

North Yorkshire County Council

Pension Board

24 October 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 September 2024 meeting.

3. Breaches Log

Included at **Appendix 2** is the North Yorkshire Pension Fund's Breaches Log for review. There are two new entries this quarter relating to the annual benefit statement exercise and the late issue of a Pension Savings Statement.

Date	Description	Cause	Regulation breached	Effect
31/08/2024	Statutory deadline for issuing of Annual Benefit Statements not met for all eligible members	6 – have outstanding year end tasks	Reg 89 of LGPS Regs 2013	100% of Deferred members received a statement. 99.98% of Active members received a statement. (6 members did not)
06/09/2024	One Pension Savings Statements (PSS) issued after statutory deadline of 6 October 2023	Human error. Record not fully updated when an interfund in was completed.	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 2024 so the affected member will need to contact HMRC.

The pension saving statement breach has been reported to HM Revenue & Customs.

4. Annual Benefit Statements

Active annual benefit statements were produced in July. By the statutory deadline of 31 August 28,382/28,388 statements had been issued leaving only 6 requiring further work to produce a statement when and if possible.

This is the best position we have ever been in and is an indication that the benefits of onboarding all employers to i-Connect are already being realised.

MHCLG laid regulations on 28 August that removed the requirement for Funds to include the McCloud information in the 2024 benefit statements. The Pensions Regulator have confirmed there will be no requirement to report a breach for not including the McCloud information in 2024.

5. Major Projects

i-Connect - Employer portal

198 employers now onboarded with 45 remaining. Now the year end processing has been completed the team can push ahead with onboarding the remaining employers before the final deadline of 31 March 2025.

New TPR General Code of Practice

Following completion of the Officers first assessment, AON have reviewed our responses and following discussion a baseline position has now been established. A copy of the baseline report provided to the Pension Fund Committee in their September meeting is included at **Appendix 3**.

Officers are meeting on 25 October to discuss next steps and create an action plan. Progress reports will be provided in future meetings so compliance with the new code can be monitored.

McCloud

Work continues to finalise the position for all members identified as being in scope to ensure everyone who is eligible for an underpin has their record updated correctly. As soon as that work has been completed the rectification phase can begin where members benefits will be uplifted and arrears of pension, additional transfer values or death benefits will be paid. Where we are unable to pay these benefits, compensation may need to be paid to the member, for example if a receiving scheme will not accept an additional amount of transfer value.

Pensions Dashboard

Our ISP provider has been appointed and a connection date of 31 May 2025 has been agreed and scheduled with them. Preparatory work on data cleansing is underway along with preliminary discussions regarding how Additional Voluntary Contribution data will be presented to the dashboard. There are three options available and Officers need to decide which one is the most appropriate.

Disaster Recovery and Business Continuity Plans

The pensions team incident management team met on 8 October to work through the draft business continuity plan and some initial scenarios. Further meetings are scheduled to finalise the plan and capture and test all scenarios.

6. Risk Register

The Fund risk register is reviewed twice a year in May and November and is normally brought to the July meeting. Unfortunately due to other work priorities the May review was not signed off in time so it is being brought to the subsequent meeting instead for review. The detailed report is included as **Appendix 4** and the summary report is **Appendix 5**.

There is one risk that has worsened, three that have lessened and seven risks that have remained the same since the last review.

Risk – RPF_9 Key Personnel has worsened due to work pressures across the Council, to deal with legacy local government reorganisation issues and the delays in the auditing of the Council's and Pension Fund's accounts as reported to the Committee. The probability has been changed to high from medium, reflecting the fact that this has happened. This risk is expected to reduce over time.

Risk – RPF_2 Pension Fund Solvency has improved due to a reassessment of the position. Solvency has remained over 100% since the 2019 valuation, despite the financial markets reacting badly to covid, the Russian invasion of Ukraine, and the Government's mini budget in September 2022. There has also been a sustained period of high interest rates and high inflation. The probability has been changed to low from medium.

Risk – RPF_8 Employer Contributions has improved due to the healthy solvency position of the Fund over a number of years (see Risk – RPF_2 Pension Fund Solvency) and the implementation of risk mitigation actions such as the roll out of i-Connect to employers and the application of the recently updated Charging Policy and Breaches Policy. The probability has been changed to low from medium.

Risk – RPF_3 LGPS Pooling Transition has improved as we are a significant way through this process and the management and monitoring of this process is well established. Approximately 75% of the Fund’s assets are now managed by Border to Coast. There have been no significant issues and the Fund continues to work with Border to Coast on ongoing management arrangements and up and coming fund launches. The probability and the impact have both been reduced to low from medium to reflect this.

7. Common and Conditional Data Scores

The Fund measures its data quality each year and provides the information to the Pensions Regulator in the annual return. Below is a table showing the data scores over the past three years.

Year	Conditional Score	Common Score
2022	91.70%	97.64%
2023	88.81%	97.89%
2024	98.88%	96.51%

The common data score has dropped due to the number of members we have with ‘gone away’ addresses. These are being data cleansed as part of our annual bulk tracing exercise.

8. 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 6** to enable Pension Board Members to ensure appropriate activities are being undertaken

9. Recommendation

- 9.1. That Pension Board Members note the contents of this report.
- 9.2. That Pension Board Members note the contents of the Breaches Log and determine whether a report should be made to the Pensions Regulator.

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14 October 2024
Background Papers - Nil