

North Yorkshire Council

Pension Board

Minutes of the meeting held on Thursday, 2 April 2026 commencing at 10.00 am.

Present:

David Portlock (Independent Chair)

Employer Representatives:

Councillor Steve Watson (North Yorkshire Council)

Scheme Members:

Eddie Brass (Deferred Member)

David Houlgate (Active Member)

Simon Purcell (Retired Member)

Sam Thompson (Active Member)

Officers present:

Gary Fielding, Treasurer of the Pension Fund

Phillippa Cockerill, Head of Pensions Administration

Amanda Jones, Pension Governance and Employer Relationship Manager

Qingzi Bu, Senior Accountant

Amanda Alderson, Interim Head of Finance

Stuart Cutts, Assistant Director of Audit Assurance (Veritau)

David Smith, Senior Democratic Services Officer

Copies of all documents considered are in the Minute Book

161 Welcome by the Chair

The Chair welcomed all attendees to the meeting.

162 Apologies for absence

Apologies for absence were received from Councillor Martin Rowley BEM, Emma Barbery and Andrew Robinson.

163 Declarations of interest

Sam Thompson declared that she was now a member of the North Yorkshire Police Pension Board and sits on the North Yorkshire Fire and Rescue Pension Board, although is not a member.

164 Exclusion of the public

The Chair advised that, should discussion be required in respect of Item 8b, the Board would be required to resolve whether to exclude the public.

The Board resolved to exclude the public from Item 14 on the agenda.

Resolved

- a) That the public are excluded from the meeting during consideration of Item 14: Investment Pooling and Governance Arrangements, due to 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.

165 Minutes of the meeting held on 15 January 2026

Resolved

- a) That the minutes of the meeting held on 15 January 2026 be confirmed as a correct record and signed by the Chair.

166 Progress on issues raised at previous meetings

The Chair introduced the report and noted that the actions relating to Minutes 110, 113, 151 and 154 had been completed and would be removed from the report for the next meeting.

Regarding the outstanding action from Minute 155, officers clarified that a workshop date in June 2027 would be used to provide risk management training to Pension Fund Committee and Pension Board Members. It was noted that this action arose from the moderate internal audit finding relating to risk management.

Resolved

- a) That the report is noted.

167 Public questions and statements

No public questions or statements were received.

168 Annual discussion with the Treasurer of the Pension Fund

The Chair explained that there was no accompanying report and that the item provided an opportunity for Board Members to raise questions of Gary Fielding, Treasurer of the Pension Fund. The Treasurer then provided an update which is summarised below.

The Treasurer reported that the past year had been particularly busy, including work on investment matters, administrative changes, and the triennial valuation. He advised that the valuation outcome had been positive, with the Fund currently reported as around 123% funded and valued at approximately £5.2 billion, which had resulted in reductions in contribution rates for the majority of employers. The year was described as successful, albeit one of significant and continuing change.

The Treasurer outlined anticipated changes arising from the Fit for the Future agenda, including continued Government focus on increased pooling and governance reform. He advised that Border to Coast (B2C) had expanded to include additional partner funds and that, although this reduced the relative influence of individual funds, it was not expected to materially affect engagement or oversight. Over 80% of the Fund's assets were currently managed through B2C, with the long-term expectation that this proportion would increase

to 100%. Certain property funds and the Baillie Gifford mandate were not presently pooled, and it was felt that property assets were relatively straightforward to transition, while Baillie Gifford would be reconsidered if an appropriate alternative sub-fund became available. As B2C also used Baillie Gifford as an underlying manager, care was required to avoid duplication of investment exposure. Relationships with B2C remained constructive, with challenge continuing, particularly in areas such as global equity performance and product availability.

The Treasurer also referred to emerging proposals affecting investment advice, officer roles, training requirements, governance arrangements and potential future consolidation within the Local Government Pension Scheme (LGPS). He emphasised that officers were closely monitoring developments and that the Pension Fund Committee retained fiduciary responsibility throughout. The Board was assured that officers were on top of the proposed changes and preparing accordingly.

After the Treasurer's update, the following discussion took place.

In response to a question regarding whether contribution reductions applied to all employers, officers clarified that employee contribution rates were set nationally and that employer contributions could increase or decrease under cost-cap arrangements.

Members queried the Fund's continued investment in Baillie Gifford. The Treasurer advised that this remained under regular review by the Pension Fund Committee and that exposure was carefully managed. Any future change would depend on suitable alternatives becoming available and on the Fund's strategy, taking account of its strong funding position.

A question was raised regarding Government expectations on local investment. The Treasurer advised that there remained a clear agenda to encourage investment in UK-based and local infrastructure, primarily through pools which are better placed when it comes to engagement. He emphasised that any such investment would need to meet appropriate risk-adjusted return criteria and that fiduciary duty remained with the Pension Fund Committee.

Members discussed the impact of pooling on decision-making, noting that while increased pooling and less operational management were expected, the Pension Fund Committee remained responsible for monitoring pool performance and were ultimately accountable for the performance of the Fund.

The expansion of B2C's advisory role was discussed. The Treasurer confirmed that this could reduce reliance on external investment consultants over time, though independent advice would still be required. It was noted that conflicts of interest already existed within current arrangements and would need to be clearly managed as roles evolved, with the Pension Board providing oversight.

The Board considered forthcoming governance and training requirements, including proposals for mandatory skills and knowledge standards for Pension Fund Committee Members and the designation of a Senior LGPS Officer. Mandatory training was acknowledged as a significant commitment, particularly given the responsibilities involved, but it was noted that Committee membership changes following elections could affect knowledge levels. While the proposals were supported in principle, it was felt to be important that expectations remained proportionate and achievable. The changes were not expected to materially affect day-to-day operations but would require clear documentation and evidence of compliance. It was noted that, as the proposed reforms progressed and governance expectations evolved, it might be necessary to review and update the Pension Board's Terms of Reference to ensure they remained appropriate and clearly reflected the Board's oversight role.

In response to queries about longer-term LGPS reform, the Treasurer advised that Government interest in further consolidation, including potential mergers of funds or administrative functions, remained under discussion. Members expressed concern regarding the capacity and cost implications of ongoing regulatory change. It was noted that, while pooling had been intended to reduce costs, the increasing range of governance, oversight and compliance requirements could make this difficult to achieve in practice.

The Board thanked the Treasurer for his update and for his support to both the Pension Board and the Pension Fund Committee. It was noted that this was his final Pension Board meeting, and Members offered their best wishes for the future.

Resolved

- a) That the update provided by the Treasurer of the Pension Fund be noted.

169 Draft minutes of the Pension Fund Committee meeting held on 6 March 2026

The Chair introduced the draft public minutes of the Pension Fund Committee meeting held on 6 March 2026 and invited the Board to raise any questions. No questions were raised.

Resolved

- a) That the draft public minutes of the Pension Fund Committee meeting held on 6 March 2026 be noted.

170 Draft confidential minutes of the Pension Fund Committee meeting held on 6 March 2026

The Chair introduced the draft confidential minutes of the Pension Fund Committee meeting held on 6 March 2026 and advised that any discussion on the content would need to take place in private session. The Board highlighted that the confidential minutes demonstrated the Pension Fund Committee's active role in overseeing investment strategy and performance.

Resolved

- a) That the draft confidential minutes of the Pension Fund Committee meeting held on 6 March 2026 be noted.

171 Pension Fund Administration Report

Phillippa Cockerill, Head of Pensions Administration, introduced the report and highlighted the following key points.

In relation to the Annual Benefit Statements exercise for 2026, it was reported that, following the introduction of the revised member platform in January, a decision had been taken to revert to issuing the Fund's online and paper Annual Benefit Statements, in line with the approach taken in previous years. This was due to outstanding functionality issues with the system, which were not expected to be resolved in time for this year's exercise. Officers confirmed that the system supplier continued to address these issues, with the intention of enabling online statements in future years once the outstanding matters had been resolved.

Officers advised that the actuarial valuation had now been completed, with updated contribution rates issued to employers and published on the Fund's website.

It was also reported that work on the McCloud remedy was nearing completion, with the majority of affected pensioners expected to be paid by summer. Work was ongoing in relation to a small number of cases involving deaths and transfers, with completion anticipated later in the year.

The Board was informed that the Pensions Regulator's public sector governance and administration survey had been completed and submitted by officers within the required timescales. No areas of concern had been identified as part of that process, and officers were awaiting any formal feedback.

It was noted that the Pension Fund Committee had approved the 2026/27 business plan and budget at its March meeting. Officers explained that the business plan set out key priorities for the coming year, with a focus on forthcoming regulatory changes, and provided an indicative view of activity over the following years. Officers acknowledged that the Administration team continued to operate in a challenging environment, managing competing demands arising from regulatory change and ongoing casework, but confirmed that workloads were being managed, with no immediate service risks or emerging backlogs identified.

During the discussion, Members raised questions about the Fund's current cashflow position, particularly in the context of geopolitical uncertainty. Officers advised that the Fund's cash position was actively monitored and managed, and that there was no concern regarding the Fund's ability to meet its liabilities in the short or medium term.

Members also discussed work underway to encourage scheme members to keep their death benefit nominations up to date. Officers explained that this remained a challenge across the sector, noting the additional administrative complexity that arose where nominations had not been completed. It was confirmed that reminders were included within routine communications, including annual benefit statements, and that further targeted activity would be progressed when capacity allowed.

In response to queries about future regulatory change, officers noted that further developments were anticipated across the LGPS, although detailed requirements were not yet confirmed. Officers advised that emerging guidance and proposals were being monitored closely, and updates would be brought forward as appropriate once greater clarity was available.

Resolved

- a) That the Pension Fund Administration Report be noted.

172 Internal Audit Progress Report

Stuart Cutts, Assistant Director of Audit Assurance at Veritau, introduced the Internal Audit Progress Report advising that it provided an overview of progress against the internal audit plan, before raising the following key points.

In relation to the audit of income, it was reported that fieldwork had been completed in line with the agreed timetable and that a draft report had been issued to officers. It was explained that finalisation of the report had taken slightly longer than anticipated to allow for feedback and refinement of wording, but this did not reflect any delay in the audit work itself.

Members asked whether any significant issues had been identified as part of the Income (Contributions) audit. Stuart confirmed that there were no major concerns and that the overall conclusion was expected to be substantial assurance. It was explained that one lower-priority finding had been identified, relating to the application of the Fund's policy for managing late employer contributions.

Further clarification was provided that the finding did not relate to material sums of money and did not indicate a significant risk to the Fund. The issue concerned whether existing processes for monitoring and escalating late employer returns and payments were being applied consistently in line with policy. It was noted that challenges around late employer contributions and engagement were common across the LGPS sector. It was also noted that the matter involved both internal processes and engagement with employers and that additional contextual information was being incorporated into the final report to reflect the practical challenges involved.

Members discussed the operation of the charging and escalation policy for late contributions. Officers clarified that the policy provided discretion to apply charges and that, in practice, engagement and support were usually the preferred first step, particularly for smaller employers or those with limited administrative capacity. It was noted that escalation and charging remained available as a last resort, and that the policy could be reviewed through the Pension Fund Committee's annual policy review process if changes were deemed necessary.

Members were reassured that the audit finding did not raise concerns about the Fund's cash position or employer compliance overall. Stuart confirmed that no issues of materiality had been identified and that the audit outcome did not indicate systemic weaknesses.

Resolved

- a) That the Internal Audit Progress Report be noted.

173 Internal Audit 2026/27 Audit Plan

Stuart Cutts, Assistant Director of Audit Assurance at Veritau, introduced the Internal Audit Plan for 2026/27.

The Board was advised that the plan had been developed with an increased emphasis on governance, reflecting emerging requirements within the LGPS, including new expectations set out in the Pensions Regulator's Code of Practice. It was acknowledged that the Code of Practice set a high bar for governance, covered a wide range of requirements, and that working through it would take time. Stuart explained that a number of the proposed audit areas linked directly to governance responsibilities and that the plan had been designed to provide assurance in those areas considered most relevant to the Pension Fund at this stage.

The Board acknowledged that it would not be practical or proportionate to cover all aspects of the Code of Practice within a single audit. Instead, the intention was to agree a focused and proportionate scope, targeting priority areas and providing meaningful assurance, potentially across more than one audit cycle.

The Board was advised that some elements of the plan would require further scoping and discussion with officers before detailed audit work could commence. It was confirmed that auditors would return with further detail once scope and timing had been agreed.

The Board discussed the proposed timing and sequencing of audits within the year and sought clarification on when reports were likely to be brought back to the Board. Stuart

explained that audit delivery was planned on a rolling basis and that detailed timescales would depend on the agreed scope of individual pieces of work, officer availability, and wider audit priorities. It was confirmed that the audit plan would be kept under review and could be adapted if risks or priorities changed. Further clarity on timing would be provided through future Internal Audit Progress Reports after individual audits had been scoped.

The importance of ensuring that audit work was appropriately timed, particularly in the context of potential changes to Pension Fund Committee membership following elections, was highlighted, and the flexible and proportionate approach proposed was welcomed.

Resolved

a) That the Internal Audit Plan for 2026/27 be approved.

174 Training

The Chair introduced the report, noting that it was a regular update on the Board's training. Members were reminded to notify the Democratic Services Officer of any training they had undertaken so that records could be updated.

Resolved

That the report be noted.

175 Work programme

The Chair introduced the item and invited Members to suggest amendments or additions to the work programme. No additions were proposed.

Resolved

That the work programme be noted.

176 Investment Pooling and Governance Arrangements

The Committee went into exempt session for the duration of Item 14 because it was deemed likely that exempt information relating to the financial or business affairs of any particular person (including the authority holding that information), as described in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, would be discussed.

A separate confidential minute has been produced for this item.

177 Any other items

There were no other items.

178 Date of next meeting

Thursday, 2 July 2026 at 10:00am in the Brierley Room, County Hall, Northallerton.

The meeting concluded at 11.45 am.