NORTH YORKSHIRE LOCAL PENSION BOARD

ANNUAL REPORT FOR PERIOD 1 APRIL 2023 TO 31 MARCH 2024

Background

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

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

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

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

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

Role

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

1. To assist the Council as Administering Authority in its role as Scheme Manager to:
   - secure compliance with the Local Government Pension Scheme (LGPS) regulations and any other legislation relating to the governance and administration of the LGPS;
   - secure compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator;
   - secure the effective and efficient governance and administration of the LGPS for the Pension Fund
   - assist in such other matters as the LGPS regulations may specify

2. To provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest

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

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

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

Membership of the Board

The Board consists of 9 members, 4 scheme member representatives, 4 employer representatives and an independent chair. Changes to the Membership of the Board during 2023/24 are detailed in the table below. There are currently vacancies for an Employer Representative and a Scheme Member Representative.

The Membership during 2023/24 was as follows:-

PORTLOCK, David	Chairman - Independent Member (Non-voting)
WATSON, Steve (NYC Councillor)	Employer Representative – North Yorkshire Council – appointed to the Board in May 2023
JORDAN, Mike (NYC Councillor)	Employer Representative – North Yorkshire Council – left the Board in May 2023
HOOK, Anne (City of York Councillor)	Employer Representative – City of York Council – left the Board in May 2023
ROWLEY, Martin, BEM (City of York Councillor)	Employer Representative – City of York Council – appointed to the Board in November 2023
BARBERY, Emma	Employer Representative – Askham Bryan College
HAWKINS, David	Employer Representative Co-opted Member, non-voting – York College – Left the Board in February 2024
HOULGATE, David	Scheme Member Representative - UNISON
PURCELL, Simon	Scheme Member Representative - UNISON
THOMPSON, Sam	Scheme Member Representative – Hambleton District Council
GRESTY, Gordon	Scheme Member Representative – Retired Members – Left the Board in January 2024

Local Government Re-organisation

A reorganisation of Local Government in North Yorkshire, amalgamating the County Council with the seven District/Borough councils took place on 1st April 2023. There was no major impact on the North Yorkshire Pension Board and relevant changes are detailed in this Annual Report.

Terms of Reference

A copy of the Board's Terms of Reference is attached at **Appendix 1**. The Terms of Reference, agreed by the Administering Authority in February 2015, are reviewed at least annually. The Terms of Reference have been altered to reflect the move from North Yorkshire County Council to North Yorkshire Council.

Attendance at Meetings

Attendance at meetings was as follows:-

6th April 2023 – Councillor Anne Hook and David Hawkins were absent. All other Members in attendance.
6th July 2023 – Councillor Anne Hook and Emma Barbery absent. All other Members in attendance. Pension Fund Committee Member Councillor George Jabbour attended as an observer.
26th October 2023 – Sam Thompson was absent. All other Members in attendance. City of York Council had not yet appointed a representative to the Board. Pension Fund Committee Member Councillor George Jabbour attended as an observer.
11th January 2024 – Councillor Steve Watson and David Hawkins were absent. All other Members in attendance. Pension Fund Committee Member County Councillor George Jabbour attended as an observer.

Attendance at Pension Fund Committee

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

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

Issues Considered

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

- NYPF Annual Report for the year ended 31 March 2023
- External Audit Report on the NYPF for the year ended 31 March 2023
- Review of Risk Register
- Internal Audit reports
- Funding Strategy Statement

- Publication of Pension Board Annual Report
- Pension Administration – including Breaches Log, Annual Benefit Statements, Data Quality, systems updates, major projects, Triennial Valuation, etc.
- Governance Documents Review
- Pensions Dashboard
- Investment Pooling Consultation
- Annual discussion with the Treasurer of the NYPF
- Feedback from training courses attended
- Management, administration and governance process and procedure
- Review of the Terms of Reference
- Responsible Investments' Policy
- Budget, accounts and Business Plan – including cash-flow position
- Annual Review of Dispute Cases and Exercise of Discretions
- Training

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

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

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

Data Quality

In line with the requirement introduced by the Pensions Regulator, to include each Fund's data score in the annual return with effect from 2019, NYPF have submitted the following scores in 2023:

Common Data: 97.89%
Conditional Data: 88.81%

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

Year	Common Data Score	Conditional Data Score
2018	93.47%	85.26%
2019	94.37%	93.52%
2020	95.97%	96.97%
2021	97.52%	94.95%
2022	97.64%	91.70%

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

Conditional data is that set of data that is defined as additional detailed data required for the administration of a pension scheme. This data is dependent on scheme type,

structure and system design. For example, employer, salary history, contributions, transfer in details, etc.

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

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

Conflicts of Interest

The Board adopted a Conflicts of Interest Policy, attached as **Appendix 2**, at its inaugural meeting on 30th July 2015 and this is reviewed annually. The requirement to declare Conflicts of Interest is an item on every agenda for Board meetings. No conflicts were identified nor disclosed in the period to 31 March 2024.

Skills and Development Activities

Board Members have undertaken a comprehensive range of training and development opportunities, as required by the Pension Regulator's Code of Practice. Appropriate skills and experience are evaluated to identify possible training requirements and areas where skills and knowledge require development.

It was agreed that some joint training would be arranged for either immediately prior to, or at the conclusion of, Board meetings, as time constraints was often an issue for Members undertaking training. These training sessions are being developed.

An online training was previously acquired for the Members of the Pension Board and Pension Fund Committee, from a third-party provider, Hymans Robertson. An update to this has subsequently been provided (version 2) with Members encouraged to complete the various modules. The available sessions are detailed below:-

    1: Introduction to the LGPS

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

    2: Governance and oversight

    Legislation and guidance; policy documents; roles and responsibilities of committees and board members; Code of Practice 14; pensions administration overview; Government oversight bodies; business plans.

    3: Administration and fund management

    Pension benefits and contributions; service delivery; administration and communication strategies and policy documents and processes; annual report and accounts; procurements.

    4: Funding and actuarial matters

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

5: Investments

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

6: Current issues

LGPS reform; McCloud; Goodwin; cost sharing.

Discussions have previously taken place, with the Pension Fund Committee, in relation to the requirement for Pension Fund Committee Members to undertake appropriate training and development in future, with a training policy having now being adopted. Members of the Committee had undertaken an evaluation of their skills, and a training plan was awaited.

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

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

Programme of Work

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

Pension Board Costs for 2023/24 and Budget for 2024/25

The Board's costs for 2023/23 were as follows:

	Costs	Budget
Chair's Allowance	£3078	£3,100
Travel	£ 162	£1,500
Skills development	£ 755	£5,000
Total	**£3995**	**£9,600**

The Board's budget for 2024/25 is as follows:

Chair's Allowance	£3200
Travel	£1500

Skills development	£5000
Total	**£9700**

The above costs are borne by the Pension Fund.

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

Pension Board self-assessment

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

In relation to this, questionnaires have previously been circulated to Board Members to provide an evaluation of skills and experience. Details have been fed back into the Board accordingly and an appropriate joint training plan with members of the Pension Fund Committee will be developed. Consideration is currently being given to the provision of a dedicated training package to encompass both bodies and has resulted in the introduction of the online training package, as detailed above. Given the adoption of the training package and the number of continuing Members of the Board it was not considered necessary to undertake a further assessment during 2022/23.

Equality Impact Review

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

David Portlock
Independent Chair of the Local Pension Board - October 2024