

North Yorkshire Council

Pension Fund Committee

Minutes of the meeting held on Friday, 12 September 2025 commencing at 10.00 am.

Councillors Angus Thompson (Chair), Alyson Baker (as substitute for Mark Crane), Sam Gibbs, Mike Jordan, Cliff Lunn, David Noland, Neil Swannick and Peter Wilkinson

John Fletcher - UNISON

In attendance: Kenneth Ettles (Senior Consultant Aon), Nick Conroy (Aon), Scott Campbell (Fund Actuary and Director (AON)), Imla Ikram (Associate Consultant – Actuary (AON)) and Leslie Robb (Independent Investments Adviser)

Councillor George Jabbour - observer

Officers present: Gary Fielding (Treasurer to the Pension Fund), Phillippa Cockerill (Head of Pensions Administration), Jo Foster-Wade (Pension Employer Relationship Manager), Steve Loach (Democratic Services).

Apologies: Councillors Peter Kilbane (City of York Council), Mark Crane and Dan Sladden; Brian Hazeldine (UNISON)

Copies of all documents considered are in the Minute Book

118. Exclusion of Public and Press

Resolved –

That the public and press be excluded from the meeting during consideration of Item 11 (Pooling Consolidation) on the grounds that this includes the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information)(Variation) Order 2006

119. Minutes of the Meeting held on 27 June 2025

Resolved -

That the Minutes of the meeting held on 27 June 2025 were confirmed and were signed by the Chair as a correct record.

120. Declarations of Interest

The following Members declared a non-registerable interest in respect of them being in receipt of a pension from the North Yorkshire Pension Fund (NYPF):

- Councillor Cliff Lunn and John Fletcher (UNISON)

Councillor Alyson Baker declared a non-registerable interest in respect of her being in receipt of a widow's pension from the North Yorkshire Pension Fund (NYPF).

Councillor Mike Jordan declared that he was in receipt of a pension from AON.

121. Public Questions or Statements

There were no public questions or statements.

122. 2025 Actuarial Valuation – Initial Results

Scott Campbell (Fund Actuary and Director (AON)), Imla Ikram (Associate Consultant – Actuary (AON)) gave a presentation relating to the initial results from the 31 March 2025 actuarial valuation, highlighting the following:-

- Details of what a triennial actuarial valuation is
- A summary of the valuation process
- The draft past service results for the whole fund
- The change in the funding position since the 31 March 2022 valuation
- The draft whole fund employer contributions
- The draft results for North Yorkshire Council
- The draft results for the City of York Council
- The outlook for contributions for other employers
- Key decisions of the Funding Strategy
- The estimated funding position as at 30 June 2025
- The next steps for the actuary and the Fund

A discussion of the presentation resulted in the following issues and points being raised:-

- Details of the position regarding investments, within the presentation, was clarified and it was noted that these were not making a loss but had not made as much as what was expected over the valuation period, mainly due the volatility of the markets.
The Funding Strategy was being developed appropriately to mitigate future market volatility and ensure long-term stability of the Fund.
- The potential for a possible reduction in contribution rates was discussed. The way in which this could be undertaken and the levels that could be achieved through this methodology were outlined. Members were advised that only surplus in excess of 110% would be used to subsidise primary contributions.
- The financial position of the Fund is checked every three years through the triennial valuation with continual checks taking place on a quarterly basis and reported to the Pension Fund Committee (PFC).
- Members considered the possibility that some employers may not agree with the terms of the renewed contribution rate proposal. It was stated that any disagreement in relation to the contribution rates set, and how these were implemented, would be considered by the PFC and they would make the ultimate decision on how this would be progressed.
- The valuation would be signed off by 31 March 2026 and consultation on the initial results would take place in the interim.

Resolved –

That the initial valuation results and the projected timetable for action prior to publication be accepted.

123. Pensions Administration - Report of the Treasurer

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 (ABS) 2025

Breaches Policy & Log

Governance Documents

Funding Strategy Statement – requires Member approval
Admissions and Terminations Policy – requires Member approval

Issues and Initiatives - Ongoing projects:-

McCloud
Pensions dashboard
The Pensions Regulator's (TPR) General Code of Practice
Budget and cashflow forecast

Member Training

Meeting Timetable

The Head of Pensions Administration introduced the report and the following issues were highlighted:-

- The 2025 Annual Benefit Statements (ABS) included the McCloud details and permission had been provided for the processing completion deadline to be extended to 31 August 2026. At the deadline for issuing the 2025 ABS there had been 64 outstanding; a significant improvement on recent years. Work was underway to complete these.
- There had been no new breaches of law during the quarter as the technical ABS breach would be reported in the next quarter.
- The roll out of i-Connect had been temporarily paused until the data for the ABS had been verified and the triennial valuation had been undertaken. There were eight employers still to onboard and this would be completed later in the year. Any new employer coming into the Fund was automatically onboarded.
- The development of the Pensions Dashboard had now been completed well ahead of the deadline for Local Government Pension Scheme (LGPS) Funds of 31 October 2025. There has been no Dashboard go live date announced yet, but it isn't expected to be before 2026.
- The new Pension Regulator's (TPR) General Code of Practice was compliant in most areas however a third party risk assessment still had to be carried out.

Members discussed the following in relation to the report:-

- Clarification was provided in relation to the relationship between Multi-Academy Trusts and the North Yorkshire Pension Fund, where there were schools from different areas within the Trusts.

Resolved –

- (i) that the funding buffer in the report be noted
- (ii) that the contents of the Breaches Log be noted
- (iii) that the Funding Strategy Statement and Admissions and Terminations Funding Policy both be approved.

124 Budget and Cashflow

Considered -

The report of the Treasurer providing the following -

- The 2025/26 budget and cost of running the Fund.
- The cashflow projection for the Fund.
- An update on the Fund's statutory accounts and Annual Report.

The initial estimate on the budget for 2025/26 showed an underspend for the year of £0.1m, which related to a reduction in performance related fees payable to Baillie Gifford following a disinvestment.

Details of the cashflow position of the Fund were set out in the report for the current year and the two years going forward. In view of recent disinvestments, the Fund currently held cash reserves well above the norm and this was expected to decrease during the year as investment opportunities were taken up. The cashflow situation would continue to be monitored.

An update on the Fund's Final Accounts and Annual Report was provided. The draft Statement of Accounts for 2024/25, together with that of the Council, had been placed on the website in June 2025. Work was continuing on the audit of the Statements and was expected to be completed in October 2025. The sign off of the Accounts was the responsibility of the Audit Committee but the PFC would be regularly updated in the interim.

Members discussed the report and the following issues were raised:

- The additional spending required for McCloud had not impacted on the budget as a buffer is built into it to take account of such scenarios.
- An error in the figures relating to the operational expenses for 2025/26 which contradicted those for 2026/27 was highlighted and it was stated that this would be amended accordingly.
- Suggested amendments to the attached Annual Report were highlighted.

Resolved –

- (i) that the contents of the report be noted

125. Quarterly Funding and Investments Report (Including Investments Update) – Report of AON

Considered –

A report of the Investment Consultants, Aon, providing a high-level summary of NYPF's investments and funding during the second quarter of 2025/26.

To avoid a misleading picture being portrayed during the period of the triennial valuation a funding update had not been produced for the quarter. In the interim the report covered the funding position expected at 30 September 2025.

Kenneth Ettles and Nick Conway of Aon presented the report and drew attention to the following points:

Markets remained volatile particularly in response to the imposition of trade tariffs by the USA.

The quarter had been positive for the Fund with the funding level increasing by 4%.

The key statistics for the period were outlined including investment returns and the potential risks to the funding position, going forward.

Details for the market's performance during quarter 2 were outlined. Issues around tariffs, the USA/China tariff situation and military action had all created volatility, although equity markets had stayed strong.

The position that had developed following the quarter end was outlined with some disinvestment with Baillie Gifford for investments in infrastructure and Private Credit being developed. In the interim the disinvested funding was being held in cash.

A discussion of the issues raised highlighted the following:-

- The disinvestment with Baillie Gifford and its current status in cash reserves and the adherence to the Funding Strategy.
- Clarification of benchmarks and how they are set.
- The continued outperformance of the Fund against the benchmarks.
- The performance of the Baillie Gifford investments in recent years and the positive impact that these have had on the funding position.
- Issues around property and infrastructure investments were discussed. It was noted that although the investments appeared to be providing poor returns they were showing signs of improvement and were beginning to perform well. It was emphasised that long term performance was the key, and highlighted how, initially, investments with the Border to Coast Pensions Partnership (BCPP) struggled but had subsequently improved significantly.
- Changes in the structure of Global Equity investments at BCPP.

Resolved –

- (i) That the contents of the report from AON be noted.

126. Investment Strategy – Asset Allocation Update

Considered –

The report of the Treasurer detailing changes to the Fund's asset allocation, with a table providing those details as of 31 July 2025 provided within the report.

Details of the recent disinvestment from equities to adhere to the long-term investment strategy were highlighted. Details of the reinvestment of this was provided in the report with £70m into BCPPs Government Bonds and Investment Grade Credit funds.

£50m originally committed to UK Real Estate fund operated by BCPP had now been scaled back to £37.5m. £13.1m had called into this so far with the remainder remaining in cash until it was drawn down into the Fund.

Resolved –

- (i) That the contents of the report be noted.

127. Pension Board - Draft Minutes of 3 July 2025

Considered –

The draft minutes of the Pension Board meeting held on 3 July 2025 were provided.

The Chair of the Pension Board highlighted the following:

- The employer representative vacancy on the Board had now been filled by Andrew Robinson of the Ebor Academy Trust.
- A slight amendment had been made to the Terms of Reference enabling Board Members to submit their resignation from the Board during their Term of Office.
- The Board's draft Annual Report had been considered.
- Internal Audits for 2025/26 were discussed with ICT Controls and Risk Management identified. Further discussion would take place at the next meeting of the Board to consider further topics for audit.
- A discussion on Cyber Security, a key risk to the NYPF was discussed at length. In relation to this it was stated that this was the biggest threat to both the NYPF and NYC. Recent issues throughout the world highlighted this as a significant risk and everything that could be done to guard against this was being done.

Resolved –

- (i) That the contents of the Minutes be noted.

(Minute 128, below, was confidential and, therefore, was the subject of a separate confidential minute)

128. Pooling Consolidation

Considered –

A report of the Treasurer –

Seeking the views of the Committee on proposed changes to the BCPP in light of the Government's proposed changes to pooling arrangements.

Resolved –

- (i) That the Committee notes this paper and supports the shareholder representative to exercise the shareholder vote in support of the resolution/that the Committee supports the admission of the seven candidate Funds to become shareholders of the Border to Coast Pensions Partnership Ltd.
- (ii) That the Committee supports the shareholder representative to cast the Administering Authority's shareholder vote in support of the admission of the named candidate Funds as shareholders in the operating company and in support of any other shareholder resolutions, including for the issue of further shares necessary to facilitate this process.
- (iii) That the Committee requests that it is ensured that the interests of the existing Members of BCPP continue to be taken into account and that the HQ for BCPP remains in Leeds in line with their support for the proposals.

129. Such other business as, in the opinion of the Chairman should, by reason of special circumstances, be considered as a matter of urgency

There were no urgent items

The meeting concluded at 12.10 pm