



Meeting Pension Board

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

Date: Thursday, 18 April 2024

Time: 10.00 am

Independent Chair: Mr David Portlock (Chairman - Independent

Member (Non-voting))

Employer Representatives: Councillor Steve Watson (North Yorkshire Council), Councillor Martin Rowley BEM (City of York Council) and Emma Barbery (one vacancy)

Scheme Member Representatives: David Houlgate, Simon Purcell and Sam Thompson (one vacancy)

Business

1. **Welcome and apologies.**
2. **Resignations and recruitment - Report of the Assistant Chief Executive (Legal and Democratic Services). (Pages 3 - 4)**
3. **Exclusion of Public and Press**

To consider the exclusion of the public and press from the meeting during consideration of item 8(b), Confidential Minutes of the Pension Fund Committee held on 1st March 2024, on the grounds that they involve 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
- 4(a) **Minutes of the meeting held on 11th January 2024 (Pages 5 - 14)**
- 4(b) **Progress on Issues raised at Previous Meetings (Pages 15 - 16)**
5. **Declarations of Interest**
6. **Public Questions and/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 Harriet Clarke of Democratic Services (contact details provided on the agenda) by midday on Monday 15th April 2024. Each speaker should limit themselves to 3 minutes on any item. Members of the public who have given notice will be invited to speak:-

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

- 7. Annual Discussion with the Treasurer of the North Yorkshire Pension Fund**
- 8(a) Draft Minutes of Pension Fund Committee held on 1st March 2024 (Pages 17 - 28)**
- 8(b) Draft Confidential Minutes of the Pension Fund Committee held on 1st March 2024 (Pages 29 - 32)**
- 9. Pension Fund Administration - Including Business Plan, budget and cashflow - Report of the Treasurer (Pages 33 - 82)**
- 10. Internal Audit Report - Report of the Internal Auditor, Veritau (Pages 83 - 86)**
- 11. Training - Report of the Assistant Chief Executive (Legal and Democratic Services) (Pages 87 - 90)**
- 12. Work Plan - Report of the Assistant Chief Executive (Legal and Democratic Services) (Pages 91 - 94)**
- 13. Other business which the Chairman agrees should be considered as a matter of urgency because of special circumstances**

Barry Khan
Assistant Chief Executive
(Legal and Democratic Services)
County Hall
Northallerton

Wednesday, 10 April 2024

Enquiries relating to this agenda please contact Harriet Clarke Tel: 01423 556068
or e-mail harriet.clarke@northyorks.gov.uk

North Yorkshire Council

Pension Board

18 April 2024

Resignations and recruitment

Report of the Assistant Chief Executive (Legal and Democratic Services)

1.0 Purpose of the report

1.1 To advise Members of:-

- Recent resignations by Members of the Board;
- A recruitment exercise that would be undertaken to fill the vacancies left

2.0 Resignations

2.1 Following the January meeting of the Pension Board resignations were received from:-

Gordon Gresty – Scheme Member Representative (Retired Members); and

David Hawkins – Employer Representative (York College)

2.2 As a result there are now two vacancies on the Pension Board.

3.0 Recruitment

3.1 A recruitment exercise will now be undertaken to fill the vacancies. Initially these will be advertised on the North Yorkshire Pension Fund website, with consideration also given to a wider advertising campaign through other methods such as social media and word of mouth from existing Members and officers, should the initial advert not generate sufficient interest.

3.2 Anyone who submits an interest in one of the positions will be provided with an application pack relating to their potential representation on the Committee, ie. Scheme Member Representative or Employer Representative. These will be provided by the Clerk, Seve Loach (Stephen.loach@northyorks.gov.uk – tel. 01609 532216).

3.3 Completed applications will be returned to the Clerk, who will then discuss these with the Chair of the Board.

3.4 Suitable applicants will then be invited to a discussion with the Chair of the Board, the Clerk and/or a leading officer of the Fund, to determine whether it would be appropriate for them to be appointed.

3.5 Any nominations for appointment would then be subject to the appropriate process culminating in the nominations being considered by Full Council, in their role as Administering Authority. Agreement by Full Council would see them appointed to the Board.

4.0 Recommendation

- 4.1 That Gordon Gresty and David Hawkins be thanked for their services to the Board; and
- 4.2 That the recruitment process be undertaken as detailed above.

Barry Khan
Assistant Chief Executive (Legal and Democratic Services)
County Hall
Northallerton

Report Author – Steve Loach – April 2024

Background Documents – Email resignations from Gordon Gresty and David Hawkins.

North Yorkshire Council

Pension Board

Minutes of the meeting of the Pension Board held at County Hall, Northallerton on Thursday 11th January 2024 commencing at 10.00am.

Present: -

Members of the Board

David Portlock (Independent Chairman)

Employer Representatives:

Emma Barbery (Askham Bryan College)
Councillor Martin Rowley, BEM (City of York Council)

Scheme Members:

David Houlgate (Unison)
Simon Purcell (Unison)
Gordon Gresty (NYPF retired members)
Sam Thompson (North Yorkshire Council)

Council Officers:

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

In attendance:

Councillor George Jabbour
Councillor Paul Haslam – virtual attendance

Copies of all documents considered are in the Minute Book

38. Welcome and apologies for absence

Apologies for absence were submitted by Councillor Steve Watson (North Yorkshire Council) and David Hawkins (York College).

39. Exclusion of Public and Press

That on the grounds that this item involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006,

the public and press were excluded from the meeting during consideration of Min. no. 43(b) – Confidential Minutes of the Pension Fund Committee.

40(a). Minutes

Resolved -

That the Minutes of the meeting held on 26 October 2023, having been printed and circulated, be taken as read, confirmed as a correct record and signed by the Chairman.

40(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 last Autumn 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.

In relation to the Government's call for the next steps of pooling arrangements it was stated that nothing further had been heard in respect of further developments. It was considered unlikely that there would be any action undertaken prior to the forthcoming General Election, and even then it was unlikely that there would be any significant impact on the North Yorkshire Pension Fund, as it already held a significant proportion of investments in the Border to Coast Pensions Partnership (BCPP) pool. The aim of the Government extending the scope of pooling was to encourage those Pension Funds that were not currently sufficiently participating to do so and to ensure that the pooling benefits were fully maximised.

The Business Continuity matter would be addressed later in the meeting.

Resolved -

That the report be noted.

41. Declarations of Interest

There were no declarations of interest.

42. Public Questions or Statements

It was noted that a member of the public had suggested that they would like to present a question/statement to a subsequent meeting in relation to addressing climate change through the investments made by the Pension Fund. It had been explained that the Board had no involvement in investments for the Fund, but she was welcome to attend and address the Board if she wished. An e-mail from the person, inviting Members of the Board to a climate event, had been circulated prior to the meeting.

43. Review of the Terms of Reference

The Terms of Reference were provided to Members as part of the Annual Review. It was noted that the Terms of Reference still contained reference to the County Council which had changed to North Yorkshire Council and there was a typographical error.

There were no material changes and the minor changes did not need to be referred to Council for approval.

Resolved –

That the minor alterations be undertaken accordingly and the report be noted.

44(a). Pension Fund Committee – Draft Minutes of the meeting held on 24 November 2023

Considered -

The draft minutes of the meeting of the Pension Fund Committee (PFC) held on 24 November 2023.

The Chair highlighted the following main issues that were considered at the meeting and noted that the issues of interest for the Board were the subject of reports to this meeting.

Resolved –

That the Minutes be noted.

44(b). Pension Fund Committee – Draft Confidential Minutes of the meeting held on 24 November 2023

Considered -

The draft confidential minutes of the meeting of the Pension Fund Committee (PFC) held on 24 November 2023.

Resolved –

That the Minutes be noted.

45. 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 November 2023 meeting were set out in an Appendix to the report.

Breaches Log

There had been one new entry in the breaches log since the previous meeting of the Board, as detailed in the report. This related to the late issuing of a 2022 Pension Savings Statement, following the discovery of discrepancies whilst working on the 2023 Statement. This had resulted in a £100 penalty from HMRC.

Annual Benefits Statements (ABS)

All of the statements for 2023 had now been issued and the process for 2024 was underway. The monthly returns from those now on i-Connect were improving the ABS process through the provision of up-to-date and timely data.

Major projects

The roll out of the i-Connect employer portal was progressing well with only 62 employers left to onboard; the final push to complete this process was now underway.

The new website for the NYPF was now live, with up to date and relevant content available, and will be monitored to ensure that this remains up to date.

The data returned from employers for the McCloud project had been completed and the disclosure requirement to inform all relevant scheme members about the McCloud remedy had been met. This included a form for members to advise the Fund of any other Public Service Pension Scheme (PSPS) membership they had before 1 April 2012 (needed for the remedy).

In relation to the updating of the Disaster Recovery Plan, feedback was awaited from the relevant team that were currently working on the NYC Recovery Plan. It was expected that the Plan for the NYPF would link into that. Members were reassured that the existing Plan could be utilised should there be an immediate need.

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

The Pensions Regulator (TPR) had submitted its new General Code of Practice before Parliament the day before this meeting, and this would be introduced from 27 March 2024. However, it was expected that Pension Funds should already be complying with much of the new code. It was stated that AON were providing guidance and were providing a webinar on 29 January 2024 in relation to this. It was requested that a link to the webinar be shared with Members of the Board. It was also requested that, if possible, a recording of the webinar be made to share with Members unable to attend. In response it was stated that it was usual practice for this to take place. The Chair considered this to be an important development for the work of the Pension Board

Members raised the following issues in relation to the report:-

- It was asked whether there would be access to details on the website for pension members to determine whether they were eligible for benefits from the McCloud judgement. It was also asked what the default position would be should a member not return their circulated form in relation to McCloud. In response it was noted that all relevant details would be available through the NYPF and LGPS websites. In terms of the default position, any member who returned their PSPS form would have an identifier added to their pension record. Any member who did not return their form would be asked again to confirm any PSPS membership when the NYPF carried out a benefit calculation.

- It was asked whether there was a timescale in respect of the updating of the Disaster Recovery Plan. In response it was stated that the Head of Pensions Administration remained in contact with the NYC Disaster Recovery Team with a view to addressing this matter as soon as possible. It was suggested, should there be further delays to this, that the concerns of the Pension Board regarding the lack of progress on this matter be raised with the Team.
- A Member noted that when the unitary Authority was formed a twelve months opportunity was provided for staff leaving the former District and Borough Councils to amalgamate their pensions. It was asked whether a reminder had been issued to remind staff that the period of time offered for this was to end shortly. In response it was stated that a reminder had been provided on internal communication networks. It was suggested that Managers should be approached to advise staff as not all of them had access to the internal networks. It was stated that this would be addressed accordingly. It was asked whether there had been a large response to this opportunity and it was stated that the majority of people were satisfied with their current pension arrangements, therefore did not feel it necessary to respond, however, it was important that the choice was provided. The Chair suggested that it would be good practice to issue a reminder to avoid later complaints. It was noted that some members had requested additional time, beyond the twelve months offered, to make this decision. It was emphasised that this was an employer discretion within the Local Government Pension Scheme Regulations and Full Council (for NYC) would need to decide how to exercise its discretion (not the NYPF).
- The Chair asked Board Members to consider the latest breach, as outlined earlier in the meeting, and whether this should be reported to the Pensions Regulator. He stated that he had discussed the issue with officers prior to the meeting, as it arisen prior to the November PFC Meeting, and had recommended that given the nature of the breach there was no need to report this, which had been accepted by the PFC. Members of the Board agreed that the breach should not be referred to the Pensions Regulator.

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 breach highlighted at this meeting.

46. Pension Fund Annual Report 2022/23

It was explained that, due to external accounting issues, the Final Accounts could not yet be signed off, despite the NYPF accounts having been completed some time ago, as these could not be published until the Council's accounts were signed off. It was expected that the accounts would be signed off shortly.

In line with legislation, the Annual Report had been published on the NYPF website by the 1 December, with an explanatory note in respect of the non-inclusion of the Final Accounts.

During a discussion of the report the following issues were highlighted:-

- Members expressed their concerns and hoped that the accounts had been completed by the next meeting of the Board.

- It was noted that due to delays in the previous year's accounts there were now two draft Annual Reports on the website and it was asked whether this would have further consequences for the coming year. In response it was stated that the accounts had to be completed in order, therefore, it was possible that further delays could occur. The issues relating to the current External Audit situation was nationwide, and not just a North Yorkshire matter. However, there was some comfort for the Pension Fund in that the bulk of the audit of the accounts had been undertaken and there were no major concerns with the Fund's accounts, the issue was with the publication of the NYC accounts, unfortunately both had to be done together. There were a number of issues arising from the accounts of some of the former District/Borough Council accounts that were having a knock-on effect for the NYC accounts, following the amalgamation. It was asked whether, going forward, the two sets of accounts could be published separately. A Member suggested that the possibility of having the accounts published separately should be investigated and it was noted that the forthcoming Good Governance Review could contain directions related to that, going forward.

Resolved –

- (i) that the draft Annual Report 2022/23 be noted.
- (ii) that the status update of the draft Annual Report 2021/22 be noted.

47. Pension Fund Risk Register

Members considered the latest update of the Pension Fund's Risk Register. The following highlights from the report were outlined:-

- None of the risks had been categorised higher since the previous update
- The risks had lowered in relation to key personnel, resources and benefit payments. The Local Government Re-organisation had now been completed.

During a discussion of the report the following issues were highlighted:-

- It was considered surprising that pooling remained a high risk now that 75% of the Fund's investments were in the pool. This was acknowledged, but it was noted that some important transfers of investments were about to take place therefore the risk remained unchanged. The next review may see an alteration to that position.
- It was asked whether there was a risk going forward from the employers that were yet to be onboarded onto i-Connect. In response it was explained that employers who were already onboarded submitted monthly data to the NYPF and the data was checked in real time rather than at year end. This meant that errors were dealt with periodically rather than in bulk at year end. It was expected that the remaining employers would be onboarded onto i-Connect shortly, and there was no significant risk relating to this. It was noted, however, that data still had to be provided in a timely manner for the process to be effective, therefore there was still a risk in respect of this.
- Details of how the various risks were calculated and categorised would be circulated to Members.

Resolved -

That the contents of the report be noted

48. Internal Audit Report

Members considered a report from the Internal Auditors, Veritau, that provided a more detailed programme of work for 2023/24, highlighting the issues that would be focussed upon in the various categories, to ensure that new topics within those areas, were the subject of scrutiny over the coming year. The details were set out in the report.

During a discussion of the report the following issues were highlighted:-

- The change of focus under the continuing headings was provided in the report.
- The timescales for the audits were discussed and it was stated that these would be completed over the next six months period, with some details to be reported back to the July meeting of the Board and the remainder being presented to the October meeting.
- It was stated that meetings between external and internal audit providers did take place and that there had been discussions in relation to the 2023/24 audit of final accounts. It was noted that there was frequent liaison between the two on numerous issues with care taken so as not to duplicate the details under consideration.
- The Chair noted that the report referred to this meeting as a Committee and suggested that this should be replaced with Board in future so as not to create confusion with the Pension Fund Committee. He stated that any issues of concern raised by Internal Audit at the Board would be reported to the Pension Fund Committee meetings by him.

Resolved -

That the contents of the report be noted

49. Budget and Cashflow

Members considered a report providing an update on:-

- (a) 2023-24 budget and costs of running the Fund
- (b) four-year cash flow forecast

The main variations to the budget related to recruitment to fill vacancies in the Admin Team and additional consultancy fees related to the ongoing review of equities.

The cashflow position for Quarter 1 indicated that there had been minor changes to the position reported to the previous meeting. The overall cash flow position was expected to be a Scheme deficit in 2023/24. Increasing deficits were projected from 2024/25, where an equivalent amount of income from investments would be required to address this. As previously reported this was a natural development for a pension fund to become cashflow negative, due to factors such as increasing life expectancy.

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

- The Chair stated that the NYPF was a maturing Fund facing an inevitable position of becoming cashflow negative and had done well to remain in a

positive position for so long as many in the LGPS had been negative for a number of years. It was noted that some income from investments, which would have previously been re-invested, would now be utilised to balance the cashflow position.

- A Member asked how many LGPS schemes, particularly those in the BCPP, were cashflow negative. In response it was stated that anecdotal information indicated that the majority were in that position. It was stated that details of those within BCPP that were in cashflow deficit would be obtained and circulated following a request by a Board Member. It was believed that more than half of the Funds in the LGPS were now cashflow negative and it was emphasised that the NYPF was in a strong position as it remained more than 100% funded.

Resolved –

That the report and issues raised be noted.

50. Training

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

The Chair highlighted the forthcoming training event by AON on the new TPR General Code of Practice and a number of conferences/training events organised by the PLSA. He noted that details of training, webinars and conferences continued to be circulated and encouraged Board Members to attend when time allowed them to. He noted that the Good Governance Review was likely to place emphasis on skills and knowledge, and whilst these were statutorily required for Board Members, there were likely to be implications for Pension Fund Committee Members.

Resolved -

- (i) That Members note the availability and details of the Hymans Robertson online training package, together the numerous other training events, webinars and conferences that were frequently advertised;
- (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.

51. 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 the final meeting date for the Pension Board for 2023/24 and the dates for 2024/25.

The Chair stated that for 2024/25, the Board would consider a return to some detailed project work and asked for Members to provide their views on this. If in favour, he suggested that Members liaise with officers to determine which issues would be

appropriate, within the scope of the Board, for that type of work, and what resources and time commitment would be required.

A Member asked whether the Board would be required to operate differently following the implementation of TPR's new General Code of Practice. In response it was stated that details of any implications would be provided to the April meeting of the Board.

Resolved -

- (i) That the Work Plan, as detailed in Appendix 1 to the report, be noted;
- (ii) Members advise the Chair of their views on recommencing focussed project work during 2024/25
- (iii) That the final date of ordinary meetings for 2023/24 being 4th April 2024 be noted.
- (iv) That the dates of ordinary meetings for 2024/25, as detailed in the report be noted as follows:-

All Thursdays at 10am

4th July 2024
24th October 2024
9th January 2025
3rd April 2025

The meeting concluded at 11.40am.

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North Yorkshire Council

Pension Board

18 April 2024

Progress on issues raised by the Board

Report of the Assistant Chief Executive (Legal and Democratic Services)

1.0 Purpose of the report

1.1 To advise Members of:-

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

2.0 Background

2.1 This report is submitted to each meeting listing the Board's previous Resolutions where further information is to be submitted to future meetings. The table below represents the list of issues which were identified at previous Pension Board meetings and which have not yet been resolved.

Date	Minute No and subject	Resolution/Action	Comment/completed
3 October 2019 – ongoing – delayed by COVID 19	Minute no 223 – Governance of the Fund/ Minute no 231 (b) – progress on Issues raised / Minute no 289(b) – progress on Issues raised	Hymans Robertson Report on Good Governance in the LGPS – Members raised concerns regarding the potential for the creation of new local authority bodies and joint committees to oversee the LGPS, which had been raised as part of this study/consultation.	Members agreed to monitor developments in relation to any potential changes to governance arrangements from the Scheme Advisory Board, going forward. Advice is still awaited in relation to this matter. The issue was now progressing with the final implications awaited.
6 April 2023 - ongoing	Minute No. 6 - Annual Discussion with the Treasurer of the North Yorkshire Pension Fund	The Government were considering a second phase of pooling as they are seeking enhanced economies of scale.	Further details on the potential for this, including the possible amalgamation of existing polls, which could affect BCPP, are awaited and a response has been sent by the Fund to a consultation on this issue. Further development on this issue are awaited and have been the subject of reports to both the PFC and PB. These will continue until the situation is clarified.

26 October 2023	Minute No.36 - Internal Audit Report	Business Continuity/Disaster Recovery – work was underway to update these processes with expert help having been obtained.	Work would be completed as soon as possible and an update on this issue would be provided to the April 2024 meeting of the Board.
11 January 2024	Minute No.45 – Pensions Administration – Other issues	The Pensions Regulator (TPR) had submitted its new General Code of Practice before Parliament and this would be introduced from 27 March 2024.	It was expected that Pension Funds should already be complying with much of the new code. It was stated that AON were providing guidance and were providing a webinar on 29 January 2024 in relation to this and it was requested that a link to the webinar be shared with Members of the Board. An update on the development of the new Code will be provided at today’s meeting
Subsequent to 11 January 2024	-	Gordon Gresty (Scheme Member Representative) and David Hawkins (Employer Representative) resigned from the Board.	A recruitment exercise would now be put in place and will be discussed at today’s meeting.

3.0 Recommendation

3.1 That the report be noted and further action be undertaken where required.

Barry Khan
Assistant Chief Executive (Legal and Democratic Services)
County Hall
Northallerton

Report Author – Steve Loach – April 2024

Background Documents – None

North Yorkshire Council

Pension Fund Committee

Minutes of the meeting held on 1st March 2024 held at County Hall, Northallerton commencing at 10 am.

Present:-

Councillors George Jabbour (Vice-Chair in the Chair), John Cattanach, Sam Gibbs, Paul Haslam (as substitute for Councillor Mark Crane), Cliff Lunn, Heather Moorhouse (as substitute for Angus Thompson), David Noland, Neil Swannick, Matt Walker and Andrew Williams.

David Portlock - Chair of the Pension Board.

Apologies for absence – Councillors Mark Crane and Angus Thompson;
Councillor Jonny Crawshaw - City of York Council; together with Brian Hazeldine – UNISON retired members.

Two members of the public and a representative of the press were present.

Copies of all documents considered are in the Minute Book

38. Exclusion of the Public and Press

Resolved –

That on the grounds that these items involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006, the public and press were excluded from the meeting during consideration of Min. nos. 39 – Confidential Minutes and –

39. Minutes and Confidential Minutes

Resolved -

That the Minutes and Confidential Minutes of the meeting held on 24th November 2023 were confirmed and were signed by the Chairman as a correct record, subject to the alteration detailed below:-

Minute No. 31 – Pensions Administration report – Under “Members discussed the report and the following issues were raised:-“ replace the first bullet point with the following:-

It was clarified that whilst we have approximately 22k members of the Fund that are known to be in scope there were possibly another 80k members who might fall within the scope of the McCloud judgment when we receive details of any previous public sector pension scheme membership. A calculation would be undertaken for those eligible and each member would be awarded either a Final Salary or Career Average Pension for the McCloud underpin period, depending on whichever was the higher

figure. A priority list for rectification was being developed in respect of the implementation of this.

40. 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.

The following Members declared a non-registerable interest in respect of them being in receipt of a pension from the NYPF:-

Councillors John Cattanach and Cliff Lunn.

41. Public Questions or Statements

Mr Richard Tassell of Fossil Free North Yorkshire provided the following questions/statements to the Committee:-

Since we last asked a question of the North Yorkshire Pension Committee in September there have been several significant developments related to continued investment in fossil fuel companies.

Barclays Bank have issued a statement on their future holdings in new fossil fuel exploration and development (February 2024) saying they will no longer make such investments.

This comes in the same month (February 2024) where it was confirmed that the world during 2023 had reached the 1.5 degrees in warming (the 'target' established at the Paris Conference in 2015) beyond which global warming and climate breakdown would reach dangerous levels.

I would like to bring to the committee's attention recent research^{4,5} that demonstrates that pension funds may be risking retirement savings by relying on economic research that ignores the science. It shows that climate modelling available to pension funds is flawed and grossly underestimates the true financial implications of a warming climate on pension returns. Real-world impacts of climate change, such as the impact of tipping points, sea-level rise and involuntary mass migration, are largely excluded from these economic models. Some models even implausibly show the hot-house world to be economically positive!

Many pension funds use investment models that predict that global warming of 2 to 4.3°C will have only a minimal impact on member portfolios, and even at 5 to 7°C of warming, these models predict that economic growth will continue (reducing future GDP by less than 10%, compared to a world with no climate change). Such predictions cannot be reconciled with the science. Global warming on this scale would be "an existential threat to human civilisation," "beyond catastrophic".

It is clear that there has been an element of "group think" here and that different professional groups have been working in silos.

I believe that North Yorkshire Pension fund has a fiduciary duty to review the climate modelling that you are using and ensure that it is fit for purpose.

These reports are referenced in this briefing document as is a recording of the webinar addressing this very issue that took place on Feb 5th. I am aware that there was representation from this committee at that webinar to which, all councillors received an invitation.

Our group would like to know, in the light of incontrovertible evidence which demonstrate the rapid, destructive and catastrophic nature of global warming why the North Yorkshire fund continues to invest in fossil fuels and why is the pension fund continuing to expose the fund to the ever-growing risk of stranded assets by investment in fossil fuel companies?

Mrs Margaret Jackson also of Fossil Free North Yorkshire provided the following questions/statements to the Committee:-

I would like to bring you some updates regarding pension funds and fossil fuel investing and then to alert you to new guidance on fiduciary duty.

I want to remind you that East Riding of Yorkshire Council recently voted unanimously, in Full Council, in favour of a motion to halt all new fossil fuel investments and fully divest from existing fossil fuel funds within five years. Cllr Andy Walker, of the Yorkshire Party, who proposed the motion, said: "It is crazy that our pensions are investing in fossil fuels when they are the very things that are jeopardising what we are saving for".²

West Yorkshire Pension Fund has just two weeks ago revealed its plans to increase investments in sustainable projects, stop all new investments in fossil fuels, and review the impact of its approach to engagement.³

Conservative-run Wiltshire Pension Fund has recently committed to divestment; and the world's 10th largest pension fund, PFZW has divested 2.8 billion euros out of almost all oil and gas companies (incl. bp, Shell and TotalEnergies) because they missed the fund's deadline to bring in a "convincing and verifiable" climate strategy.

According to the most recent UK Divest data¹, on the 31.3.22, 1.8% of the North Yorkshire Pension Fund (£75.9 million) was invested in fossil fuels. This represents a reduction in your exposure to fossil fuels, and we commend you for this. But North Yorkshire has not reduced as fast as over 20% of other local councils that now invest less than 1% of their total fund in fossil fuels. North Yorkshire appears to be lagging behind.

On fiduciary duty: The Financial Markets and Law Committee (FMLC) has issued guidance for pension funds.

As you know, these duties exist to ensure that those who manage other people's money consider the long-term risks to, and consequences of, investment decisions. However, they do tend to cause confusion about the way in which system-level risks such as the climate and nature crises should be considered. During the passage of the Financial Services and Markets Act last year, cross-party peers called for new measures to clarify fiduciary duties in the context of climate risks and the transition to net zero.

The guidance is summarised in my notes submitted to this meeting and references are there too. Suffice it to say that the guidance makes clear that climate risk must be considered and that fiduciary duties need to be applied looking through a wide lens. I would ask that you spend some time reading the new guidance and considering this issue.

I have a question to the committee:

Does the Pension Fund have more up to date figures for its fossil fuel investment than the UK Divest figures above? And if so, please can you detail how these figures are derived?

The following response, delivered by the North Yorkshire Pension Fund's Head of investments, was provided in relation to the issues raised:-

We thank you for your questions and agree that climate change is an extremely serious issue. We are aware that a few organisations have made statements over recent months on changing their approach to financing or investing in oil and gas companies. However, our approach is to engage with companies to influence the pace of transition to a low carbon economy, rather than divest, as we believe this is the best way to effect real world change.

The reports you mentioned, Loading the Dice Against Pensions and The Emperors New Climate Scenarios, raised some interesting questions on economic projections. These reports were raised in a public question and responded to at our meeting in September last year. We said that we know there are flaws in all projections but we are comfortable with the climate scenario analysis we undertook as part of the last investment strategy review. The science behind projections is evolving, and we will be making use of the latest developments when we next review the strategy.

The resolution at the East Riding of Yorkshire Council was for the Pensions Committee to review the investment strategy, with particular divestment goals in mind. We understand this review has been completed, and their Pensions Committee has decided to work more closely with Border to Coast on the evolution of the approach to responsible investment, rather than pursue divestment. This was reported to their Full Council on 21 February.

In answer to your specific question, the figure is approximately 1.3%, and this is fossil fuel companies in the energy sector.

The Chair of the Pension Board stated that he and the Investments Manager had met with the two representatives from Fossil Free North Yorkshire earlier in the week, with similar issues discussed. He noted that, overall, there had been a great deal of common ground within the discussion, but, understandably, there had been a difference of opinion in relation to how quickly divestments from fossil fuels should take place.

Councillor Haslam stated that he had also met with these representatives as part of his role as the Council's Climate Change Champion, and had been liaising with them for some time, with good progress made. He noted the assets of the NYPF and the current position of trying to influence a climate change response from fossil fuel providers, in relation to the low level of investments held. He emphasised the need to ensure that Climate Change was at the forefront of considerations by the Committee, in terms of investments, going forward, and that the issue should be addressed with the managers of these investments to ensure that they are also taking this issue seriously.

The Chair stated that the Committee recognised the importance of these issues noting that there had been previous engagement with FFNY. He stated that a recent newsletter from BCPP highlighted climate change risk, the monitoring of investments taking place and its importance, and that BCPP is a signatory to the UK Stewardship Code.

Mr Tassell asked if the risk details for investments related to fossil fuels could be shared but was informed that the documents contained confidential information and therefore could not be shared.

42. 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 2024

Breaches Policy & Log

Business Plan update

Issues and Initiatives

Ongoing projects

i-Connect Rollout

Website development

McCloud

New tPR General Code of Practice

Member Training

Meeting Timetable

The following issues from the report were highlighted:-

- The Administration service had seen a particularly busy period at the end of 2023 with a number of issues requiring additional focus. Despite this, extensive hard work had seen the back log reduced to one week at the start of January. This has since returned to the two week work in progress position.
- There had been 9 compliments and 3 complaints during the quarter.
- The 2023 Annual Benefit Statement (ABS) exercise had now been completed and work had started on 2024.
- There had been no new breaches of the Regulations during the quarter.
- i-Connect was continuing to be rolled out with 183 employers now onboard with 51 remaining to be included, with the full project expected to be finally concluded this year.
- The new website was launched on 4th December 2023.
- Data for the McCloud project had now all been received. Where there had been no response the existing data would be utilised. The updating of records from the data received had been completed.
- The tPR General Code of Practice would be effective from the end of March 2024. Both AON and Hymans have developed a compliance checker which had been demonstrated to Fund Officers. The decision has been made to utilise AON's platform and work is progressing on that basis. Further details will be brought to future meetings including the current compliance position, an action plan to get the Fund to full compliance and progress against the action plan.

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

- The Chair referred to the training events undertaken within the report and noted some anomalies to the details provided. He also re-emphasised the webinar

events organised by AON and Hymans that were taking place and encouraged Members to join these.

- It was asked whether the new tPR Code was to be the subject of an agenda item at a subsequent meeting of the Committee. It was stated, in response, that the webinars organised by AON and Hymans, together with the Hymans online training platform, adequately provided the relevant information for Members in relation to the new Code. It was stated, in relation to the new Code that a report would be developed from the compliance check to provide a RAG rating and action plan which would then be presented to both the Board and the Committee.
- A Member referred to the Hymans training platform and noted that version 2 had now superseded the original, and he asked whether he should repeat the whole training package. The Chair of the Pension Board also noted that whilst it was a requirement for Members of the Board to have a level of training and knowledge, this requirement was not currently the same for PFC Members, although this was likely to change in the near future, with governance regulations due to be renewed, and the online training platform was likely to be a valuable tool in meeting those requirements. The Chair noted that the “New Issues” module within the training package was always useful to revisit, as this was continually updated with new information on issues pertinent to the LGPS. It was considered appropriate that Members should refresh their knowledge via the online training platform every 2-3 years and should identify any specific training issues that would be beneficial to their service to the Committee.
- The Chair of the Pension Board welcomed that there had been no new breaches identified during the quarter. He noted the volume of work identified within the throughput statistics and asked whether there were any common themes in relation to these. In response it was stated that the only common aspect was the annual processing of data which could have had a knock-on effect.
- A Member who had attended a recent meeting of the Pension Board and had noted a fall in recent performance statistics asked whether resources available to the Administration Team were affecting the performance targets and the delivery of projects. In response it was emphasised that any issues of significant concern raised at the Pension Board would be raised directly with the Treasurer and acted upon accordingly. The Administration Team were working well and were endeavouring to meet the appropriate targets with no major concerns regarding their current performance. The Treasurer stated that the Team’s resources were regularly checked to determine whether additional capacity was required and if identified this would be fixed accordingly.
- A Member highlighted the significant impact that cyber-crime was having on organisations and asked whether including details of how this was being addressed within the risk register would assist in targeting resources. In response the Treasurer stated that cyber security was administered by North Yorkshire Council for the NYPF, and information governance was recognised as the overriding corporate risk for the whole Authority, with the issue regularly considered at Audit Committee meetings. The Pension Fund benefitted from the Council being the Administering Authority in terms of the resources available to address this.
- It was suggested that, consideration should be given to providing a training allowance for Members, with the heightened emphasis of the necessity for this, going forward.

Resolved –

- (i) That the contents of the report be noted.
- (ii) that the contents of the breaches log be noted

43. Budget and Cashflow

Considered –

The report of the Treasurer outlining the following:-

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

the cashflow projection for the Fund.

The main variances were outlined in the report with an estimated total running cost of £36m against a budget of £36.8m, giving a forecast underspend of £0.8m. This related to lower than expected investment management costs resulting from the fall in asset values at the beginning of the year. Further variances were to be expected before the end of the year.

The cashflow position was set out in the report. The overall position was expected to be a series of steadily increasing deficits projected from 2023/24 through 2024/25, 2025/26, and 2026/27. This was to be expected as the Pension Fund continued to mature.

The cash flow forecast also showed movements relating to the Fund's investments. Initially any shortfall would be covered by income distributed to the Fund, such as property rental income, dividends from equities and coupons from bonds. This was already received to a limited extent. Options available to increase receivable income through Border to Coast would be further explored.

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

- It was noted that there had been some costs contained within the 2023/24 budget relating to the development of the BCPP UK and Global Property Funds.
- A Member highlighted an anomaly in the figures detailed within the report. The Treasurer stated that, although this made little difference to the overall outcome, the figures should be correct and would, therefore, corroborate the figures and recirculate.

Resolved –

That the contents of the report be noted.

44. Business Plan, budget and cashflow forecast

Considered -

The report of the Treasurer

Reporting on the progress made against the key business plan activities identified for 2023/24;

Requesting Members to approve the draft Business Plan for 2024/25 to 2026/27;

Requesting Members to approve the draft 2024/25 Budget; and

Reporting on the cashflow forecast of the Fund.

The report highlighted the progress made on the key targets within the 2023/24 business plan and provided a draft of the business plan through to 2027, rolling over

some of the unfinished targets from the current year, alongside additional targets. Members would be provided with opportunities to monitor progress on the business plan at regular intervals.

It was highlighted that the governance review being undertaken by the Scheme Advisory Board was yet to emerge and a close watch would be kept on this to determine what implications this would have for the NYPF.

The Draft Business Plan for the following three years provided details of targets for that period and a plan of working towards those would be produced over the next quarter. An example was given of the work that would be carried out with AON and others to consider compliance with the new Code of Practice (as outlined earlier in the meeting) and to determine what work was required to comply.

The 2024/25 budget was outlined as £38.8m, a £1.7m increase on the previous year due in the main to investment fees payable because of the projected growth in asset values during 2024/25.

The cashflow position was detailed in the report and as described in the previous item (Minute No.43).

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

- BCPP would be launching its UK Property Fund in September 2024 and documents would be provided to Members at a forthcoming workshop and PFC Meeting.
- It was noted that arrangements for Strategy Workshops would not necessarily take place on the day before PFC meetings as was the usual practice but arrangements would be made based upon Members' availability.
- Details of the Charging Policy for non-compliance by employers on issues relating to the administration of the Fund were highlighted.
- Reference was made to the featured points of the Business Plan going forward, and the risk assessments outlined in the report, and it was suggested that a further risk should be added in relation to compliance with the new tPR Code of Practice. In response it was stated that an additional risk assessment in relation to this was not required as an appropriate tool would be utilised to assess the implications for the Fund, resulting in an assessment, RAG rating and action plan.
- A Member noted that the Business Plan outlined the commencement of TCFD (Task Force for Climate related Financial Disclosures) reporting but this was not taking place until at least 2025 and he asked why this would not be taking place sooner. In response it was stated that this matter had been subject to a consultation by the Government in 2022 with guidance expected, following this, however, the guidance has still not been published, hence the target date has been pushed back by at least a year. It was expected that NYPF would respond to the requirements when the guidance was issued.
- A Member queried whether the vision for the Fund was outlined strongly enough in the Business Plan and whether this was set out clearly enough in terms of maximising pension returns for scheme members. In response it was emphasised that as a defined benefits scheme payments to scheme members were regulated by legislation.
- Referring to the issues raised earlier in the meeting the Treasurer stated that the budget would be recirculated if this proved to be incorrect when the figures were checked.

Resolved:-

- (i) that the progress made against the key business plan activities identified for 2023/24 be noted;
- (ii) that the draft Business Plan for 2024/25 to 2026/27 be approved;
- (iii) that the draft 2024/25 Budget be approved subject to clarification of the figures by the Treasurer; and
- (iv) that the cashflow forecast of the Fund be noted.

45. Pension Board – report back by the Chair on the meetings held on 11th January 2024

Considered -

A verbal update by the Chair of the Pension Board based on the Minutes of the meeting held on 11th January 2024, which had been provided.

He highlighted the following issues that were discussed at the meeting:-

- The results of the External Audit were yet to be published despite reassurances that these details were imminent.
- The Risk Register for the Fund was examined at the meeting as part of the regular updates undertaken by the Board. Should any concerns arise these would be communicated to the Treasurer and the Committee.
- Internal Audit reports are provide to each meeting of the Board, the latest providing details of the internal audits to be carried out in 2024. Again any significant issues arising from the reports would be communicated to the Treasurer and the Committee.
- Training featured at all meetings of the Board as it is a statutory requirement that all Members had to have an appropriate, updated level of skills and knowledge to serve on the Board.

A Member highlighted the following in relation to the Board Chair's update:-

- The Chair of the Committee considered it strange that there was currently no statutory requirement relating to PFC Members levels of skills and knowledge, particularly when this body was responsible for the Fund's investments, however, he emphasised that the forthcoming review of governance was likely to change that position.
- It was noted that the update to the Disaster Recovery Plan had not taken place at the time of the Board meeting and it was asked whether this had now been resolved. In response it was stated that an initial meeting had been scheduled with the Emergency and Resilience Team on 26th March 2024 to progress the development of both the disaster recovery and business continuity plans.

Resolved –

The minutes, highlights provided by the Chair and issues raised be noted.

46. 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 to the end of December 2023. The Fund's Independent

Financial Advisor and the NYPF Investments Manager 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.

A discussion of the report with Members resulted in the following issues been highlighted:-

- The Fund remained in surplus with assets above liabilities and was around 114% funded at the end of December.
- This had been a strong period for the equity investments held by the Fund but volatility in the markets remained.
- Further consideration would be given to the disinvested equities, around 5% of the Fund, which was currently held in cash. Discussions would be held with BCPP on options including impact equities.
- A table was provided outlining projections for investment returns for the next 10 years. It was noted that equities could be expected to have very volatile returns over short-term periods over this time frame.
- Issues relating to contribution rates for employers were discussed and it was emphasised that it would be 15 months before the next valuation of the Fund and changes to contribution rates would not be considered until then.
- Consideration continued to be given to de-risking the Fund's investments. The role of index linked gilts in de-risking and their recent performance in relation to liabilities were highlighted. Details of the investment risks were set out in the report. It was noted that it was highly unusual for both Gilts and Equities to perform well at the same time and the circumstances that had created this were outlined.
- Equities remained the main risk to the Fund's funding position due to the volatility of the markets. Bonds and Gilts were less risky investments and were currently showing good returns.
- Consideration would be given to changes to the Investment Strategy in due course, and there were considered to be no obvious reasons to take more urgent action.
- A Member suggested that there appeared to be a focus on the valuation and emphasised the need to ensure that the investments maintained a reasonable rate of return for the Fund over the long term, rather than adopting a short-term view for the purposes of the valuation. It was agreed that whilst consideration should be given to the valuation and its implications for the Fund including the contribution rates for its employers, the main focus would be the performance, long term, of investments to ensure the long term health of the Fund.
- It was stated that the issue of the current holding of cash should be of a temporary nature and would need to be addressed, which was one of the reasons for the consideration of more immediate measures at this meeting. Opportunities to invest, in line with earlier discussions, would be explored.
- The overall proposal for the Fund was to continue to develop a suitable long term strategy for the investments, adjust the weightings on asset classes as required, continue to de-risk where appropriate and develop the strategic allocation to private markets.
- Issues around the L&G property portfolio were discussed and it was noted that the Investment Consultants, maintained a "buy" rating on this.

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.

Minute No. 47 was considered as a private item (see Minute No. 38, above) and separate confidential minutes were produced. The Minutes below provide a public record of the consideration of that item.

47. Asset Allocation Review

Considered -

The report of the Treasurer outlining the following:-

The Fund's current asset allocations, including changes that have been made since the December 2023 quarter end.

The review of the market outlook and return prospects for the Fund's investments, undertaken by officers and advisers.

Consideration of commitments to Border to Coast's infrastructure, private credit and climate opportunities programmes, and set out the option to invest in the UK opportunities programme.

Members' consideration of this item is outlined in the confidential minutes.

Resolved -

- (i) that the current asset allocation position including changes that had been made since the December 2023 quarter end be noted.
- (ii) that a commitment to Border to Coast's private credit programme of £70 millions be agreed
- (iii) that a commitment to Border to Coast's infrastructure programme of £120 millions be agreed.
- (iv) that a target of 4% allocation to Border to Coast's climate opportunities programme, and the associated commitment needed to achieve it be agreed.
- (v) that a target of 1% allocation to Border to Coast's UK opportunities programme, and the associated commitment needed to achieve it be agreed.

The meeting concluded at 12.25pm

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North Yorkshire County Council

Pension Board

4 April 2024

Administration Report

1. Purpose of the Report

To provide Pension Board members with an update on key initiatives undertaken by the administration team of the North Yorkshire Pension Fund.

2. Pension Fund Committee paper

Included for information at **Appendix 1** is the administration paper and appendices provided to the Pension Fund Committee for their March 2024 meeting.

3. Breaches Log

Included at **Appendix 2** is the North Yorkshire Pension Fund's Breaches Log for review. There are no new entries.

4. Annual Benefit Statements

Preparatory work continues for the 2024 exercise with year end notifications being sent to all employers reminding them of the data requirements and deadlines.

5. Major Projects

i-Connect - Employer portal

183 employers now onboarded with 51 remaining. The majority of the remaining employers are smaller ones with multiple contracts so we should be able to make quick progress with these. The target is to have all employers onboarded by the end of March 2025 as we need to be progressing other developments and enhancements within the i-Connect platform alongside stronger data validation.

New TPR General Code of Practice

The new code is expected to come into force on 27 March. It's 171 pages long with 5 sections comprising of 51 modules. We have received demonstrations from both Aon & Hymans of their compliance checker tool and we have chosen the Aon service.

They will provide assistance and guidance on the completion of the checker, the output and the creation of an action plan. They will also provide an online training session for members of the Pension Fund Committee and the Pension Board in due course.

McCloud

Testing of the bulk calculations is about to commence in our Test environment and this will be ongoing throughout April with many iterations likely. Only when we are happy with that we have corrected as many errors as possible will we then run the calculations in our Live environment and switch on the functionality.

This will require a review of existing processes and training across the whole team.

There is significant work still to do and this project will be our primary focus throughout 2024.

Disaster Recovery and Business Continuity Plans

Initial progress has been slow but we have been assigned a named business continuity support officer and have a meeting scheduled with the resilience and emergencies team on 25 March. Following this initial meeting it is anticipated more rapid progress will be made in drafting and finalising up to date plans.

6. Business Plan and Budget 2024/25

The updated business plan and budget for the 2024/25 scheme year was approved at the Pension Fund Committee meeting on 1 March 2024 and is attached at **Appendix 3**.

7. LGPC Bulletins

The LGPC regularly issues bulletins, which can include actions for administering authorities. The NYPF reviews every bulletin and logs any actions highlighted. A log of the actions is included at **Appendix 4** to enable Pension Board Members to ensure appropriate activities are being undertaken

8. Recommendation

- 8.1. That Pension Board Members note the contents of this report.
- 8.2. That Pension Board Members note the contents of the Breaches Log

Phillippa Cockerill
Head of Pensions Administration
County Hall
Northallerton

10 April 2024
Background Papers - Nil

North Yorkshire County Council

Pension Fund Committee

1 March 2024

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 30/09/2023	+/- Change (%)	At 31/12/2023
Active	29,975	+2.19%	30,638
Deferred	39,938	-0.16%	39,873
Pensioner (incl spouse & dependant members)	29,895	+1.56%	30,363
Total	99,808		100,874

3.2. Throughput Statistics

- Period from 1 October 2023 to 31 December 2023

Case type	Cases Outstanding at Start	New Cases	Cases Closed	Cases Outstanding at End
Transfer In quotes	6	38	39	5
Transfer Out quotes	15	116	103	28
Employer & employee estimates	48	629	640	37
Retirement quotes	68	386	412	42
Preserved benefits	1,730	5,067	5,229	1,568
Death in payment or in service	117	563	562	118
Refunds	20	352	307	65
Actual retirement procedure	545	945	982	508
Interfund transfers	469	953	946	476
Aggregate member records	86	166	190	62
Others	206	1,626	1,272	560
Total Cases	3,310	10,841	10,682	3,469

- As well as processing the above cases, the Pensions team also handled 6,925 phone calls (average 115 per working day) in the quarter.

3.3. Performance Statistics

- The performance figures for the period 1 October 2023 to 31 December 2023 are as follows:

Performance Indicator	Target in period	Achieved
Measured work completed within target	98%	96%
Customers surveyed ranking service good or excellent	94%	97%
Increase numbers of registered self-service users by 700 per quarter (total registered users 45,276)	700	1,187

- We continue to focus on completing all of our work within target and encouraging sign up for member self-service.
- High demand as a result of the bulk existence check across deferred and pensioner members coupled with the McCloud disclosure communication has resulted in the dip in our SLA.

3.4. Commendations and Complaints

- This quarter the following commendations and complaints were received:

Commendations

Date	Number	Summary
Oct	2	One issue which has been completed courteously and efficiently Excellent speedy service
Nov	3	Friendly assistance I have nothing but praise for all the staff that I have spoken to Thank you also for your swift response
Dec	4	Gone above and beyond to make sure I receive my pension quickly Thank you for your efficient processing of my pension claim Excellent service Very supportive and professional in their jobs

Complaints

Date	Number	Summary
Oct	1	Admin - Complaint about the wording used in our address confirmation letter, "We understand you may have moved address"
Nov	2	IHER – both appeals against the tier of ill health benefit awarded by the employer
Dec	0	

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

Lessons Learned

Having reviewed the complaints received in the period there were no patterns identified requiring further attention.

3.5. **Annual Benefit Statements 2024**

The 2024 exercise has begun with preparatory work underway with templates being updated and employers notified of their year-end obligations.

3.6. **Breaches Policy & Log**

The North Yorkshire Pension Fund's Breaches Log is included at **Appendix 2** for review. There were no new entries in the quarter.

4. **Issues and Initiatives**

4.1. **Ongoing projects**

We continue to make progress with the i-Connect rollout and the new website is now live:

- We continue to push ahead with the onboarding of our remaining employers to i-Connect with 170 now onboarded and only 60 remaining.
- The new website went live on 4 December.

4.2. **McCloud**

All the data received to date has been processed and we only had 6 employers who failed to respond by the deadline of 31 January 2024. We will accept the data we hold as being correct for the affected members.

The disclosure communication was issued through December, this went to every member, either by email or post or via employers for active members. Included in this mailing was a blank nomination form, a McCloud public sector service form and details of how to connect to My Pension Online, our online member portal. This mailing resulted in a spike in completed nomination forms and members registering for online access.

We also received a lot of returned mail which we are working through and tracing members where appropriate.

The next stage is to refresh the data on our test database and start running calculations and processes to identify and correct errors before running them in the live database.

4.3. **New TPR General Code of Practice**

The new General Code of Practice was finally laid before parliament on 10 January and is expected to be in force from 27 March. This code consolidates and modernises 10 previous codes into a single code and sets out governance standards for pension schemes. For public service pension schemes like the Local Government Pension Scheme (LGPS), the code replaces Code of Practice 14 (Governance and Administration of Public Service Pension Schemes).

There are five sections within the Code:

1. The governing body
2. Funding & Investment
3. Administration
4. Communications and disclosure
5. Reporting to TPR

At 171 pages long with 5 sections comprising of 51 modules it will take some time to work through and interpret. Once we've established which elements apply to the LGPS we will undertake a compliance review and gap analysis to create an action plan to address the areas that need further attention. Further updates will be provided at future meetings.

5 Member Training

The Member training record showing the training undertaken up to the end of the relevant quarter is attached as **Appendix 3**.

Please contact Stephen Loach on 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 4**.

Please contact Chris Chapman on email chris.chapman1@northyorks.gov.uk for further information or to reserve a place on an event. Events are currently limited due to the pandemic.

The views of Members will be sought on ideas for training 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 is attached as **Appendix 5**.

7 Recommendations

7.1 Members to note the contents of the report.

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

22 February 2024

Academy Conversions – 21 ‘in progress’

Name of School	Local Authority	Multi Academy Trust (MAT) Name	Target Conversion Date	Current Position
North Stainley CE Primary School	NYC	Leeds Diocesan Learning Trust	1.1.2024	Complete
Christ Church CE Primary School	NYC	Leeds Diocesan Learning Trust	1.1.2024	Complete
Barkston Ash RC Primary School	NYC	Bishop Wheeler Catholic Academy Trust	1.2.2024	Complete
St Wilfrid’s Catholic Primary School, Ripon	NYC	Bishop Wheeler Catholic Academy Trust	1.3.2024	In progress
St Barnabas Church of England VC Primary School	COYC	Pathfinder Multi Academy Trust	1.4.2024	In progress
Sherburn CE Primary School	NYC	Ebor Academy Trust	1.4.2024	In progress
Lepton Community Primary School	NYC	Ebor Academy Trust	1.4.2024	In progress
Wykeham CE Primary School	NYC	Elevate Multi Academy Trust	1.4.2024	In progress
Hackness CE Primary School	NYC	Elevate Multi Academy Trust	1.4.2024	In progress
Great Smeaton Academy Primary School	-	A single academy joining Dales Academies Trust	1.4.2024	In progress
Ryedale Learning Trust	-	Looking to merge with Areté Learning Trust	1.4.2024	In progress
Threshfield Primary School	NYC	Yorkshire Collaborative Academy Trust	1.5.2024	In progress
Malton (Secondary) School	NYC	Pathfinder Multi Academy Trust	1 1.5.2024	In progress

The Boyle & Petyt Primary School	NYC	Northern Star Academies Trust	1.9.2024	Will be progressed when conversion date is known
Name of School	Local Authority	Multi Academy Trust (MAT) Name	Target Conversion Date	Current Position
St Hilda's Ampleforth CE VC Primary School	NYC	Ryedale Learning Trust	TBC	Will be progressed when conversion date is known
Hertford Vale CE VC Primary School	NYC	Ryedale Learning Trust	TBC	Will be progressed when conversion date is known
Middleham CE VA Primary School	NYC	Possibly with Dales Academies Trust	TBC	Will be progressed when Trust has been confirmed and conversion date known
Spennithorne CE VC Primary School	NYC	Possibly with Dales Academies Trust	TBC	Will be progressed when Trust has been confirmed and conversion date known
Sutton in Craven CE Primary School	NYC	Possibly with Leeds Diocesan Learning Trust	TBC	Will be progressed when Trust has been confirmed and conversion date known
Blackwithshaw CP School	NYC	TBC	TBC	Will be progressed when Trust has been confirmed and conversion date known
Kilnseying Felliscliffe Primary School	NYC	TBC	TBC	Will be progressed when Trust has been confirmed and conversion date known
Ripley Endowed CE VC Primary School	NYC	TBC	TBC	Will be progressed when Trust has been confirmed and conversion date known
Husthwaite CE VC Primary School	NYC	TBC	TBC	Will be progressed when Trust has been confirmed and conversion date known
East Ayton Primary School	NYC	TBC	TBC	Will be progressed when Trust has been confirmed and conversion date known

Admission Bodies - 12 'in progress'

Name of Employer	Name of Contractor	Staff Transfer Date	Current Position
South York Multi Academy Trust Bishopthorpe Infant School	Mellors Catering Services Limited	1.1.2022	Complete
Nicholas Postgate Catholic Academy Trust All Saints RC School, York	Hutchison Catering Limited. Transfer from COYC to Nicholas Postgate Catholic Academy Trust.	1.5.2023	Complete
The Rodillian Multi Academy Trust Brayton Academy	RCCN Limited	17.7.2023	Complete
Ebor Academy Trust	Hutchison Catering Limited	1.9.2023	Complete
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	Complete
Northern Star Academies Trust Willow Tree Primary School	Aspens Services Limited	1.9.2023	Complete
Beyond Housing	Ground Control	1.3.2023	In progress
Outwood Grange Academies Trust Outwood Primary Academy Aline	Cater Link Limited	1.9.2023	In progress
The North Yorkshire Council	Align Property Services Limited	1.12.2023	In progress
City of York Council (Young Persons Counselling Services)	York Mind Ltd	1.1.2024	In progress
The North Yorkshire Council and the City of York Council	Mayoral Combined Authority	1.2.2024	In progress
Outwood Grange Academies Trust	Bulloughs Cleaning Services	1.4.2024	In progress

Name of Employer	Name of Contractor	Staff Transfer Date	Current Position
The North Yorkshire Council Saltergate Primary School (catering service)	Hutchison Catering Limited	1.4.2024	In progress
The North Yorkshire Council Saltergate Primary School (cleaning and caretaking service)	Bulloughs Cleaning Services	1.4.2024	In progress
Ryedale Learning Trust merger with Areté Learning Trust Novation of the admission agreement for the cleaning contract	Independent Cleaning Services Limited	1.4.2024	In progress
South York Multi Academy Trust Bishopthorpe Infant School (cleaning service)	TBC	1.9.2024	In early stages of tender process, will be progressed if/when contractor appointed
Coast and Vale Learning Trust Catering contract at all schools	TBC	1.9.2024	In early stages of tender process, will be progressed if/when contractor appointed
City of York Council Wigginton Primary School	Synergy FM	TBC	In progress

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
Consultant Cleaners	31.10.2018 (voluntary liquidation)
The Wilberforce Trust	22.3.2019
Dolce Limited	14.4.2019
Schools Plus	30.4.2019
Sewells Facilities Management Limited	21.12.2020
Sheffield International Venues	31.1.2021
Caterservice Ltd	12.2.2021
Enterprise Managed Services Ltd (Amey)	28.2.2021
Streamline Taxis Limited	28.5.2021

Name of Employer	Date exited the Fund
Ringway Infrastructure Services Limited	31.5.2021
Churchill Security Solutions Limited	31.5.2021
Hexagon Care Services Limited	6.8.2021
Sanctuary Housing Association	20.12.2021
Atalian Servest Food Co Limited	31.12.2021
Elite Cleaning and Environmental Services	31.12.2021
4 Site Security Services Limited	11.4.2022
Welcome to Yorkshire	14.4.2022
Lineways Community Care Limited	31.7.2022
Absolutely Catering Limited	25.7.2023
Atlas Facilities Management Limited	6.10.2023
Urbaser Limited	31.3.2024
SBFM Limited	31.3.2024

Date	Category	Description of Breach	Cause of Breach	Regulation being breached	Effect of Breach & Wider Implications	Response to Breach	Reported to DPO	DPO outcome	Referred to PFC	Referred to PB	Outcome of Referral to PFC & PB	Reported to Regulator
31/08/2017	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	Large backlog meant we were unable to establish which category members should fall into at statement date. Year End queries still outstanding at issue date.	Reg 89 of LGPS Regs 2013	85.88% of Active members received a statement = 14.12% did not 94.81% of Deferred members received a statement = 5.49% did not	Large backlog means we do not yet know actual total for a statement. Continue to reduce the backlog with targeted initiatives. Target is to have a controlled work throughout by end 2018. Continue to work through errors & queries & issue ABS when able to. Introduce monthly returns for our 2 largest employers by end of 2018 so that errors can be identified in real time rather than at year end.		14/09/2017	19/01/2018	Noted the position, no requirement to report. Creation of Breaches Log to record position.	N	
08/11/2017	Administration	Statutory deadline for issuing Personal Savings Statements not met for all members	Human error		2 members received statements after the 6/10/2017 deadline. 192 manual calculations undertaken and 56 statements issued. 3.5% of members affected	Statements issued immediately. Process under review by team leader. Checklist created and process will be audited in 2018 to ensure checklist being used and process being robustly followed		22/02/2018	19/01/2018	PB - Noted the position, no requirement to report. PFC - Noted the position, no requirement to report.	N	
18/12/2017	Administration	Incorrectly paid trivial commutation to a member who has benefits with another fund and had not commuted those benefits	Human error		Member received benefits he wasn't entitled to. No other member affected. Payment is an unauthorised payment & must be reported to HMRC, resulting in tax liability at 55% for the member & additional tax for the scheme.	As soon as realised payment was unauthorised, informed member and reported to HMRC. Awaiting confirmation of scheme tax liability.		22/02/2018	19/01/2018	PB - Noted the position, no requirement to report. PFC - Noted the position, no requirement to report.	N - Reported to HMRC	
31/08/2018	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	Year End queries still outstanding at issue date.	Reg 89 of LGPS Regs 2013	86.52% of Active members received a statement = 13.48% did not 99.76% of Deferred members received a statement = 0.24% did not	Backlog has been reduced so in a better position regarding correct eligibility for statements. Significant year end queries (2,399) have impacted statement production. Ers being chased for response. Continue to work through errors & queries & issue ABS when able to. Viability of monthly returns being investigated		22/11/2018	11/10/2018	PB - noted the position, agreed not to report this time but will in 2019. PFC - noted position, agreed not to report this time.	N	
31/08/2019	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	Year End queries still outstanding at issue date. Clarification on members not worked in year still outstanding at issue date. Manual calculation of Annual Allowance figures still outstanding at issue date.	Reg 89 of LGPS Regs 2013	100% of Deferred members received a statement. 95.69% of Active members received a statement. (1,342 members did not)	Analysis of the 1,342 unissued statements undertaken to identify and isolate reasons. Each group being worked through to identify what is required to enable statement to be produced. Number reduced to 329 as at 9 October, work will continue until end of year to further reduce number unissued. Final position: 329 unissued		22/11/2019	03/10/2019	PB - discussed position, noted improvement from 2018, requested further analysis by employer to identify whether an issue exists at individual employer level. Following provision of above information both PFC & PB agreed not to report this time.	N	
09/04/2020	Administration	A member's leaver statement was incorrectly sent to the wrong member.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.		11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N	
11/05/2020	Administration	A member's retirement statement was incorrectly sent to the wrong member.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.		11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N	
15/05/2020	Administration	A member's letter was incorrectly sent to the wrong member along with their own letter.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.		11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N	
15/05/2020	Administration	A member's calculation print was incorrectly sent to the wrong member.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.		11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N	
26/05/2020	Administration	A pensioner received a payslip which belonged to another pensioner.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.		11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N	
27/05/2020	Administration	A member received a letter meant for a solicitor dealing with the death of another member.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.		11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N	
31/08/2020	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	Year End queries still outstanding at issue date. Manual calculation of Annual Allowance figures still outstanding at issue date. Issues with data quality, suppressed statements until data corrected and data quality improved.	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	Administration	A member contacted us to advise she had received the starter pack for another member but with her address on it. The member also advised there were 2 other members affected.	End of year queries still outstanding at issue date. Members, address 26 records, date of birth 11 records, payroll no 21 records, date joined 8 records and school name 16 wrong	Data Protection Act 2018	Accidental disclosure of personal data for a number of members to another member. It is highly likely that the recipient knows the person whose information was disclosed. The 3 original members had discussed it.	Referred to Vertau. 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 Savings Statements (PSS) in the relevant years. One member was missing a PSS for the 18/19 year, one was missing a PSS for 16/17 and one was missing a PSS for 16/17, 17/18, 18/19 & 19/20.	There are two main causes as follows: missing data and staff not realising a statement should have been issued when the record was recalculated.	Finance Act 2004	When the member receives a PSS they have to declare the tax liability to HMRC via an annual tax return. They can elect to either pay the tax charge via a Scheme Pays option or directly to HMRC. Because the PSS haven't been issued members are now late submitting to HMRC. We are aware of members who have ignored the information we have sent for a number of years, when they do contact HMRC they are advised to just pay what is due. There appear to be no penalties applied. Because we haven't advised members at the correct time they have been unable to take action to mitigate the impact in subsequent years. Members in this position often switch to the 50/50 section to reduce their pension accrual. A penalty of up to £300 for failure to provide the required information on time may be levied on NYPF when we resubmit our annual returns for the relevant years.	We have issued the relevant PSS to all 3 members and have had discussions with them regarding the actions they now need to take. We have struggled to establish how to report the breach to HMRC but will resubmit the annual HMRC returns for the relevant years. We will then respond to HMRC accordingly. We have reviewed our internal processes and are taking steps to educate the wider team and address some of the issues at source rather than waiting until year end. A targeted working group will be established in the summer to address the backlog of changes we get each year. This will involve training a small number of staff on the whole Annual Allowance process, what it is, why it's important, the impact on affected members and how to update and maintain records correctly. This taskforce will take responsibility for updating member records. Once knowledge is established and embedded further staff will be trained until the whole team knows what is expected.	05/03/2021	05/03/2021	14/01/2021	PB - Require further information on indicating actions taken to prevent recurrence before reaching to IPR. Confirmed by email 07/03/2021 no need to report to IPR. PFC - Recommended no report required	N	
05/02/2021	Administration	A member contacted us to advise she had received a transfer letter addressed to another member enclosed with her own letter.	Member of staff on post duty that day did not follow the agreed process put in place to prevent breaches from happening.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to destroy the information. Process and working practice was reviewed to ensure it remained relevant. Staff were reminded of the correct process. Individual member of staff was spoken to personally to stress importance of following the correct process.	05/02/2021	Score of 4 - low no further action	04/06/2021	08/04/2021	PB - April meeting, noted position, agreed not to report. PFC - June meeting, noted position, agreed not to report.	N
31/08/2021	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	Calculation failing to run on system. Year End queries still outstanding at issue date. Manual calculation of Annual Allowance figures still outstanding at issue date. Issues with data quality, suppressed statements until data corrected and accurate statements can be issued.	Reg 89 of LGPS Regs 2013	99.78% of Deferred members received a statement. (87 members did not) 96.06% of Active members received a statement. (1,158 members did not)	87 Deferred members missing a statement are being worked through, these failed due to the system calculation not running, analysis has identified these failed due to data related issues. Analysis of the 1,158 Active members missing a statement is being undertaken to identify and isolate reasons. Each group being worked through to identify what is required to enable statement to be produced.	N/A	N/A	26/11/2021	07/10/2021	PB - No report for deferred ABS but decision delayed on active awaiting outcome of review of missed ones. PFC - Agreed with PB recommended course of action. Further update on Active statements is required. 13/01/22	N
17/09/2021	Administration	McCloud data sent to the City of York Council (CYC) for three schools that no longer use CYC to provide their payroll service (although they have in the past). Data for an NYCC school (that has opted out of NYCC's payroll service) also sent to CYC as it was incorrectly coded on our database.	The way the data was held on the administration system did not enable the 3rd party to identify the members affected.	Data Protection Act 2018	Information for 330 data subjects was wrongly disclosed to the City of York Council (CYC). CYC is a trusted external organisation and information was only disclosed to a small number of staff.	A new process has been implemented so that the data can be easily identified on the database going forward. The process change has been communicated to the wider team. Veritau response - notification to the ICO is not recommended as the reporting threshold has not been reached.	N/A	N/A	26/11/2021	13/01/2022	PFC - No report PB - No report	N
28/09/2021	Administration	McCloud data sent to City of York Trading (CYT) in error for one City of York Council (CYC) employee, the employer code on our database had been set up incorrectly. The same data fields as the incident number 101008635966 are involved.	Member record created on the administration system but the wrong employer code was applied	Data Protection Act 2018	Information for one data subject was wrongly disclosed to City of York Trading Limited	The data has now been coded correctly on the administration system	N/A	N/A	26/11/2021	13/01/2022	PFC - No report PB - No report	N
28/09/2021	Administration	A member's letter was found on a printer but was not printed by member of pensions team.	Believe issue was caused by network and system issues experienced on that particular day and as a result the letter printed directly out and didn't queue.	Data Protection Act 2018	One letter produced, contained within NYCC. No other letters affected.	Letter was destroyed internally and a replacement was re-issued to the member. Reported to Veritau, awaiting outcome.	N/A	N/A	26/11/2021	13/01/2022	PFC - No report PB - No report	N
19/11/2021	Administration	One Pension Savings Statement (PSS) issued after statutory deadline of 6 October 2021	Record was inhibited from bulk annual allowance run whilst a query on another record was resolved	The Registered Pension Scheme Regulations 2006 Finance Act 2004	When a member receives a PSS they have to declare the tax liability to HMRC via an annual tax return. The deadline for a paper annual tax return was 31 October 2021 so the member could not use this option. However, the deadline for an online tax return is 31 January 2022.	Senior officer review of annual process	N/A	N/A	04/03/2022	13/01/2022	PB - No report PFC - No report	N
22/02/2022	Administration	5 letters were included in the same envelope to a single recipient who was the next of kin of a deceased member	Staff member on post duty did not follow the agreed process	Data Protection Act 2018	Accidental disclosure of personal data for 4 members to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient confirmed destruction of 4 letters received in error. Staff reminded again of correct process to printing and posting arrangements being investigated. Reported to Veritau. They assessed it as Low risk level and did not need to be reported to the ICO.	N/A	N/A	27/05/2022	07/04/2022	PB - No report PFC - No report	N

Date	Category	Description of Breach	Causes 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
26/07/2022	Administration	5 Pension Savings Statements (PSS) issued after statutory deadline of 6 October 2021	Causes were not selected in the bulk annual allowance process as the year end pay information used in the calculation had not been updated on the records	The Registered Pension Scheme Regulations 2006 Finance Act 2004	When a member receives a PSS they have to declare the tax liability to HMRC via an annual tax return. None of the members have advised if they have a tax charge yet, there could possibly be two. The deadline for an online tax return was 31 January 2022 so affected members will need to contact HMRC.	Senior officer review of annual process. Has been established the cause of the breach different to previous breach in 2020. Process amended so that future similar cases can be identified earlier in the process.	N/A	N/A	09/09/2022	06/10/2022	PFC - No report PB - No report	N
31/06/2022	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	120 – have outstanding year end tasks 201 – have "other" outstanding administration tasks on record 56 – are x'd out, no outstanding task, prohibits statement creation due to error on record 295 – pending further investigations as to why statement not produced	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	06/10/2022	PFC - No report PB - No report	N
04/11/2022	Administration	2 Pension Savings Statements (PSS) issued after statutory deadline of 6 October 2021	Human error. One record had a data error which resulted in the PSS being suppressed 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	The Registered Pension Scheme Regulations 2006 Finance Act 2004	When a member receives a PSS they have to declare the tax liability to HMRC via an annual tax return. None of the members have advised if they have a tax charge yet, there could possibly be two. The deadline for an online tax return was 31 January 2022 so affected members will need to contact HMRC.	Training for wider administration team is already scheduled so errors like these can be prevented and corrective action taken at the time rather than being left to year end.	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 it 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	12/01/2023	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.	Requested recipient to delete email Reported to Veritau	N/A	N/A	15/09/2023	06/07/2023	PFC - No report PB - No report	N
05/06/2023	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 machine was fully cleared before restarting the print 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 of 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	114 – have outstanding year end tasks 268 – have "other" outstanding administration tasks on record	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 - No report PB - No report	N
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	N/A	N/A	24/11/2023	26/10/2023	PFC - No report PB - No report	N
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.	Refreshers training for retirement team for the specific scenario applicable in this case.	N/A	N/A	24/11/2023	11/01/2024	PFC - No report PB - No report	N

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Date	Title or Nature of Course	*Mulligan P	&Weighell J	Portlock D	A Thompson	>C. Vassie	%C. Les	%M. Crane	" S. Gibbs	G. Jabbour	C. Lunn	D. Noland	A. Williams	M. Walker	N. Swannick	^J. Cattnach	+J. Crawshaw	Unison (Vacancy)	Unison (Vacancy)
20 February 2023	Asset Allocation Workshop	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓				
2 March 2023	Investment Strategy Workshop	✓	✓	✓	✓		✓		✓	✓	✓	✓		✓	✓				
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							✓			✓	✓		✓	✓				
26 October 2023	Impact and Factor Equities		✓	✓	✓			✓	✓	✓	✓	✓	✓		✓				
23 November 2023	Impact Equities, including presentation from Baillie Gifford						✓	✓	✓	✓	✓	✓	✓	✓	✓				

* - Cllr Patrick Mulligan left the Committee on 1st April 2023 following LGR.

% - Cllr C.Les left the Committee on 17 May 2023 and was replaced by Cllr. M. Crane

“ – Cllr Sam Gibbs left the Committee on 17th July 2023 and was re-appointed from 15 November 2023

^ - Cllr John Cattnach 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

& - Councillor John Weighell OBE left the Committee on 15 November 2023

UPCOMING TRAINING AVAILABLE TO MEMBERS

Provider	Course / Conference Title	Date(s)	Location	Themes / Subjects Covered
AON	Buy-in and de-risking for LGPS funds	21 March 2024	Online Webinar 1pm	<p>Provide a general overview of current funding levels in the LGPS, noting there are differences depending on local circumstances, actuarial approach and investment strategy</p> <p>Provide you with our current ideas around using surplus to reduce funding and investment risk i.e. “de-risking”</p> <p>Discuss bulk annuities as an investment opportunity given current pricing (also referred to as a “buy-in”)</p> <p>Help you understand how taking some of these ideas may impact funding levels and future employer contributions</p>
PLSA	LGPS, Pools and the future	30 April 2024	Online webinar 11am	<p>Policy Insight Webinars are a unique opportunity to gain insider knowledge directly from the PLSA Policy and Advocacy team. By joining these popular online events, you will hear about the PLSA dialogue with key figures, from Ministers to Government officials and regulators.</p>
PLSA	Local Authority Conference 2024	11 – 13 June 2024	De Vere Cotswold Waterpark, Gloucestershire	<p>Discover cutting-edge solutions and gain invaluable insights at the PLSA Local Authority Conference, bringing together a powerful network of LGPS professionals. Enhance your role with the latest trends, policies, and innovation tailored for local authority challenges. Full details of these Conferences will be provided to Members as soon as they are available</p>

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PLSA	Annual Conference	15 – 17 October 2024	ACC, Liverpool	Empower yourself with the latest insights at the PLSA Annual Conference, the definitive gathering for the pensions community. Connect, learn, and shape the future of pensions through expert-led sessions, valuable networking, and access to the policy debate and ground-breaking practical solutions.
PLSA	ESG Conference	28 November 2024	London (Details to be confirmed)	Explore the most recent developments in the quickly evolving responsible investment landscape and discover the information you need to deliver the best outcomes for savers.

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.

PENSION FUND COMMITTEE TIMETABLE FOR MEETINGS IN 2024/25

24 May 2024	10 am, Brierley Room, County Hall, Northallerton	Pension Fund Committee
28 June 2024	10 am, Brierley Room, County Hall, Northallerton	Pension Fund Committee
13 September 2024	10 am, Brierley Room, County Hall, Northallerton	Pension Fund Committee
22 November 2024	10 am, Brierley Room, County Hall, Northallerton	Pension Fund Committee
28 February 2025	10 am, Brierley Room, County Hall, Northallerton	Pension Fund Committee

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

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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
31/08/2017	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	Large backlog meant we were unable to establish which category members should fall into at statement date. Year End queries still outstanding at issue date.	Reg 89 of LGPS Regs 2013	85.88% of Active members received a statement = 14.12% did not 94.51% of Deferred members received a statement = 5.49% did not	Large backlog means we do not yet know actual total eligible for a statement. Continue to reduce the backlog with targeted initiatives. Target is to have a controlled work throughput by end 2018. Continue to work through errors & queries & issue ABS' when able to. Introduce monthly returns for our 2 largest employers by end of 2018 so that errors can be identified in real time rather than at year end			14/09/2017	19/01/2018	Noted the position, no requirement to report. Creation of Breaches Log to record position.	N
08/11/2017	Administration	Statutory deadline for issuing Personal Savings Statements not met for all members	Human error		2 members received statements after the 6/10/2017 deadline. 192 manual calculations undertaken and 56 statements issued. 3.5% of members affected	Statements issued immediately. Process under review by team leader. Checklist created and process will be audited in 2018 to ensure checklist being used and process being robustly followed			22/02/2018	19/01/2018	PB - Noted the position, no requirement to report. PFC - Noted the position, no requirement to report.	N
18/12/2017	Administration	Incorrectly paid trivial commutation to a member who has benefits with another fund and had not commuted those benefits	Human error		Member received benefits he wasn't entitled to. No other member affected. Payment is an unauthorised payment & must be reported to HMRC, resulting in tax liability at 55% for the member & additional tax for the scheme.	As soon as realised payment was unauthorised, informed member and reported to HMRC. Awaiting confirmation of scheme tax liability.			22/02/2018	19/01/2018	PB - Noted the position, no requirement to report. PFC - Noted the position, no requirement to report.	N - Reported to HMRC
31/08/2018	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	Year End queries still outstanding at issue date.	Reg 89 of LGPS Regs 2013	86.52% of Active members received a statement = 13.48% did not 99.76% of Deferred members received a statement = 0.24% did not	Backlog has been reduced so in a better position regarding correct eligibility for statements. Significant year end queries (2,399) have impacted statement production. Ers being chased for response. Continue to work through errors & queries & issue ABS' when able to. Viability of monthly returns being investigated			22/11/2018	11/10/2018	PB - noted the position, agreed not to report this time but will in 2019. PFC - noted position, agreed not to report this time.	N
31/08/2019	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	Year End queries still outstanding at issue date. Clarification on members not worked in year still outstanding at issue date. Manual calculation of Annual Allowance figures still outstanding at issue date.	Reg 89 of LGPS Regs 2013	100% of Deferred members received a statement. 95.69% of Active members received a statement. (1,342 members did not)	Analysis of the 1,342 unissued statements undertaken to identify and isolate reasons. Each group being worked through to identify what is required to enable statement to be produced. Number reduced to 329 as at 9 October, work will continue until end of year to further reduce number unissued. Final position: 329 unissued			22/11/2019	03/10/2019	PB - discussed position, noted improvement from 2018, requested further analysis by employer to identify whether an issue exists at individual employer level. Following provision of above information both PFC & PB agreed not to report this time.	N
09/04/2020	Administration	A member's leaver statement was incorrectly sent to the wrong member.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.			11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N
11/05/2020	Administration	A member's retirement statement was incorrectly sent to the wrong member.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.			11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N
15/05/2020	Administration	A member's letter was incorrectly sent to the wrong member along with their own letter.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.			11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N
15/05/2020	Administration	A member's calculation print was incorrectly sent to the wrong member.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.			11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N
26/05/2020	Administration	A pensioner received a payslip which belonged to another pensioner.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.			11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N
27/05/2020	Administration	A member received a letter meant for a solicitor dealing with the death of another member.	Due to Covid 19 printing and posting process had to be changed whereby 1 person was responsible for printing for the whole team. Human error.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to either destroy or return the information.Process and working practice was reviewed and changes put in place. Instructions issued to the staff responsible for printing and posting.			11/09/2020	09/07/2020	PB - July meeting, noted position, agreed not to report. PFC - September meeting, noted position, agreed not to report.	N
31/08/2020	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	Year End queries still outstanding at issue date. Manual calculation of Annual Allowance figures still outstanding at issue date. Issues with data quality, suppressed statements until data corrected and accurate statements 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	Administration	A member contacted us to advise she had received the starter pack for another member but with her address on it. The member also advised there were 2 other members affected.	Employer submitted starter file and the data has been mixed up for a number of members, address 26 records, date of birth 11 records, payroll no 21 records, date joined 8 records and school name 18 wrong	Data Protection Act 2018	Accidental disclosure of personal data for a number of members to another member. It is highly likely that the recipient knows the person whose information was disclosed. The 3 original members had discussed it.	Reported to Veritau. They assessed it as Low risk level and did not need to be reported to the ICO. Data sent back to employer to provide corrected information. Employer advised we have reported the data breach and we've asked for clarification of what process changes they have made to prevent it recurring. Replacement starter packs issued with correct details on and covering letter advising reason for disclosure and contact details for employer.			05/03/2021	14/01/2021	PB - Recognised the issue was an employer one rather than a Fund one. PFC - Recommended no report required	N

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05/10/2020	Administration	Failure to issue 3 members with annual Pension Saving Statements (PSS) in the relevant years. One member was missing a PSS for the 18/19 year, one was missing a PSS for 16/17 and one was missing a PSS for 16/17, 17/18, 18/19 & 19/20.	There are two main causes as follows: missing data and staff not realising a statement should have been issued when the record was recalculated.	Finance Act 2004	When the member receives a PSS they have to declare the tax liability to HMRC via an annual tax return. They can elect to either pay the tax charge via a Scheme Pays option or directly to HMRC. Because the PSS haven't been issued members are now late submitting to HMRC. We are aware of members who have ignored the information we have sent for a number of years, when they do contact HMRC they are advised to just pay what is due. There appear to be no penalties applied. Because we haven't advised members at the correct time they have been unable to take action to mitigate the impact in subsequent years. Members in this position often switch to the 50/50 section to reduce their pension accrual. A penalty of up to £300 for failure to provide the required information on time may be levied on NYPF when we resubmit our annual returns for the relevant years.	We have issued the relevant PSS to all 3 members and have had discussions with them regarding the actions they now need to take. We have struggled to establish how to report the breach to HMRC but will resubmit the annual HMRC returns for the relevant years. We will then respond to HMRC accordingly. We have reviewed our internal processes and are taking steps to educate the wider team and address some of the issues at source rather than waiting until year end. A 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, the impact on affected members and how to update and maintain records correctly. This taskforce will take responsibility for updating member records. Once knowledge is established and embedded further staff will be trained until the whole team knows what is expected.			05/03/2021	14/01/2021	PB - Require further information on mitigating actions taken to prevent recurrence before reaching a decision about reporting to tPR. Confirmed by email 01/03/2021 no need to report to tPR. PFC - Recommended no report required	N
05/02/2021	Administration	A member contacted us to advise she had received a transfer letter addressed to another member enclosed with her own letter.	Member of staff on post duty that day did not follow the agreed process put in place to prevent breaches from happening.	Data Protection Act 2018	Accidental disclosure of personal data for 1 member to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient was asked to destroy the information. Process and working practice was reviewed to ensure it remained relevant. Staff were reminded of the correct process. Individual member of staff was spoken to personally to stress importance of following the correct process.	05/02/2021	Score of 4 - low no further action	04/06/2021	08/04/2021	PB - April meeting, noted position, agreed not to report. PFC - June meeting, noted position, agreed not to report.	N
31/08/2021	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	Calculation failing to run on system. Year End queries still outstanding at issue date. Manual calculation of Annual Allowance figures still outstanding at issue date. Issues with data quality, suppressed statements until data corrected and accurate statements can be issued.	Reg 89 of LGPS Regs 2013	99.78% of Deferred members received a statement. (87 members did not) 96.06% of Active members received a statement. (1,158 members did not)	87 Deferred members missing a statement are being worked through, these failed due to the system calculation not running, analysis has identified these failed due to data related issues. Analysis of the 1,158 Active members missing a statement is being undertaken to identify and isolate reasons. Each group being worked through to identify what is required to enable statement to be produced.	N/A	N/A	26/11/2021	07/10/2021	PB - No report for deferred ABS but decision delayed on active awaiting outcome of review of missed ones. PFC - Agreed with PB recommended course of action. Further update on Active statements is required. 13/01/22 no report	N
17/09/2021	Administration	McCloud data sent to the City of York Council (CYC) for three schools that no longer use CYC to provide their payroll service (although they have in the past). Data for an NYCC school (that has opted out of NYCC's payroll service) also sent to CYC as it was incorrectly coded on our database.	The way the data was held on the administration system did not enable the 3rd party to identify the members affected.	Data Protection Act 2018	Information for 330 data subjects was wrongly disclosed to the City of York Council (CYC). CYC is a trusted external organisation and information was only disclosed to a small number of staff.	A new process has been implemented so that the data can be easily identified on the database going forward. The process change has been communicated to the wider team. Veritau response - notification to the ICO is not recommended as the reporting threshold has not been reached.	N/A	N/A	26/11/2021	13/01/2022	PFC - No report PB - No report	N
28/09/2021	Administration	McCloud data sent to City of York Trading (CYT) in error for one City of York Council (CYC) employee, the employer code on our database had been set up incorrectly. The same data fields as the incident number 101008635966 are involved.	Member record created on the administration system but the wrong employer code was applied	Data Protection Act 2018	Information for one data subject was wrongly disclosed to City of York Trading Limited	The data has now been coded correctly on the administration system Veritau response - notification to the ICO is not recommended as the reporting threshold has not been reached.	N/A	N/A	26/11/2021	13/01/2022	PFC - No report PB - No report	N
28/09/2021	Administration	A member's letter was found on a printer but was not printed by member of pensions team.	Believe issue was caused by network and system issues experienced on that particular day and as a result the letter printed directly out and didn't queue.	Data Protection Act 2018	One letter produced, contained within NYCC. No other letters affected.	Letter was destroyed internally and a replacement was re-issued to the member. Reported to Veritau, awaiting outcome.	N/A	N/A	26/11/2021	13/01/2022	PFC - No report PB - No report	N
19/11/2021	Administration	One Pension Savings Statement (PSS) issued after statutory deadline of 6 October 2021	Record was inhibited from bulk annual allowance run whilst a query on another record was resolved	The Registered Pension Scheme Regulations 2006 Finance Act 2004	When a member receives a PSS they have to declare the tax liability to HMRC via an annual tax return. The deadline for a paper annual tax return was 31 October 2021 so the member could not use this option. However, the deadline for an online tax return is 31 January 2022.	Senior officer review of annual process	N/A	N/A	04/03/2022	13/01/2022	PB - No report PFC - No report	N
22/02/2022	Administration	5 letters were included in the same envelope to a single recipient who was the next of kin of a deceased member	Staff member on post duty did not follow the agreed process	Data Protection Act 2018	Accidental disclosure of personal data for 4 members to another. It is highly unlikely that the recipient knows the person whose information was disclosed.	Recipient confirmed destruction of 4 letters received in error. Staff reminded again of correct process to follow. Staff involved spoken to directly. Alternative printing and posting arrangements being investigated. Reported to Veritau. They assessed it as Low risk level and did not need to be reported to the ICO.	N/A	N/A	27/05/2022	07/04/2022	PB - No report PFC - No report	N

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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 if they have a tax charge yet, there could possibly be two. The deadline for an online tax return was 31 January 2022 so affected members will need to contact HMRC.	Senior officer review of annual process. Has been established the cause of the breach different to previous breach in 2020. Process amended so that future similar cases can be identified earlier in the process.	N/A	N/A	09/09/2022	06/10/2022	PFC - No report PB - No report	N
31/08/2022	Administration	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	120 – have outstanding year end tasks 201 – have "other" outstanding administration tasks on record 56 – are x'd out, no outstanding task, prohibits statement creation due to error on record 295 – pending further investigations as to why statement not produced	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	06/10/2022	PFC - No report PB - No report	N
04/11/2022	Administration	2 Pension Savings Statements (PSS) issued after statutory deadline of 6 October 2021	Human error. One record had a data error which resulted in the PSS being suppressed 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	The Registered Pension Scheme Regulations 2006 Finance Act 2004	When a member receives a PSS they have to declare the tax liability to HMRC via an annual tax return. None of the members have advised if they have a tax charge yet, there could possibly be two. The deadline for an online tax return was 31 January 2022 so affected members will need to contact HMRC.	Training for wider administration team is already scheduled so errors like these can be prevented and corrective action taken at the time rather than being left to year end.	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 it 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	12/01/2023	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.	Requested recipient to delete email Reported to Veritau	N/A	N/A	15/09/2023	06/07/2023	PFC - No report PB - No report	N
05/06/2023	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 machine was fully cleared before restarting the print 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 of 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	114 – have outstanding year end tasks 268 – have "other" outstanding administration tasks on record	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 - No report PB - No report	N
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	N/A	N/A	24/11/2023	26/10/2023	PFC - No report PB - No report	N
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.	Refreshers training for retirement team for the specific scenario applicable in this case.	N/A	N/A	24/11/2023	11/01/2024	PFC - No report PB - No report	N

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NORTH YORKSHIRE COUNCIL

PENSION FUND COMMITTEE

01 MARCH 2024

BUSINESS PLAN, BUDGET AND CASHFLOW FORECAST

Report of the Treasurer

1. Purpose of the Report

- 1.1. To report on the progress made against the key business plan activities identified for 2023/24.
- 1.2. To approve the draft Business Plan for 2024/25 to 2026/27.
- 1.3. To approve the draft 2024/25 Budget.
- 1.4. To report on the cashflow forecast of the Fund.

2. Progress Update

- 2.1. In the 2023/24 Business Plan, key actions for the year were identified and approved by Members at the March 2023 Committee meeting. It was agreed that officers would provide a progress report against these key actions. The latest update is attached as **Appendix 1**.

3. Draft 2024/25 Business Plan

- 3.1. The draft 2024/25 Business Plan is attached at **Appendix 2**. It sets out the purpose and strategy of the Fund with activities for the next three years to support the Committee in managing the Fund. The key initiatives are identified, with delivery dates to enable tracking of progress. The plan has been refreshed to cover the period 2024/25 to 2026/27. Any outstanding actions from 2023/24 have been rolled forward to 2024/25 where appropriate and some new actions have been identified. A summary of the business plan has also been attached as **Appendix 3**. Some of the main areas are described below.
- 3.2. **Online Monthly Employer Returns** – the phased-roll out of the online employer portal for submitting the monthly members data is still ongoing. Progress has been slower than anticipated but the remaining employers are relatively small, and we aim to finally complete this in 2024/25.
- 3.3. **Pooling** – the transition of assets to Border to Coast is continuing. Their UK Property fund is expected to be launched in the second half of 2024, and a Sustainable Bonds fund in 2025. Options to receive dividend and coupon income from investments are being explored, and we are working closely with Border to Coast on the gradual evolution of the approach to responsible investment alongside these fund launches.
- 3.4. **McCloud remedy** – progress has been much slower than anticipated. Data collection had to be redone and the data verified and updated on records manually. The data phase is now finished, and we can now move into the bulk calculation stage to identify and correct processing errors before running this phase in the live database.

4. 2024/25 Budget

- 4.1. The draft 2024/25 budget for the cost of running the Fund is presented in **Appendix 4** and totals £38.8m. It is based on the 2023/24 budget and the actual costs incurred during the year and is on an accruals basis.

- 4.2. The 2024/25 budget has increased by £1.7m compared with the 2023/24 budget. As with previous years, the largest increase relates to investment fees payable (+£1.7m) because of the projected growth in asset values during 2024/25. They are assumed to grow in line with the return assumptions used in the 2022 Valuation, 6.1% per annum. Most of the Fund's investments incur fees proportional to their value.
- 4.3. The budget for McCloud project costs has increased to reflect the additional work required this year. Pooling project costs were temporarily elevated in 2022/23 and 2023/24 to reflect the costs of developing the UK and Global Property funds. Global Property was launched in 2023 and UK Property will be launched in the second half of 2024. The other changes in the budget reflect the impact of inflation and increasing wage costs.
- 4.4. In line with normal practice, the Budget may be revised during the year if there are material changes, subject to approval by the Committee.

5. Cashflow Projection

- 5.1. The cash position of the Fund is presented in **Appendix 5**. The table shows the projected cashflows of the Fund in the 2023/24 and over the next 3 years.
- 5.2. The main inflow and outflow of the Fund are the contribution income from employers and active members and benefits payments to retired members respectively. This is to be expected and together they effectively determine when the Fund will turn cashflow negative.
- 5.3. The forecasts of both items are sensitive to the estimate of future inflation, which continues to be a subject of active debate among economists, with the prospect of lower but volatile inflation levels replacing the higher level of inflationary price pressure seen over the last two years. Assumptions for inflation and other key metrics impacting cashflow projection, such as the 2025 Valuation, will be periodically assessed and incorporated into future updates.
- 5.4. The Scheme Surplus or Deficit figures reflect the position in relation to the Fund's non-investment operations and are the relevant figures when assessing whether the Fund is in a cash surplus or deficit position.
- 5.5. The Surplus or Deficit After Investment Activities figures reflect the cash movements to or from investments, required to maintain a stable cash balance. The intention has been to maintain cash for operational purposes around 0.5% of the value of the Fund. Going forward, investment income or occasional divestments may be required to maintain this consistent level of cash. This is quite normal for a maturing pension fund.
- 5.6. The Fund currently has a much higher cash balance, which is not reflected in these figures. This excess of cash is treated as an investment alternative to equities, to reduce the overall risk the Fund is exposed to in a period where markets are expected to be volatile. It is not treated as operational cash.

6. Recommendations

- 6.1. Note the progress made against the 2023/24 Business Plan.
- 6.2. Approve the draft 2024/25 Business Plan.
- 6.3. Approve the draft 2024/25 Budget.
- 6.4. Note the 3-year cashflow projection for the Fund.

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

19 February 2024

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NYPF 2023/2026 Business Plan Update March 2024

Appendix 1

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	
McCloud remedy	Q3 2023/24	In progress – all received data updated to records. Bulk calculations to be run on the test database.	Orange
Data quality improvement	Q4 2023/24	Complete – data cleanse issues identified by annual data scoring exercise corrected.	Green
Key Activity			Resource
Business Improvement			Head of Pensions Administration
Action	Timescale	Progress Update	
Complete roll out of employer portal	Q4 2023/24	In progress – roll out will continue until every employer is onboarded.	Orange
Complete website redevelopment	Q4 2023/24	Complete – new website was launched on 4 December 2023.	Green
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 waiting for DLUHC’s response to SAB’s action plan.	Red
TPR Single Code of Practice	Q4 2023/24	In progress – new code issued 10 January 2024. Assessment in progress and action plan to be created.	Orange
Key Activity			Resource
Funding			Pension Fund Committee/ Treasurer/ Head of Investments
Action	Timescale	Progress Update	
Income monitoring	Q4 2023/24	In progress – preliminary discussions held with another Fund using the functionality. Business proposal prepared and submitted to T&C.	Orange
Key Activity			Resource
Investment			Pension Fund Committee/ Treasurer/ Head of Investments
Action	Timescale	Progress Update	
Responsible Investment	Q4 2023/24	TCFD reporting on hold, pending the publication of guidance by the Government. Delay to at least 2024/25 expected. Application for signatory status to new Stewardship Code delayed into 2024/25 due to other work pressures.	Orange
Pooling and implementation of investment strategy	Q4 2023/24	In progress – workshops planned Q4 23/24 for UK Opportunities and Climate Opportunities, UK property deferred to Q1 24/25, as part of due diligence work before recommendations on commitments will be put to the Committee. Review of allocation ongoing.	Orange

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North Yorkshire Pension Fund

Business Plan 2024/25 – 2026/27



Local Government
Pension Scheme

If you require this information in an alternative language or another format such as large type, audio cassette or Braille, please contact the Pensions Help & Information Line on 01609 536335

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This business plan explains how North Yorkshire Pension Fund (NYPF, the Fund) intends to develop and improve its services.

It enables the Fund to focus on achieving agreed targets and helps staff see how they contribute to its overall success.

1. About NYPF

NYPF is one of 86 funds that make up the Local Government Pension Scheme (LGPS).

North Yorkshire Council (NYC) is the statutory administering authority for NYPF; it administers the benefits and manages the investments of the Fund.

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.

Scheme membership as of 31 March 2023

Active Members (Contributors)	30,948
Deferred Members	40,160
Pensioners	28,702
Total Membership	99,810

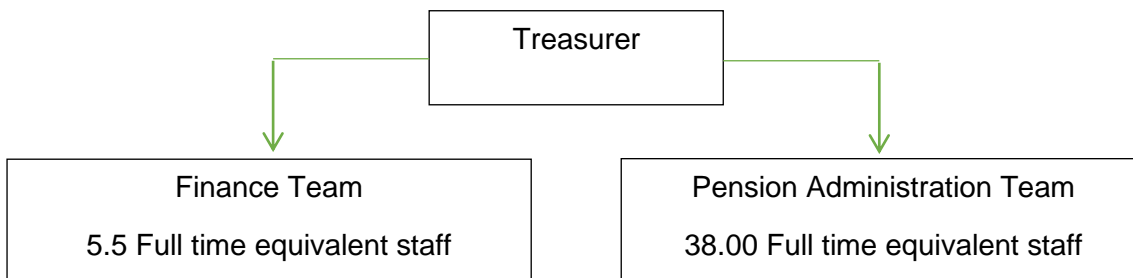
2. How the fund is run

All aspects of the Fund’s management and administration, including investment matters, are overseen by the Pension Fund Committee (PFC), which is a committee of NYC.

The day to day running of the Fund is delegated to the Treasurer who is the Corporate Director - Resources of NYC and is responsible for implementing the decisions made by the PFC.

Supporting the Treasurer 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 investment, accounting and management information requirements of the Fund. All aspects of the day-to-day management of investments are undertaken by external investment managers.

Current structure:



The Local Pension Board was established on 1 April 2015 under the requirements of the Public Service Pensions Act 2013. It has an oversight and assisting role within NYC to ensure compliance with regulations and ensure effective and efficient governance and administration of NYPF.

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

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

The main systems used in the running of the Fund are Oracle, a third-party finance and accounting system provided by the Oracle Corporation, Altair a third party pensions administration system provided by Heywood, and i-Connect a third party online employer portal, also provided by Heywood.

This business plan should be read in conjunction with the Administration Strategy and the Investment Strategy Statement; these are the key documents that set out the principles of the running of the Fund. These documents can be found on [NYPF's website](#).

3. Principal responsibilities

These responsibilities include:

- Meeting all statutory requirements in the running and operation of the Fund
- Pension administration services including calculating and paying benefits
- Ensuring the accuracy of the member database in partnership with all stakeholders
- Providing information and guidance on pension issues to members, employers and others
- Implementation of the funding strategy to ensure the Fund assets are sufficient to meet the pension liabilities as they fall due
- Implementing the investment strategy, overseeing external investment managers and promoting responsible investment
- Efficient management of the Fund's cash investments and cashflow requirements
- Safekeeping and accounting of Fund assets
- Preparing the Fund's annual report and accounts

4. Purpose of the business plan

As part of its programme of improving the standards of governance across all pension schemes, the Pensions Regulator recommends that each scheme should have a business plan in place which sets out a clear purpose and strategy.

This plan will be used to manage the delivery of the key activities that have been identified to deliver continuous service improvement, whilst ensuring due regard is given to the delivery of the day-to-day business as usual activities. Having a business plan helps the PFC to plan ahead and supports compliance with legal requirements.

This plan will be reviewed annually, and objectives and key actions revised accordingly. Progress reviews will be undertaken every six months and will be reported to the PFC.

5. Overall goal

To continuously develop and improve our services, to put our customers at the heart of everything that we do, and to ensure that sufficient assets and resources are available to pay pension benefits when they fall due.

6. Objectives

The objectives set out below will enable the Fund to achieve its long-term vision.

The Fund will aim to:

- Maximise investment returns
- Manage scheme funding
- Provide excellent customer care
- Ensure effective fund governance
- Manage risks effectively

7. Resources

The following resources have been identified as key to ensuring delivery of the objectives identified:

- Systems and technology which are fit for purpose
- People
 - Focussed on customers' needs
 - Highly skilled and knowledgeable
 - Committed and engaged
- The right information and data
 - Financial
 - Performance
 - Benchmarking
 - Membership
- Third party service providers
 - Actuary
 - Legal Advisers
 - Custodian
 - Fund Managers
 - Investment Consultant and Independent Adviser
 - Software providers
 - Borders to Coast Pensions Partnership (BCPP)

These key activities are recorded and scheduled to ensure that the appropriate actions are taken to deliver the business plan.

8. Key Activities

The following key activities have been identified:

			2024/2025				2025/2026				2026/2027			
Key Activity	Responsible Officer	Action Plan	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Funding														
2025 Valuation	Head of Investments / Head of Pensions Administration / Senior Accountant	Agree assumptions and approach					●							
		Provide membership, employer & cashflow data						●						
		Respond to actuarial queries						●						
		Distribute results to employers							●	●				
		Organise valuation sessions for PFC and employers						●						
Funding Strategy Statement		Review and update the Funding Strategy Statement alongside the 2025 triennial valuation						●						
Income Monitoring		Expand the use of employer online portal for monthly contribution returns											●	
Investment														
Investment strategy review	Head of Investments	Detailed review alongside the 2025 triennial valuation							●	●				
Responsible Investment		Commence TCFD (Task Force for Climate related Financial Disclosures) reporting							●					
		Obtain FRC approval of the new Stewardship Code				●								
Pooling and implementation of investment strategy		Consider the suitability of opportunities including UK property, green bonds, income generation options	●			●					●			●
Automation of reporting of accounting and other financial information		Develop automated reporting using the custodian's platform tools, to streamline the year end accounts and the quarterly and annual data submission processes			●				●				●	

			2024/2025				2025/2026				2026/2027			
Key Activity	Responsible Officer	Action Plan	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Governance														
SAB Good Governance project	Head of Investments / Head of Pensions Administration	Await publication of SAB's action plan Gap analysis of the action plan against existing policies and procedures Update existing or draft new policies and procedures Implement the new requirements				●								
TPR new General Code of Practice		Gap analysis of the draft new code (specific to the LGPS) against existing policies and procedures Create a checklist of policies, practices and procedures required by the new code Draft new policies and procedures Ensure compliance against the new code	●											
Business Continuity		Create and test updated disaster recovery plan Create and test updated business continuity plan Ensure pensions is included in wider NYC planning		●										

			2024/2025				2025/2026				2026/2027				
Key Activity	Responsible Officer	Action Plan	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Administration															
McCloud remedy	Head of Pensions Administration	Recalculate benefits for affected members Implement uplifts across all affected members Implement an industry recommended solution where data not obtained Communicate changes to affected members				●									
Pensions Dashboard		Engage with pensions dashboard process Ensure data requirements are met Ensure data ready for on-boarding Connect to dashboard					●		●						
Data quality monitoring		Develop suite of data validation reports to identify issues Develop program of regular intervention and correction				●									
2025 valuation preparatory work		Pre valuation data extract Pre valuation data cleanse		●	●										

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			2024/2025				2025/2026				2026/2027			
Key Activity	Responsible Officer	Action Plan	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Business Improvement														
Business process improvement	Head of Pensions Administration	Deliver process improvements, fully utilising system capabilities					●							
		Deliver employer form submissions via i-Connect							●					
Complete rollout of employer portal		On-board all outstanding employers to portal for monthly returns Improve data controls and validations Implement new functionality as it's released by the supplier Provide training and support to employers				●								
Improve self-service functionality		Migrate to new TME software package Issue targeted communications to promote take up Implement new functionality as it's released by the supplier											●	
Process automation		Develop and roll out refund online functionality Develop and roll out retire online functionality									●		●	

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Business Plan 2024/25 - 2026/27

Vision

To continuously develop and improve our services, to put our customers at the heart of everything that we do and to ensure that sufficient resources are available to pay pension benefits when they fall due

Objectives

Maximise investment returns, manage scheme funding, provide excellent customer care and ensure effective Fund governance

Key Activities

Those additional activities identified as essential in the next 3 years to enable delivery of our vision and objectives

Funding

2025 Valuation
Funding Strategy Statement alongside 2025 Valuation
Income monitoring

Investment

Investment Strategy alongside 2025 Valuation
Responsible Investment
Pooling investment opportunities

Governance

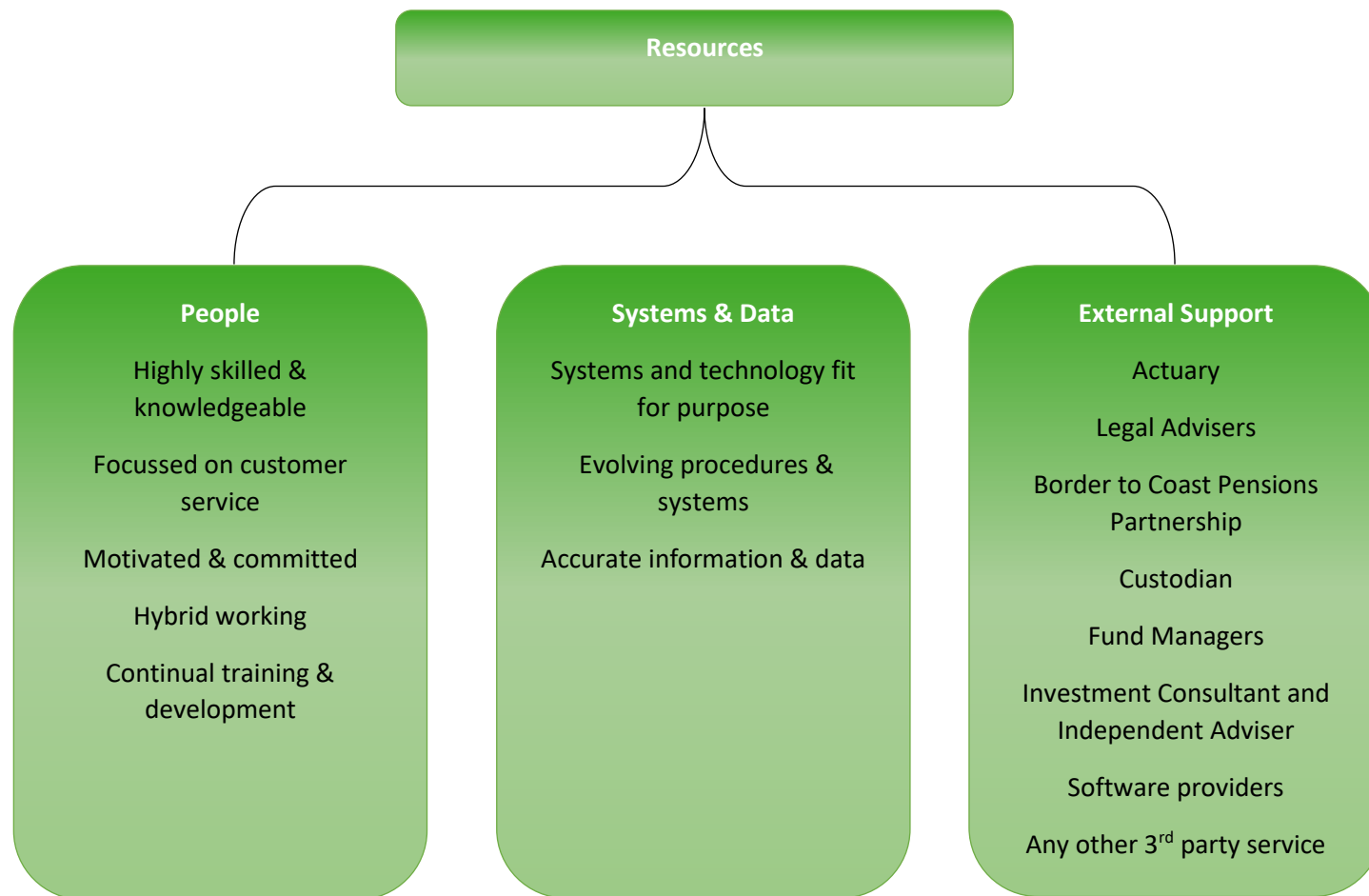
SAB Good Governance project
TPR new General Code of Practice
Business Continuity

Administration

McCloud remedy
Pensions Dashboard
Data quality monitoring
2025 Valuation preparation

Business Improvement

Business process improvement
Complete rollout of employer portal
Improve self-service functionality
Process automation



APPENDIX 4

North Yorkshire Pension Fund - Proposed 2024/2025 Budget

		Budget 2023/2024 £k	Proposed Budget 2024/2025 £k
EXPENDITURE			
<u>Admin Expenses</u>			
	Finance and Central Services	470	490
	Provision of Pensioner Payroll (ESS)	80	76
	Pensions Administration Team	1,460	1,570
	McCloud	50	116
	Other Admin Expenses	620	662
	Total Admin Expenses	2,680	2,913
<u>Oversight and Governance</u>			
	Actuarial Fees	60	65
	Custodian Fees	70	75
	Investment Consultant Fees	150	160
	Pooling: Governance & Projects	851	540
	Other O & G Expenses	100	110
	Total Oversight and Governance	1,231	950
<u>Investment Fees</u>			
	Performance Fees	2,660	2,540
	Investment Base Fees	30,540	32,400
	Total Investment Fees	33,200	34,940
TOTAL		37,111	38,804

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North Yorkshire Pension Fund - Cash Flow

	2023/2024 £k	2024/2025 £k	2025/2026 £k	2026/2027 £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)
TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES	15,100	20,500	25,700	31,900
SURPLUS/ (DEFICIT) AFTER INVESTMENT ACTIVITIES	0	0	0	0

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North Yorkshire Pension Fund
LGPC Bulletins Log

Bulletin Number	Action	Response
215 – Oct 2021	Pensions Dashboards Start preparing for dashboard on-boarding by considering whether we wish to use an ISP to connect to the dashboard ecosystem, cleansing our data and ensuring we have adequate resources to prepare for the dashboard connection.	In Progress
218 – Dec 2021	Pensions dashboards – A to Z industry guide Review the guide and start preparing for pensions dashboards. Pensions dashboards – data matching guidance Review the accuracy of the personal data values held for all active and deferred members	On our To Do list – to be worked on when employers are on-boarded and McCloud completed
231 – Nov 2022	Pensions Dashboards Programme (PDP) publishes updated standards Administering authorities should consider how they will comply with the standards. We recommend discussing the standards with their software provider or third party administrator, for those funds administered externally.	In Progress
241 – Aug 2023	HMRC 2nd set of rectification regulations laid Assess the impact of the regulations and implement accordingly	Complete – being take account of in processing
242 – Sept 2023	McCloud update Regulations effective from 1 October 2023. Review the documents available and start implementing the remedy.	Complete – being take account of in processing
243 – Oct 2023	McCloud compensation cases DLUHC would like to know if administering authorities receive any applications for McCloud compensation. Send depersonalised details of each case to lgpensions@levellingup.gov.uk . Interfund transfers and the McCloud underpin Apply the approach set out by DLUHC for interfund transfers McCloud templates for member correspondence and disclosure article Include the template paragraphs within your communication to members. Use the disclosure article to inform members about the changes.	Ongoing activity Ongoing activity Ongoing activity
244 – Nov 2023	Annual & lifetime allowance event report data 2022/23 Review the email and follow the instructions when submitting the annual and lifetime allowance event report data for 2022/23. McCloud technical guide for administrators Use the McCloud technical guide to help you implement the McCloud remedy. LGPS Pensions Dashboard connection guide Review the LGPS Pensions Dashboards connection guide and start preparing to implement dashboards. Proposed staging date for public sector pension schemes Start preparing to connect to dashboards by the proposed staging date.	Complete In progress In progress In progress

245 – Dec 2023	<p>Annual report 2022/23 If you have not already done so, send your 2022/23 annual report to the SAB secretariat.</p> <p>SAB statutory levy 2023/24 Provide invoicing information to the SAB secretariat by 22 December 2023.</p> <p>Teachers' excess service - Teachers Pension Scheme communications The Teachers' Pension Scheme contacted administering authorities in England and Wales about teachers with excess service in early December 2023. If you did not receive the email or if you would like to change the named contact at your administering authority for the excess teacher service project, please email rachel.abbey@local.gov.uk with your chosen contact details.</p> <p>Tell Us Once (TUO) – housekeeping and compliance duties Ensure our staff Employee Authentication Service accounts are compliant</p>	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p>
246 – Jan 2024	<p>Your LGPS contacts Review and update the information on 'Your LGPS contacts</p> <p>2024/25 employee contribution bands Share the table with your Scheme employers as soon as possible Review and update your member communications before 1 April 2024</p> <p>New GAD guidance Review the new guidance and amend your processes accordingly. Discuss the changes with your pensions administration software supplier.</p> <p>Member portal survey Complete the survey before 10 March 2024</p> <p>LGA Training Programme 2024 Share information about the employer role training with your Scheme employers. Discuss potential for commissioned training at Pension Officer Group meetings.</p>	<p>Completed</p> <p>Completed</p> <p>Ongoing</p> <p>Completed</p> <p>Completed</p>
247 – Feb 2024	<p>2024/25 Pension scheme return On 12 February 2024, HMRC published guidance for administrators preparing for the new 2024/25 pension scheme return. Review the guidance and complete the steps set out in it to prepare.</p> <p>National LGPS Frameworks Contact the National LGPS Frameworks to find out more about frameworks and what is involved in being a founder and working with the team.</p> <p>Employer role training (England and Wales) Share information about the employer role training with your Scheme employers. Discuss potential for commissioned training at Pension Officer Group meetings</p>	<p>Ongoing</p> <p>Completed, no capacity to be involved</p> <p>Completed</p>

INTERNAL AUDIT PROGRESS REPORT

Date: 18 April 2024





BACKGROUND

- 1 The internal audit programme of work was approved by the Pensions Board on 11 January 2024. The purpose of this report is to update members on the internal audit activity since that meeting, and to the end of March 2024.



INTERNAL AUDIT PROGRESS UPDATE

- 2 In discussion with the Pensions Investment Manager and Senior Accountant, we have agreed to complete the majority of internal audit work from July 2024 onwards. These timings are to allow key council officers who would be required to support completion of the work, to be more involved in closing down North Yorkshire Councils' 23/24 financial statements.
- 3 An overview by audit of the proposed timings of work is summarised below.

Area	Timing of work
Expenditure	Work to start in April 2024.
Income	From July 2024 onwards.
Investments	From July 2024 onwards.
Procedures and resilience	From July 2024 onwards.



FOLLOW-UP OF AGREED ACTIONS

- 4 All actions agreed with officers as part of our internal audit work are followed up to ensure that underlying control weaknesses are addressed.
- 5 There are actions from two previous audits which remain outstanding as at the end of March 2024. These relate to work on Pension Fund IT security and Income. An update on the progress made in respect of each of these areas is included below.

Pension Fund IT security work

- 6 The final report was issued in September 2022 and had deadlines for completion of actions for 31 March 2023. The significant (priority 2) agreed action was in respect of business continuity and disaster recovery plans which needed to be reviewed and updated to meet current Pensions Regulator standards. The business continuity plan was also to be updated to include arrangements for plan testing, post-incident reviews, and for contacting external stakeholders.

- 7 In discussion with the responsible officer for the action (Head of Pensions Administration) work to complete the action is progressing. Meetings in March 2024 have taken place with the councils Resilience and Emergencies' team. A Business Impact Analysis and an Incident Management Plan are to start to be prepared in April, with an aim for these documents to be completed by the end of May. Following this, the Head of Pensions Administration aims to have completed disaster recovery and business continuity plans as a result of this work.

Income

- 8 The final report was issued in September 2023 and has one remaining action outstanding, which was due for completion on 29 March 2024. The action related to the use of audit software once all employees had been onboarded to the new i-Connect (online returns) system. This action could help to mitigate the risk of employers submitting inaccurate or fraudulent pensions contributions data. The Head of Pensions Administration is the responsible officer for the action.
- 9 As employees are still being on-boarded to the i-Connect system, at this time, officers are not currently in a position to investigate the use of the audit software. The onboarding of all employees is now expected to have been completed by the end of 2024, which is when the action is now planned to be completed by.

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North Yorkshire Council

Pension Board

18 April 2024

Training

1.0 Purpose of the Report

To provide an update on Pension Board member training.

2.0 Background

The Training Policy was adopted by the Pension Board at its inaugural meeting in July 2015. This set out the knowledge and understanding requirements of members of the Pension Board, routes to obtaining training, and training review arrangements.

It states that the suitability of training events and activities should be based on a self-assessment carried out by each Pension Board member. The regulations place the responsibility for making this assessment, and subsequent action to ensure Pension Board members have an appropriate level of knowledge and understanding, on the individual members. In addition, the Pensions Regulator requires that Pension Board members invest time in learning and development.

3.0 Training Activity

Further to a discussion undertaken at the April 2021 meeting of the Pension Board Members were requested to identify issues relevant to the Pension Board that could be the subject of future training sessions. It was also agreed that, where possible, some training events were provided immediately prior to the commencement of scheduled meetings of the Board. The following issues have been identified by Board Members, further to that discussion:-

- McCloud
- Goodwin
- Administering Authority discretions
- Risk Register and risk management
- GMP
- Investment classes
- Pooling and BCPP
- Valuation of assets by Actuary

Following discussions related to the development of training at both the Board and Pension Fund Committee, the provision of a package of online training sessions has been obtained from a third party provider, with Hymans Robertson. A number of issues highlighted above as issues that may require further consideration for training purposes, are addressed in this on-line package. Module 6 is continually updated and, therefore, should be repeated by Members at regular intervals to ensure the most up to date information and issues are being taken account of. A Version 2 of the package is now in place and Members will be given advice as to how to access this. It should be noted that Version 2 supersedes the original package, and requires Members to complete the package, whether or not they completed Version 1.

Members are encouraged to take part in these sessions which 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.

Details of training events attended and activities undertaken by Pension Board members are contained in a report that is now published on-line with the documents, but is no longer circulated with the papers. Board members are asked to review the training record and advise officers if updates are required.

Pension Board members may wish to discuss the merits of recently undertaken training activity and, where appropriate, the pros and cons, to inform other Board members of its usefulness.

It is recognised that Members of the Board have constraints on their time and may have difficulty in undertaking the necessary training in view of this. Members agreed, therefore, that Board meetings should allow time for Members to undertake training, either individually or collectively.

4.0 Recommendations

- (i) That Members provide an update regarding any Pensions Regulator modules they wish to complete and note the availability and details of the Hymans Robertson online training package;
- (ii) That Members provide details of any training they wish to be included on their training record;
- (iii) That Members provide details of any issues relevant to the Pension Board, that could be the subject of future training sessions and note those highlighted in the report.

Barry Khan
Assistant Chief Executive (Legal and Democratic Services)
County Hall
Northallerton

April 2024

Background Documents: Pensions Regulator on-line training modules
Hymans Online Learning platform

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North Yorkshire Council

Pension Board

18 April 2024

Work Programme

1.0 Purpose of the Report

To detail the areas of planned work by the Pension Board

2.0 Future Activity

Previous reports to the Board have set out a number of areas that could be identified as potential priority areas of work for Board Members to provide scoping reports to subsequent meetings. At previous meetings it was suggested that consideration be given as to how to progress project work more effectively before undertaking any further projects. Further consideration will be given to this matter, going forward. It was agreed that project work would not be undertaken for at least another year at the January 2022 meeting, given the current workload within the NYPF.

Resources would need to be available, via relevant officers, to assist Board Members with their approach to the development of projects subsequently identified.

3.0 Meeting Dates

2024/25 – all Thursday at 10am

4th July 2024

24th October 2024

9th January 2025

3rd April 2025

4.0 Recommendations

That members:

- i) Review and agree any updates to the Work Plan (as set out in Appendix 1);
- ii) Note the dates of ordinary meetings for 2024/25, as detailed.

Barry Khan
Assistant Chief Executive (Legal and Democratic Services)
County Hall
Northallerton
Background Papers - None

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PENSION BOARD WORK PLAN

APPENDIX 1

		04-Apr-24	04-July-24	24-Oct-24	9-Jan-25	03-Apr-25
1	Agree plan for the year				✓	
2	Review Terms of Reference				✓	
3	Review performance against the plan	✓	✓	✓	✓	✓
4	Report to the PFC / NYCC – Minutes and Chair's feedback/Annual 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		✓			
10	Review the compliance of particular issues on request of the PFC – as required					
11	Review the process and note the outcome of actuarial reporting and valuations – every three years					

Administration procedures, performance and Communication

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

