c)	4,220,724

The accounts summarise the transactions of the Fund and deal with the net assets. They do not take account of the obligations to pay pensions and benefits which fall after the end of the financial year.

Notes to the North Yorkshire Pension Fund accounts for the year ended 31st March 2023

1. Description of the Fund

The North Yorkshire Pension Fund (NYPF or "the Fund") is part of the Local Government Pension Scheme (LGPS) and is administered by North Yorkshire County Council (NYCC). The County Council is the reporting entity for the Fund.

The following description of the Fund is a summary only. For more detail, refer to the NYPF Annual Report 2022/23 and the statutory powers underpinning the Scheme, namely the Public Service Pensions Act 2013 and the Local Government Pension Scheme (LGPS) Regulations.

(a) General

The Fund is governed by the Public Service Pensions Act 2013 and is administered in accordance with the following secondary legislation:

- the LGPS Regulations 2013 (as amended)
- the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- the LGPS (Management and Investment of Funds) Regulations 2016 (as amended)

It is a contributory defined benefit pension scheme administered by NYCC to provide pensions and other benefits for pensionable employees of NYCC, other local authorities in North Yorkshire and a range of other scheduled and admitted bodies within the county area. Teachers, police officers and fire fighters are not included as they come within other national pension schemes.

The Fund is overseen by the Pension Fund Committee, which is a committee of NYCC.

(b) Membership

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

Organisations participating in NYPF include:

- scheduled bodies, which are local authorities, academy trusts and similar bodies whose staff are automatically entitled to be members of the Fund
- admitted bodies, which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

At 31 March 2023 there were 131 contributing employer organisations within NYPF including the County Council itself, and over 99,000 individual members, as detailed below.

91 Scheduled Bodies including 49 Academy Trusts		
Ainsty 2008 Internal Drainage Board	North Yorkshire Fire & Rescue Service	
Askham Bryan College	North Yorkshire Police, Fire and Crime Commissioner	
Brimhams Active Limited	Northallerton & Romanby Joint Burial Board	
Chief Constable (North Yorkshire Police)	Northallerton Town Council	
City of York Council	Norton on Derwent Town Council	
Craven College	Pickering Town Council	
Craven District Council	Richmond Town Council	
Easingwold Town Council	Richmondshire District Council	
Filey Town Council	Ripon City Council	
Foss 2008 Internal Drainage Board	Ryedale District Council	
Fulford Parish Council	Scarborough Borough Council	
Glusburn Parish Council	Scarborough Sixth Form College	
Great Ayton Parish Council	Selby District Council	
Hambleton District Council	Selby Town Council	
Harrogate Borough Council	Skipton Town Council	
Haxby Town Council	Sutton in Craven Parish Council	
Hunmanby Parish Council	Tadcaster Town Council	
Knaresborough Town Council	Vale of Pickering Internal Drainage Board	
Malton Town Council	Whitby Town Council	
North York Moors National Park Authority	York College	
North yorkshire county council	Yorkshire Dales National Park Authority	

Academy Trusts	
Areté Learning Trust - Northallerton School & Sixth Form College	Moorlands Learning Trust
Areté Learning Trust - Richmond School & Sixth Form College	Nicholas Postgate Catholic Academy Trust
Areté Learning Trust - Stokesley Academy	Northern Star Academies Trust
Areté Learning Trust - Mill Hill Primary School	Norton College
Bishop Konstant Catholic Academy Trust	Outwood Academy Easingwold
Bishop Wheeler Catholic Academy Trust	Outwood Academy Ripon
Coast and Vale Learning Trust - Filey School	Outwood Primary Academy Alne
Coast and Vale Learning Trust - Friarage Community Primary School	Outwood Primary Academy Greystone
Coast and Vale Learning Trust - Lady Lumley's School	Pathfinder Multi Academy Trust
Coast and Vale Learning Trust - Newby & Scalby Primary School	Red Kite Learning Trust
Coast and Vale Learning Trust - Scalby School	Rodillian Multi Academy Trust – Brayton Academy
Coast and Vale Learning Trust - Scarborough University Technical College	Rossett School Academy
Dales Academies Trust	Ryedale Learning Trust
David Ross Education Trust - Thomas Hinderwell Primary Academy	Selby Educational Trust
Ebor Academy Trust	South Bank Multi Academy Trust
Elevate Multi Academy Trust	South Craven School
Enquire Learning Trust - East Whitby Primary Academy	South York Multi Academy Trust
Enquire Learning Trust - Roseberry Primary Academy	STAR Multi Academy Trust
Enquire Learning Trust - Stakesby Primary Academy	St Cuthbert's Roman Catholic Academy Trust
Enquire Learning Trust - Stokesley Primary Academy	The Woodlands Academy
Great Smeaton Academy Primary School	Venn Academy Trust
Hope Sentamu Learning Trust	Wellspring Academy Trust
Huntington Primary Academy	Yorkshire Causeway Schools Trust
Leeds Diocesan Learning Trust	Yorkshire Collaborative Academy Trust
Lingfield Education Trust	Yorkshire Endeavour Academy Trust

40 Admitted Bodies	
ABM Catering Ltd	Hutchinson Catering Ltd
Absolutely Catering Ltd	Independent Cleaning Services Ltd
Align Property Partners Ltd	ISS Mediclean Ltd
Aramark Ltd	Lark T/A Betterclean Services
Atlas Facilities Management Ltd	Make It York
Barnsley Norse Ltd	Mellors Catering Services Ltd
Beyond Housing Ltd	NY Highways Ltd
Bulloughs Cleaning Services Ltd	Richmondshire Leisure Trust
Cater Link Ltd	Springfield Home Care Services Ltd
CH & Co Catering Group Ltd	Taylor Shaw Ltd
Churchill Contract Services Ltd	University of Hull (Scarborough)
City of York Trading Ltd	Urbaser Ltd
Compass Contract Services (U.K) Ltd	Veritau Ltd
Dolce Ltd	Veritau North Yorkshire Ltd
Everyone Active (SLM Scarborough)	Wigan Leisure and Culture Trust (Inspiring Healthy Lifestyles)
Explore York Libraries and Archives	York Archaeological Trust Ltd
Gough and Kelly Security Ltd	Yorkare (Haxby) Ltd
Greenwich Leisure Ltd	York Mind
Grosvenor Facilities Management	York Museums and Galleries Trust
Human Support Group Ltd	York St John University

Active, pensioner and deferred pensioner numbers, split between NYCC as the Administering Authority and all other employers were as follows:

	31st March 2023	31st March 2022
Number of Employers with Active Members	131	131
Employees in the Fund		
NYCC	12,771	14,009
Other employers	18,177	18,146
Total	30,948	32,155
Pensioners		
NYCC	15,573	15,235
Other employers	13,129	11,971
Total	28,702	27,206
Deferred Pensioners		
NYCC	24,333	23,911
Other employers	15,827	14,761
Total	40,160	38,672

(c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ended 31 March 2023. Employee contributions are supplemented by employers' contributions which are primarily determined as part of the each triennial valuations. The last such valuation was at 31 March 2022 and that set the contribution rates for 2023/24, 2024/25, 2025/26; details of the rates for individual employers are available on the Fund's website.

(d) Benefits

Prior to 1 April 2014 pension benefits under the LGPS up to 31 March 2014 are based on final pensionable pay and length of pensionable service.

For service up to 31 March 2008 each year worked is worth 1/80th of final pensionable salary, an automatic lump sum of three times salary is payable,

and part of the annual pension can be exchanged for a one-off tax free cash payment at the rate of £12 lump sum for each £1 pension given up. For service from 1 April 2008 each year worked is worth 1/60th of final pensionable salary, there is no automatic lump sum, and part of the annual pension can be exchanged at the same rate as for service up to 31 March 2008.

From 1 April 2014 the scheme became a career average scheme whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is uprated annually in line with CPI.

There are a range of other benefits provided under the Scheme including early retirement, disability pensions and death benefits. For more details please refer to the Publications section on the Fund's website at www.nypf.org.uk.

2. Basis of Preparation

The Statement of Accounts summarises the Fund's transactions for the 2022/23 financial year and its year end position as at 31 March 2023. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on a going concern basis.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year.

3. Summary of Significant Accounting Policies

Fund Account – Revenue Recognition

(a) Contribution Income

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis at the rate recommended by the Fund's Actuary in the payroll period to which they relate.

Employer deficit funding contributions are accounted for in the period in which they are payable under the schedule of contributions set by the Actuary or on receipt if earlier than the due date.

Employers' augmentation contributions (pension strain due to early retirement and compensatory added years) are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current asset. Amounts due in future years are classed as long term assets.

(b) Transfers To and From Other Schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with LGPS Regulations (see notes 8 and 10).

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

Transfers in from members wishing to use the proceeds of their additional voluntary contributions or other defined contribution arrangements to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (see note 8).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

(c) Investment Income

Interest income is recognised in the Fund as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial cost of the instrument and its value at maturity calculated on an effective interest rate basis.

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current asset.

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current asset.

Changes in the net market value of investments are recognised as income/expenditure and comprise all realised and unrealised profits/losses during the year.

Fund Account – Expense Items

(d) Benefits Payable

Pensions and lump sum benefits payable include all amounts known to be due as at the financial year end. Any amounts due but not paid are disclosed in the Net Assets Statement as current liabilities.

(e) Taxation

The Fund is a registered public service scheme under Section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

(f) Management expenses

The Fund discloses its pension fund management expenses in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses (2016), as shown below. All items of expenditure are charged to the fund on an accruals basis as follows:

Administrative expenses

All staff costs of the pensions administration team are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

Oversight and governance

All staff costs associated with governance and oversight are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

Investment management expenses Fees of the external investment managers are set out in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

In addition, the Fund has negotiated with the following managers that an element of their fee will be performance related:

- Baillie Gifford & Co Global Equities
- Arcmont (formerly Bluebay) Private Debt
- Permira Private Debt

 BCPP – Infrastructure, Private Debt and Climate Opportunities

Where an investment manager's fee note has not been received by the year-end date, an estimate based upon the market value of their mandate as at the end of the year is used for inclusion in the Fund Account.

Net Assets Statement

(g) Lifetime Allowances

Members are entitled to request the Fund pays their tax liabilities due in respect of lifetime allowance in exchange for a reduction in pension. Where the Fund pays member tax liabilities direct to HMRC it is treated as an expense in the year in which the payment occurs.

(h) Financial Assets

Equity shares in the LGPS asset pool, Border to Coast Pensions Partnership (BCPP), are valued at transaction price, i.e. cost, as an appropriate estimate of fair value. All other assets are included in the Net Assets Statement on a fair value basis as at the reporting date. An asset is recognised in the Net Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of the asset are recognised in the Fund Account.

If valuations at the reporting date are not yet available, as may be the case for private debt and infrastructure investments, the latest available valuation is adjusted for cashflows in the intervening period.

The values of investments as shown on the Net Assets Statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13 (see Note 16). For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG / Investment Association, 2016).

(i) Foreign Currency Transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of the transaction. End of year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investment and purchases and sales outstanding at the end of the reporting period.

(j) Derivatives

The Fund does not hold derivatives for speculative purposes (see note 15).

(k) Cash and Cash Equivalents

Cash comprises cash in hand and demand deposits, and includes amounts held by the Fund's external managers and custodian.

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

(I) Liabilities

The Fund recognises liabilities at fair value as at the reporting date. A liability is recognised in the Net Assets Statement on the date the Fund becomes party to the liability. From this date any gains or losses arising from changes in the fair value of the liability are recognised in the Fund Account as part of the change in market value of investments.

(m) Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the Fund's Actuary in accordance with the requirements of IAS19 and relevant actuarial standards.

As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of an Appendix to these statements.

(n) Additional Voluntary Contributions

The Fund provides an Additional Voluntary Contribution (AVC) scheme for its members, the assets of which are invested separately from those of the Fund. The Fund has appointed Prudential as its AVC provider. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the accounts in accordance with Section 4(1)(b) of the LGPS (Management and Investment of Funds) Regulations 2016 but are disclosed for information only (see note 23).

(o) Contingent assets and contingent liabilities

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by the occurrence of future events.

A contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events. Contingent liabilities can also arise in circumstances where a provision would be made, except that it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

Contingent assets and liabilities are not recognised in the Net Assets Statement but are disclosed by way of narrative in the notes.

4. Critical Judgement in Applying Accounting Policies

Pension Fund Liability

The Fund's liability is calculated every three years by the Actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines and in accordance with IAS19. Assumptions underpinning the valuations are agreed with the Actuary and are summarised in note

19. This estimate is subject to significant variances based on changes to the underlying assumptions.

Equity Shares in Border to Coast Pensions Partnership (BCPP)

The Fund's shareholding in the asset pool BCPP Ltd. has been valued at transaction price i.e. cost, as an appropriate estimate of fair value. The Class A share is valued at £1 and reflects the ownership stake in the company carrying full voting rights, dividend and capital distribution rights, whilst the Class B shares are valued at £1,181,818 and represented the Fund's contribution to the company's FCA regulatory capital requirement. Management have made this judgement using the criteria set out in IFRS 9 Financial Instruments:

- fair value cannot be otherwise established for these assets as there is currently no market for the shares and no identical or similar market to compare to;
- After two of the pool's partner funds (Northumberland and Tyne & Wear) merged on 1 April 2020, the obligation to meet the company's capital requirement were re-allocated between the remaining eleven partner funds. This serves as a precedent that in the event of a future exit from the partnership, the Fund's shares could be disposed of at cost back to the pool and re-issued to the remaining partners;
- BCPP is intending to trade at a breakeven position (nominal profit or loss) with any values offset against partner funds future costs. The company's own audited accounts show its shareholder funds to be equal to the regulatory capital invested.

The cost of these shares has therefore been determined as a reasonable and appropriate estimate of their fair value.

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

These accounts require management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and for revenue and expenses during the year. Estimates are made taking into account historical experience, current trends and other relevant factors. However, the nature of estimation means that the actual outcomes could differ from those based on these assumptions and estimates.

The item in the Net Assets Statement as at 31 March 2023 for which there is a significant risk of material adjustment being required is the actuarial present value of promised retirement benefits, which is based on assumptions on the discount rate, salary increases, retirement ages, mortality rates and the return on investments.

The effects of changing individual assumptions on the value of pension liabilities can be measured. A 0.1% increase in the discount rate would reduce liabilities by 2.1% (£114.5m), a 0.1% increase in inflation would increase liabilities by 2% (£112.7m), and an increase in life expectancy of one year would increase liabilities by 4.2% (£235.1m).

6. Events After the End of the Reporting Period

Global investment markets have been particularly volatile during 2022 impacted by concerns over issues such as inflation and the ongoing conflict in Ukraine. However the estimated funding level as at 31 March 2023 of 110% means the Fund is well positioned to meet its future pensions obligations.

7. Contributions Receivable

	2022/23	2021/22	
By category	£000	£000	
Employees' Contributions	35,595	32,638	
Employers' Contributions			
Normal contributions	106,551	100,316	
Deficit recovery contributions	1,343	1,314	
Early Retirement Recharges	1,066	974	
Compensatory Added Years Recharges	1,273	254	
Total Contributions	145,828	135,496	
	2022/23	2021/21	
By authority	£000	£000	
Contributions Receivable			
North Yorkshire County Council	65,242	57,986	
Other Scheduled Bodies	72,969	70,209	
Admitted Bodies	7,617	7,301	
	145,828	135,496	

8. Transfers In from Other Pension Funds

All transfers in were individual transfers.

There were no group transfers during the year.

9. Benefits Payable

	2022/23	2021/22
	£000	£000
Benefits Payable		
North Yorkshire County Council	55,620	52,858
Other Scheduled Bodies	69,636	65,685
Admitted Bodies	10,315	10,258
	135,571	128,801

10. Payments To and On Account of Leavers

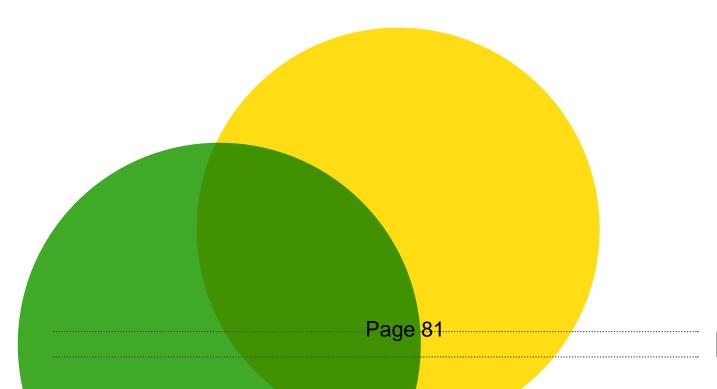
	2022/23	2021/22
	£000	£000
Leavers		
Refunds to Members Leaving Service	780	405
Individual Transfers	14,515	8,878
Group Transfers	0	0
	15,295	9,283

11. Management Expenses

	2022/23	2021/22	
	£000	£000	
Administrative Costs	2,405	2,294	
Investment Management Costs	34,069	26,583	
Oversight and Governance Costs	1,869	1,387	
	38,343	30,264	

Investment Management Costs includes £6,569k (2021/22: £3,984k) in respect of performance related fees payable to the Fund's investment managers and £10,659k in respect of transaction costs (2021/22 £7,805k).

In addition to these costs, indirect costs are incurred through the bid-offer spread on investments sales and purchases. These are reflected in the cost of acquisitions and in the proceeds from the sales of investments (see Note 14a).



a) Investment Management Expenses

	2022/23	2021/22
	£000	£000
Fixed Interest Securities		909
Equities		2
Pooled Investments	28,714	20,993
Pooled Property Investments	5,120	4,665
Cash and FX Contracts		13
	33,834	26,582
Custody Fees	235	1
-		I
Total	34,069	26,583

12. Investment Income

	2022/23	2021/22
	£000£	£000£
Income from Bonds	0	215
Income from Equities	49	2
Pooled Property Investments	1,613	1,635
Pooled Investments - Other Managed Funds	9,630	6,223
Interest on Cash Deposits	1,130	0
Other	322	(628)
	12,744	7,447

a) Taxes on Income

	2022/23	2021/22
	£000	£000
Withholding Tax on Dividends	0	0

13. Other Fund Account Disclosures

	2022/23	2021/22
	£000£	£000
Payable in respect of external audit	19	19

14. Investments

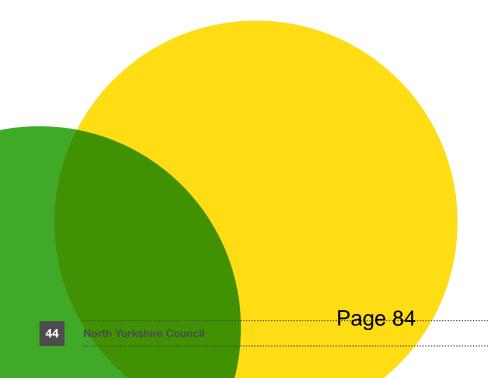
a) Reconciliation of Movements in Investments

	Value as at 31st March 2023	Change in market value	Sale proceeds receipts	Purchases as at cost payments	Value as at 1st April 2022
	£000	£000	£000	£000	£000
Fixed Interest Securities	0	0	0	0	0
Equities	1,182	0	0	0	1,182
Pooled Investments	3,545,213	(387,752)	(625,238)	545,518	4,012,685
Pooled Property	266,225	(37,117)	(40,399)	0	343,741
Private Equity / Infrastructure	392,532	24,111	(59,646)	182,277	245,790
Total Invested	4,205,152	(400,758)	(725,283)	727,795	4,603,398
Spot FX		(574)			
Cash Deposits	1,902	(414)			1,501
Net Investment Debtors	787				736
Net Investment Assets	4,207,841	(401,746)			4,605,635

	Value as at 31st March 2022	Change in market value	Sale proceeds & derivative receipts	Purchases as at cost and derivative payments	Value as at 1st April 2021
	£000	£000	£000	£000	£000
Fixed Interest Securities	0	52,664	(611,498)	221,152	337,682
Equities	1,182	0	0	0	1,182
Pooled Funds	4,012,685	1,002	(1,181,338)	1,539,550	3,653,471
Pooled Property	343,741	68,097	(4,220)	0	279,864
Private Equity / Infrastructure	245,790	15,803	(51,004)	166,643	114,348
Total Invested	4,603,398	137,566	(1,848,060)	1,927,345	4,386,547
Cash Deposits	1,501	237			105,209
Net Investment Debtors	736				2,129
Net Investment Assets	4,605,635	137,803			4,493,885

b) Analysis of Investments

	2022/23	2021/22
	£000	£000
Fixed Interest Securities		
UK Public Sector Quoted	0	0
Equities		
UK Unquoted	1,182	1,182
	1,182	1,182
Pooled Investments		
UK Cash Funds	25,221	
Overseas Cash Funds	10,022	
UK Equity	415,870	367,839
UK Property	266,225	343,740
UK Government Bonds	496,490	716,917
UK Corporate Bonds	301,144	333,727
Multi Asset Credit	220,369	565,445
Overseas Equity	2,067,679	2,016,767
Private Debt	163,560	105,839
Insurance Linked Securities	8,418	11,990
Infrastructure	228,972	139,952
Equity Protection	0	0
Diversified Growth Funds - UK	0	0
	4,203,970	4,602,216
Total Investments	4,205,152	4,603,398
Cash Deposits	1,902	1,501
Net Investment Debtors	787	736
Net Investment Assets	4,207,841	4,605,635



Investments managed by	31st Marcl	h 2023	31st March 2022	
Border to Coast Pension Partnership:	£000	%	£000	%
BCPP - Global Equity Alpha	1,219,592	29.0	1,299,651	28.0
BCPP - UK Equities	178,386	4.2	178,608	3.9
BCPP - Listed Alternatives	288,091	6.9	336,357	7.3
BCPP - Multi Asset Credit	220,369	5.2	227,926	4.9
BCPP - Index Linked Gilt Fund	496,490	11.8	716,917	15.5
BCPP - Investment Grade Credit	301,144	7.2	333,727	7.2
BCPP - Infrastructure 1	213,575	5.1	139,951	3.0
BCPP - Private Credit	99,344	2.4	43,038	0.9
BCPP - Climate Opportunities Fund	16,973	0.4		
BCPP - Infrastructure 2	6,910	0.2		
BCPP - Private Credit Series 2	5,087	0.1		
	3,045,961	72.5	3,276,175	70.7

Investments managed outside	31st March 2	2023	31st March 2022	
of Border to Coast Pensions Partnership:	£000	%	£000	%
Baillie Gifford & Co LTGG	797,479	19.1	657,500	14.3
Dodge & Cox	0	0.0	248,847	5.4
Threadneedle	188,373	4.5	214,685	4.6
Legal & General	44,004	1.0	88,810	1.9
Northern Trust Held Cash	35,243	0.8	0	0.0
Hermes	33,848	0.8	40,246	0.9
Permira	22,948	0.5	33,060	0.7
Arcmont (formerly Bluebay)	27,696	0.7	29,741	0.6
Internally Managed (cash and net debtors)	0	0.0	28,818	0.6
Leadenhall Diversified Fund	2,055	0.0	4,180	0.1
Leadenhall NAT CAT Fund	1,154	0.0	4,079	0.1
Leadenhall Remote Fund	3,059	0.1	3,731	0.1
Cash with Bank of New York Mellon	0	0.0	1,469	0.0
BCPP - UK Unquoted Equities	1,182	0.0	1,182	0.0
PIMCO	0	0.0	1,162	0.0
Fidelity International	0	0.0	766	0.0
UK Equity Transition	0	0.0	2	0.0
	1,157,041	27.5	1,358,278	29.3
Total Net Assets	4,203,002	100.0	4,634,453	100.0

The investments with BCPP Global Equity Alpha, BCPP Listed Alternatives, BCPP Multi Asset Credit, BCPP Index Linked Gilts, BCPP Investment Grade Credit, BCPP Infrastructure and Baillie Gifford & Co each represent more than 5% of net assets. These investments are in pooled funds.

(d) Stock Lending

The Fund has not released stock to a third party under a stock lending arrangement within a regulated market at this period end or in any previous years.

15. Analysis of Derivatives

The Fund does not hold derivatives.

16. Fair Value - Basis of Valuation

The basis of the valuation of each class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Market quoted investments	Level 1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Quoted bonds	Level 1	Fixed interest securities are valued at a market value based on current yields	Not required	Not required
Exchange traded pooled investments	Level 1	Closing bid value on published exchanges	Not required	Not required
Unquoted bonds	Level 2	Average of broker prices	Evaluated price feeds	Not required
Overseas bond options	Level 2	Option pricing model	Annualised volatility of counterparty credit risk	Not required
Pooled investments - overseas unit trusts and property funds	Level 2	Closing bid price where bid and offer prices are published Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required
Pooled investments – hedge funds	Level 3	Closing bid price where bid and offer prices are published Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts Required by 6.5.5.1 d) and f), 7.4.2.13 of the Code.

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Other unquoted and private equities	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines (2012)	EBITDA multiple Revenue multiple Discount for lack of marketability Control premium	Valuations could be affected by changes to expected cashflows, and by any differences between audited and unaudited accounts
Shares in Border to Coast Pensions Partnership asset pool	Level 3	Estimated value of the Fund's share of net assets of the partnership company, based on relative % of shares held and voting rights	Current estimates of future dividend income	Valuations could be affected by future trading income, post-Balance Sheet events, or changes to expected cashflows.

Sensitivity of assets valued at level 3

Having analysed historical data and current market trends, and consulted with independent investment advisors, the Fund has determined that the valuation methods described above are likely to be accurate to within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2023.

Accessed valuation range (, /)	Value at 31 March 2023	Value on Increase	Value on decrease
Assessed valuation range (+/-)	£000	£000	£000
Pooled investments - Private Debt	163,561	176,482	150,640
Pooled investments - Infrastructure	228,972	246,374	211,570
UK Unquoted Equities	1,182	1,182	1,182
Total	393,715	424,038	363,392

a) Fair Value Hierarchy

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

Level 1

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

Level 2

Assets and liabilities at level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value.

Level 3

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

The following table provides an analysis of the financial assets and liabilities of the Pension Fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

The following table provides an analysis of the financial assets and liabilities of the Pension Fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
Values at 31 March 2023	£000	£000	£000	£000
Financial assets at fair value through profit and loss	37,932	3,776,195	393,714	4,207,841
Non-financial assets at fair value through profit and loss	0	0	0	0
Financial liabilities at fair value through profit and loss	0	0	0	0
Net investment assets	37,932	3,776,195	393,714	4,207,841

	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
Values at 31 March 2022	£000	£000	£000	£000
Financial assets at fair value through profit and loss	36,989	4,356,426	246,972	4,640,387
Non-financial assets at fair value through profit and loss	0	0	0	0
Financial liabilities at fair value through profit and loss	(5,934)	0		(5,934)
Net investment assets	31,055	4,356,426	246,972	4,634,453

b. Reconciliation of Fair Value Measurements Within Level 3

	Market Value at 1 April 2022	Transfers into Level 3	Transfers out of Level 3	Purchases During the Year	Sales During the Year	Unrealised Gains and Losses	Realised Gains and Losses	Market Value at 31 March 2023
Drivete Dalet	0003	000£	000£	0003	0003	£000	£000	0003
Private Debt	105,839	0	0	80,063	(23,096)	1,733	(978)	163,560
Infrastructure	139,952	0	0	102,214	(29,956)	15,435	1,327	228,972
UK Unquoted Equities	1,182		0	0	0	0	0	1,182
	246,973	0	0	182,277	(53,052)	17,168	349	393,714

17. Financial Instruments

(a) Classification of Financial Instruments

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

31st March 2022			3	31st March 2023		
Designated as fair value through profit and loss	Loans and Receivables	Financial Liabilities amortised at cost		Designated as fair value through profit and loss	Loans and Receivables	Financial Liabilities amortised at cost
£000	£000	£000		£000	£000	£000
			Assets			
0	0	0	Fixed Interest Securities	0	0	0
1,182	0	0	Equities	1,182	0	0
4,012,685	0	0	Pooled Investments	3,545,213	0	0
343,741	0	0	Pooled Property	266,225	0	0
245,790	0	0	Private Equity/Infrastructure	392,532	0	0
0	0	0	Diversified Growth Funds	0	0	0
0	23,243	0	Cash	0	3,678	0
736	0	0	Investment Debtors	787	0	0
0	13,010	0	Non Investment Debtors	0	1,588	0
4,604,134	36,253	0		4,205,939	5,266	0
			Liabilities			
0	0	0	Investment Creditors	0	0	0
0	0	(5,934)	Non Investment Creditors	0	0	(2,189)
0	0	(5,934)		0	0	(2,189)
4,604,134	36,253	(5,934)		4,205,939	5,266	(2,189)

b) Net Gains and Losses on Financial Instruments

	2022/23	2021/22
	£000	£000
Fair Value Through Profit & Loss	(401,746)	137,804
Loans and Receivables	0	0
	(401,746)	137,804

18. Nature and Extent of Risks Arising from Financial Instruments

Risk and Risk Management

The Fund's primary long term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. NYCC manages these investment risks as part of its overall approach to Pension Fund risk.

Responsibility for the Fund's risk management strategy rests with the Pension Fund Committee. A Risk Register has been established to identify and analyse the risks faced by NYCC's pensions operations. This document is reviewed regularly to reflect changes in activity and in market conditions.

(a) Market Risk

Market risk is the risk of loss from fluctuations in equity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's Risk Register includes identifying, managing and controlling market risk exposure within acceptable parameters, whilst optimising the risk-adjusted return.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Pension Fund Committee (PFC) and its investment

advisers undertake appropriate monitoring of market conditions and benchmark analysis.

The Fund manages these risks in two ways:

- the exposure of the Fund to market risk is monitored through advice from the investment advisers to ensure that risk remains within tolerable levels
- specific risk exposure is limited by applying risk weighted maximum exposures to individual investments through Investment Management Agreements

Other Price Risk

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

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

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

Other Price Risk - Sensitivity Analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the Fund's investment consultants, the Fund has determined that the following movements in market price risk are reasonably possible for the 2023/24 reporting period.

	Potential Market Movements (+/-)
Asset Type	%
Equities	7.0
Property	5.9
Infrastructure	7.6
Listed alternatives	6.9
Illiquid credit	7.9
Investment grade credit	5.2
Non-investment grade credit	6.4
Absolute Return	6.0
Gilts	2.9
Cash	3.3

The potential price changes disclosed above are broadly consistent with a one-standard deviation movement in the value of the assets. The sensitivities are consistent with the assumptions contained in the investment advisors' most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.



Had the market price of the Fund investments increased/decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows (the prior year comparator is shown below).

	Value as at 31st March 2023	Potential Market Movement	Value on Increase	Value on Decrease
Asset Type	£000	£000	£000	£000
Equities	2,483,549	173,848	2,657,397	2,309,701
Gilts	496,490	14,398	510,888	482,092
Investment grade credit	301,144	15,659	316,803	285,485
Non-investment grade credit	220,369	14,104	234,473	206,265
Other Pooled Investments	8,418	505	8,923	7,913
Property	266,225	15,707	281,932	250,518
Infrastructure	228,972	17,402	246,374	211,570
Illiquid credit	163,561	12,921	176,482	150,640
Total Assets	4,168,728		4,433,272	3,904,184

	Value as at 31st March 2022	Potential Market Movement	Value on Increase	Value on Decrease
Asset Type	€000	£000	£000	£000
Cash and Cash Equivalents	1,501	30	1,531	1,471
UK Unquoted	1,182	0	1,182	1,182
Equities	2,384,606	163,624	2,548,230	2,220,982
Gilts	716,917	17,564	734,481	699,353
Investment grade credit	333,727	3,004	336,731	330,723
Non-investment grade credit	565,445	26,689	592,134	538,756
Other Pooled Investments	11,990	528	12,518	11,462
Property	343,741	18,218	361,959	325,523
Infrastructure	139,952	11,826	151,778	128,126
Illiquid credit	105,839	6,296	112,135	99,543
Non-Investment Debtors / Creditors	7,075	0	7,075	7,075
Total Assets	4,611,975		4,859,754	4,364,196

Interest Rate Risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is monitored by the Fund and its investment advisers through the risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the strategic benchmark.

The Fund's direct exposure to interest rate movements as at 31 March 2023 and 31 March 2022 is set out in the tables below. These disclosures present interest rate risk based on the underlying financial assets at fair value.

	2022/23	2021/22
	£000	£000
Cash and Cash Equivalents	1,902	1,501
Pooled Investments	1,018,003	1,050,644
	1,019,905	1,052,145

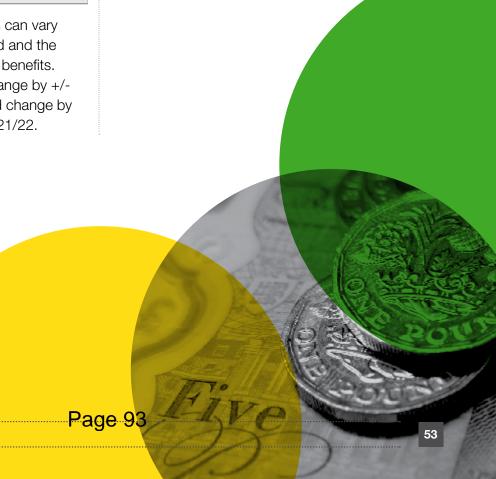
The Fund recognises that interest rates can vary and can affect both income to the Fund and the value of the net assets available to pay benefits. For illustrative purposes if it were to change by \pm 1% the values in the table above would change by \pm 157m for 2022/23 and \pm 226m for 2021/22.

Currency Risk

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

The Fund's currency rate risk is monitored in accordance with the Fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

After receiving advice it is considered that the likely volatility associated with foreign exchange movements to be +/-8.2%. A fluctuation of this size is considered reasonable based on an analysis of the implied volatility of the 1-year options contracts for the exchange rates in the financial market.



Assuming all other variables, in particular, interest rates remain constant, an 8.24% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows:

	Value as at 31st March 2023	Value on 8.2% Increase	Value on 8.2% Decrease
		Increase	Decrease
Asset Type	£000	£000	£000£
Overseas Cash Fund	10,022	10,844	9,200
Overseas Bonds	212,877	230,333	195,421
Overseas Equity	2,067,679	2,237,229	1,898,129
Overseas Pooled Funds	300,026	324,628	275,424
	2,590,604	2,803,034	2,378,174

	Value as at 31st March 2022	Value on 8.4% Increase	Value on 8.4% Decrease
		Increase	Decrease
Asset Type	£000	£000	£000£
Overseas Equities	2,016,768	2,182,142	1,851,393

(b) Credit Risk

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

In essence the Fund's entire investment portfolio is exposed to some form of credit risk, where the risk equates to the net market value of a positive derivative position. However the selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

Contractual credit risk is represented by the net payment or receipt outstanding, and the cost of replacing the derivative position in the event of counterparty default. The residual risk is minimal due to the various insurance policies held by the exchanges to cover defaulting counterparties.

Credit risk on over the counter derivative contracts is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by recognised rating agencies.

Deposits are not made with banks and financial institutions unless they are rated independently and meet NYCC's credit criteria. NYCC has also set limits as to the maximum amount of deposits placed with any one financial institution. The banks and institutions chosen all have at least the minimum credit rating as described in NYCC's Treasury Management Strategy.

NYCC believes it has managed its exposure to credit risk and has had no experience of default or uncollectible deposits over the past five financial years. The Fund's cash holding under its treasury management arrangements with NYCC at 31 March 2023 was £1.7m (31 March 2022, £21.7m) and was held with the following institutions:

	Credit Rating	31 March	31 March
		2023	2022
		£000	£000
Call Accounts			
Barclays Bank Plc (NRFB)	A+ / F1	255	3,370
Handelsbanken	AA / F1+	163	0
Fixed Term Deposit Notice Accounts			
Santander UK	A+ / F1	203	3,168
Bank of Scotland	A+ / F1	0	0
National Westminster Bank PLC	A+ / F1 PN	224	3,695
DBS Bank Ltd	AA- / F1+	102	1,584
Goldman Sachs	A / F1	183	3,168
Standard Chartered	A+ / F1	183	2,640
Helaba	A+ / F1+	102	1,056
Sumitomo Mitsui BCE	A- / F1	122	
Local Authorities	-	239	3,061
		1,776	21,742

The Fund held liquid cash in a UK and an Overseas Short Term Investment Fund during 2022/23, the average investment balances for these funds were £25m and £4m respectively. The Fund received interest of £735k on these funds in 2022/23.

(c) Liquidity Risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund therefore takes steps to ensure that it has adequate cash resources to meet its commitments.

The Fund has immediate access to its cash holdings, subject to the fixed periods determined when deposits are placed. These deposits are scheduled to ensure cash is available when required.

The Fund also has access to an overdraft facility for short term (up to three months) cash needs. This facility is only used to address changes in the strategic benchmark and is met by either surplus

cash from contributions received exceeding pensions paid or if necessary, disinvesting.

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer than three months to convert to cash. As at 31 March 2023 the value of illiquid assets was £377m (31 March 2022, £247m).

All liabilities at 31 March 2023 are due within one year. The Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

19. Funding Arrangements

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

The key elements of NYPF's funding policy are:

- to ensure the long term solvency of the Fund,
 i.e. that sufficient funds are available to meet all pension liabilities as they fall due for payment
- to ensure that employer contribution rates are as stable as possible
- to minimise the long term cost of the scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return
- to reflect the different characteristics of employing bodies in determining contribution rates where the Administering Authority considers it reasonable to do so
- to use reasonable measures to reduce the risk to other employers and ultimately to the council tax payer from an employer defaulting on its pension obligations

At the 2022 Valuation the aim was to achieve 100% solvency over a period of 18 years from April 2023 and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions are sufficient to meet expected future pension benefits payable.

At the 2022 Triennial Valuation the Fund was assessed as 116% funded (114% at the 2019 Valuation). This reflected a surplus of £640m (surplus of £450m at the 2019 Valuation).

The common rate of employers' contributions is the average rate required from all employers calculated as being sufficient, together with contributions paid by employees, to meet all liabilities arising in respect of service after the Valuation date. For 2022/23 the common rate (determined at the 2019 Valuation) is 17.7% of pensionable pay.

Individual employers' rates will vary from the common contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2022 Triennial Valuation Report and the Funding Strategy Statement on the Fund's website.

The valuation of the Fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The principal assumptions were:

	For Future Service Liabilities		
Investment Return	4.20%	per annum	
Inflation	2.30%	per annum	
Salary Increases	3.55%	per annum	
Pensions Increases	2.30%	per annum	

Future life expectancy (from age 65) based on the Actuary's Fund specific mortality review was:

	Male	Female
Future Pensioners (assumed current age 45)	23.4	26.0
Current Pensioners	22.5	24.9

Commutation Assumption

It is assumed that future retirees will take 75% of the maximum additional tax-free lump sum up to HMRC limits for pre-April 2008 service and for post-April 2008 service.

50:50 Option

It is assumed that no active members (evenly distributed across the age, service and salary range) will take up the 50:50 option in the LGPS 2014 scheme.

20. Actuarial Present Value of Promised Retirement Benefits

In addition to the Triennial Funding Valuation, the Actuary also undertakes a valuation of pension fund liabilities on an IAS19 basis every year using the same base data as the Valuation, rolled forward to

the current financial year, taking account of changes in membership numbers and using updated assumptions. A statement prepared by the Actuary is attached as an **Appendix**.

21. Current Assets

	31st March	31st March
	2023	2022
Debtors	£000	£000£
Investment Debtors		
Accrued Dividends	0	0
Withholding Taxes Recoverable	787	736
	787	736
Other Debtors		
Contributions due from Scheduled (Government) Bodies	11,708	11,863
Contributions due from Admitted Bodies	0	0
Pensions Rechargeable	1,031	759
Other	557	388
	13,296	13,010
Cash		
	1,776	21,742
	15,859	35,488

(a) Long Term Debtors

	31st March 2023	31st March 2022
	£000£	£000
Long Term Debtors		
Reimbursement of Lifetime Tax Allowances	0	0

22. Current Liabilities

	31st March 2023	31st March 2022
Creditors	£000	£000
Sundry Other Creditors	2,189	5,934
	2,189	5,934

23. Additional Voluntary Contributions (AVCs)

The AVC provider for the North Yorkshire Pension Fund is Prudential. The market value of the AVCs as at 31 March 2022 was £16.8m, as at 31st March 2023 was £15.9m. Contributions paid directly to Prudential during the year 2022/23 was £2.6m.

24. Agency Services

The North Yorkshire Pension Fund does not operate Agency Services contracts.

25. Related Party Transactions

North Yorkshire County Council

The North Yorkshire Pension Fund is administered by North Yorkshire County Council. Consequently, there is a strong relationship between the Council and the Fund.

The Council incurred costs of £1.9m (£1.8m in 2021/22) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also the single largest employer of members of the Fund and contributed £65.2m to the Fund in 2022/23 (£58.0m in 2021/22).

The Fund's cash holdings for cashflow purposes are invested with banks and other institutions by the treasury management operations of NYCC, through a service level agreement. During the year to 31 March 2023 the Fund had an average investment balance of £11.2m (£16.7m during 2021/22) and received interest of £181.7k (£31k received in 2021/22) on these funds.

Governance

As at 31 March 2023 there were no Pension Fund Committee Members who were also active members of the Fund. The Corporate Director – Strategic Resources, who was also the Treasurer of the Fund was an active member. Benefits for the Treasurer were accrued on exactly the same basis as for all other members of the Fund.

Key Management Personnel

The Code exempts local authorities from the key management personnel disclosure requirements of IAS 24. This exemption applies in equal measure to the accounts of the Fund. The disclosures required by The Accounts and Audit (England) Regulations can be found in the main accounts of NYCC.

26. Contingent Liabilities and Contractual Commitments

Outstanding capital commitments (investments) at 31 March 2023 were £508.6m (31 March 2022 £380.1m). These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private debt and infrastructure parts of the portfolio.

27. Contingent Assets

Four admitted body employers hold insurance bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the Fund and payment will only be triggered in the event of an employer default.

28. Impairment Losses

The Fund had no material impairment losses at the year-end (£nil in 2021/22).

Appendix B

Statement of the Actuary

North Yorkshire Pension Fund Statement of the Actuary for the year ended 31 March 2023

Introduction

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013 (the 'LGPS Regulations').

The LGPS Regulations require that a full actuarial valuation is carried out every third year. The purpose of this is to establish that the North Yorkshire Pension Fund (the 'Fund') is able to meet its liabilities to past and present contributors and to review employer contribution rates. The last full actuarial investigation into the financial position of the Fund was completed as at 31 March 2022 by Aon, in accordance with Regulation 62 of the LGPS Regulations.

Actuarial Position

- 1. The valuation as at 31 March 2022 showed that the funding level of the Fund had increased since the previous valuation with the market value of the Fund's assets as at 31 March 2022 (of £4,634.5M) covering 116% of the liabilities.
- 2. The valuation also assessed each individual employer's (or group of employers') position separately. Contribution requirements were determined based on the principles in the Fund's Funding Strategy Statement and are set out in Aon's report dated 29 March 2023 (the "actuarial valuation report"). In addition to the contributions certified, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

Total contributions payable by all employers over the three years to 31 March 2026 are estimated to be:

Year from 1 April	% of pensionable pay	Plus total contribution amount (£M)
2023	17.3	1.495
2024	17.0	1.685
2025	16.7	1.888

3. The funding plan adopted in assessing the contributions for each employer is in accordance with the Funding Strategy Statement. Different approaches were adopted in relation to the calculation of the primary contribution rate, stepping of contribution changes and individual employers' recovery periods as agreed with the Administering Authority and reflected in the Funding Strategy Statement, reflecting the employers' circumstances. 4. The valuation was carried out using the projected unit actuarial method for most employers, allowing for future increases in pensionable pay. The main financial actuarial assumptions used for assessing the funding target and the contribution rates were as follows.

4.20% p.a.
3.85% p.a.
3.60% p.a.
3.60% p.a.
4.20% p.a.
3.85% p.a.
3.60% p.a.
0.80% p.a.
3.55% p.a.
2.30% p.a.
2.30% p.a.

^{*} The secure scheduled body discount rate was also used for employers whose liabilities will be subsumed after exit by a scheduled body.

In addition, the discount rate and rate of increases to pensions for already orphaned liabilities (i.e. where there is no scheme employer responsible for funding those liabilities and the employer has exited the Fund) were assumed to be 1.7% p.a. and 3.4% p.a. respectively.

The assets were valued at market value.

5. The key demographic assumption was the allowance made for longevity. The post retirement mortality assumption adopted for the actuarial valuation was in line with standard self-administered pension scheme (SAPS) S3 mortality tables with appropriate scaling factors applied based on an analysis of the Fund's pensioner mortality experience and a Fund membership postcode analysis using Aon's Demographic HorizonsTM longevity model, and included an allowance for future improvements based on the 2021 Continuous Mortality Investigation Projections Model, with a long term annual rate of improvement in mortality rates of 1.5% p.a. The resulting average future life expectancies at age 65 (for normal health retirements) were:

	Men	Women
Current pensioners aged 65 at the valuation date	22.5	24.9
Current active members aged 45 at the valuation date	23.4	26.0

Further details of the assumptions adopted for the valuation, including the other demographic assumptions, are set out in the actuarial valuation report.

The valuation results summarised in paragraph 1 above are based on the financial position and market levels at the valuation date, 31 March 2022. As such the results do not make allowance for changes which have occurred subsequent to the valuation date. The Actuary, in conjunction with the Administering Authority, monitors the funding position on a regular basis.

^{**} In addition, a 10% uplift has been applied to the past service liabilities on the scheduled body and subsumption funding targets to make allowance for short-term inflation above the long-term assumption.

- 7. The formal actuarial valuation report and the Rates and Adjustments Certificate setting out the employer contribution rates for the period from 1 April 2023 to 31 March 2026 were signed on 29 March 2023. Other than as agreed or otherwise permitted or required by the Regulations, employer contribution rates will be reviewed at the next actuarial valuation of the Fund as at 31 March 2025 in accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013.
- 8. This Statement has been prepared by the Actuary to the Fund, Aon, for inclusion in the accounts of the Fund. It provides a summary of the results of their actuarial valuation which was carried out as at 31 March 2022. The valuation provides a snapshot of the funding position at the valuation date and is used to assess the future level of contributions required.

This Statement must not be considered without reference to the formal actuarial valuation report which details fully the context and limitations of the actuarial valuation.

Aon does not accept any responsibility or liability to any party other than our client, North yorkshire county council, the Administering Authority of the Fund, in respect of this Statement.

 The report on the actuarial valuation as at 31 March 2022 is available on the Fund's website at the following address: www.nypf.org.uk/Documents/Actuarial%20valuation%20report%20 2022_29.3.2023.pdf

Aon Solutions UK Limited

May 2023

Appendix C



IAS 26 Results

Whole of Pension Fund Accounting 2023

Prepared for: North Yorkshire Council, as Administering Authority to the North Yorkshire

Pension Fund

Prepared by: Scott Campbell FIA

Date: 19 May 2023

Glossary

Accounting Date	31 March 2023
Fund	North Yorkshire Pension Fund
Fund Administering Authority	North Yorkshire Council
2022 Valuation	Actuarial Valuation of the North Yorkshire Pension Fund as at 31 March 2022 as reported in the document titled 'Report on the 31 March 2022 actuarial valuation' dated 29 March 2023





Introduction

Why bring you this report?

This report is commissioned by and addressed to North Yorkshire Council (the Addressee).

This report sets out pension cost information required by the Fund Administering Authority in order to meet their disclosure requirements in relation to their pension obligations as specified by the accounting standard, IAS 26.

We have carried out this work in relation to benefits payable from the Fund.

Related documents

The advice provided in this report is supported by advice contained in the following documents:

- IAS 26 Terms of Reference Whole of Pension Fund accounting 2023 ('Terms of Reference').
- IAS 26 Assumptions Advice Whole of Pension Fund accounting 2023 ('Assumptions Advice').

In addition, the following documents should be referred to:

2022 Valuation report

Background

CIPFA's Code of Practice indicates that the Fund accounts for the year ending 31 March 2023 should disclose the "actuarial present value of the promised retirement benefits" as set out in IAS 26 and that the actuarial present value should be calculated on assumptions set in accordance with IAS 19 rather than on the funding assumptions.

CIPFA put forward three options for disclosing the actuarial present value of promised retirement benefits. Further detail on these can be found in our Terms of Reference.

The Fund Administering Authority has chosen option C which was confirmed to us in an e-mail dated 17 April 2023. Option C requires the actuarial valuation of the liabilities on an IAS 19 basis to be prepared at formal triennial valuations only, the most recent being as at 31 March 2022. Under option C this, together with other related information, should be disclosed in an actuarial report which will accompany the notes to the accounts.

The calculations contained in this document have been carried out on a basis consistent with our understanding of IAS 19.

I confirm that I am an independent qualified actuary.

Contents

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Methodology

The approach to our calculations was set out in the Terms of Reference and Appendix A of this report.

IAS 26 disclosures

IAS 26 requires the 'actuarial present value of the promised retirement benefits' to be disclosed, which is the IAS 26 terminology for what IAS 19 refers to as the 'defined benefit obligation'.

The information set out below relates to the actuarial present value of the promised retirement benefits in the Fund which is part of the Local Government Pension Scheme.

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits covered by these figures are set out in 'The Local Government Pension Scheme Regulations 2013' (as amended) and 'The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014' (as amended).

Actuarial present value of promised retirement benefits

CIPFA's Code of Practice on local authority accounting for 2022/23 sets out that the actuarial present value of promised retirement benefits based on projected salaries should be disclosed.

The results as at 31 March 2022, together with the results as at 31 March 2019 are shown in the table below. The corresponding fair value of Fund assets is also shown in order to show the level of surplus or deficit within the Fund when the liabilities are valued using IAS 19 assumptions.

We do not believe the Fund Administering Authority needs to show the 2019 figures under IAS 26 if it does not wish to do so. The Code of Practice is not clear if the fair value of assets and the surplus / deficit at 31 March 2022 also needs to be disclosed but you may want to include these figures for clarity.

	Value as at 31 March 2022 (£M)	Value as at 31 March 2019 (£M)
Fair value of net assets	4,634.5	3,575.2
Actuarial present value of the defined benefit obligation	5,533.1	4,418.3
Surplus / (deficit) in the Fund as measured for IAS 26 purposes	(898.6)	(843.1)

Assumptions

The latest full triennial actuarial valuation of the Fund's liabilities was carried out as at 31 March 2022. The principal assumptions used for the purpose of IAS 26 by the Fund's independent qualified actuaries were:

	31 March 2022	31 March 2019
Discount rate	2.70%	2.40%
CPI inflation (1) (2)	3.00%	2.20%
Salary increases (3)	4.25%	3.45%

Notes

- (1) Pension increases on pension in excess of Guaranteed Minimum Pension in payment where appropriate.
- (2) The assumption for the revaluation rate of pension accounts is set equal to the assumption for pension increases. In the 2022 assumption we have also made allowance for higher actual CPI for the period 30 September 2021 to 31 March 2022, where 30 September 2021 is the date of the reference CPI index that the Scheme's benefits had been increased by in April 2022.
- (3) A promotional salary scale is assumed to apply in addition to this, at the rates assumed in the relevant valuation of the Fund.

Demographic assumptions

The mortality assumptions are based on actual mortality experience of members within the Fund based on an analysis carried out as part of the 2022 Actuarial Valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 in normal health resulting from these mortality assumptions are shown below:

	31 March 2022	31 March 2019
Males		
Future lifetime from age 65 (pensioners aged 65 at 31 March 2022)	22.5	22.0
Future lifetime from age 65 (actives aged 45 at 31 March 2022)	23.4	23.7
Females		
Future lifetime from age 65 (pensioners aged 65 at 31 March 2022)	24.9	24.0
Future lifetime from age 65 (actives aged 45 at 31 March 2022)	26.0	25.9

Different mortality assumptions have been used for other categories of member as set out in the actuary's report on the 2022 valuation. Assumptions for the rates of withdrawal and ill health retirements (for active members), the allowance made for cash commutation on retirement, and the proportion of members whose death gives rise to a dependant's pension are the same as those adopted in the 2022 valuation of the Fund, which are detailed in the actuary's valuation report.

Key risks associated with reporting under IAS 26 and sensitivity

Volatility of results

Results under IAS 26 can change dramatically depending on market conditions. The defined benefit obligation is linked to yields on AA-rated corporate bonds, while a significant proportion of the assets of the Fund are invested in equities and other growth assets. Changing markets in conjunction with discount rate volatility will lead to volatility in the funded status of the pension fund. For example:

- A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes, although this will be marginally offset by the increase in the assets as a result (to the extent the Fund invests in corporate bonds).
- The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are not perfectly correlated with inflation meaning that an increase in inflation will increase the deficit.
- The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

Post balance sheet date experience

Since 31 March 2022 the Fund's assets have generally delivered lower than expected returns and inflation has been higher than expected. However, corporate bond yields have increased significantly which will have led to a reduction in the value of the defined benefit obligation (liabilities) on an accounting basis. We would expect the Funds' IAS 26 balance sheet position to have improved significantly over the year, with a lower IAS 26 deficit, at 31 March 2023 if the Fund had chosen to update the position annually.

If at any time during the year you want us to provide you with an update of the IAS 26 position, please let us know.

Choice of accounting assumptions

The calculation of the actuarial present value of the promised retirement benefits involves projecting future cash-flows from the Fund many years into the future. This means that the assumptions used can have a material impact on the surplus / deficit. As such, the Fund Administering Authority should ensure that it understands the reasoning behind the assumptions adopted and is comfortable that they are appropriate.

Furthermore, the Fund Administering Authority should bear in mind that, as required by the accounting standard, the assumptions (with the exception of the discount rate) have been set so that they represent a best estimate of future experience from the Fund. In practice future experience within the Fund may not be in line with the assumptions adopted. This means that the liabilities shown in this report only represent one view of the future and the true position could be different from those shown. For example, members could live longer than foreseen or inflation could be higher or lower than allowed for in the calculations.

Sensitivity of results to key assumptions

In order to understand the magnitude of the possible volatility in the balance sheet position and to understand which assumptions are most important in determining the

size of the liabilities, it is helpful to understand how sensitive the results are to the key assumptions.

IAS 19 requires entities to disclose information about the sensitivity of the defined benefit obligation to changes in key assumptions although it is not clear that IAS 26 or the CIPFA Code of Practice requires this information. Nevertheless, we have set out below how the results would alter by changing the discount rate, the pay increase assumption and pension increase assumption by plus or minus 0.1% and if life expectancy was to reduce or increase by 1 year. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

Discount rate assumption		
Adjustment to discount rate assumption	+0.1% £M	-0.1% £M
Cahanga ta present value of the defined banafit abligation	(114 F)	116.9
£ change to present value of the defined benefit obligation	(114.5)	
% change in present value of defined benefit obligation	-2.1%	2.1%
Rate of general increase in salaries		
A directment to colony increase rate consumption	+0.1%	-0.1%
Adjustment to salary increase rate assumption	£M	£M
£ change to present value of the defined benefit obligation	4.2	(4.1)
% change in present value of defined benefit obligation	0.1% ensions accou	-0.1%
	ensions accou	ints -0.1%
% change in present value of defined benefit obligation Rate of increase to pensions and rate of revaluation of p	ensions accou	ınts
% change in present value of defined benefit obligation Rate of increase to pensions and rate of revaluation of p	ensions accou	ints -0.1%
% change in present value of defined benefit obligation Rate of increase to pensions and rate of revaluation of p Adjustment to pension increase rate assumption	ensions accou +0.1% £M	-0.1%
% change in present value of defined benefit obligation Rate of increase to pensions and rate of revaluation of p Adjustment to pension increase rate assumption £ change to present value of the defined benefit obligation % change in present value of defined benefit obligation	ensions account +0.1% £M	-0.1% £M
% change in present value of defined benefit obligation Rate of increase to pensions and rate of revaluation of p Adjustment to pension increase rate assumption £ change to present value of the defined benefit obligation % change in present value of defined benefit obligation Post retirement mortality assumption	ensions account +0.1% £M	-0.1% £M
% change in present value of defined benefit obligation Rate of increase to pensions and rate of revaluation of p Adjustment to pension increase rate assumption £ change to present value of the defined benefit obligation % change in present value of defined benefit obligation	ensions accou +0.1% £M 112.7 2.0%	-0.1% £M (110.3) -2.0%
% change in present value of defined benefit obligation Rate of increase to pensions and rate of revaluation of p Adjustment to pension increase rate assumption £ change to present value of the defined benefit obligation % change in present value of defined benefit obligation Post retirement mortality assumption	ensions accou +0.1% £M 112.7 2.0%	-0.1% £M (110.3) -2.0%

Membership data

A summary of the membership data used in these calculations is set out in the 2022 Valuation report.

Appendix A: Explanation of actuarial methods used

Benefits

Our calculations relate to benefits payable from the Fund (as set out in LGPS Regulations at the relevant times – further details can be found in the 2022 valuation report). These benefits include retirement pensions and benefits on members' death and leaving service.

Unfunded defined benefit obligations e.g. discretionary pensions benefits being paid under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (generally referred to as Compensatory Added Years), have not been valued as they do not form part of the Fund. However, they may be required in the IAS 19 figures prepared for individual employers within the Fund.

Data

The valuation of accrued pension benefits for IAS 26 purposes requires detailed information in respect of each member such as date of birth, gender, date of joining the fund, their accrued pension and so forth.

This information was supplied by the Fund Administering Authority for the 2022 formal actuarial valuation of the Fund in the form of a standardised data extract from the Fund Administering Authority's administration systems.

The formal valuation process (which is a precursor to the valuation for IAS 26 purposes) involves a series of structured validation tests on the data items for integrity and reasonableness. These tests, together with any actions taken in respect of specific data issues, are documented as part of the normal valuation process.

Where tests reveal issues with the data, the Fund Administering Authority is contacted with a view to resolving all data queries. Only when the data queries have been resolved to the satisfaction of the Fund Actuary, will the valuation proceed.

We can confirm that no data issues were identified at the 2022 valuation that we believe would have a material effect on the calculations presented in this report. Overall, it is our opinion that the data presented at the valuation is sufficiently accurate, relevant and complete for the Fund Administering Authority to rely on the resulting IAS 19 (IAS 26) figures.

Assumptions

IAS 19 sets out the following general requirements for the setting of assumptions:

- Actuarial assumptions shall be unbiased and mutually compatible; and
- Financial assumptions shall be based on market expectations, at the balance sheet date, for the period over which the obligations are to be settled.

Furthermore IAS 19 requires that the assumed discount rate is determined by reference to market yields at the balance sheet date on high quality corporate bonds

and in countries where there is no deep market in such bonds, the market yield (at the balance sheet date) on government bonds shall be used.

The assumptions are ultimately the responsibility of the Fund Administering Authority. Any assumptions that are affected by economic conditions (financial assumptions) should reflect market expectations at the balance sheet date.

The key financial assumptions are set out in "Information required for IAS 26" and the derivation of the assumptions is set out in our assumptions letter referred to in the Related Documents section.

Method of calculation

The figures at 31 March 2022 have been based on a full calculation of the liabilities using the data summarised in this report and the assumptions set out in the Assumptions Advice. Further information on the method was set out in the Terms of Reference.

Assets

IAS 19 requires that assets be valued at Fair Value which is defined as the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. For the purposes of this exercise we have taken the asset values directly from the Fund's draft annual accounts as at 31 March 2022.

The assets do not include defined contribution Additional Voluntary Contributions.

Treatment of risk benefits

To value the risk benefits paid on death in service and ill health early retirement we have valued service related benefits based on service completed to the date of calculation only.

Expenses

Fund administration expenses are not reserved for in the net present value of actuarial liabilities, consistent with the treatment adopted for individual employers who require IAS 19 disclosures.

IFRIC 14

IFRIC 14 is an interpretation of paragraph 58 of the IAS 19 accounting standard setting out limits to the amount of surplus that can be recognised by employing organisations in their accounts. We do not believe it has any relevance to IAS 26.

Appendix B: Compliance and disclaimer

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

Compliance with Professional Standards

This document, and the work relating to it, complies with 'Technical Actuarial Standard 100: Principles for Technical Actuarial Work' ('TAS 100').

Disclaimer

The calculations contained in this report have been made on a basis consistent with our understanding of IAS 19 and IAS 26. Figures required for other purposes should be calculated in accordance with the specific requirements of those purposes. It must not be assumed that figures produced for the purposes of IAS 26, which we present in this report, have any relevance beyond the scope of IAS 26.

This report is prepared on the instructions of the Fund Administering Authority ("you" or "your") in relation to the preparation of accounting figures for your financial reporting as at the Accounting Date. It has been prepared at this date, for the purpose and on the basis set out in this report.

This report should not be used or relied upon by any person other than the Addressee for any other purpose including, without limitation, other professional advisers, including the auditors and accountants ("third parties" or "third party") to the Addressee. All third parties are hereby notified that this report shall not be used as a substitute for any enquiries, procedures or advice which ought to be undertaken or sought by them. We do not accept any responsibility for any consequences arising from any third party seeking to rely on this report.

We neither warrant nor represent (either expressly or by implication) to any third party who receives this report that the information contained within is fair, accurate or complete, whether at the date of its preparation or at any other time.

Unless we provide express prior written consent, no part of this report should be reproduced, distributed or communicated to any other person other than to meet any statutory requirements and, in providing this report, we do not accept or assume any responsibility for any other purpose or to anyone other than the Fund Administering Authority.

We recognise that the Fund Administering Authority's auditors may request to see a copy of our report, as part of their audit process and under statutory requirements. We agree that you may release our report to your auditors for such purpose however in making such disclosure you shall ensure that this disclaimer remains attached to this report, and you further agree that you shall ensure that your auditors have read this disclaimer. For the avoidance of doubt, if we are approached directly by any third party for copies of this report or requested to answer queries about the report, we will require such third party to accept a third party release non reliance letter agreeing that we did not prepare the report for the third party and we do not accept any legal obligations to them. Please rest assured that this approach does not affect our contractual obligations to you as our client, with whom we continue to hold a duty of care in accordance with our terms of engagement.

This report was based on data available to us at the effective date of our calculations and takes no account of developments after that date except where explicitly stated otherwise.

With respect to data on which we have relied in producing this report, whilst we have taken certain limited steps to satisfy ourselves that the data provided to us is of a quality sufficient for the purposes of our investigation, including carrying out certain basic tests for the purpose of detecting manifest inconsistencies, it is not possible for us to confirm the accuracy or completeness of the detailed information provided. Whilst the Fund Administering Authority may have relied on others for the maintenance of accurate data, it is their responsibility to ensure the adequacy of these arrangements and ultimately the Fund Administering Authority that bears the primary responsibility for the accuracy of such information provided.

Appendix D

INDEPENDENT AUDITOR'S STATEMENT TO THE MEMBERS OF NORTH YORKSHIRE COUNCIL ON THE NORTH YORKSHIRE PENSION FUND FINANCIAL STATEMENTS

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Opinion of the Independent Auditor to follow.



Contact us

Online: northyorks.gov.uk/contactus

By telephone: **0300 131 2 131**

North Yorkshire Council, County Hall, Northallerton, North Yorkshire, DL7 8AD

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NORTH YORKSHIRE COUNCIL

PENSION FUND COMMITTEE

24 NOVEMBER 2023

BUDGET AND CASHFLOW

Report of the Treasurer

1.0 PURPOSE OF THE REPORT

- 1.1 To report on the following:
 - (a) the 2023/24 budget and the cost of running the Fund

(see section 2)

(b) the 4 year cashflow projection for the Fund

(see section 3)

2.0 2023/24 BUDGET AND THE COST OF RUNNING THE FUND

- 2.1 The forecast position against the 2023/24 budget as at the end of September 2023 is presented in **Appendix 1**. It shows an estimated total running cost of £36.2m for the Fund against a budget of £36.1m. The forecast underspend is therefore £0.1m.
- 2.2 There is a £65k forecast variance due to the number of vacancies in the Pensions Administration team being lower than expected. There is also expected to be a variance in Consultant Fees incurred, currently forecast at £70k, primarily due to the ongoing review of the equities allocation. There will inevitably be a number of other variances at the year-end but at this stage they are not expected to be significant, however this position will be kept under review and any anticipated variances will be reported to committee as they emerge.

3.0 4 YEAR CASHFLOW PROJECTION

- 3.1 The cash position of the Fund is presented in **Appendix 2**. The table shows the projected cash flows of the Fund for the current financial year and the following three years. Contribution income and benefits payable are the main inflows and outflows of the Fund, so essentially determine when the Fund will turn cash flow negative as it gradually matures.
- 3.2 The forecast for pension benefits payments is based on assumptions on annual increases in pensioner numbers and inflation. Annual Increase in pensioner numbers is currently expected to be around 3% based on historic trends and the latest figures. With regards to inflation, CPI in September 2023 of 6.7% will be used to uplift benefit payments from April 2024. This was a little higher than the previous estimate of 6%. Inflation and other assumptions will continue to be reviewed and updated regularly to reflect any new information that becomes available. 2.7% has been assumed for

- September 2024 and September 2025. The long-term assumption in the Funding Strategy Statement, for comparison, is 2.3% per annum.
- 3.3 The forecast contribution income is based on the employers' new contribution rates as determined by the 2022 Triennial Valuation. The pay on which these rates are based factors in an increase of £1,925 per employee in 2023/24. Negotiations on the increase have now been concluded and this increase has been accepted. Future year contributions have been increased in line with the forecast included in the Council's budget.
- 3.4 The overall cash flow position is expected to be a Scheme deficit in 2023/24. Increasing deficits are projected from 2024/25, where an equivalent amount of income from investments will be required to address this. As previously reported to the Committee, it is a natural development for a pension fund to become cashflow negative, due to factors such as increasing life expectancy.
- 3.5 The cash flow forecast shows the movements relating to the Fund's investments. The first port of call in covering any deficit will be income distributed to the Fund, such as property rental income, dividends from equities and coupons from bonds. This is already being received to a limited extent. Options to increase receivable income through Border to Coast continue to be explored.

5.0 **RECOMMENDATIONS**

5.1 Members to note the contents of the report.

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

14 November 2023

North Yorkshire Pension Fund - 2023/24 Budget - Cost of Running the Pension Fund

	Budget 2023/24 £k	Forecast 2023/24 at Q2 £k	Variance £k
EXPENDITURE			
Admin Expenses			
Finance and Central Services	470	470	-
Provision of Pensioner Payroll (ESS)	80	80	-
Pensions Administration Team	1,460	1,525	65
McCloud	50	50	-
Other Admin Expenses	620	620	_
Total Admin Expenses	2,680	2,745	65
Oversight and Governance Actuarial Fees	60	60	
Custodian Fees	70	70	-
Consultants Fees	150	220	70
Pooling Operational Charge and Project Costs	550	550	-
Other O & G Expenses	100	100	_
Total Oversight and Governance	930	1,000	70
Investment Fees			
Performance Fees	2,660	2,660	-
Investment Base Fees	29,800	29,800	-
Total Investment Fees	32,460	32,460	-
TOTAL	36,070	36,205	135

North Yorkshire Pension Fund - Cash Flow

	2023/24 £k	2024/25 £k	2025/26 £k	2026/27 £k
SCHEME PAYMENTS				
Benefits				
Pensions	(122,000)	(134,000)	(142,000)	(150,000)
Lump Sums	(30,000)	(31,000)	(32,000)	(33,000)
	(152,000)	(165,000)	(174,000)	(183,000)
Transfers out	(19,900)	(20,200)	(20,500)	(20,800)
Refunds to leavers	(800)	(900)	(1,000)	(1,100)
	(20,700)	(21,100)	(21,500)	(21,900)
Operational Expenses				
Admin Expenses	(2,700)	(2,900)	(3,000)	(3,100)
Oversight and Governance	(1,000)	(1,100)	(1,100)	(1,100)
	(3,700)	(4,000)	(4,100)	(4,200)
TOTAL PAYMENTS	(176,400)	(190,100)	(199,600)	(209,100)
SCHEME RECEIPTS Employer and Employee Contributions	141,000	149,000	153,000	156,000
Transfers in	20,300	20,600	20,900	21,200
TOTAL RECEIPTS	161,300	169,600	173,900	177,200
SCHEME SURPLUS/ (DEFICIT)	(15,100)	(20,500)	(25,700)	(31,900)
CASH FLOW FROM INVESTMENT ACTIVITIES	1,200	20,500	25,700	31,900
SURPLUS/ (DEFICIT) AFTER INVESTMENT ACTIVITIES	(13,900)	0	0	0

Quarterly Funding & nvestment Report

End September 2023

Prepared for: North Yorkshire Pension Fund

Prepared by: Aon

Date: 14 November 2023





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At a glance...

A high level summary of your investments and funding



At a glance...

Funding*

Since the results of the valuation at 31 March 2022 the Fund's ongoing funding level has deteriorated, falling 8% to 108%, and the surplus has decreased by £327M.

This has been primarily driven by a reduction in asset values which has been partially offset by an increase in the discount rate.

Asset Allocation and Implementation

Following a review of the investment strategy, the Committee agreed that no changes were to be made to the investment strategy of the Fund.

A separate paper will be provided to Committee members, describing the review of the Fund's equities and setting out prions for changing the allocations.

Performance

The Fund outperformed the composite benchmark over the 1 year period but underperformed over the quarter and over the 3 year periods. Fund performance is in-line with benchmark performance over the 5 year period.

Market Background and Investment Outlook

In Q3 2023, global equity markets fell, however, sterling depreciation against the US dollar pushed returns in sterling terms up. UK equities delivered positive returns in Q3 2023. Comparatively higher exposure to the Commodities sector led to the relative outperformance of UK equities compared to its developed market peers.

Global bond yields trended higher as major central banks continued to move forward with tighter monetary policy but at a slower pace.

Markets currently see the Israel-Gaza conflict as largely a contained regional problem but will take more notice should it start to widen out to involve more countries and bring economic consequences in its wake.

Equity markets remain in fragile territory, as the pressures from higher interest rates and the gradual deterioration in the economic and corporate profits environment make themselves felt. We continue to look elsewhere for sources of return.

Higher credit yields are proving a good inducement to bring in buyers. The credit risk premium over government bonds is less obviously attractive, however, in an environment where some credit losses could start to build.



Key actions

1. Committee members to consider the contents of this report, noting the equity allocation review will be discussed separately at the November PFC meeting

*Note: This funding update rolls forward the results of the 2022 valuation of the Fund. We have made allowance for actual pension increases since the valuation (up to a 10% loading for short term inflationary impacts that was allowed for at the 2022 valuation)

Key Stats – Q3 2023

Assets

£4,154m



Assets decreased by £481m since 2022 valuation

£4,635m at 2022 valuation

Current Assets Expected Return

(10 year p.a.)

±+7.0%



1.1% increase since 2022 Valuation

5.9 % at 2022 valuation

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

£838m

Funding level

108%



Funding level decreased by 8% since 2022 valuation

116% at 2022 valuation

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

+7.0%



0.9% increase since 2022 Valuation

6.1% at 2022 valuation

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

£788m

Return on Assets since 2022 Valuation

-6.9% pa



Discount rate

4.7%



Discount rate has increased by 0.5% since 2022 valuation

4.2% at 2022 valuation

Estimated Total Employer cost

16.2%



Estimated Total Employer cost decreased by 1.2% since 2022 valuation

17.4% at 2022 valuation





Page 2. Funding

A review of your funding position and contributions



Funding position

Funding level

108%



at end 30 September 2023

Down from 116% at 31 March 2022

Surplus

£313M

at end 30 September 2023

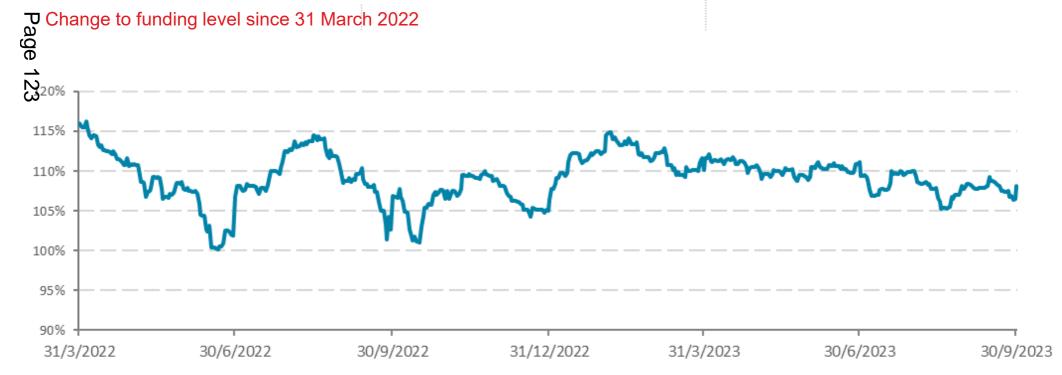
Down from £640m at 31 March 2022

Comments

Since the results of the valuation at 31 March 2022 the Fund's ongoing funding level has deteriorated and the surplus has decreased by £327M.

This has been primarily driven by a reduction in asset values although this has been partially offset by an increase in the net discount rate.

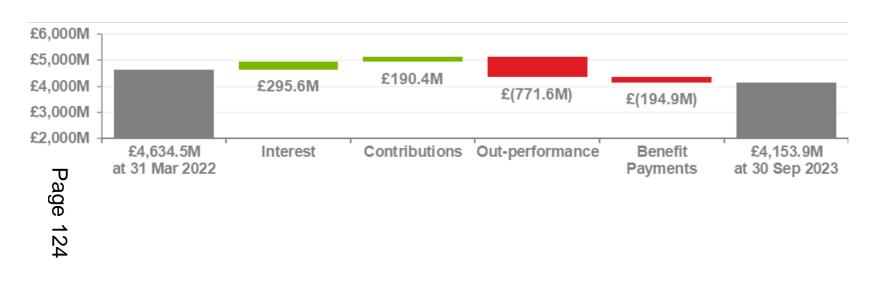






Analysis – ongoing funding target

Reason for change since 31 March 2022 – Asset Attribution



Reason for change since 31 March 2022 – Liability Attribution



Comments

Since the 2022 valuation the surplus has decreased by £327M.



Aggregate Employer contributions – ongoing funding target

Total employer contribution rate

16.2%



at 30 September 2023

Down from 17.4% at 31 March 2022

Page 125

Employer cost of accrual

16.2%



at 30 September 2023

Down from 20.1% at 31 March 2022

Comments

The cost of accrual has decreased since 31 March 2022 due to the increase in net discount rate. However, the surplus has decreased which has offset this to an extent. Overall there is a small reduction in the total employer contribution rate.

Notes

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





3. Asset allocation

A review of your strategic asset allocation



Asset allocation – Q3 2023

				30 S				
Asset Group	Manager	Valuation (£m)	Current allocation	Long-term strategy	Difference	Rebalancing Range	Possible action	
Equities		2,095.4	50.4%	50.0%	+0.4%			
	BCPP UK equity	169.8	4.1%	4.0%	+0.1%	TBC		
	BCPP Global Equity	1,199.8	28.9%	28.0%	+0.9%	+/- 5%		
	Baillie Gifford LTGG	725.7	17.5%	18.0%	-0.5%	+/- 3%		
Absolute Return		8.0	0.2%	0.0%	+0.2%		Ō	
U	Leadenhall Remote Risk	3.1	0.1%					
Page 127	Leadenhall Diversified	3.0	0.1%					
127	Leadenhall Nat Cat	1.9	0.0%					
Property		277.5	6.7%	7.5%	-0.8%	ТВС		
	Hermes	32.8	0.8%					
	L&G	44.2	1.1%					
	Threadneedle	200.6	4.8%					



Asset allocation – Q3 2023 (cont'd)

30 September 2023

Asset Group	Manager		00	oo ooptember 2020					
		Valuation (£m)	Current allocation	Long-term strategy	Difference	Rebalancing Range	Possible action		
Infrastructure		526.1	12.7%	10.0%	+2.7%		$\overline{\mathbb{Q}}$		
	BCPP Infrastructure	267.8	6.4%						
	BCPP Listed Alts	238.1	5.7%						
	BCPP Climate Opportunities	20.2	0.5%						
Polvate Credit		165.0	4.0%	5.0%	-1.0%		Ō		
ge 1	BCPP Private Credit	124.6	3.0%						
128	Arcmont	26.1	0.6%						
	Permira	14.3	0.3%						
Non-Investment Grade Credit		223.5	5.4%	5.0%	+0.4%	ТВС	⊘		
	BCPP Multi Asset Credit	223.5	5.4%						
Investment Grade Credit		299.1	7.2%	7.5%	-0.3%	ТВС			
	BCPP Investment Grade Credit	299.1	7.2%						

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



Asset allocation – Q3 2023 (cont'd)

_		30 September 2023									
Asset Group	Manager	Valuation (£m)	Current allocation	Long-term strategy	Difference	Rebalancing Range	Possible action				
Gilts		523.3	12.6%	15.0%	-2.4%	ТВС	<u> </u>				
	BCPP Index Linked Bonds	523.3	12.6%								
Cash		36.0	0.9%	0.0%	+0.9%	TBC					
	Internal Cash	36.0	0.9%								
Total		4,153.9	100.0%	100.0%							

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



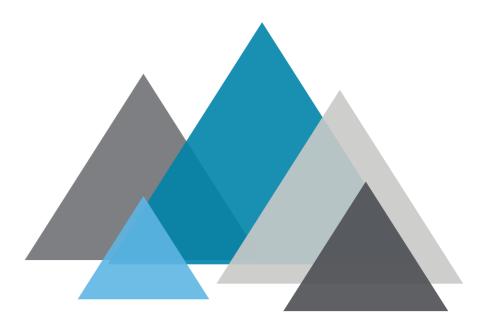


Investment strategy update

Equity allocation review

 A separate paper will be provided to Committee members, describing the review of the Fund's equities and setting out options for changing the allocations.

Investment strategy review
The Committee should a investor The Committee should consider reviewing the investment strategy in early 2024 given increased expected returns, market environment and new Border to Coast funds.





Transitions and cashflows

The following rebalancing activities took place over the quarter:

- Border to Coast made 17 capital calls and 15 distributions for infrastructure over the quarter totalling £7.1m, 15 capital calls and 11 distributions for Private Credit totalling £2.0m and 7 capital calls and 1 distribution for Climate Opportunities totalling £2.2m
- Permira made 2 distributions over the guarter, totalling £3.1m
- Arcmont made 2 distributions over the quarter, totalling £1.1m
- A Baillie Gifford redemption from the Long Term Global Growth Investment Fund, totalling £90m
- A Border to Coast Redemption from the UK Listed Equity Alpha Fund, totalling £7m
- Page=131 A Border to Coast Redemption from the Global Equity Alpha Fund, totalling £63m
- A Border to Coast Redemption from the Listed Alternative Fund, totalling £30m
- A Border to Coast subscription to the Sterling Index-Linked Bond Fund, totalling £70m





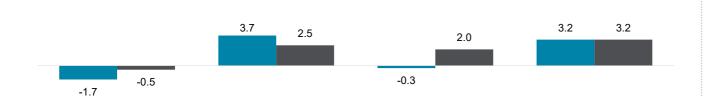
4. Fund performance

A review of your investment performance



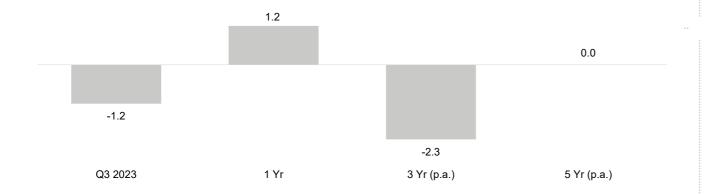
Total Fund performance – Snapshot

Fund performance & benchmark





Relative performance



Quarterly (relative)

-1.2%



The Fund underperformed the benchmark returning -1.7% vs -0.5% over the quarter.

3 year (relative)



-2.3%

Over 3 years the Fund has underperformed the benchmark returning -0.3% vs 2.0%.

Comments

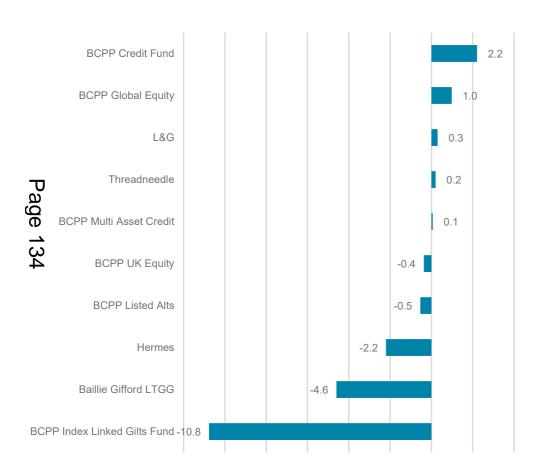
Total Fund performance is behind the composite benchmark over the quarter and 3 year periods but ahead over the 1 year period to 30 September 2023.





Manager performance – Quarter Snapshot

Absolute performance



Relative performance



Source: Northern Trust, Managers, Aon.

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



Manager performance – Longer term

	1 Year (%)		3	3 Years (% p.a.) 5		5 Years (% p.a.)		S	Since inception				
	Perf	B'mark	Rel	Perf	B'mark	Rel	Perf	B'mark	Rel	Perf	B'mark	Rel	Inception date
Equity													
UK Equity													
BCPP UK Equity	13.8	13.8	0.0	8.6	11.8	-3.2	-	-	-	2.4	4.0	-1.6	Jun-19
Global Equity													
BCPP Global Equity	16.1	10.5	+5.6	11.7	9.2	+2.6	-	-	-	9.0	9.1	-0.1	Oct-19
Baillie Gifford LTGG	9.0	11.1	-2.1	-6.2	9.5	-15.7	9.8	8.4	+1.4	13.9	9.3	+4.6	Sep-06
Property													
ປັງermes ໝ	-14.5	-14.5	0.0	2.6	3.0	-0.4	1.7	1.8	-0.1	-	-	-	Mar-12
G &G	-14.1	-14.3	+0.6	3.4	3.2	+0.2	1.9	1.8	+0.1	-	-	-	Dec-12
∰hreadneedle	-12.2	-14.3	+2.1	3.7	3.2	+0.5	2.1	1.8	+0.3	-	-	-	Jun-12
Infrastructure													
BCPP Listed Alts	1.7	10.5	-8.8	-	-	-	-	-	-	-5.1	2.3	-7.4	Feb-22
Investment grade credit													
BCPP Investment Grade Credit	8.6	7.0	+1.6	-5.0	-6.0	+1.0	-	-	-	-4.6	-5.8	+1.2	Aug-20
Non-investment grade credit													
BCPP Multi-Asset Credit	9.1	7.6	+1.5	-	-	-	-	-	-	-3.7	-	-	Nov-21
Gilts													
BCPP Index Linked Bonds	-26.6	-26.6	0.0	-21.2	-22.0	+0.8	-	-	-	-21.2	-22.0	+0.8	Oct-20
Total	3.7	2.5	+1.3	-0.3	2.0	-2.3	3.2	3.2	0.0	6.7	7.1	-0.3	Jan-02

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

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





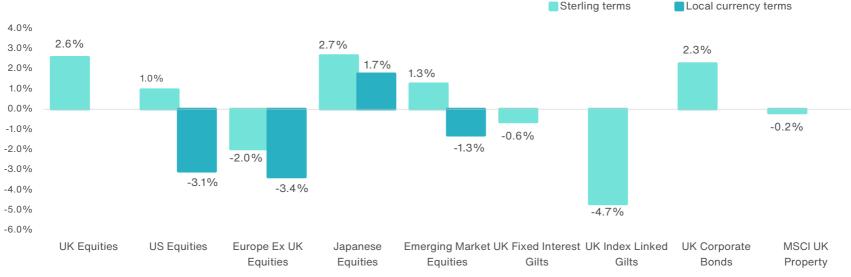
5. Market background and investment outlook

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



Market – Background Q3 2023





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

Equities

Page

The MSCI AC World index fell 2.4% in local currency terms. However, sterling depreciation against the US dollar pushed returns in sterling terms up to 0.7%.

UK equities delivered positive returns in Q3 2023. Comparatively higher exposure to the Commodities sector led to the relative outperformance of UK equities compared to its developed market peers. Rising commodity prices helped the sizeable resource sector as the Energy and Materials rose by 14.1% and 6.8% respectively. Amongst other major sectors, Financials rose 1.1%.

Bonds

UK investment grade credit spreads fell by 0.1% to 1.44%, based on the IBoxx Sterling Non-Gilts index. Higher-quality bond credit spreads contracted less than their lower-quality counterparts, with AAA-rated non-gilt spreads falling by 0.04% to 0.47% whilst BBB-rated non-gilt spreads fell by 0.15% to 2.07%. The IBoxx Sterling Non-Gilts Index posted a return of 2.3%.

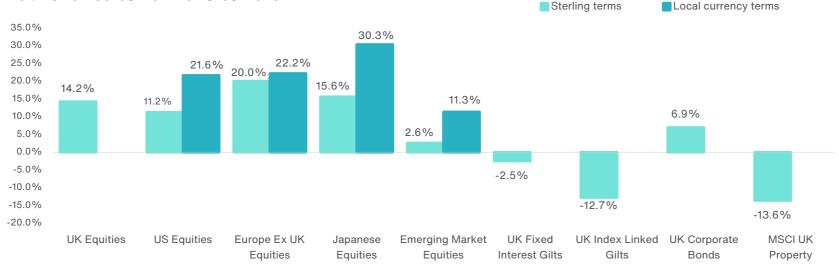
Gilts

The UK nominal gilt curve fell at short to medium maturities but rose at longer end of the curve.



Market – Background 12 month





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

Equities

Page

Global equities generated positive returns over the last twelve months, rising sharply particularly over the first half of 2023. Inflation began to moderate in most major economies as the global economy proved to be more resilient than previously anticipated. The rally in Information Technology stocks was a major contributor to equity market gains in 2023, as investor excitement over artificial intelligence grew.

Bonds

The UK Credit market performed positively 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, narrowed by 0.58% to 1.44%. The index rose 6.9% over the year.

Gilts

The UK gilt curve rose across longer maturities over the year whilst falling at shorter to medium maturities (except at the shortest end of the curve) as inflationary concerns drove yields higher. In Q1 2023, the UK nominal gilt curve fell across all maturities except for the shortest end of the curve, as markets priced in additional rate increases in the immediate future but a lower terminal rate thereafter. In Q2 2023, the UK nominal gilt curve rose back up across all maturities with yields rising more at the short end of the curve relative to longer maturities. In Q3 2023, the UK nominal gilt curve fell at short to medium maturities but rose at the longer end of the curve. Overall, according to FTSE All-Stocks indices, UK fixed-interest gilts fell by 2.5% and index-linked gilts fell by 12.7% over the last twelve months.

Quarterly Investment Outlook – October 2023

- Interest rates remain a market preoccupation and the recent upward pressure on longer-duration bond yields has been a particular concern.
- Markets currently see the Israel-Gaza conflict as largely a contained regional problem but will take more notice should it start to widen out to involve more countries and bring economic consequences in its wake.
- UK rates pressure has eased, but longer duration gilt yields have stayed under pressure, amidst a strong sell-off in the US bond market.
- Though fixed gilt yields are in broadly attractive territory, weaker than normal demand for index-linked gilts could see some pressures remain.
- Higher credit yields are proving a good inducement to bring in buyers. The credit risk premium over government bonds is obviously attractive, however, in an environment where some credit losses could start to build.
- Equity markets remain in fragile territory, as the pressures from higher interest rates and the gradual deterioration in the economic and corporate profits environment make themselves felt. We continue to look elsewhere for sources of return.
- Many schemes are looking to boost liquidity, and illiquid asset disposals are a particular area of difficulty in a weak demand and pricing environment. For those with illiquidity budgets to spare, some private markets are opening opportunities.





5. Manager review

Aon ratings and understanding manager performance



Baillie Gifford - LTGG

Fund performance & benchmark



Performance comments

Performance for Q3 2023 was behind the index. The strategy is still ahead of the index on a YTD basis, and over longer-term rolling periods, though the 2021 and 2022 drawdowns weigh heavily on the three-year relative return number.

Growth-orientated strategies trailed in Q3, with the Energy sector comfortably the strongest performing sub-set of the market. The LTGG strategy was no exception to this trend and lagged the benchmark.

Adyen and Dexcom detracted from relative performance in the period. Adyen shares experienced a severe drawdown in August of 2023 after the company reported a tempering of growth and employee cost increases.

The LTGG team is confident the company is investing for the future and that the company addresses a structural growth opportunity. Dexcom experienced market concerns over competition and lower overall growth due to progress in obesity drugs.

PDD Holdings (Chinese internet retail), Atlassian (global software) and NVIDIA (software, AI) were the strategy's betterperforming names in the period.

Buy

Reviewed: November 2023

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.



Baillie Gifford – LTGG (cont.)

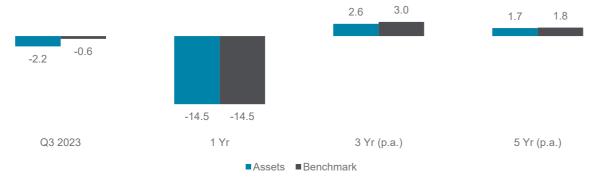
Positioning and Transactions

During the quarter the team trimmed NVIDIA as it trended toward a risk guideline for a 10% maximum weight. The proceeds were recycled across the portfolio, with more notable additions to Sea Limited and BioNTech. There were no new purchases or outright sales in the period.



Hermes – Property Unit Trust

Q3 Fund performance & benchmark



Buy

Reviewed: October 2023

Q2 2023 Monitoring comments

ndustrial assets continued to see large value write downs, impacted by further outward yield **_e**xpansion. The Fund's Industrial Portfolio has +seen a 24.7% correction since Q2 2022. however over the quarter, industrial contributed 2.4% to the weighted return relative to the whole portfolio. The largest detractors to performance over the 12-month period are the Peterwood Park Croydon asset (-35.1%), Fairway Trading Estate (-35.2%) and the M2 City Link in Rochester (-33.5%). Overall, the Fund maintains and underweight holding to industrial vs the benchmark (c. 5%) at 31.8%, detracting from performance over the quarter. Despite the sharp correction in industrial valuations, the industrial sector is still expected to provide strong rental growth over the medium term. In contrast to the above, West End Offices returned -6.9% over the 12-month period to weighted portfolio performance, with 27 Soho Square and Great George Street London office the main contributors, returning -3.5% & -8.8% respectively.

Overall, the Fund has a 76% allocation to core property, 15% to value add and 9% to special situations. Over time the Fund will look to reduce core to the 65% fund target.

The Fund remains focused on rental collection. As at 90 days post quarter end, the Fund has collected 99% of outstanding rent for Q2 and 90% of rent demanded for Q3 after 21 days. This is in line with the previous quarter. Portfolio Vacancy currently stands at 12.4%, with 8.3% being strategic void under refurbishment. The Fund has an outstanding cash allocation of 8.9%.

As mentioned, the Fund remains a committed seller to address the outstanding redemption queue and has a clear sales strategy address the redemption queue. The Fund sold two assets over the quarter, one office and one industrial Asset.

Key info

Appointed: 27 February 2012

Vehicle: Property Unit Trust

Mandate: UK Property Pooled Fund

Benchmark: IPD Other Balanced Property

Fund Index

Target: To Outperform the benchmark by 0.5%

over three year rolling periods.



Hermes – Property Unit Trust (cont.)

Q2 2023 Monitoring comments (cont.)

Soho Square (office), was sold for £45 million, reflecting a net initial yield of 4%, and an 8.4% premium to valuation. The Asset had recently been refurbished and is a multi-let to 5 tenants. The Fund also sold Erdington Estate (Industrial), for £27.2 million, reflecting a net initial yield of 4.5% and a 12.6% uplift to the most recent valuation. The asset required extensive capex and posed an asbestos risk.

Q2 2023 Major Developments

Fund has generated c.£204 million in sales proceeds since last year cold industrial asset in West Horndon for £93 million, 40% ahead of valuation last July). In terms of redemptions, the most recent redemption requests have been of insignificant amounts (below £5 million), with the investor base now mostly local authority pension funds (most of which are still open). As at the time of reporting, the Fund had pending redemption requests of £117 million to pay out, expecting to be paid by end-September and will use £75 million from the sales proceeds to cover this.



LGIM – Managed Property Fund

Q3 Fund performance & benchmark



Qualified

Reviewed: August 2023

©Q2 2023 Monitoring comments

The Manager continues to have a largely negative wiew on the retail sector, particularly shopping centres and high street retail, despite forecasting that the relative performance gap will continue to narrow vs All Property. The Fund will therefore continue to be marginally underweight to retail assets, currently at 17% vs the benchmark weighting of 19%. Despite this cautious outlook the Manager remains relatively positive on retail warehousing, which is proving to be resilient following a pick-up in consumer sales. The Manager also has a positive view on leisure assets, especially those located in core locations, with the Fund gaining exposure through the LGIM leisure Fund. LGIM forecasts that this segment will outperform All Property over the next 3 years and offer an attractive yield profile, also presenting opportunities for asset management initiatives.

Leisure assets remains one of the largest alternatives holding, with an overall alternative weighting of 15.7% vs the benchmark at 12.1%, with the Manager highlighting the compelling relative value case and attractive yield profile. The Fund is also materially underweight to office vs the benchmark (20.6% vs 22.9%) which was the largest detractor to performance over the quarter. The Manager also continues to favour other areas of the alternative sector, forecasting outperformance in the near-term vs traditional sectors. Most notably, the Manager has a desire to increase the Fund's exposure to student accommodation and urban residential, the latter through its recent allocation to LGIM's Build to Rent (BTR) Fund and acquiring smaller direct holdings.

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.



LGIM – Managed Property Fund (cont.)

Q2 2023 Monitoring comments (cont.)

The Build to Rent allocation is expected to reach 5% by the end of Q3 2023. As previously mentioned, the Manager has previously looked to increase the portfolio's industrial exposure in the past. However, pricing expectations of sellers remains a concern. The Manager also believes that the Fund's current industrial holdings are of good quality and focussed in the South-East with further room for rental growth, despite a cooling occupier market. The underweight position to industrials now stands at (34.1% versus 38.2%).

The Fund void rate has remained stable at 11.3% vs last quarter.

Sowever, 1.4% is strategic void, 2.8% is under refurbishment and 1% is the order offer. The Fund's cash level remains considerably above the benchmark at 12.5% (as a % of GAV), following large DC pension inflows the Fund (net inflows of £18 million monthly over the trailing twelve months) and is yielding 4.9% in the Funds cash account.

Q2 2023 Transactions

The were no transactions to report over the quarter.



Threadneedle – TPEN

Q3 Fund performance & benchmark



Buy

Reviewed: September 2023

2023 Monitoring comments

Fund's higher income return and we would expect the to continue to be the main driver of performance in the short term.

Despite the redemptions received and the fall in real estate prices, the NAV of the Fund remains at a level that we are comfortable with. At the end of the quarter the NAV stood at £1.5 billion.

With regards to sector weightings, the Fund remains overweight to industrial assets (44% versus 38.2%), which should benefit performance over the short and medium terms given the expected continued rental growth. The Manager will continue to dispose of industrial assets where capex requirements outweigh the investment upside. The Fund also maintains a meaningful allocation to the retail warehouse sector, albeit only marginally higher than the benchmark (14.1% versus 12.1%).

The Fund does have a material overweight position to offices at 25.2% (benchmark, 22.9%), with the Manager actively looking to reduce this overweight position over the remainder of 2023.

The Fund continued to sell assets over the quarter to build up liquidity. One asset was sold during the quarter, a four-acre site with planning permission for a last-mile multi-let warehouse development in Woodford Green, London. The asset was sold for £24 million. The current site is an aged poor quality industrial site with significant short term leasing risk. The planning permission created an c. £8 million profit on the land value.

No assets were acquired during the quarter.

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

1.5%.



Major Developments

As at the time of our update, the Fund had cleared its redemption queue, but will keep in place the redemption deferral mechanism while the Fund rebuilds its cash position. The mechanism will be removed once the cash position has grown from the c.4% at quarter end to 10%.

Threadneedle – TPEN (cont.)



BCPP – Quarterly high level monitoring (Q3 2023)

Changes to views of External Managers

- BCPP Global Equity Alpha
 - Loomis Sayles: The manager was first placed on the Watchlist in Q1 2023 due to resignations and departures from their dedicated analyst team. BCPP have held several engagements with the CEO, CIO and the investment team at Loomis around their thoughts on challenges in recruitment and retention. The risks associated with recruitment, retention and resourcing have now crystallised. There are also questions over the support by the wider business for Equity and more specifically this strategy.
- BCPP Multi-Asset Credit
 - PIMCO: The manager was placed on the Watchlist in December 2022 for an initial 6-month period due to the departure of Eve Tournier (lead portfolio manager). It was determined that their position on the Watchlist should be extended by a further 6-months and to include an on-site visit and additional due diligence. Following an on-site visit, BCPP want to emphasise several areas that were discussed. A summary of PIMCO's position on the Watchlist is being included in the Annual Review paper that is due to be completed ahead of the December Investment Committee.

Changes to Senior Management at BCPP

- BCPP have welcomed Sally Ronald as their new Head of Research. Sally most recently led the Department for Business and Trade's German
 operations based in the British Embassy in Berlin, promoting the UK as an investment destination and trading partner.
- BCPP have welcome Teodora Harrop to the second line team, as their new Head of Compliance. Teodora joins BCPP from the Link Group, where she was most recently the Head of Risk & Compliance at a subsidiary operating in the banking and credit management servicing sector.

Changes to Listed Alternatives portfolio management team

Ryan Boothroyd, Portfolio Manager for the Listed Alternatives Fund, will be leaving BCPP at the end of the year. Ryan will continue to act in his capacity as portfolio manager on the Listed Alternatives Fund until his departure, with the ongoing oversight of Will Ballard (Head of Equities) and the support of the Internal Team, the Research Team and the Alternatives Team. BCPP have started the recruitment process for an additional portfolio manager within the internal team.



Border to Coast Pensions Partnership – RI Quarterly Report Snapshot

UK Equity Alpha Fund

Fund	Q3 2023 Position				
	Weighted Average Carbon Intensity	Weighted ESG Score			
UK Equity Alpha	46.0	7.8			
Benchmark (FTSE All Share)	88.6	7.8			

Global Equity Alpha Fund

Fund	Q3 2023 Position				
മറ്റ	Weighted Average Carbon Intensity	Weighted ESG Score			
Global Equity Alpha	72.4	7.1			
Benchmark (MSCI ACWI)	131.3	6.8			

Sterling Investment Grade Credit Fund

Fund	Q3 2023 Position			
	Weighted Average Carbon Intensity	Weighted ESG Score		
Sterling Investment Grade Credit	67.1	7.2		
Benchmark (iBoxx Sterling Non Gilt Index)	68.3	7.6		

Listed Alternatives Fund

Fund	Q3 2023 Position				
	Weighted Average Carbon Intensity	Weighted ESG Score			
Listed Alternatives	171.0	7.3			
Benchmark (MSCI ACWI)	131.3	6.8			

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Source: BCPP/MSCl¹ OFFICIAL - SENSITIVE



7. 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.

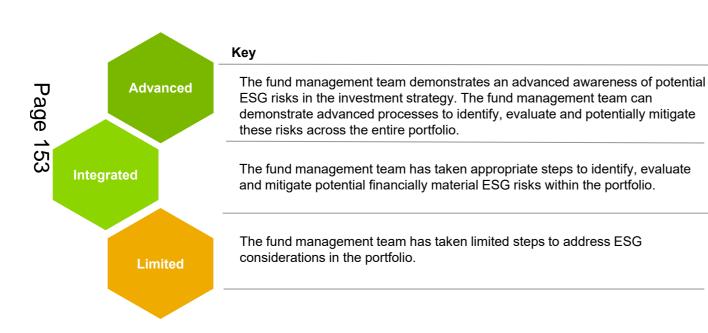
	ປ ນ Overall Rating	What does this mean?
(1	yBuy	We recommend clients invest with or maintain their existing allocation to our Buy rated high conviction products
	Buy (Closed)	We recommend clients invest with or maintain their existing allocation to our Buy rated high conviction products, however it is 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:





Method

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

- This funding update is consistent with the calculations for the results of the actuarial valuation as at 31 March 2022. The assumptions used have been modified only insofar as is necessary to maintain consistency with the approach set out in the latest Funding Strategy Statement, reflecting the change in the effective date and in relevant market conditions.
- The funding update is projected from the results of the actuarial valuation as at 31 March 2022 valuation 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 2022 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 2022 Valuation report. age
 - 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 September 2023 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 2022	4.20%	3.55%	2.30%
30 June 2023	4.60%	3.35%	2.10%
30 September 2023	4.70%	3.35%	2.10%

^{*} Plus an allowance for short term inflationary increases



Risk/Return Assumptions



- The table to the right sets out the 10-year median returns and volatility assumptions in absolute terms used in the modelling.
- Assumptions are based on Aon's Capital Market Assumptions as at 30 September 2023
- Allocations modelled are those set out in the main body of this presentation. Allocations are assumed to be annually rebalanced.
- Allowance for active management is made in some of the assets classes, in particular where there is no real passive version of the asset, for example private equity funds.
- Unless stated otherwise, all returns are net of underlying manager fees.

High level asset class	Expected Return	Expected Volatility
Equities	6.8%	18.7%
Property	6.4%	12.6%
Infrastructure	7.6%	15.8%
Listed alternatives	6.8%	19.3%
Illiquid credit	8.5%	6.4%
Investment grade credit	5.9%	9.6%
Non-investment grade credit	6.6%	9.0%
Absolute Return	7.0%	5.3%
Gilts	3.7%	9.7%
Cash	4.3%	1.4%



Correlation Table

High level asset class	Equities	Property	Infrastructure	Listed Alternatives	Illiquid credit	IG Credit	Non-IG Credit	Absolute Return	Gilts	Cash
Equities	100%	37%	62%	100%	26%	3%	55%	21%	-8%	-2%
Property		100%	19%	36%	26%	4%	28%	9%	-1%	7%
ປ ຜ G Infrastructure Φ			100%	63%	14%	2%	23%	21%	-3%	2%
disted Alternatives				100%	25%	3%	54%	22%	-8%	-2%
Illiquid credit					100%	58%	65%	15%	6%	24%
IG Credit						100%	28%	17%	50%	40%
Non-IG Credit							100%	19%	1%	9%
Absolute Return								100%	9%	33%
Gilts									100%	30%
Cash										100%



Data and assumptions

Date of calculation	30 September 2023
Number of simulations	5000
Time horizon	10 years
Asset value	£ 4,153,913,060



- 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 62.9% 15 year index-linked gilts and 37.1% 20 year index-linked 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%



Purpose, key assumptions and judgements of the model



The purpose of this analysis is to consider and monitor the return and risk characteristics of the current and long term investment strategy of the Fund. The key assumptions and judgements of the model are set out below and we believe are reasonable for the intended purpose.

- The calculation considers (5000 stochastic) simulations of annual absolute returns over the period modelled. The simulations are constructed using Aon's Stochastic Asset Model, further details and assumptions are outlined in this appendix.
- A liability proxy is not considered.
- Allocations are assumed to be annually rebalanced, in practice this may not always be possible for illiquid assets.
 - The calculations do not take into account any cashflows payable.





Limitations



Material risks to the Fund include covenant, longevity, market, inflation, contributions, expenses and liquidity.

- Our stochastic scenarios include market risk only, and this risk is present in the distribution of returns and is reflected in the risk metrics shown. Market risk has been calculated on an asset only basis.
- This modelling does not cover liability basis, inflation, covenant, longevity, contributions, expenses and liquidity risk. When using the modelling analysis, the user should consider how these risks apply and whether they are material to the decisions under consideration.

There are other factors that could materially affect the Fund's funding and strategy decisions, or the exposure or realisation of the risks above:

- These other factors include external factors such as climate change or political, regulatory and legislative change.
- The general risk factors of economic or technological change are reflected in our economic assumptions and the prevalence of extreme events in our economic model, but not all specific risks can be captured (e.g. disruptions to the financial system, or technological change leading to improvements in longevity).
- There are other risks to which the Fund is exposed that we assume are not material to long-term funding and investment strategy decisions, such as timing of member options or operational risks.





There are necessarily some limit

Limitations (continued)



There are necessarily some limitations associated with the stochastic scenarios calibrated to Aon's Capital Market Assumptions used for asset-liability modelling.

- CMAs and asset-liability modelling. Asset-liability projections rely on views of the future and whilst median projections are our Aon-house views (intended to reflect no bias), we do not know what will materialise in practice (for example it cannot be predicted exactly how the equity market and bond market will develop over the next year). To help build up a more complete picture of possible outcomes, we project assets and liabilities stochastically with the aim of capturing the uncertainty associated with the projections. This approach is designed to be coherent with each asset being calibrated to target a CMA median return, volatility and set of interdependencies (correlations) assumptions. Nevertheless, there remain some limitations, including but not limited to those set out below.
- Whilst Aon's CMA assumptions are supported by historical data, current financial market prices and expert views there are necessary some limitations in the analysis, including, but not limited to, the following:
- Long-term versus short-term. The stochastic scenario calibration primarily seeks to capture a realistic long-term distribution of outcomes but is also mindful of short-term risk behaviours. These, sometimes competing, objectives can lead to some trade-offs within stochastic scenario calibration and the requirement for significant expert judgement. Where significant focus is applied to an individual asset class, particularly for more extreme outcomes, the user should bear this limitation in mind, and/or may wish to consider the use of deterministic scenarios.
 - Only 5,000 scenarios are produced. There is necessarily a trade-off between running more scenarios and spurious accuracy. Notably as you approach extreme tails, i.e., 1-200 this is an area of the distributions where there is insufficient market information to apply rigorous statistical analysis to explicitly calibrate models to, as such seeking to define the model outcome with a high degree of confidence is to some extent spurious and will be heavily driven by model selection.
 - Data used for the CMAs may be limited and/or be subject to interpretation for relevance today. The issues that arise from a lack of or poor historical data may be compounded by changing context. For example, for part of the last 100 years the UK was either on the gold standard or a quasi-gold standard, which is a very different economic framework than floating currencies. This obviously creates significant issues for the relevance of any cash rate and bond yield data.
 - **Defined randomness rather than chaotic behaviour**. The model, by necessity, assumes an underlying distribution of returns and yields. This presumes the underlying asset returns are random in nature rather than deterministic and chaotic. In a deterministic and/or chaotic framework the concept of a 1-in-X event has no meaning and so is not used in this modelling.
 - Some extreme events are not modelled. Our model is built on the premise that the current monetary and political framework will continue and presumes that there will not be a breakdown of civil order, a major natural disaster, UK government default or a significant global armed conflict. We view these risks as being outside the typical use case, however where very extreme scenarios are considered these may be relevant and should be addressed through deterministic scenario analysis.
 - **Unknown unknowns.** The model deals with known risks and therefore does not allow for "black swan events" or "unknown unknowns", while our model does have fat tails, it is not possible to fully allow for these types of unknown risks.
 - **Volatilities and correlations**. Volatility and the correlation of assets are only observable after the fact and can change over time. Within the stochastic scenario calibration, volatility and correlations vary for each of 5,000 scenarios, with the distribution of outcomes largely a function of the chosen economic models and the median long-term volatility and correlation targets. Some correlation behaviour is introduced in the tails e.g., large equity falls with more downward credit transitions.





Capital Market Assumptions



Aon's Capital Market Assumptions (CMAs) are our asset class return, volatility, and correlation assumptions. The return assumptions are "best estimates" of annualised returns. Below we set out the key features and approach taken in setting these assumptions.

- Aon's CMAs. Market risk is the primary risk considered as part of the CMA setting process.
 - The return assumptions are Aon's "best estimate" returns, with the uncertainty around the expected return represented by the volatility (annualised standard deviation of returns over the projection period) assumptions. Correlation assumptions allow for the interconnectedness of the risks facing different asset classes.
 - By 'best estimate' we specifically refer to the median annualised return. That is, there is a 50/50 chance that outcomes will be above or below the assumptions.
 - Assumptions are set by Aon's Global Asset Allocation Team and represent the long-term (10 and 30 year) market outlook.
 - Our long-term assumptions are based on historical results, current market characteristics, our professional judgment, and forward-looking consensus views.

- Consideration of other approaches. Alternative approaches include using generalized global models, such as the Capital Asset Pricing Model (CAPM) or a fixed risk premia approach, but we believe these approaches over-simplify the analysis and do not capture as much of the intricacies around each asset class.
- Climate risks. We consider the impacts of climate change when setting our assumptions. Making direct adjustments is challenging and subject to a high degree of subjectivity, as climate change effects are extremely 'non-linear'. Aon's capital market assumptions (CMAs) are based on long-term consensus views of what is priced into the market, and therefore indirectly capture the climate risk that is currently captured in current market conditions. A separate range of deterministic scenarios focusing on climate change scenarios can be used to inform and help aid decisions.
- Other risks. The effects of other internal or external environmental factors, such as technological, economic, political and geopolitical, regulatory and legislative changes, are also indirectly captured, in consensus views on the economic outlook and market pricing, which feed into our return assumptions.





Aon's Stochastic Scenario Generator (SSG) Model

Aon's Stochastic Scenario Generator (SSG) Model is a set of 5,000 stochastic scenarios, calibrated quarterly to Aon's Capital Market Assumptions. These stochastic scenarios can be used to evaluate the risk and return characteristics of a Fund's assets versus its liabilities.

Asset-liability modelling

- Stochastic scenarios. Aon's Capital Market Assumptions CMAs are used as targets to calibrate a set (typically 5,000) of stochastic scenarios for each economic variable. This allows us to perform stochastic asset-liability studies i.e. project portfolios of assets and liabilities many times into the future, building up a coherent picture of possible outcomes. Allowing for the interactions of asset and liabilities stochastically impacts median outcomes and enables percentile outcomes and probabilistic metrics to be considered.
- Consistent framework. All the major markets and asset classes are modelled within a consistent framework allowing for the interactions between them to be properly taken into account.
- Model choice. When setting assumptions, we have opted to use different economic models for different asset classes (listed on this slide), as we believe this would be the best way to capture the specific characteristics associated with each asset class.

Key economic models used

- Nominal yields are modelled using an extended displaced Black-Karasinski model, which enables us to model full yield curves. Yields are positively skewed, and the model can fit the starting curve. In the current calibration, average nominal yields are assumed to broadly follow the market for the first c.20 years of the projections.
- Real yields are modelled using a Hull-White model, this enables us to model unbounded full yield curves. The model can fit the starting curve. In the current calibration, average real yields are assumed to broadly follow the market for the first c.20 years of the projections
- Inflation is taken as the difference between nominal and real short rates, and the positive skew of the nominal yield model ensures realised inflation is positively skewed. For realised inflation a 'surprise' element is allowed for making inflation more volatile that purely predicted by the short rates.
- Investment grade corporate bonds are modelled using an extended Jarrow-Lando-Turnbull framework which assumes bonds can be modelled based on their credit rating and anticipated cashflows. This ensures positive credit spreads with positive skew and ratings transitions which broadly reflect historically observed transitions.
- Return-seeking assets are modelled using exposures to factors, where each factor
 can contain stochastic volatility and/or jump diffusion process. This gives the flexibility
 to capture more complex tail behaviour than is typically observed in simpler lognormal models.
- Other assets generally use outputs from the models above and exposure to some degree of idiosyncratic element in order to capture desired properties for the asset being considered.



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This report should be read in conjunction with:

- The Report on the actuarial valuation of the North Yorkshire Pension Fund as at 31 March 2022 dated 29 March 2023.
- The latest Funding Strategy Statement.

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



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North Yorkshire Council

Pension Board

Minutes of the meeting of the Pension Board held at County Hall, Northallerton on Thursday 26th October 2023 commencing at 10.00am.

Present: -

Members of the Board

David Portlock (Independent Chairman)

Employer Representatives:

Councillor Steve Watson (North Yorkshire Council) David Hawkins (York College) Emma Barbery (Askham Bryan College)

Scheme Members:

David Houlgate (Unison)
Simon Purcell (Unison)
Gordon Gresty (NYPF retired member)

Council Officers:

Qingzi Bu, Chris Chapman, Phillippa Cockerill, Stuart Cutts, Jo Foster-Wade, Steve Loach, and Tom Morrison.

In attendance:

Councillor George Jabbour

Copies of all documents considered are in the Minute Book

27. Welcome and apologies for absence

Apologies for absence were submitted by Sam Thompson (North Yorkshire Council). It was noted that David Houlgate was running late but would be attending the meeting.

28(a). Minutes

Resolved -

That the Minutes of the meeting held on 6 July 2023, having been printed and circulated, be taken as read, confirmed as a correct record and signed by the Chairman.

Pension Board - Minutes of 26th October 2023/1

28(b) Progress on Issues Raised by the Board

There had been no further development in relation to the Hymans Good Governance review since the previous meeting. The issue was reported to be progressing and would be reported to the Board as soon as details were available. World events and subsequent priorities may have affected the final signing off of the review.

A response had been sent by the North Yorkshire Pension Fund (NYPF) in respect of the consultation by the Government in relation to guidance for the next steps of pooling arrangements. An agenda item for today's meeting would explore this issue further.

Resolved -

That the report be noted.

29. Declarations of Interest

There were no declarations of interest.

30. Public Questions or Statements

There were no public questions or statements.

31. Pension Fund Committee – Draft Minutes of the meeting held on 15 September 2023

Considered -

The draft minutes of the meeting of the Pension Fund Committee (PFC) held on 15 September 2023.

The Chair highlighted the following main issues that were considered at the meeting:-

- A presentation by the new Chief Investment Officer (CIO) of BCPP, Joe McDonnell on the investments undertaken by Border to Coast Pensions Partnership (BCPP) and their future strategy
- The consultation on pooling and the draft response from NYPF
- The Administration Report including two new breaches of the Regulations that would be discussed later at this meeting
- Budget and Cashflow these would also be discussed later at this meeting.

Noting the public question to the PFC, a Member asked what progress was being made in respect of a reduction in investments related to fossil fuels. In response it was stated that the overall strategy for the PFC, through BCPP, was to seek the best returns for the Fund. Pressure was being exerted from several sources for the Fund to adopt an ethical view in terms of investments in fossil fuels, encouraging divestment from the sector, but care had to be taken that investment decisions were based on financial issues above anything else.

The PFC based their investment strategy primarily on what would provide the best returns for the Fund and, therefore, decisions were driven by financial matters. The Fund held only a small value of investments in oil and gas companies, with less than 0.5% of the total Fund invested in these via Global Alpha and UK Alpha investments. The strategy had a much larger investment in Global rather than UK equities which served to tilt away from exposure to oil and gas companies. The Fund's investments with Baillie Gifford further lowered this exposure as they had no such holdings. It was suggested that, currently, it was inevitable that there was some exposure to fossil fuel investments.

The Member noted the discussions at the PFC in September with BCPP and a call from a few committee members for more progress to be made on this matter. In response it was emphasised that the Fund's investments in renewable energy were primarily in private markets infrastructure funds, but some exposure was through oil and gas companies which were increasingly moving into renewables, such as BP, and this should be recognised. It was considered more appropriate that such investments continue to be held as it allowed the NYPF to exert pressure through engagement on those companies on their contribution to the transition to a low carbon economy. Without shareholdings there would be no influence. The member emphasised that some people were calling for pro-active action to be undertaken to move away from fossil fuels into renewables and pension funds were in a key position to influence that.. In response, it was commented that another issue to be aware of was the shortage of supply and high demand for renewable energy investments. The Fund was pursuing them where they provided the appropriate level of risk and return but suitable investments were not easy to find.

An Officer noted that he had received little almost no contact from the public in terms of divestment from oil and gas both in his role for North Yorkshire and East Riding Pension Funds. Other Funds had carried out surveys of their members and had discovered that they were not in favour of divesting, but wished the focus to be on achieving a financial return, to ensure their pensions were paid. The Member who raised the matter stated that the issue continued to be raised at UNISON AGMs and felt it was a legitimate issue to raise, given the interest in this matter. Anecdotally it was noted that other sectors were also interested in the pursual of this matter, for example many students, whereas many existing pensioners were more interested in the financial aspects of investments.

The Chair stated that the PFC periodically reviewed its Investment Strategy Statement, and the fossil fuel and renewable energy debate taking place at almost every meeting of the Committee and he expected that this would continue, going forward.

Resolved -

That the Minutes be noted.

32. Draft Pension Board Annual Report

Members considered the draft Annual Report of the Pension Board for 2022/23 with the amendments suggested at the July meeting now incorporated.

Resolved -

That the draft Annual Report of the Pension Board 2022/23, as amended, be approved, and be submitted to full Council for approval and publication and to the November meeting of the PFC for information.

33. Pension Fund Administration

The Head of Pensions Administration provided Members with an update on key initiatives undertaken by the administration team of the NYPF.

The following matters were highlighted:-

Pension Fund Committee Report

The PFC administration report and associated appendices which were discussed at their September 2023 meeting were set out in an Appendix to the report.

Breaches Log

There had been two new entries in the breaches log since the previous meeting of the Board, as detailed in the report. The first related to not publishing 100% of the Annual Benefits Statements (ABS) by the deadline (details would be provided later in the meeting) and the second related to an email sent to a Fund member containing an attachment with details of another Fund member, this having been attached erroneously. The email issue was down to human error, caused by pressure of work, and had been addressed with the employee. Both issues had been referred to the Internal Auditors, Veritau, and had been deemed low risk.

Members discussed whether to report the breaches to the Pensions Regulator and, given the low risk involved agreed that no report to the Pensions Regulator should be made. It was noted that the September meeting of the PFC had come to the same conclusion.

Annual Benefits Statements (ABS)

All of the statements for deferred pensions had been issued by the deadline. At the time of the deadline 872 statements for active members were outstanding, of these, 682 had now been issued, 132 were not eligible for statements and 58 required further data checks. 29,487 statements had now been issued (99.8%). This was a significant improvement from previous years with the process benefitting from the i-Connect system.

Major projects

The roll out of the i-Connect employer portal had recommenced following the year end and ABS work and additional resources were being targeted at this. All major employers were now on board with the scheme, with 77 yet to be added. It was noted that the report indicated that all employers would be on the system by the financial year end (31 March 2024) and it was asked whether this was optimistic. In response it was stated that of the outstanding 77, 30 were on the NYC payroll, therefore, there was some confidence that this could be achieved.

A new logo for the NYPF had been developed to coincide with the development of the new website, which was now at the testing phase, and is scheduled to be launched by 1 December 2023. Details of the revised logo were provided in the pack and were explained at the meeting. Noting the comments of the PFC relating to the new logo and issues around colour blindness, it was asked whether these had been taken account of. In response it was stated that the comments had been noted but it was unlikely that the colour scheme for the new logo would be changed.

The transition for Fund members following LGR had now been completed and all TUPE letters to affected members had been issued by the deadline. Issues in relation to year end data were being addressed and this was increasing the workload pressures for the team.

Good progress was being made on the data checks required for McCloud. Plans were being made for the next stage, however, additional issues continued to emerge. As this would require contact for every member of the Fund it was expected that most of the communication would be carried out electronically, which would not only be efficient but would lower costs.

Local Government Pensions Committee (LGPC) Bulletins Log

Details of recent LGPC bulletins, and the response to those, were set out in an appendix to the report. It was stated that every effort was made to ensure that the issues raised were assimilated into the work of the team.

Other issues

It was clarified that the date for the introduction of the Pensions Dashboard was now 31 October 2026.

A Member asked whether there was a significant impact on the administration team from responding to emails. In response it was stated that email archiving had altered recently making it difficult to provide a comparison, however, there is a dedicated team that deals with responses to phone calls and emails.

The Chair welcomed the excellent performance statistics during Quarter 2, with acknowledgement of that being recorded, and asked whether that level of performance was being maintained. In response it was stated that these had again improved in Quarter 3 thanks to the continued hard work of the team. Members welcomed this.

Resolved -

- (i) That the contents of the report be noted;
- (ii) That the contents of the Breaches Log be noted and no further action be taken in respect of the breaches highlighted at this meeting.

34. Investment Pooling Consultation

Members considered a report providing an update on the response of the NYPF to the Government's consultation, Local Government Pension Scheme (England and Wales): next steps on investments.

It was stated that PFC and Board Members had been consulted on the response by NYPF to the consultation, prior to this being submitted on 2nd October 2023.

Pension Board - Minutes of 26th October 2023/5

It was noted that a recent address to a conference from a leading Civil Servant had indicated that the consultation's main objective was ensuring that Funds were transferring more of their assets to pools, and to consider investments in relation to the Government's Levelling Up Fund. Greater economies of scale through consolidation was a longer term aim.

It was stated that there had been very significant progress through BCPP, in terms of the objectives for pooling, therefore the NYPF was fairly relaxed in terms of the implications arising from this consultation. It apparent that the Government were utilising this approach rather than using existing powers to ensure that all Funds were complying with existing regulatory requirements.

A Member raised concerns that the new consultation was a veiled attempt by the Government to gain access to the funds held in the LGPS for the pursual of its policies. He suggested that the number of pools would be reduced to relatively few and would place the responsibility of their viability on Local Authorities while absolving themselves of any responsibility for managing liabilities in the LGPS. He considered this to be a major threat to the LGPS and was concerned that there appeared to be complacency from the NYPF in respect of this. In response it was stated that the long term view of the Government was not known, and it was acknowledged that, initially, pooling appeared to be expressed as an opportunity for them to utilise the money held in the LGPS for infrastructure projects in the UK. Since then, however, the Government's stance on that had been watered down with there being no compulsion for Funds to invest in those projects, although the option remained. It was noted that the NYPF had chosen to add infrastructure to its strategy and where viable UK projects were available, with an appropriate level of risk and return, these would be considered. It was not expected that the Government would take control of Funds within the LGPS as they would not wish to take over responsibility for the liabilities. The Member considered it naïve to believe that the Government would not try to access additional funding from the LGPS. It was acknowledged that while it was not considered that this would take place immediately, there were a number of people who held the same view as the Member.

It was asked when a response to the consultation responses was expected. In reply it was stated that it had been intimated that this would occur in the short term, but with the number of issues requiring the focus of the Government, currently, and the large number of responses to the consultation, which would require careful scrutiny, this may be optimistic.

Resolved -

That the report and issues raised be noted.

35. Budget and Cashflow

Members considered a report providing an on:-

- (a) the 2023/24 budget and the cost of running the Fund
- (b) the 4-year cashflow projection for the Fund
- (c) the latest position on the Fund's accounts and annual report for 2021/22 & 2022/23

The main changes to the budget were lower Pooling Operational Costs and a reduction in Investment Base fees.

The cashflow position was set out in the report showing a move towards being cashflow negative in 2023/24 and moving further into deficit in 2024/25. Income generating investments such as property rental income would be utilised, initially, to cover any deficit. The position regarding an increase in CPI from the projected figure of 6% to the actual figure for September 2023 of 6.7% was outlined and it was noted that this would require a slight adjustment to the figures.

The final accounts had still to be signed off with no clear indication as to when this would be resolved. Publication of the NYPF Annual Report would be undertaken as soon as the accounts were published.

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

- The issue of the final accounts were discussed at a recent meeting of the Audit Committee, where reassurances were given that they would be cleared by the end of this week, however, they were still awaited. In terms of planning for the 2022/23 Audit, it was expected that a further update would be provided at the December meeting of the Audit Committee.
- A Member asked whether the increase in the CPI would bring the cashflow negative position nearer. This was confirmed, although it was noted that the Fund was heading towards cashflow negative in any case. It was emphasised that this would not make a material difference to the operation of the Fund, and updates would continue to be provided to the Board in respect of this. It was stated that despite the move towards being cashflow negative the NYPF was in a good position compared to a number of other Funds, many of which had been cashflow negative for some years. The concern in relation to cashflow was fully understood, and there were sufficient assets and income from investments to cover all outgoings including pension payments. It was asked whether any disinvestment would be required to meet those payments. It was stated that the Fund had a number of investments that provided income, for example rental from properties, which would be utilised, initially to provide additional cashflow for the Fund. Also, when any reallocation of investments takes place consideration is always given to retaining some cash if needed to assist cashflow. The arrangements were continually reviewed.

Resolved -

That the report and issues raised be noted.

36. Internal Audit Report

Members considered a report from the Internal Auditors, Veritau, that provided an update on the progress of the Internal Audit 2022/23 and the 2023/24 programme of work.

All three audits in the plan for 2022/23 had been completed and an overview was provided as follows:-

Pension Fund Investments - August 2023 - Substantial Assurance Pension Fund Income - September 2023 - Reasonable Assurance Pension Fund Expenditure - October 2023 - Substantial Assurance

Copies of each report were attached as an appendix to the report.

In terms of the "Reasonable Assurance" category awarded to Income it was stated that they key findings were set out in the appendix to the report. The issue, in the main, related to cover arrangements. This matter had now been addressed with appropriate cover now in place.

Details of the proposed audit activity for 2023/24 was highlighted as follows:-

Expenditure - The audit would review the pensions payments made directly from the Altair system. The audit would include a review of the processes and payments for spouses, children and death grants.

Income - The audit would cover receipt of contributions income and transfers in.

Investments -The audit would review the processes and controls in place to manage the movements of assets for reallocation and rebalancing, and the assurances provided by the fund managers.

Advice and support - An allowance of time to provide advice and support and attendance at Pensions Board.

It was stated that, subject to the comments of Members, a report would be brought to the January meeting of the Board for members to agree an audit plan for 2023/24. The following issues were raised in relation to the draft plan:-

- A Member suggested that the proposed audit plan closely mirrored the previous year's plan and wondered whether there was scope for other issues to be audited. In response it was stated that the overarching areas would remain the same for Pension Fund Audits, however, different aspects of those areas (Expenditure, Income and Investments) would be considered each year. Details for those subject areas would be discussed with the lead officers to determine areas that would benefit from an audit and would assist the effectiveness of the service. Officers utilised the audit work to get reassurance that specific areas of work were operating and delivering appropriately, efficiently and effectively.
- It was noted that cyber security covered the emerging issue of Artificial Intelligence (AI) and how that was being used to commit fraud. It was acknowledged that cyber attacks, including the use of AI, were highlighted as the main area of risk not only for the Pension Fund, but for the wider Council, and action was being taken to defend against that.

Members discussed the "Reasonable Assurance" rating for income and the following issues were raised:-

- Members welcomed the progress that had been made since the publication of the report.
- Officers highlighted how they saw Internal Audit as a critical friend, and found
 the recommendations useful for the development of the service, however, it
 was suggested that rating of "Reasonable Assurance" was a little harsh given
 the low priority recommendations that emerged. Members stated that they
 could see why "Substantial Assurance" was not given but acknowledged that
 this was probably borderline.

Issues relating to the follow up on previously agreed actions were discussed and the following issues were highlighted:-

- In respect of the actions required on Business Continuity/Disaster Recovery it was noted that expert help had been required to address this and the work on this had now commenced. It was asked whether there was a back up plan should a disaster occur before the work had been completed. In response it was stated that it was expected that the overall North Yorkshire Council Plan would be utilised if there was such an occurrence, however, it was acknowledged that there were some mismatches within the Plans, which was a cause for concern, therefore the work would be completed as soon as possible. It was requested that an update on this issue be provided to the next meeting of the Board.
- It was noted that the Boxfish cyber security awareness training was not now contracted by the Council and a new provider would be sought.

Resolved -

That the report, and updates provided, be noted.

37. Training

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

It was confirmed that version 2 of the Hymans Robertson online training package Aspire was now in place, which was relatively similar to version 1, but with additional modules and was useful for all Members in terms of updating their knowledge of the LGPS.

Resolved -

- (i) That Members note the availability and details of the Hymans Robertson online training package;
- (ii) That Members continue to provide details of any training they wish to be included on their training record;
- (iii) That further consideration be given to identifying training sessions immediately prior to Board Meetings;
- (iv) That the report, and issues raised, be noted.

26. 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 for 2023/24.

The Chair stated that for 2024/25, the Board would recommence some detailed project work, and suggested that Members liaise with officers to determine which issues would be appropriate, within the scope of the Board, for that type of work.

Resolved -

- (i) That the Work Plan, as detailed in Appendix 1 to the report, be noted;
- (ii) Members consider issues within the remit of the Board that can be developed as project work
- (iii) That the dates of ordinary meetings for the remainder of 2023/24, as detailed in the report be noted as follows:-

Thursdays at 10am

11th January 2024 4th April 2024

The meeting concluded at 11.30am.



NORTH YORKSHIRE LOCAL PENSION BOARD ANNUAL REPORT FOR PERIOD 1 APRIL 2022 TO 31 MARCH 2023

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 2022/23 are detailed in the table below.

The Membership during 2022/23 was as follows:-

PORTLOCK, David	Chairman - Independent Member (Non-voting)
BAKER, Bob (County Councillor)	Employer Representative – North Yorkshire County Council – left the Board in May 2022
JORDAN, Mike (County Councillor)	Employer Representative – North Yorkshire County Council – appointed to the Board in November 2022
HOOK, Anne (Councillor)	Employer Representative – City of York Council
BARBERY, Emma	Employer Representative – Askham Bryan College
HAWKINS, David	Employer Representative – York College
HOULGATE, David	Scheme Member Representative - UNISON
PURCELL, Simon	Scheme Member Representative - UNISON
THOMPSON, Sam	Scheme Member Representative – Hambleton District Council
GRESTY, Gordon	Scheme Member Representative – Retired Members

COVID 19

The restrictions brought about by the COVID 19 pandemic, which had an effect on the work of the Pension Board during the 2021/22 Council year, were ended during the 2022/23 Council year, with the Board returning to face-to-face meetings in July 2022. The April 2022 Meeting of the Board was held remotely under the arrangements utilised during the COVID period.

Local Government Re-organisation

A reorganisation of Local Government in North Yorkshire, amalgamating the County Council with the seven District/Borough councils was due to take place on 1st April 2023. It was not expected that this would have any major impact on the North Yorkshire Pension Board, but any relevant changes would be detailed in the 2023/24 Annual Report.

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. The Terms of Reference will be altered, going forward, to reflect the move from North Yorkshire County Council to North Yorkshire Council.

Attendance at Meetings

There was 1 remote Meeting of the Board during 2022/23 with the remainder returning to face to face meetings.

Attendance at meetings was as follows:-

7th April 2022 – Informal, virtual meeting - County Councillor Bob Baker absent. All other Members in attendance.

7th July 2022 – Face to face meeting. Emma Barbery absent. All other Members in attendance. Pension Fund Committee Member County Councillor George Jabbour attended as an observer.

6th October 2022 – Face to face meeting. Councillor Ann Hook absent. All other Members in attendance. Pension Fund Committee Member County Councillor George Jabbour attended as an observer.

12th January 2023 – Face to face meeting. All Members in attendance. Pension Fund Committee Member County Councillor George Jabbour attended as an observer.

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 2022
- Risk Register
- Internal Audit reports
- Funding Strategy Statement
- Publication of Pension Board Annual Report
- Pension Administration including Breaches Log, Annual Benefit Statements, Data Quality, systems updates, projects, Death Grants, Broadacres, etc.
- Governance Documents Review
- Feedback from training courses attended
- Management, administration and governance process and procedure
- Review of the Terms of Reference
- Border to Coast Responsible Investments' Policy
- 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
- Cyber Security

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 in 2022:

Common Data: 97.64% Conditional Data: 91.70%

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%
2021	97.52%	94.95%

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 2023.

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.

It was agreed that some joint training would be arranged for either immediately prior to, or at the conclusion of, Board meetings, as time constraints was often an issue for Members undertaking training. A training exercise on Cyber Security was provided prior to the January 2023 meeting.

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 a training plan was awaited.

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 2022/23 and Budget for 2023/24

The Board's costs for 2022/23 were as follows:

Total	£3,262.20	£9,600
Skills development	£ 0	£5,000
Travel	£184.20	£1,500
Chair's Allowance	£3,078	£3,100
	Costs	Budget

The Board's budget for 2023/24 is as follows:

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

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. Given the adoption of the training package and the number of continuing Members of the Board it was not considered necessary to undertake a further assessment during 2022/23.

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 2023



Pension Board of the North Yorkshire Pension Fund

The role of the local Pension Board as defined by sections 5 (1) and (2) of the Public Service

Terms of Reference and Delegated Authorities

1) Role of the Local Pension Board

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
\Box 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
$\hfill \Box$ 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

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:

$\hfill \square$ 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:
$\ \square$ the names of the Pension Board members and other relevant information
$\ \square$ how the scheme members are represented on the Pension Board
$\ \square$ the responsibilities of the Pension Board as a whole
$\ \square$ 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	of individual	Pension	Board	membe
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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:

"Pension Board" or "Board"	Means the Pension Board for the Council
	as the Administering Authority of the NYPF
	as required under the Public Service
	Denoises Ast 2012

Pensions Act 2013

"Administering Authority" Means the Council

"Scheme Manager" Means the PFC of the Council

"Chair" The individual responsible for chairing meetings of the Pension Board and

guiding its debates

"LGPS" 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

"Scheme" 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.

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	examples of how a conflict might arise specifically in relation to a member of a Pension 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.
advise Admir not se giving advise	cts of interest may also arise in respect of advisers to the Pension Board. For example, an er may have a conflict of interest if he or she (or the same firm) is also advising the listering Authority. The risk to the Pension Board is that the adviser does not provide, or is en to provide, independent advice. Where there is likely to be a conflict of interest in advice, the Board should consider carefully whether it is appropriate to appoint the er in the first place. It may also be necessary to consider carefully whether they should teps to remove an adviser who has already been appointed.
Monit	oring and Managing potential conflicts of interest
Pension confliction	er for the Administering Authority to fulfil its obligation to ensure that members of the on Board do not have a conflict of interest, the Pension Board must include an item on ets of interest at each meeting of the Pension Board and in its annual report to the listering Authority.
which or adv attend meetir	ension Board is required to maintain a written register of dual interests and responsibilities have the potential to become conflicts of interest, which may adversely affect members' isers' suitability for the role. Each member of the Pension Board (as well as any other ees participating in the meeting) will be expected to declare, on appointment and at each ag, any interests which may lead to conflicts of interest. Such a conflict could be in relation eneral subject area or to a specific agenda item of a Pension Board meeting.
The C	hair 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.

Op	otior	ns 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



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 selfassessment 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.

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

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

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

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

Date	Title or Nature of Course	Sponsor/ Organiser	Venue	David Portlock - Chair	Gordon Gresty	Cllr Mike Jordan	Simon Purcell	David Houlgate	Emma Barbery	David Hawkins	Sam Thompson
21/9/21	Getting the member experience right	AON	Live interactive webinar				Х				
22/9/21	GMP conversion with PIE	AON	Live interactive webinar				Х				
28/9/21	Local Pension Boards Autumn Update	CIPFA/Barnett Waddingham	Live interactive webinar	Х							
30/9/21 & 1/10/21	BCPP Annual Conference	ВСРР	BCPP, Leeds	Х				Х			
6/10/21	Pension Dashboards	AON	Live interactive webinar	Х				Х			Х
21/10/21	LGPS – Fundamentals Day 1	LGA	Leeds						Х		Х
18/11/21	LGPS – Fundamentals Day 2	LGA	Leeds						Х		
08/12/21	LGPS – Fundamentals Day 3	LGA	Leeds						Х		Х
10/11/21	Update to Audit Committee Guidance	CIPFA/Barnett Waddingham	Live interactive webinar	Х							
10/11/21	AON – UK Pensions Post Pandemic	AON	Live interactive webinar								Х
20&21/1/22	LGPS Governance Conference	LGPS	Live interactive webinar					Х	Х		
16/2/22	Flexibility of Fiduciary Management	AON	Live interactive webinar					Х			
21/3/22	Cyber & Information Security	NYCC (Audit Committee)	On-Line	Х							
30/3/22	Good Governance in Local Government - 2022 Update	CIPFA	Live interactive webinar	Х							
27/4/22	Pensions Dashboard Update	AON	Live interactive webinar	Х							

Date	Title or Nature of Course	Sponsor/ Organiser	Venue	David Portlock - Chair	Gordon Gresty	Cllr Mike Jordan	Simon Purcell	David Houlgate	Emma Barbery	David Hawkins	Sam Thompson
17/5/22	Untapped Potential of Internal Audit	CIPFA	Live interactive webinar	Х							
6/10/22	Cyber Security	NYCC	County Hall, Northallerton	Х	Х		Х	Х	Х	Х	Х
9/2/23	Update for Local Authority Members – Audit Committee	CIPFA		Х							
9/3/23	Governance update for Local Authorities	CIPFA		Х							
18/5/23	Annual Conference/Update for Pension Board members	CIPFA	Birmingham	Х							
24/8/21	Module 1 – Hymans On- Line Learning Academy	Hymans	On-Line Learning Package	Х			Х	Х	Х	Х	Х
3/11/21	Module 2 – Hymans On- Line Learning Academy	Hymans	On-Line Learning Package	Х			Х	Х	Х		
3/11/21	Module 3 – Hymans On- Line Learning Academy	Hymans	On-Line Learning Package	Х			Х	Х	Х		
18/11/21	Module 4 – Hymans On- Line Learning Academy	Hymans	On-Line Learning Package	Х			Х	Х	Х		
6/12/21	Module 5 – Hymans On- Line Learning Academy	Hymans	On-Line Learning Package	Х			Х	Х			
6/12/21	Module 6 – Hymans On- Line Learning Academy	Hymans	On-Line Learning Package	X Updated 23/2/23			X Updated 30/3/23	Х			
17/09/15	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
26/11/15	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
15/01/16	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
25/02/16	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							

Date	Title or Nature of Course	Sponsor/ Organiser	Venue	David Portlock - Chair	Gordon Gresty	Cllr Mike Jordan	Simon Purcell	David Houlgate	Emma Barbery	David Hawkins	Sam Thompson
19/05/16	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
07/07/16	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
15/09/16	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х	Х						
24/11/16	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
26/01/17	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х		Х					
23/02/17	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
31/03/17	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
25/05/17	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
14/09/17	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
23/11/17	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
22/02/18	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
24/05/18	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
05/07/18	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
13/09/18	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
22/11/18	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
21/02/19	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
23/05/19	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
20/06/19	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							

Date	Title or Nature of Course	Sponsor/ Organiser	Venue	David Portlock - Chair	Gordon Gresty	Cllr Mike Jordan	Simon Purcell	David Houlgate	Emma Barbery	David Hawkins	Sam Thompson
04/07/19	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
13/09/19	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
22/11/19	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
21/02/20	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
10/09/20	North Yorkshire Pension Fund Committee	NYCC	Virtual Meeting	Х							
27/11/20	North Yorkshire Pension Fund Committee	NYCC	Virtual Meeting	Х							
5/3/21	North Yorkshire Pension Fund Committee	NYCC	Virtual Meeting	Х							
4/6/21	North Yorkshire Pension Fund Committee	NYCC	Virtual Meeting	Х							
2/7/21	North Yorkshire Pension Fund Committee	NYCC	Virtual Meeting	Х							
10/9/21	North Yorkshire Pension Fund Committee	NYCC	Virtual Meeting	Х							
26/11/21	North Yorkshire Pension Fund Committee	NYCC	Virtual Meeting	Х							
4/3/22	North Yorkshire Pension Fund Committee	NYCC	Virtual Meeting	Х							
27/5/22	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
1/7/22	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
25/11/22	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
3/3/23	North Yorkshire Pension Fund Committee	NYCC	County Hall	Х							
26/5/23	North Yorkshire Pension Fund Committee	NYC	County Hall	Х							
25/11/16	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	Х							

Date	Title or Nature of Course	Sponsor/ Organiser	Venue	David Portlock - Chair	Gordon Gresty	Cllr Mike Jordan	Simon Purcell	David Houlgate	Emma Barbery	David Hawkins	Sam Thompson
23/02/17	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	Х							
15/09/17	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	Х							
17/11/17	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	Х							
20/12/17	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	Х							
05/07/18	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	Х							
14/09/18	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	Х							
22/11/18	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	Х							
21/02/19	North Yorkshire Pension Investment Strategy Workshop and Fund manager meeting	NYPF	County Hall	Х							
24/05/19	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	Х							
21/11/19	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	Х							
20/02/20	North Yorkshire Pension Investment Strategy Workshop	NYPF	County Hall	Х							
10/09/20	North Yorkshire Pension Investment Strategy Workshop	NYPF	Virtual Meeting	х							
26/11/20	North Yorkshire Pension Investment Strategy Workshop	NYPF	Virtual Meeting	х							

Date	Title or Nature of Course	Sponsor/ Organiser	Venue	David Portlock - Chair	Gordon Gresty	Cllr Mike Jordan	Simon Purcell	David Houlgate	Emma Barbery	David Hawkins	Sam Thompson
28/1/21	North Yorkshire Pension Investment Strategy Workshop	NYPF	Virtual Meeting	Х							
12/2/21	North Yorkshire Pension Investment Strategy Workshop	NYPF	Virtual Meeting	Х							
4/3/21	North Yorkshire Pension Investment Strategy Workshop	NYPF	Virtual Meeting	Х							
13/5/21	North Yorkshire Pension Investment Strategy Workshop	NYPF	Virtual Meeting	Х							
3/6/21	North Yorkshire Pension Investment Strategy Workshop	NYPF	Virtual Meeting	Х							
2/7/21	North Yorkshire Pension Investment Strategy Workshop	NYPF	Virtual Meeting	х							
25/11/21	Asset Allocation Workshop	NYPF	County Hall	Х							
10/2/22	Asset Allocation Workshop	NYPF	Virtual Meeting	Х							
3/3/22	Asset Allocation Workshop	NYPF	County Hall	Х							
26/5/22	Asset Allocation Workshop	NYPF	County Hall	Х							
30/6/22	Asset Allocation Workshop	NYPF	County Hall	Х							
24&25/11/22	Asset Allocation/Investment Strategy Workshop	AON	County Hall	Х							
20/2/23	Asset Allocation/Investment Strategy Workshop	AON	County Hall	Х							
24/5/23	Investment Strategy Workshop	NYPF	County Hall	Х							
11/11/16	Triennial Valuation Seminar	Actuary	County Hall	Х							
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	Cllr Mike Jordan	Simon Purcell	David Houlgate	Emma Barbery	David Hawkins	Sam Thompson
13/01/17	Pooling – Employers Seminar	NYPF	County Hall	X	Х						
24/02/17	North Yorkshire Pension Fund Manager Meeting	NYPF	County Hall	Х							
03/03/16	Audit Committee Training Session - Counter Fraud	NYCC	County Hall	Х		Х					
03/02/16	Governance Forum	Mazars	York	Х		Х					
08/07/16	Governance Forum	Mazars	York	Х		Х					
03/02/17	Governance Forum – (Including Cyber Security)	Mazars	York	Х		Х					
31/01/18	Governance Forum (including GDPR)	Mazars	York	Х		Х					
18/06/18	Data – Section 13 – Regional Workshop	Mercer	Manchester	Х							
21/06/18	Audit Committee Training Session – Treasury Management	NYCC	County Hall	Х							
07/15 – 03/17	Introducing Pension Schemes	The Pensions' Regulator – Toolkit Modules	On-line		Х						
07/15 – 03/17	The Trustees' Role	The Pensions' Regulator – Toolkit Modules	On-line	Х	Х						
07/15 – 03/17	Running a Scheme	The Pensions' Regulator – Toolkit Modules	On-line	Х	Х						
07/15 – 03/17	Pensions' Law	The Pensions' Regulator – Toolkit Modules	On-line		Х						
07/15 – 03/17	An introduction to investment	The Pensions' Regulator – Toolkit Modules	On-Line		Х						
07/15 – 01/18	How a DB Scheme works	The Pensions' Regulator – Toolkit Modules	On-line		х		Х				

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PENSION BOARD WORK PLAN APPENDIX 1

		13-Jan-	07-Apr-	07-July-	06-Oct-	12-Jan-	06-Apr-
		22	22	22	22	23	23
1	Agree plan for the year	✓				✓	
2	Review Terms of Reference	✓				✓	
3	Review performance against the plan	✓	✓	✓	✓	✓	✓
	Report to the PFC / NYCC – Minutes and Chair's feedback/Annual						
4	Report	✓	✓	✓	✓	✓	✓
5	Report to Scheme Advisory Board / MHCLG – via Annual Report			√			

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			✓			
	Review the compliance of particular issues on request of the PFC – as						
10	required						
	Review the process and note the outcome of actuarial reporting and						
11	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	✓	✓	✓	✓	✓	✓
	Annual review of the Internal Dispute Resolution Process, Policy and						
13	cases			✓			
14	Annual review of cases referred to the Pensions Ombudsman			✓			
	*Review the exercise of employer and administering authority						
15	discretions			✓			
16	Assist with the development of improved customer services						
	Review the risk register and management of risk processes and						
17	procedure	✓		✓		✓	
18	*Assist in assessing process improvements on request of PFC						
19	Pooling – governance, reporting and transparency	✓	✓	✓	✓	✓	✓
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	✓	✓	✓	✓	√	✓

*Project Work – to be undertaken by individual Members – dependent upon available time and resources – based on relevant issues within the Work Programme

Agenda Item 12

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

Document is Restricted

