

Pensions Committee

Date: **Tuesday 13 June 2023**
Time: **9:30am**
Venue: **Council Chamber, County Hall, Martineau Lane,
Norwich NR1 2DH**

Membership

Members

Cllr Judy Oliver – Chair

Cllr Alison Birmingham
Cllr Robert Colwell
Cllr Will Richmond
Cllr Martin Storey

Co-opted Members

Cllr John Fuller
Vacancy

Member Representative

Steve Aspin

Advice for members of the public:

This meeting will be held in public and in person.

It will be live streamed on YouTube and members of the public may watch remotely by clicking on the following link: [Norfolk County Council YouTube](#)

We also welcome attendance in person, but public seating is limited, so if you wish to attend, please indicate in advance by emailing committees@norfolk.gov.uk

We have amended the previous guidance relating to respiratory infections to reflect current practice but we still ask everyone attending to maintain good hand and respiratory hygiene and, at times of high prevalence and in busy areas, please consider wearing a face covering.

Please stay at home if you are unwell, have tested positive for COVID 19, have symptoms of a respiratory infection or if you are a close contact of a positive COVID 19 case. This will help make the event safe for attendees and limit the transmission of respiratory infections including COVID-19.

A g e n d a

1 To receive apologies - (please note that owing to the Trustee Status of this Committee, substitute members are not allowed)

**2 Chair and Vice Chair
To note Cllr Oliver is appointed Chairman by the County Council and to elect the Vice Chair of Pensions Committee**

3 Minutes (Page 5)

To confirm the minutes of the meeting held on 21 March 2023

4 Members to Declare any Interests

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is not on your Register of Interests you must declare that interest at the meeting and not speak or vote on the matter

In either case you may remain in the room where the meeting is taking place. If you consider that it would be inappropriate in the circumstances to remain in the room, you may leave the room while the matter is dealt with.

If you do not have a Disclosable Pecuniary Interest you may nevertheless have an **Other Interest** in a matter to be discussed if it affects, to a greater extent than others in your division

- Your wellbeing or financial position, or
- that of your family or close friends
- Any body -
 - Exercising functions of a public nature.
 - Directed to charitable purposes; or
 - One of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union);

Of which you are in a position of general control or management.

If that is the case then you must declare such an interest but can speak and vote on the matter.

5 Administration Report (Page 17)

Joint Report by the Director of Strategic Finance and the Director

of the Norfolk Pension Fund

6 Update from the Pensions Oversight Board (Page 80)

Joint Report by the Director of Strategic Finance and the Director of the Norfolk Pension Fund

7 Risk Register Report and Compliance with Breaches Policy (Page 99)

Joint Report by the Director of Strategic Finance and the Director of the Norfolk Pension Fund

8 Draft Pension Fund Accounts 2022-23 (Page 106)

Joint Report by the Director of Strategic Finance and the Director of the Norfolk Pension Fund

9 ACCESS Update Unrestricted Items (Page 221)

Joint Report by the Director of Strategic Finance and the Director of the Norfolk Pension Fund

10 Exclusion of the Public (Items 11-17 only)

The Committee is asked to consider excluding the public from the meeting under section 100A of the Local Government Act 1972 for consideration of the items below on the grounds they involve the likely disclosure of exempt information as defined by Paragraphs 3 and 5 of Part 1 of Schedule 12A to the Act, and the public interest in maintaining the exemptions outweighs the public interest in disclosing the information.

The Committee will be presented with the conclusion of the public interest test carried out by the report author and is recommended to confirm the exclusion.

Comfort break

11 ACCESS Update - Restricted Items (Page 225)

Joint Report by the Director of Strategic Finance and the Director of the Norfolk Pension Fund

12 Employer Operational Issues (Page 232)

Joint Report by the Director of Strategic Finance and the Director of the Norfolk Pension Fund

13 Hymans Quarterly Performance Report (Page 235)

Presentation

- 14 Enhanced Yield Portfolio Review (part 2) (Page 254)**
Joint Report by the Director of Strategic Finance and the Director of the Norfolk Pension Fund and presentation by Hymans
- 15 Investment Update (Page 282)**
Joint Report by the Director of Strategic Finance and the Director of the Norfolk Pension Fund
Comfort break
- 16 Investment Manager presentation (Page 286)**
Presentation by Fund Manager
- 17 Exempt Minutes (Page 370)**
To confirm the exempt minutes of the meeting held on 21 March 2023

**Tom McCabe
Head of Paid Service
County Hall
Martineau Lane
Norwich
NR1 2DH.**

Date Agenda Published: 5 June 2023.



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Pensions Committee

Minutes of the meeting held on Tuesday 21 March 2023 commencing at 9:30 am and held at County Hall, Norwich

Present:

Cllr J Oliver (Chair)
Cllr A Birmingham
Cllr W Richmond
Cllr J Fuller
Cllr M Storey
Cllr A Waters

Officers Present:

Glenn Cossey	Director of the Norfolk Pension Fund
Alex Younger	Head of Funding & Investment
Jo Quarterman	Head of Governance
Debra Keeling	Pension Services Manager
Madeline Mitchell	Project and Policy Management Officer
John Baldwin	Assistant Director of Finance
Elaine Otway	Norfolk Pension Fund
Charlotte Alexander	Norfolk Pension Fund Accountant
Eunice Walcott	Governance Manager
Simon George	Executive Director of Finance and Commercial Services
Tim Shaw	Committee Officer
Katrina Hulatt	Monitoring Officer

Others Present:

Ross MacLeod	Investment Adviser, Hymans Robertson
David Walker	Investment Adviser, Hymans Robertson
Brian Wigg	Chair of the Pensions Oversight Board
Stephen Addicott	Stafford Capital Partners (participating via Microsoft Teams)
Dermot McCloskey	Stafford Capital Partners (participating via Microsoft Teams)

1A Cllr Alan Waters

1A.1 The Chair and all other Members of the Committee paid tribute to the work of Cllr Alan Waters (the Vice-Chair) who had served on the Committee since September 2006 and was due to retire as a City Councillor before the next meeting. Members also placed on record thanks to Alan for his work at the national level representing the interests of LGPS employers.

1B Apologies for Absence

1B.1 Apologies for absence were received from Mr S Aspin and Cllr D Roper.

2 Minutes

2.1 The minutes of the previous meeting held on 6 December 2022 were confirmed as a correct record and signed by the Chair.

3 Declaration of Interest

The following declaration of interest was received:

- Cllr A Birmingham declared an “other interest” because she was a member of the scheme.

Cllr A Waters declared an “other interest” because his wife was a member of the scheme.

4 Administration Report

4.1 The annexed report (4) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund was received. The report was the quarterly update for the Pensions Committee on operational and administration matters relating to the Fund. This followed the last full quarterly report to Pensions Committee in December 2022.

4.2 The Committee’s attention was drawn to the following:

National picture

- Pensions Dashboard – compulsory staging/on-boarding of pension providers delayed – awaiting revised timetable.
- LGPS Pooling Consultation – announcement in the Spring Budget that Government would be publishing the long-awaited pooling consultation with the message of “further & faster”
- Good Governance - whilst the consultation on the Scheme Advisory Board’s Good Governance recommendations is awaited, the Norfolk Pension Fund has been updating and developing new governance standards and control as part of its on-going work programme, specifically:
 - Knowledge and skills – Training Strategy updated
 - LGPS Senior Officer
 - Scheme of Delegation refreshed
 - Key governance projects listed in the Service Plan (Appendix F - page 58 of the agenda), conflicts policy, workforce strategy etc.

Risk and Data Management

- Risks remain stable (Heat Map - Appendix C - page 42 of the agenda)

- A minor data breach occurred in January. Incident was effectively managed, and no further action was necessary.

Norfolk Pension Fund

- Team changes were communicated to Pensions Committee and Pensions Oversight Board at the end of February following the departure of the Pension Services Manager and the Technical Services Manager. A strong and experienced interim team has been put in place while the future service delivery model for Pension Services is reviewed and confirmed.
- Service plan (Appendix F - page 58 of the agenda) sets out the Fund's forward work programme.

Performance

- Pension Services KPI's (Appendix D - page 43 of the agenda) reflect good performance across all activities.

Data Quality report

- Annual return for The Pensions Regulator (Appendix E, page 44 of the agenda) as been completed. Pleasing to note consistently high levels of performance.

Scheme Data

- Scheme membership continues to increase (99k)
- Average pension in payment in own right remains at £5k ('own right')
- 427 scheme employers
- 68% of our membership are part-time employees of which 86% are female.

Communication and Engagement

- Members
 - The spring edition of the retired members newsletter – Primetime, will be published shortly, containing details of the annual pensions increase.
- Employers
 - Latest Employer Newsletter has been issued
 - The next hybrid Employer Forum will take place on 12 July 2023

Cost of living: key messages

- The Norfolk Pension Fund has been working alongside employers to promote key messages regarding the LGPS and the cost-of-living crisis, including helping ensure members:
 - Understand the real cost of LGPS membership
 - Understand the real value of LGPS membership
 - Understand the options – not just in or out!
 - How to find further help and support, and avoid scams

Accounts and Financial Reporting

Financial year end 2021-22 – Annual Report & Accounts

- The final audit opinion on the Pension Fund's 2021-22 Annual Report and Accounts has not yet been signed off by EY following delays in completing the audit of the County Council's statutory accounts
- This delay in the audit of employer accounts may have implications for employers who have pension accounting disclosures dated the 31 March 2022 and have not completed their own audits (the County Council and other public authorities are impacted). Where their audit opinions have not yet been signed they will now need to consider the impact of the 2022 Triennial Valuation, which will be signed off by 31 March. The Fund is in discussion with the employers and the Fund Actuary on this matter.

Financial year end 2022-23

- Planning for preparation of draft accounts by 31 May 2023
- Full Annual Report and Accounts will be presented to September Committee

Cash Management

- Committee were asked to consider and approve the Fund's cash management strategy which details the arrangements for locally managed cash, cash held by the Custodian and counterparty/collateral arrangement for currency management.

Collaborative Working / Value for Money

- National LGPS Frameworks received Outstanding Contribution of the Year award at LAPF Investment Awards

Knowledge and Skills

- Analysis of the 2022 National Knowledge Assessment for Pensions Committee and Pensions Oversight Board will inform future training plans and the scheduled autumn training event.

Admission agreements

- Edwards & Blake (Southtown Primary)
- Medequip Assistive Technology Ltd (Integrated Community Equipment Service – Norfolk County Council)

4.3

RESOLVED

That the Committee note the contents of the report including:

- **two Admission Agreements in respect of:**
 - **Edwards & Blake (Southtown Primary)**
 - **Medequip Assistive Technology Ltd (Integrated Community Equipment Service – Norfolk County Council).**
- **and approve the cash management strategies for the management of the Fund's cash balances and**

dynamic currency programme (report items 11 and 12).

5 Update from the Pensions Oversight Board

5.1 The annexed report (5) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund was received. The report updated the Pensions Committee on the work of the Pensions Oversight Board (POB) which had last met on the 28 February 2023.

5.2 The Committee's attention was drawn to the following from when the POB met on 28 February 2023:

- Updated on LGPS Reform, strategic and operational issues including progress with the employer operational issues and personnel changes at the Pension Fund
- Report on the conclusion of the 2022 triennial valuation process
- Overview of the budget process
- Considered the National Knowledge Assessment findings
- Board membership
 - Howard Nelson (representing non tax raising employers) stepping down
 - Arrangements being made to replace Howard
 - Trade Union vacancy
- ACCESS Joint Committee
 - Brian Wigg (Chair) and Peter Baker (retired member representative) observed ACCESS Joint Committee on 6 March

5.3 The proposed forward work programme for POB was as follows:

- 16 May 2023
 - Feedback from ACCESS JC observation
 - Update on Cyber and Data 3rd party responses
 - Operational update: employer issues update
 - TPR Code of Practice (dependent upon publication)
- 5 September 2023
 - Strategic review: BAU update inc.
 - Employer Services
 - Members Services
- 7 November 2023 (face to face)
 - Risk Management overview, with focus on Cyber and Data security

5.4 RESOLVED

That the Committee note the contents of the report.

6 Pension Fund Budget 2023-24

6.1 The annexed report (6) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund was received. The report set out how the budget took account of statutory responsibilities and legislative changes, as well as significant operational changes that might impact upon the Pension Fund during the year.

6.2 The Committee's attention was drawn to the following:

- The Norfolk Pension Fund Budget is set separately from NCC's budget.
- The budget incorporated the Fund's statutory responsibilities and service plan objectives
- The proposed budget for 2023-24 was £4.041m a 5% decrease on the 2022-23 budget.

6.3 The 2023-24 budget included:

- Norfolk's share of ACCESS ASU costs,
- Uplifted Staff Costs reflecting 3% assumed pay award,
- Employer National Insurance and Pension Contribution on costs and staffing changes,
- Lawrence House accommodation savings of £174K.
- Provision within the projects budget for:
 - Good Governance Implementation
 - Pensions Services Team Operational Review
 - ISP and McCloud Admin Software Upgrades
 - Response to Task force on Climate-Related Financial Disclosures Consultation
 - LGPS Pooling Governance Advice (ACCESS)

6.4 In reply to questions, it was noted that the Norfolk Pension Fund administration costs last year were less than £20 per scheme member which was less than the national average. It was hoped that a favourable comparison could be maintained versus peer group given the budget position set out.

6.5 **It was RESOLVED**

That the Committee approves the Pension Fund 2023-2024 budget.

7 Corporate Governance and Shareholder Engagement Report

7.1 The annexed report (7) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund was received. The report provided a six-month update for the Pensions Committee on corporate governance and shareholder engagement matters relating to the Fund including ESG matters relating to the ACCESS Pool. The report covered the period 1 July 2022 to 31 December 2022.

- 7.2** The Committee's attention was drawn to the following:
- Six monthly update on voting and engagement activity by equity managers
 - Voting performed via the ACCESS pool
 - Summary of Climate Risk Reporting.

7.3 It was RESOLVED

That the Committee note the contents of the Corporate Governance and Shareholder Engagement Report.

8 Exclusion of the Public Items 9-16 only

8.1 The Committee was asked to consider excluding the public from the meeting under Section 100A of the Local Government Act 1972 for consideration of the items below on the grounds they involved the likely disclosure of exempt information as defined by paragraph 3 of Part 1 of the Schedule 12A to the Act, and the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

8.2 Paragraph 3 stated "information relating to the financial or business affairs of any particular person" (including the Authority holding the information).

Having applied the "Public Interest Test" it was recommended the Pensions Committee confirm the exclusions listed below:-

8.3 Item 9- Employer Operational Issues

This report contains financial, business, and commercial information including details about third party company operations which could significantly weaken their position in a competitive environment by revealing this activity to competitors.

Inappropriate disclosure would or would be likely to prejudice their interests which may expose the Norfolk Pension Fund (Norfolk County Council) to legal action in the future.

8.4 Item 10- ACCESS Update - restricted items

This report contains financial, business, and commercial information including details about third party company operations which could significantly weaken their position in a competitive environment by revealing this activity to competitors.

Inappropriate disclosure would or would be likely to prejudice their interests which may expose the Norfolk Pension Fund (Norfolk County Council) to legal action in the future.

8.5 Item 11- 2022 Triennial Valuation – Final Valuation Report & Funding Strategy Statement

This report contains financial, business, and commercial information including details about third party company operations which could significantly weaken their position in a competitive environment by revealing this activity to competitors.

Inappropriate disclosure would or would be likely to prejudice their interests which may expose the Norfolk Pension Fund (Norfolk County Council) to legal action in the future.

8.6 Item 12 - Hymans Robertson Quarterly Performance Report

This presentation contains financial, business, and commercial information including details about third party company operations, including details of individual stock "buy and sell" activity which could significantly weaken their position in a competitive environment by revealing this activity to competitors.

Inappropriate disclosure would or would be likely to prejudice their interests which may expose the Norfolk Pension Fund (Norfolk County Council) to legal action in the future.

8.7 Item 13 - Enhanced Yield Portfolio Review

This report contains financial, business, and commercial information including details about third party company operations, including details of individual stock "buy and sell" activity which could significantly weaken their position in a competitive environment by revealing this activity to competitors.

Inappropriate disclosure would or would be likely to prejudice their interests which may expose the Norfolk Pension Fund (Norfolk County Council) to legal action in the future.

8.8 Item 14 - Investment Update

This report contains financial, business, and commercial information including details about third party company operations, including details of individual stock "buy and sell" activity which could significantly weaken their position in a competitive environment by revealing this activity to competitors.

Inappropriate disclosure would or would be likely to prejudice their interests which may expose the Norfolk Pension Fund (Norfolk County Council) to legal action in the future.

8.9 Item 15 - Investment Manager presentation

This presentation contains financial, business, and commercial information including details about third party company operations, including details of individual stock "buy and sell" activity which could significantly weaken their position in a competitive environment by

revealing this activity to competitors.

Inappropriate disclosure would or would be likely to prejudice their interests which may expose the Norfolk Pension Fund (Norfolk County Council) to legal action in the future.

8.10 Item 16 – Exempt Minutes

These minutes contained commercially sensitive information related to the performance of third-party individual fund management companies which if in the public domain could have a detrimental impact on the companies' commercial revenue and consequently adverse impact on Pension Fund Performance.

8.11 RESOLVED

That the above items be excluded from public disclosure by virtue of paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 and the text applied above, confirming that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

9 Employer Operational Issues

9.1 The Committee received a report (containing exempt information) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund about the arrangements that were in place to monitor progress against the agreed recovery plan for employer operational issues considered at the previous meeting where there was a risk of failure to meet Administration Regulatory and Performance requirements.

9.2 RESOLVED

That the Committee note the contents of the report and continue to take appropriate action to resolve the situation.

10 ACCESS Update – Restricted items

10.1 The Committee received a report (containing exempt information) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund that updated Members on a confidential basis on investment and governance matters pertaining to the ACCESS Pool (A Collaboration of Central, Eastern and Southern Shires). The work of the ACCESS pool was governed by a Joint Committee made up of one Councillor from each Committee's Pensions Committee.

10.2 RESOLVED

That the Committee note the contents of the report and approve the action that they are recommended to take.

- 11 2022 Triennial Valuation – Funding Strategy Statement**
- 11.1** The Committee received a report (containing exempt information) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund that presented the draft 2022 Triennial Valuation report for the Norfolk Pension Fund which the Fund Actuary would sign off by the statutory deadline of 31 March 2023. The Committee was asked to approve the final 2022 Funding Strategy Statement for publication alongside the final valuation report.
- 11.2** The report was accompanied by a draft of the 2022 Valuation Report and the Funding Strategy Statement prepared by the Fund Actuary.
- 11.3 RESOLVED**
That the Committee note the contents of the report and the presentation.
- 12 Investment Performance Update by Hymans Robertson**
- 12.1** The Committee received a detailed booklet and presentation on investment performance (containing exempt information) by Hymans Robertson.
- 12.2** The Investment Advisor summarised the investment performance for the fourth quarter of 2022 which was set out in the report.
- 12 3 RESOLVED**
That the Committee note the detailed booklet and the work undertaken by Hymans.
- 13 Enhanced Yield Portfolio Review**
- 13.1** The Committee received a report (containing exempt information) by the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund that provided the initial results and strategic recommendations of the Enhanced Yield Portfolio Review and updated on the work done to date. review. A further report would be made to the June 2023 meeting of the Committee.
- 13.2** The report was accompanied by a detailed report and presentation by the Fund’s Investment Consultant.
- 13.3 RESOLVED**
That the Committee note the contents of the report and the presentation.
- 14 Investment Update**
- 14.1** The Committee received a report (containing exempt information) by

the Executive Director of Finance and Commercial Services and the Director of the Norfolk Pension Fund that dealt with the investment strategy and assets of the Fund. It included details about the onboarding of assets to the ACCESS Pool, an update on class actions, private market commitments, currency hedging and climate risk reporting.

14.2 RESOLVED

That the Committee note the content of the report.

15 Investment Manager presentation –Stafford Capital Partners

15.1 Two representatives from Stafford Capital Partners (who participated in the meeting remotely via Microsoft Teams) presented a detailed booklet, summarised the main issues, and responded to detailed questions by the Members.

15.2 The Chair thanked Stafford Capital Partners for their presentation.

16.3 RESOLVED

To note the presentations by the Fund Manager.

17 Exempt Minutes of the meeting held on 6 December 2022

17.1 The exempt minutes of the meeting held on 6 December 2022 were confirmed by the Committee and signed by the Chair.

The meeting concluded at 13.30 pm.

Chair

Pensions Committee

Item No: 5

Report title: Administration Report

Date of meeting: 13 June 2023

Responsible Director: Harvey Bullen, Director of Strategic Finance

Glenn Cossey, Director of Norfolk Pension Fund

Executive Summary

This report is the quarterly update for the Pensions Committee on operational and administration matters relating to the Fund. This follows the last full quarterly report to Pensions Committee in March 2023.

Recommendations

The Committee is asked to consider and note the content of this report including the two Admission Agreements in respect of:

- Aspens Services (Scole CE Primary Academy)
- Lewis & Graves Partnership (Eastern Multi Academy Trust)

Pensions Committee are invited to agree the Mission Statement and underpinning strategic objectives, discussed at item 2.3.

Item	Title:	Appendices
1.	Background	
2.	Governance framework for the Norfolk Pension Fund:	
2.1	Governance Statement	
2.3	Mission and Strategic Objectives	Appendix A
2.8	Pensions Oversight Board	
2.10	National Scheme Advisory Board	
2.12	Update on Current Issues	
2.13	○ The Pensions Regulator	
2.16	○ The Pensions Dashboard	
2.18	○ Good Governance recommendations	
2.20	○ Hymans Robertsons 'Current Issues in the LGPS' May 2023	Appendix B
3.	Norfolk Pension Fund Performance Data	
3.1	Key Performance Indicators	Appendix C
4.	Communication	
4.1	Communication and Customer Care Strategy	
4.3	With Scheme Members	
4.4	○ Newsletter for Retired Members	Appendix D
4.7	Pensions Increase Notifications	
4.9	P60 End of Year Certificates	
4.11	Printed Payslips	
4.13	With Employers	
4.14	○ Employer Forums	

4.16	○ Employer Newsletters	Appendix E
4.18	○ Employer Webinars	
4.20	Norfolk Pension Fund Team	
5	Collaborative Working / Value for Money	
5.1	CIPFA Benchmarking	
5.5	National LGPS Procurement Frameworks	
6.	Knowledge and Skills	
7.	Norfolk Audit Services	
7.1	Norfolk Audit Services Annual Internal Audit Report for 2022-23 for the Norfolk Pension Fund	Appendix F
7.5	2023-26 Medium Term Internal Audit Planning	Appendix G
8.	Admission Agreements	
8.2	○ Aspens Services (Scole CE Primary Academy)	
8.9	○ Lewis & Graves Partnership (Eastern Multi Academy Trust)	
9.	Update on Bulk Transfer Values in Progress	
10.	Freedom of Information Act (FOIA)	
11	Representation on behalf of the Pension Fund	Appendix H
12.	Norfolk Pension Fund – Pensions Committee Forward Plan	Appendix I
13.	Financial and Other Resource Implications	
14.	Other Implications (inc. Equality Impact Assessment (EqIA)	
15.	Data Protection Impact Assessments (DPIA)	
16.	Risk Implications/Assessment	
17.	Recommendations	
18.	Background Papers	
18.1	Appendix A – Draft Mission Statement and Strategic Objectives Appendix B - Hymans ‘Current issues in the LGPS’ May 2023 Appendix C - Key Performance Indicators Appendix D - Newsletter for retired members Appendix E - Employer Newsletter Appendix F - Norfolk Audit Services Annual Internal Audit Report Appendix G - 2023-26 Medium Term Internal Audit Planning Appendix H - Representation on behalf of the Norfolk Pension Fund Appendix I - Pensions Committee Forward Plan	

1 Background

- 1.1 This report is the quarterly update for the Pensions Committee on operational and administration matters relating to the Fund.
- 1.2 This follows the last full quarterly report to Pensions Committee in March 2023.

2 Governance framework for the Norfolk Pension Fund

2.1 Governance Statement

- 2.2 It is a regulatory requirement for all LGPS Funds to maintain and publish a Governance Statement. The Norfolk Pension Fund’s latest Governance Statement is on our [website](#).

2.3 **Mission and Strategic Objectives**

2.4 As part of the refresh of the Fund's governance and planning, we have reviewed and updated the Norfolk Pension Funds 'Mission Statement' and underpinning strategic objectives.

2.5 The Mission Statement and strategic objectives will inform the future service design and delivery.

2.6 A draft of the Mission Statement and strategic objectives was shared with Pensions Committee in April, and the latest draft is at Appendix A.

2.7 Pensions Committee are invited to agree the Mission Statement and underpinning strategic objectives.

2.8 **Pensions Oversight Board**

2.9 The report from the Pensions Oversight Board is covered by Agenda Item 6 at this committee meeting.

2.10 **National Scheme Advisory Board**

2.11 The National Scheme Advisory Board (SAB) met on 22 May 2023. More information about the work of the Board is available on their [website](#).

2.12 **Update on current issues**

2.13 The Pensions Regulator

2.14 The Pension Regulator (TPR)'s new single Code of Practice has been delayed. The final version of the code is anticipated soon, coming into force later this year.

2.15 The new single Code scope is extended to include stronger cyber security guidance. The Norfolk Pension Fund have met the requirements of the TPR to self-certify that we follow the principles of the pledge to combat pension scams.

2.16 The Pensions Dashboard

2.17 The Pensions Dashboard Programme has been delayed. The timeline for LGPS funds to be ready to connect and respond to matching requests was 30 September 2024. At the time of writing revised timelines have not been published. Preparations for readiness will continue in the meantime.

2.18 Good Governance recommendations

2.19 In February 2021 the SAB provided recommendations to DLUHC as part of the Good Governance project as a way "to further improve the high standards of governance and administration of the scheme on a consistent and measured basis that will better match the standards expected by the Pensions Regulator".

2.20 Whilst the DLUHC consultation on Good Governance has been delayed, many aspects of the anticipated consultation and consequent statutory guidance have been anticipated in the strategic review and subsequent work programme to ensure the Norfolk Pension Fund maintains high governance standards and controls and is well placed to comply with the anticipated statutory guidance.

2.21 Hymans Robertson's 'Current issues in the LGPS' May 2023 edition (Appendix B) provides an overview of some of the latest issues.

3 **Norfolk Pension Fund Performance Data**

3.1 **Key Performance Indicators**

3.2 The latest Norfolk Pension Fund benefits Administration Key Performance Indicators (KPI's) are at Appendix C.

- 3.3 The interim arrangements in Pensions Services are delivering a stable operational base as we review and update the Pensions Services operational model (systems, processes, roles, and responsibilities) to make sure that we make the most of opportunities associated with new ways of working, building service resilience and development, and enhancing integration across the wider Pension Fund team (e.g., Employer Services). This is built into our forward Service Plan.

4 Communication

4.1 Communication and Customer Care Strategy

- 4.2 It is a regulatory requirement for all LGPS Funds to maintain and publish a Communication Strategy. The Norfolk Pension Fund's Communication and Customer Care Strategy has been updated and is available on our [website](#).

4.3 With Scheme Members

4.4 Newsletter for Retired Members

- 4.5 The regular newsletter for retired members, Primetime, was posted to our 23,000+ retired members on 21 April 2023 and also published on the Fund's website.

- 4.6 The booklet contained a mixture of articles of interest to retired members, including details of the annual pension increase and pay dates, what to do if you change your bank, latest tax news, how to access our online services, information about benefits for dependants, how to avoid scams, details of the Fund's governance arrangements and an update on responsible investment. A copy of the booklet is attached at Appendix D.

4.7 Pensions Increase Notifications

- 4.8 Pensions increased by 10.1% in April, reflecting the Consumer Price Index (CPI) as at September 2022. This was communicated to retired members via their April payslip.

4.9 P60 End of Year Certificates

- 4.10 P60 tax statements were sent to all retired members in early May.

4.11 Printed payslips

- 4.12 As a result of the Pensions Increase or tax changes most retired members were sent a payslip in April and May. (Printed payslips are generally only sent when the pension payment varies, otherwise they are suppressed. All payslip details are available to scheme members via our secure online service).

4.13 With Employers

4.14 Employer Forums

- 4.15 Following the successful hybrid Employer Forum in November 2022, our next Forum will follow a similar format, and is scheduled for Wednesday 12 July. The Forum will include a short presentation by the Money and Pension Service on how they work with employers to support employees via the [Way Forward Campaign](#).

4.16 Employer Newsletters

- 4.17 The latest Employer Newsletter was distributed in March 2023 and provided an update on recent team changes at the Norfolk Pension Fund, the conclusion of the triennial valuation and what happens next, and other current operational issues. A copy of the Newsletter is at Appendix E.

4.18 Employer Webinars

- 4.19 We will continue to arrange Employer Webinars to support employers as required.

4.20 **Norfolk Pension Fund Team**

- 4.21 We continue to maintain a weekly newssheet to help keep the team connected, supported, and informed while hybrid remote working, alongside regular team meetings and less formal connections.
- 4.22 We are also continuing our regular 'Spotlight' sessions, focussing on different areas of the team. The last session in May was an overview of the budget process.
- 4.23 We are planning our next whole team meeting after the Employer Forum on 12 July, where we will explore in more detail the Mission Statement and underpinning objectives and how these will inform and shape how we deliver our service.
- 4.24 We have also refreshed our induction planning for new team members. The new induction plans help ensure that new team members are well supported as they join a hybrid service rather than a traditional office-based team.

5 Collaborative Working / Value for Money

5.1 **CIPFA Benchmarking**

- 5.2 The Norfolk Pension Fund takes part in the Chartered Institute of Public Finance and Accountancy (CIPFA) Pensions Administration Benchmarking Club.
- 5.3 We use this data to compare our service provision with other authorities and target any areas of improvement. It helps us to understand specific service pressures that the Fund faces and to operate as effectively and efficiently as we can.
- 5.4 In 2022, 20 broadly equivalent Funds participated in the exercise. The results show a Norfolk Pension Fund cost per member of £20.28, compared with a Club average of £22.46.

5.5 **National LGPS Procurement Frameworks**

- 5.6 The National LGPS Frameworks operate on a self-funding model, with liability shared between all Founding Authorities. They are hosted by the Norfolk Pension Fund, supported by a dedicated team of professionals with assistance from other external support as necessary (for example, legal and procurement specialists from Norfolk County Council).
- 5.7 Using the National LGPS Frameworks saves LGPS Funds significant time and money by allowing quicker and more efficient procurement of high-quality and value for money services. The frameworks mean users leverage better prices whilst still making local decisions about service requirements. The LGPS is already collectively benefiting from projected savings estimated in excess of £163m, as well as 195 years effort saved to date. £3.4m+ cumulative rebate has been shared between 98 funds as a result of the National LGPS Frameworks programme.
- 5.8 The team is currently working with Founders on an Integrated Service Provider (ISP, required for pensions dashboards) and Member Data Services Framework to support scheme administration; and an AVC Framework for Funds.
- 5.9 We are in the process of extending the current Pensions Administration Software Framework so that the replacement Framework can be let under the new Procurement regulations. The new Procurement Bill will offer greater flexibility in some areas which we anticipate will be of benefit to this procurement area.
- 5.10 The National LGPS Frameworks were finalists in the 2023 UK National Go Awards for Collaborative Procurement 2022/2023. The GO Awards are the UK's leading public procurement excellence awards, celebrating the very best

procurement achievements from across UK's public, private and third sector organisations.

6 Knowledge and Skills

- 6.1 There is an ongoing requirement for members of the Pensions Committee, Pensions Oversight Board and Officers to evidence a level of knowledge commensurate with the decisions they are making. The Fund maintains a Training Strategy to support Pensions Committee, Pensions Oversight Board and Officers.
- 6.2 Pensions Committee and Pensions Oversight Board took part in the 2022 LGPS National Knowledge Assessment. Participation, which is intended to help assess and evidence knowledge and understanding and will be used to inform future training plans.
- 6.3 We are planning bespoke training days for Committee and Board on 1 and 2 November in London (we have not been able to do this recently due to the pandemic). The programme will include a range of relevant subjects and speakers.
- 6.4 Details of training events, conferences and webinars that may be of interest are shared with members of Pensions Committee and the Pensions Oversight Board; and training records are maintained.
- 6.5 All members of Committee and POB have access to the LGPS online learning academy to support them in gaining and maintaining their knowledge.
- 6.6 All mandatory officer training is up to date with just one exception in one area, which is being addressed.

7 Norfolk Audit Services

7.1 Norfolk Audit Services Annual Internal Audit Report for 2022-23 for the Norfolk Pension Fund

- 7.2 Norfolk Audit Services is responsible for the internal audit of the Norfolk Pension Fund. This report supports the Pension Committee in providing evidence of compliance with the Pension Fund's objectives, rules, and procedures and that it meets relevant regulatory requirements.
- 7.3 Norfolk Audit Services provide an annual report to Pensions Committee. As a result of this year's work Norfolk Audit Service's report provides assurance to the Pension Committee that the adequacy and effectiveness of the system of internal control for the Pension Fund during 2022-23 was 'acceptable' and therefore considered sound.
- 7.4 The Internal Audit Report for 2022-23 for the Norfolk Pension Fund is at Appendix F.

7.5 2023-26 Medium Term Internal Audit Planning

- 7.6 The internal audit plan has been prepared on a risk assessed basis, in accordance with the UK Public Sector Internal Audit Standards and in consultation with Norfolk Pension Fund management and the Director of Strategic Finance. The internal audit plan takes account of the significant regulatory, organisational, and technical changes taking place for Pensions Funds and the associated risks and controls. The audit planning process has considered the wider risk environment, as documented by the Institute of Internal Auditors in the "Risk in Focus 2023/Hot Topics" publication dated November 2022. The five 'hot topics' are detailed at the end of the Audit Plan. Audit topics marked with an asterisk (*) are included by the IIA as the hot topics for 2023.

7.7 Costs will be assigned to each audit (based on a variable cost depending on the level of staff used on the audit). The total number of days is considered the resource required to achieve the required assurance for an opinion in each year to 2026.

7.8 **Table 1: Summary of the Internal Audit Plan 2023-2026**

AUDIT UNIVERSE	2022-23	2023-24	2024-25	2025-26
	Planned No. of days	Planned No. of days	Planned No. of days	Planned No. of days
Governance and Strategy				
<i>Total for Governance and Strategy</i>	29	22	15	15
<i>Total Admin Processes and Systems</i>	20	41	40	40
<i>Total Investment Management</i>	15	15	20	20
<i>Total Audit Management</i>	10	10	10	10
<i>Training – Pension Oversight Board</i>	1	1	1	1
Total number of audit days in the plan	75	89	86	86

7.9 The medium-term Internal Audit Plan for 2023-26 is at Appendix G.

8 Admission Agreements

8.1 There are two additional admission agreements for the Committee to note.

8.2 Admission Agreement – Aspens Services (Scole CE Primary Academy)

8.3 We have received an application for a new admission agreement from the catering contractor Aspens Services, as they onboard a new contract win.

8.4 The admission application is in respect of a catering contract with Diocese of Norwich St Benet’s Multi Academy Trust at the Scole CE Primary Academy site commencing 1 April 2023 for a contract length of 3 years and possible extension of 2 years.

8.5 The admission agreement will cover 2 members of staff transferring in respect of the contract, with the current right to LGPS membership. It will not cover any other staff of the contractor and will be closed to new hires working on the contract.

8.6 The Scheme Employer (Diocese of Norwich St Benet’s Multi Academy Trust) will be party to the admission agreement.

8.7 The admission agreement will be constructed on the “pass through” basis agreed at the September 2018 meeting of Committee for new agreements with staff transfer dates on or after 1 October 2018.

8.8 The legal agreements will be sealed under Chief Officer powers by the Director of Strategic Finance.

8.9 Admission Agreement – Lewis & Graves Partnership (Eastern Multi Academy Trust)

- 8.10 We have received an application for a new admission agreement from the cleaning contractor Lewis & Graves Partnership, as they onboard a new contract win.
- 8.11 The admission application is in respect of a cleaning contract with Eastern Multi Academy Trust commencing 1 August 2023 for a contract length of 3 years and possible extension of 2 years. The sites covered are Admirals Academy, Eastgate Academy, Emneth Academy, King’s Lynn Academy, Nelson Academy, Norwich Road Academy, Raleigh Infant Academy and Upwell Academy.
- 8.12 The admission agreement will cover approximately 18 members of staff transferring in respect of the contract, with the current right to LGPS membership. It will not cover any other staff of the contractor and will be closed to new hires working on the contract.
- 8.13 The Scheme Employer (Eastern Multi Academy Trust) will be party to the admission agreement.
- 8.14 The admission agreement will be constructed on the “pass through” basis agreed at the September 2018 meeting of Committee for new agreements with staff transfer dates on or after 1 October 2018.
- 8.15 The legal agreements will be sealed under Chief Officer powers by the Director of Finance & Commercial Services.

9 Update on Bulk Transfer Values in Progress

- 9.1 There are none to report this quarter.

10 Freedom of Information Act (FOIA)

- 10.1 Since the last Committee papers were finalised, we have provided the following responses to Freedom of Information Act enquiries. All responses have been made via the Corporate Freedom of Information Act Officer within statutory deadlines.

ENQ Reference / Requester	Details	Date Received	Action
ENQ-632397-X3Z9W9 factset.com	Fund level performance reports for private equity, private debt, real asset, and real estate portfolios Q4 2022	15/05/2023	Responded
ENQ-629179-D8S1G1 Pitchbook	Investment memorandum and due diligence materials used for investments from April 2022 to March 2023 and confirmation to the use of Subscription Credit Facilities.	25/01/2023	Responded
ENQ-629148-F1W3Q9 Preqin	Performance data as of 30 September and 31 December 2022 of private equity/venture capital funds.	25/04/2023	Responded
ENQ-627806-Y5F8N2 Bloomberg	Q4 2022 and Q1 2023 alternative investment portfolio records for close-ended funds.	20/04/2023	Responded
ENQ-627381-W4S5L5 PEI Group	Cash-flow reports for Q4 2022 for all private capital investments.	18/04/2023	Responded
ENQ-622051-S1H8R4 What do they know?	Information about management of pension fund climate risk, & information & advice including internal correspondence and advice from Mercer or other investment consultants.	22/03/2023	Responded
ENQ-621950-T4T8V0 What do they know?	Details on all investment held on 31 March 2022 on investment in fossil fuels.	21/03/2023	Responded

ENQ-616359- W1Q3K1 factset.com	Q3 2023 fund level performance reports for private equity, private debt, real asset, and real estate portfolios.	23/02/2023	Responded
ENQ-615491- V6M2K7 Pitchbook	Details of alternative asset holdings for Q3 2022.	17/02/2023	Responded

11 Representation on behalf of the Pension Fund

11.1 Please see Appendix H for meetings and events which have taken place since the last Pension Committee.

12 Norfolk Pension Fund – Pensions Committee Forward Plan

12.1 The rolling one-year Pensions Committee Forward Plan is attached at Appendix I.

13 Financial and Other Resource Implications

13.1 At the time of writing this report there are no additional financial or other resource implications beyond those already budgeted for and approved by Committee.

14 Other Implications (Inc. Equality Impact Assessment (EqIA))

14.1 Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.

15 Data Protection Impact Assessments (DPIA)

15.1 We have not identified any data protection implications for the content of this report.

16 Risk Implications/Assessment

16.1 Any risk implications relating to this report will be recorded on the Fund's risk register.

17 Recommendations

17.1 The Committee is asked to consider and note the content of this report including the two Admission Agreements in respect of:

- Aspens Services (Scole CE Primary Academy)
- Lewis & Graves Partnership (Eastern Multi Academy Trust)

Pensions Committee are invited to agree the Mission Statement and underpinning strategic objectives, discussed at item 2.3.

18 Background Papers

18.1 Appendix A – Draft Mission Statement and Strategic Objectives
Appendix B - Hymans 'Current issues in the LGPS' May 2023
Appendix C - Key Performance Indicators
Appendix D - Newsletter for retired members
Appendix E - Employer Newsletter
Appendix F - Norfolk Audit Services Annual Internal Audit Report
Appendix G - 2023-26 Medium Term Internal Audit Planning
Appendix H - Representation on behalf of the Norfolk Pension Fund
Appendix I - Pensions Committee Forward Plan



Our Mission Statement is:

To manage the Norfolk Pension Fund efficiently, effectively and fairly on behalf of our stakeholders so that pensions benefits are paid as they are due.

Our Strategic Objectives are:



Customer focus

to design a service around the need of scheme members and employers, supporting their decision making and ensuring that stakeholder views are heard.



Effective and transparent governance

to uphold high standards of effective governance and oversight to ensure compliance with legislation, regulation and best-practice, to effectively manage risk and to support good decision-making in order to deliver our strategic objectives and mission.



High quality scheme manager

to maintain high standards of efficient and effective operational performance and delivery, including maintaining the quality, security and integrity of systems, processes and data and to invest in continuous improvement, embracing innovation and new technologies.



Investment strategy

to maintain an investment approach which delivers returns (commensurate with appropriate levels of risk) and ensures that the Fund can meet both its immediate and long-term liabilities.



Responsible investment

to develop and maintain responsible investment strategies in accordance with the Fund's investment beliefs.



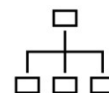
Scheme funding

to maintain a funding strategy that ensures sufficient likelihood of having enough monies to pay future benefits, considering the desire for employer contribution rates to be stable and affordable.



Our fund

to be active and engaged locally and nationally, to understand the issues and advocate on behalf of our scheme members and employers celebrating success, promoting excellence and supporting careful innovation to influence and inform policy, strategy and solutions that deliver benefits for our stakeholders.



Our team

to recruit and retain, invest in and develop a highly skilled professional and motivated workforce to meet the current and future service requirements, committed to our mission and engaged in improving our services.

Current issues in the LGPS

May 2023

2022 valuations – the Big Picture

Following the successful conclusion of the 2022 valuations, we spent the first couple of weeks in April carrying out analysis to understand the national picture. The news is good for the LGPS in England and Wales. The results of our analysis, along with details about the variance in results between individual funds, were shared in our webinar on 24 April (the recording can be accessed [here](#) with the analysis available in our accompanying [report](#)). If you would like to understand where your own fund sits in the various charts, please get in touch with your usual Hymans Robertson contact. And if you'd like an overview of all of the hard work during the valuation year across the LGPS, please click into our short wrap-up animation [here](#).

Spotlight on Funding Risk Monitoring

With the 2022 valuations done and dusted, how do funds keep on top of funding risks? Recent market volatility has shown the importance of robust risk monitoring. With risks more fast paced than ever before, LGPS funds need to have the information, tools, and risk management frameworks in place to allow them to manage these emerging risks effectively. Equally, in an increasingly virtual environment where everything is on-demand, stakeholders have an appetite and expectation to understand the immediate impact of risk events. In the first of a series of webinars focusing on holistic risk management in the LGPS, Susan Black will be joined by Tom Hoare on 23 May to discuss the growing importance of funding risk monitoring. Please [register here](#).

Scottish 2023 valuations

The 2023 Scottish valuations are underway! We know the foundation of every valuation is having good data, and to make your life easier we have made significant updates to our Data Portal. These updates will help simplify your membership data validation and offer smart enhancement functionality to automatically complete any gaps in your overall submission. Also, in response to the ever-increasing number of employers in the LGPS, we're also streamlining the valuation process to reduce the number of data queries and focus our efforts on the issues that matter most. Please [join our webinar](#) on 9 May to learn more.

What does heightened inflation mean for the LGPS?

Those investors with fond memories of the 1980's may also remember the good old days of high inflation. With current high inflation refusing to go away, investors need to again consider how they can generate additional protection from their investments in ways that won't harm returns. In today's market, this requires some creativity. In this article, we offer some considerations for how investors could gain greater protection from investing in the underlying drivers of longer-term inflation. Full article [here](#).

Managing liquidity and cashflows

Persistent and high inflation can also affect a fund's liquidity. There's always a delicate balance between income, in the form of investments and contributions, and outgoings. Inflation means higher outgoings and more pressure on the collective purse. For LGPS funds, there are some actions that can be taken to manage cash and highly liquid assets. For those willing to invest for a longer period, or accept some credit or liquidity risk, there's an opportunity to create better returns. Our [article](#) explores some of these options in more depth. Ultimately, this is about investors being more 'intentional' in their approach to cashflow management.

McCloud – still more to follow

On 6 April DLUHC published its [response](#) to its autumn 2020 consultation on the changes required to the LGPS to address the discrimination outlined in the McCloud judgment. There are no real surprises although there are some areas where DLUHC have delayed decisions, including aggregation and flexible treatment. These topics will be taken forward into a further consultation in the Spring which will also include the proposed approach to interest and compensation. The intention is that the final regulations will come into force on 1 October, with backdated effect from 1 April 2014.

A round table for number crunchers!

The English and Welsh SAB arranged a meeting on 20 April involving all actuarial firms, audit firms, CIPFA, ICAEW and DLUHC to discuss accounting and audit challenges faced by LGPS practitioners. Through increased collaborative working the aim is to streamline audit processes to help funds with their IAS26 disclosures and employers with their IAS19/FRS102 disclosures. Going forward, a working group has been set up with the first meeting in early May. The group will take an in depth look at the issues surrounding the timing and availability of LGPS fund and employer level asset values. Please contact [Craig Alexander](#) if you have any questions about this.

Latest mortality projections

Actuaries use the profession's '[CMI Mortality Projections Model](#)' to set future mortality improvement assumptions when performing valuations. This model is updated annually, with the next edition due for publication by end June 2023 (with data calibrated to the period 1982-2022). Following a consultation, and amidst headlines about 'excess deaths' remaining high post COVID pandemic, the default parameters for the CMI 2022 model will place zero weight on data from 2020 and 2021, and 25% weight on 2022 data. We'll be working closely with longevity experts at [Club Vita](#) to understand how these default parameters should be adjusted to reflect the bespoke socio-economic characteristics of individual members participating in the LGPS.

In brief...

- **Capital markets update** - please click [here](#) for our latest quarterly update on market trends.
- **State Pension Age review** – the House of Commons Library has produced an updated [briefing paper](#) about how the SPA is reviewed and the accompanying timetable.
- **Climate risks and TCFD** – hot on the heels of its [review](#) of climate-governance TCFD reports, TPR has published a [blog](#) to advertise its campaign to improve ESG and climate reporting.
- **Inflation** – the latest [ONS data](#) shows that CPI for the year to March 2023 was 10.1% (slightly lower than the February figure of 10.4%). The equivalent RPI figure was 13.5%.
- **TPR priorities** – the Regulator has issued its [Corporate Plan for 2023/24](#) setting out its priorities for the year ahead. Its new General Code of Practice is eagerly awaited.
- **Liability Driven Investment (LDI)** – more on this ongoing topic, with the FCA publishing [guidance](#) aimed at LDI managers to improve resilience, and the TPR issuing [guidance](#) on practical measures for trustees to consider when using leveraged LDI to manage their risks.
- **Cash Equivalent Transfer Values (CETVs)** – HMT has updated its [guidance](#) on setting discount rates for CETVs, to bring it into line with the SCAPE discount rate announced on 30 March.
- **Pension transfer advice** – the FCA are concerned about overseas advisers targeting members of UK DB schemes who are living abroad. They [highlight](#) the risks involved to UK IFAs who may be recruited by the overseas adviser to provide the 'appropriate independent advice' that would allow (for CETVs over £30k) the transaction to proceed.

Appendix

2022 valuation – The Big Picture

<https://event.on24.com/wcc/r/4193097/35C31F5214C4E0B6850ADB12AF54FE41>

<https://www.hymans.co.uk/insights/research-and-publications/publication/lgps-2022-valuation-the-big-picture/>

<https://vimeo.com/820949629?share=copy>

Spotlight on Funding Risk Monitoring

<https://event.on24.com/wcc/r/4219377/7E447025BCA7ACE65C82C1D7B8F7346E>

Scottish 2023 valuations

<https://event.on24.com/wcc/r/4199215/5777A66E823B273563C7D7FCA20273A2>

What does heightened inflation mean for the LGPS?

<https://www.hymans.co.uk/insights/research-and-publications/publication/briefing-note-what-does-heightened-inflation-mean-for-the-lgps/>

Managing liquidity and cashflows

https://www.hymans.co.uk/media/uploads/Briefing_Note_-_Managing_cashflows_in_the_LGPS_%E2%80%93_what_are_your_options.pdf

McCloud– still more to follow

<https://www.gov.uk/government/consultations/local-government-pension-scheme-amendments-to-the-statutory-underpin/outcome/amendments-to-the-local-government-pension-scheme-statutory-underpin-government-response#executive-summary>

Latest mortality projections

<https://www.actuaries.org.uk/learn-and-develop/continuous-mortality-investigation/cmi-investigations/mortality-projections>

<https://www.clubvita.net/uk/>

In brief...

<https://www.hymans.co.uk/insights/research-and-publications/publication/capital-markets-update-spring-2023/>

<https://commonslibrary.parliament.uk/research-briefings/sn06546/>

<https://www.thepensionsregulator.gov.uk/en/document-library/research-and-analysis/review-of-climate-related-disclosures>

<https://blog.thepensionsregulator.gov.uk/2023/04/14/great-expectations-why-trustees-must-be-ready-to-step-up-on-esg-and-climate-reporting/#more-2560>

<https://www.ons.gov.uk/economy/inflationandpriceindices>

<https://www.thepensionsregulator.gov.uk/en/document-library/corporate-information/corporate-plans/corporate-plan-2023-24#24cd3fe86ec64937b30563b94ddb97ff>

<https://www.fca.org.uk/publications/multi-firm-reviews/further-guidance-enhancing-resilience-liability-driven-investment>

<https://www.thepensionsregulator.gov.uk/en/document-library/scheme-management-detailed-guidance/funding-and-investment-detailed-guidance/liability-driven-investment>

<https://www.gov.uk/government/publications/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes#full-publication-update-history>

<https://www.fca.org.uk/firms/accepting-pension-transfer-referrals-overseas-advisers-uk-authorised-firms-responsibilities>

Admin KPIs

Target = 100%

RAG Status

<75%

76% - 84%

>85%

This table shows the volume and percentage within target number of days for Admin KPIs.

Task	Days	Feb-22		Mar-22		Apr-22		May-22		Jun-22		Jul-22		Aug-22		Sep-22		Oct-22		Nov-22		Dec-22		Jan-23		Feb-23		Mar-23		Apr-23		Monthly	
		Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%		
Transfer In Quotes	10	23	87	23	91	29	100	38	97	38	97	29	97	22	100	19	95	20	95	16	100	9	89	21	86	18	94	21	86	3	33	22	90
Transfer Out Quotes	10	41	100	46	93	39	100	54	100	54	100	44	89	50	90	63	94	46	96	39	90	25	88	23	65	29	100	35	94	6	100	40	93
Refund Payments	5	49	100	39	100	46	100	68	100	68	100	68	100	45	100	61	100	42	100	57	100	28	100	71	100	52	100	57	100	39	100	53	100
Estimate of Retirement Benefits	10	116	96	107	97	91	82	94	88	94	88	99	95	99	100	84	94	146	93	94	99	72	96	92	100	123	100	96	98	117	99	102	95
Actual Retirement Benefits	5	113	98	165	99	128	94	166	100	166	100	153	99	171	100	180	100	140	99	158	99	85	100	138	99	108	100	102	95	100	95	138	98
Acknowledge Death of Member	5	78	95	65	98	68	99	103	89	103	89	66	98	63	97	68	94	70	94	79	95	65	97	83	98	96	92	82	94	42	95	75	95
Notify Dependant's Benefits	5	32	91	32	100	21	57	31	90	31	90	22	86	22	95	27	96	31	100	29	100	11	100	18	89	25	56	38	97	27	70	26	88
Notify Deferred Benefits	10	221	97	185	97	166	83	179	89	179	89	134	78	123	93	153	99	138	97	251	92	180	99	212	98	175	99	175	98	79	96	170	94
Altair Housekeeping	5	14	100	14	100	14	64	9	89	9	89	9	78	9	78	8	100	9	100	8	88	9	100	9	100	8	100	9	100	8	100	10	92

Estimate of Retirement Benefits and Actual Retirement Benefits take priority over other tasks.

Prime Time

Spring 2023 | Issue 19

APPENDIX D



Norfolk Pension Fund

Delivering the Local Government
Pension Scheme

Pension fund newsletter

for retired members

Please keep in touch!

Keeping us informed of your correct contact details is very important - it could make the difference between your pension being paid or being suspended, whilst we trace your new address.

So please let us know if you move house or if this edition of Primetime didn't arrive at your correct address. A good way to do this is by using Member Self-Service (please see **page 10** for more details) on our website www.norfolkpensionfund.org

Other ways you can tell us your new address are:



Email

pensions@norfolk.gov.uk

If you email us your new address, please include the following information:

- Your FULL NAME
- Your Norfolk Pension Fund payroll number
- Your date of birth
- The name of the bank to which we pay your pension



Telephone

01603 495788

Our phone lines are open 8.45am to 5.00pm Monday to Thursday and 8.45am to 4.00pm on Fridays.



Post

**Norfolk Pension Fund
County Hall
Martineau Lane
Norwich, NR1 2DH**

If you are writing to tell us of your new address, please remember to sign your letter with your usual signature.



Website

Complete the 'Change of Name or Address' form which you can download from the 'Resources' page on our website

www.norfolkpensionfund.org

Hello and welcome...

to the latest edition of our newsletter for Norfolk Pension Fund retired members.

In this issue you'll find details about the pension increase effective from April 2023, together with pension payment dates and tax news for financial year 2023-24.

We have also included a useful reminder about how to protect yourself from scams, and our colleagues from the Norfolk County Council Adult Social Services team provide information on help available to assist with rising living costs.

For those of you interested in our investment activities, please note that we publish our summary accounts in the Winter edition of Primetime, which you will receive just before Christmas.

As always, we aim to provide you with the best possible service to help you with your pension. We would therefore love to hear your feedback on Primetime and the service that you receive from us. We would appreciate it if you could spare a couple of minutes to complete our online survey at www.smartsurvey.co.uk/s/primetime/ – or please call us on **01603 495788** if you would like us to post you a paper copy.

Best wishes,



Glenn Cossey,
Director of the
Norfolk Pension Fund



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Norfolk Pension Fund

Your pension increase from April 2023

Your Local Government Pension Scheme (LGPS) pension increases in line with the cost of living.

- Like other Public Sector Pensions, it goes up in line with inflation. The increase from 10 April 2023 will be 10.1% based on the CPI rate in September 2022.
- If your pension started **before** April 2022, you will get the full increase.
- If it started **after** April 2022 and **before** March 2023 you will get part of the increase.
- We will send you a payslip in April which will include a message about the increase to your pension

Changing your bank?

Please let us know if your bank details change, as your bank or building society may not tell us!

A good way to tell us about your new bank details is using Member Self-Service (please see **page 10** for more details) available on our website at **www.norfolkpensionfund.org**
Alternatively, you can:

- Write to us at: Norfolk Pension Fund, County Hall, Martineau Lane, Norwich, NR1 2DH
- Download the '**Bank or Building Society Payment Details**' form from our website at **www.norfolkpensionfund.org** under the Pensioners/Frequently asked questions section.

Our contact details are on the back page of this booklet. **Please remember to sign your instruction to change your bank details.**

We usually run our pensions payroll around the middle of the month, so please tell us about any changes in good time or it may delay your payment.



Am I a taxpayer?

We are all potential taxpayers... but you only pay tax if your income is greater than your personal tax allowance. Detailed information is available from HMRC, but here is a simplified guide.

1. Add up your taxable income.

Some income is taxable and some is never taxed. Add up your taxable income in a tax year. Tax years run from 6 April to 5 April.

2. Add up your tax free allowances.

For most of us, this is just the personal allowance shown on page 6, but there are others such as Blind Person's Allowance.

3. Take one from the other.

Take your tax-free allowances away from your taxable income. If there is anything left you have to pay tax on it.

Examples of taxable income: State pensions • Work place pensions, like ours • Earnings from any job • Share dividends • Rental income

Examples of non taxable income: Premium Bond wins • Income from tax exempt savings accounts including ISAs



What if I think my tax code is wrong?

Please don't tell us, as we cannot alter it! Only HMRC can do this, so please contact them using the details shown below.

Telephone Number 0300 200 3300

Open Monday to Friday: 8am to 6pm

You can use Relay UK if you cannot hear or speak on the phone. To use this service please dial 18001 then 0300 200 3300.

Please quote your National Insurance number and PAYE reference 531/N3722P

Hopefully this summary of tax is helpful, but please visit

www.gov.uk/income-tax-rates

for full details of tax and take professional advice if you need it.

Tax News for 2023-24

Personal Allowances

Most people are allowed to receive a certain amount of income in a tax year on which they do not have to pay tax. This is called the personal allowance. For the 2023-24 tax year, the personal allowance will be £12,570 and tax will only be payable on income over this amount.

Marriage Allowance

To help couples where only one is a tax payer, it's possible to share some of the Marriage Allowance. If your income is less than the personal allowance of £12,570, you can transfer some of your allowance to your husband, wife or civil partner, as long as they only pay tax at the basic rate of 20%. For 2023-24, the amount you can transfer is up to 10% (£1,257) of your personal allowance. A person transferring the full £1,257 of Personal Allowance would save their husband, wife or civil partner £251.40 in tax. As far as we are aware, application must be made online by visiting www.gov.uk/marriage-allowance

New Year Tax Codes

In February, we start getting large volumes of tax codes for the new tax year 2023-24. If you receive a new tax code statement from HMRC around this time look for the tax year on it. It may be for 2023-24. If so, we will use it for payments from April onwards. You don't have to contact us to tell us your new code, but please check it's on your April payslip.

Income Tax

The amount of tax you pay is based on your income in the tax year, over and above your personal allowance. The rate of income tax you pay will vary depending on where you live in the UK as shown in the tables opposite.

Please note, the tax rates shown are only payable on income over the personal allowance of £12,570.



England and Northern Ireland tax rates payable on income over the £12,570 personal allowance.

Rate	Tax Year 2023-24	Tax Year 2022-23
Basic Rate: 20%	£1 - £37,700	£1 - £37,700
Higher Rate: 40%	£37,701 - £125,139	£37,701 - £150,000
Additional Rate: 45%	Over £125,140	Over £150,000

Scotland tax rates payable on income over the £12,570 personal allowance.

Rate	Tax Year 2023-24	Tax Year 2022-23
Starter Rate: 19%	£1 - £2,162	£1 - £2,162
Basic Rate: 20%	£2,163 - £13,118	£2,163 - £13,118
Intermediate Rate: 21%	£13,119 - £31,092	£13,119 - £31,092
Higher Rate: 42%	£31,093 - £125,139	£31,093 - £150,000
Top Rate: 47%	Over £125,140	Over £150,000

Wales tax rates payable on income over the £12,570 personal allowance.

Rate	Tax Year 2023-24	Tax Year 2022-23
Basic Rate: 20%	£1 - £37,700	£1 - £37,700
Higher Rate: 40%	£37,701 - £125,139	£37,701 - £150,000
Additional Rate: 45%	Over £125,140	Over £150,000

Hopefully you will find this guide useful, but please visit

www.gov.uk/income-tax-rates

for full details on tax and take professional advice if you need it.

When is my pension paid?

Your pension goes into your bank account on the last working day of the month.

2023-24 payment dates will be...

May 2023	Wednesday 31 May
June 2023	Friday 30 June
July 2023	Monday 31 July
August 2023	Thursday 31 August
September 2023	Friday 29 September
October 2023	Tuesday 31 October
November 2023	Thursday 30 November
December 2023	Friday 29 December
January 2024	Wednesday 31 January
February 2024	Thursday 29 February
March 2024	Friday 29 March
April 2024	Tuesday 30 April

When do I get my payslip?

Generally, we don't send payslips to all our pensioners every month.

A full payslip run usually only happens twice a year in April and May.

We only print payslips to send to you when:

- the amount you receive changes by more than £1 from your last payment, or
- HM Revenue & Customs change your tax code, or you change your bank details, or
- you change your address

When you receive a payslip, look out for any messages printed on the front. There will be months when you will not receive a payslip, but please don't worry as your pension will be paid into your account on the above dates.

REGISTER AT

www.norfolkpensionfund.org

to view your
payslip online!

Pensioner Support Team News

A message from Paul Stimpson,
Pensions Payroll Manager



Since you received your last Primetime, we have been working hard testing enhancements to our pensions payroll system. As part of the updates, you will notice new descriptions for payment elements on your payslip (when you are sent one).

Most of you receive a standard pension which was previously shown as LG Pension 1, this will now show as LG PENSION M (the M denotes Main pension). If you receive any additional pensions, they will be shown as S1, S2, S3, S4 etc. Any Added Years pensions follow the same format.

Your new payslip will look similar to the example shown below.

Remember, you can view and download your payslips and P60 from Member Self-Service. Please see **page 10** for more details.

We have also introduced an improved Bank Verification Service. This means that when you write to us to update your bank account, we can check the details you send us match those held by your bank. If they don't match, we can then contact you straight away, which will help avoid delays with your next payment. For this reason, please could you include your telephone number in your letter.

If you have any questions, the team is always here to help and can be contacted on **01603 495788** or at

pensions@norfolk.gov.uk

NORFOLK PENSION FUND - PENSION PAYMENT		MAY 2023	
Payments	Amount	Deductions	Amount
LG PENSION M	000.00	Income Tax	000.00
ADDED YEARS PENSION M	000.00		
LG PENSION S1	000.00		
		Total Deductions	000.00
Total payments	000.00	Net payment	000.00

Member Self-Service

Check out your pension online...

Member Self-Service is a secure, dedicated area on our website www.norfolkpensionfund.org where you can access and view your pension details.

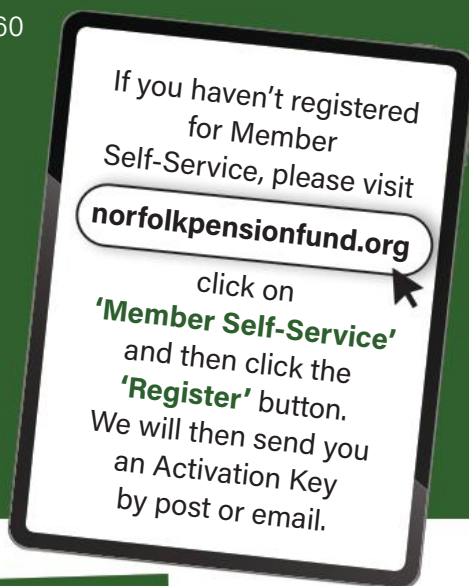


Member Self-Service allows you to:

- update your contact details including your address and bank account
- see and download your payslips and P60
- upload documents to us
- contact us securely

For help with registering, please call us on **01603 222132** or email us at pensions.mss@norfolk.gov.uk

For questions about your pension, please call us on **01603 495788** or email us at pensions@norfolk.gov.uk



Member Self-Service Top Tips!

Have you got more than one pension account with us?

To view all your accounts, click on the arrow towards the top of the screen and then select the one you would like to view.



Want to look at your payslips?

Your payslips can be found under 'Payroll' on your Dashboard.

Just click on **'Payslip'**



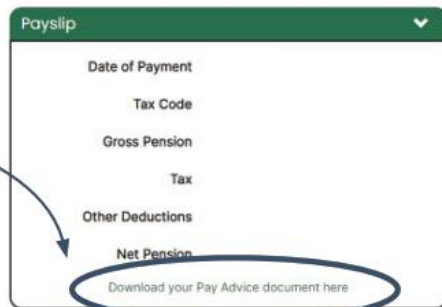
Select the payslip you want to see on the left and the details are displayed on the right.



For payslips from **October 2021** onwards you can click on the words

'Download your Pay Advice document here!'

This will download a copy of your payslip to your device which you can save or print as you wish.



Want to look at your P60?

You can view your P60s under the 'Payroll' section on your dashboard. Just click on **'P60 End of Year Certificates!'** Your 2022-23 P60 will be available online from the end of April 2023.

To download your P60 click on the words

'Download your P60 document here!'



Useful reminders

You may remember these items from previous editions of Primetime. We often get questions about them so feel they are worth repeating.

Entitlement to pension

Later this year in October/ November some of you will receive a 'Continued entitlement to pension' form. If you receive one, please don't let it worry you, but we do need you to complete and return it by the date shown in the accompanying letter.

Change of Address

Keeping us up to date with your current address is really important. If any mail from us to you comes back undelivered we will stop paying your pension while we try to find out what your situation is.

Please see **page 2** on how to tell us if you move.

Are you one of our pensioners who live abroad?

If so, you may be interested in a service provided by Citibank. For just £2.74 a month – collected from your payment – Citibank will pay your pension directly to your overseas bank account in local currency, via their WorldLink system.

Payment this way does take a little longer to process, so your pension will arrive a few days after the UK credit date. If you would like to know more then please contact the Pensioner Support Team on **01603 495788** or email

pensions@norfolk.gov.uk



Changes to your bank details

Please let us know if your bank details change. You can do this by using Member Self-Service (please see **page 10** for more details) on our website **www.norfolkpensionfund.org**

Alternatively, please send a letter or return the 'Bank or Building Society Payment Details' form (which you can download from our website **www.norfolkpensionfund.org** under the 'Resources' section) to us at the address shown on the back page.

Please remember to sign your letter or form.

Power of Attorney (POA)

If a family member or friend is dealing with your financial affairs by way of a Power of Attorney, please send us a copy of the full document or the online LPA (Lasting Power of Attorney) access code to enable us to view online. Please do not send the original document. We can then work with your Attorney. Remember though, we only need to see a POA if it is being used – **please do not send us a POA if you are still managing your finances.**

If you don't have a POA but need someone to act on your behalf, our Appointee Indemnity Form may be used – please ask us for more details.

State Pension Forecast

If you are not yet in receipt of your State Pension, you can visit **www.gov.uk/check-state-pension** or call **0800 731 0469** to find out:

- how much State Pension you could get
- when you can get it
- how to increase it (if you can)



Worried about the rising cost of living?

Whilst many of us do our utmost to plan sensibly for our retirement, sometimes events beyond our control can affect our plans and put our finances under pressure.

You may be struggling with living costs for a range of reasons, including the present challenge of the high cost of living and need some extra support and advice.

Norfolk County Council provides lots of information about what support is available and how to get advice on their website at

www.norfolk.gov.uk/costofliving

This includes information about food support, help with utility bills and where to get local support.

If you don't have access to the internet at home, Norfolk libraries are welcoming spaces where you can go online. You can find out about this and other support Norfolk Libraries offer at

www.norfolk.gov.uk/libraries

The Norfolk Assistance Scheme can help you get support and financial assistance for food, energy, water, and other household essentials including white goods. You can apply yourself or a support organisation, such as Age UK Norfolk www.ageuk.org.uk/norfolk or Citizens Advice www.citizensadvice.org.uk can apply on your behalf.



The fastest way is to apply online at

www.norfolk.gov.uk/nas

If you do not have internet access, you can call **0344 800 8020**.

Citizens Advice also provide information about benefits, how to deal with debt, what you are entitled to and who to speak to if you are at risk of losing your home. Visit

www.citizensadvice.org.uk

or call them on **0800 144 8848** and select **option 1**.

Age UK offers free, confidential advice if you are over state pension age. They can be contacted by phone on **0800 678 1602** or by visiting their website at

www.ageuk.org.uk

The Government offers advice on what support is available to help with the cost of living and how to save money with energy saving tips on their Help for Households website

www.helpforhouseholds.campaign.gov.uk

Your local council can also check that you are claiming all the benefits to which you are entitled. They can also help with emergency funding if you are in crisis. You can find contact details for your council on the **What we do and how we work/Your local councils and MPs/Local councils** page at

www.norfolk.gov.uk

You can find further information and more organisations who offer advice and support on the Norfolk County Council website at

www.norfolk.gov.uk/costofliving

If you live outside Norfolk, your county council may offer similar information and help with the rising cost of living.



Protect yourself from scams



Scams are a crime that can happen to anyone.

Scammers are after your money and will try to con you by appearing honest and helpful.

They will contact you by phone, email, text or even turning up on your doorstep.

Trust no one who contacts you unexpectedly - take these steps to protect yourself from being scammed.

Cold calls, spam texts, letters or emails

- Don't assume someone is genuine even if they claim to be calling from your bank, insurance company, the council or even the Police
- Ask cold callers for their organisation's name and number and look the number up to see if it is genuine
- Don't be afraid to put the phone down
- Don't reply (or open links or attachments) to unsolicited letters, texts or emails
- Never send money to anyone you don't know to claim prizes, lottery winnings or an inheritance

Door step callers

- Never let an unknown person into your home even if they claim to be from a utility company, the council or a charity
- Beware of callers saying your property needs repair, such as the roof or guttering
- Take your time - don't be pressured and seek a second opinion from friends, family or neighbours

Being asked for personal information

- Never give out your personal bank details, PIN or password to anyone

For more information on protecting yourself against scams, please visit www.ageuk.org.uk/information-advice/money-legal/scams-fraud/ or call Age Concern on **0800 678 1602**.

Norfolk Pension Fund's approach to ESG Investment

The primary objective of the Norfolk Pension Fund is investing money to provide pension benefits to our members, which we do responsibly.

You can find out more about how we do this by reading our **Statement on Disinvestment/ Exclusion & ESG (Environmental, Social and Governance)** which is available on the **Investment and**

www.norfolkpensionfund.org


Stewardship page of our website together with the latest **Climate risk reporting** on our quoted equity portfolio. Please contact us to request a printed copy of either document.

Looking after your data...

Norfolk County Council (as administrator of the Norfolk Pension Fund) is a Data Controller under the General Data Protection Regulations.

This means we store, hold and manage your personal data in line with statutory requirements to enable us to provide you with pension administration services.

To enable us to carry out our statutory duty, we are required to share your information with certain bodies, but will only do so in limited circumstances.



For more information about how we hold your data, who we share it with and what rights you have to request information from the Fund, please visit

www.norfolkpensionfund.org

Tell Us Once



The Norfolk Pension Fund is signed up to Tell Us Once, a service that lets you report a death to the relevant Government departments and local authorities in one go.

As part of this service, we are **automatically notified** once the death of any of our scheme members is reported to a **Registrar** as long as the National Insurance number has been recorded.

This means the scheme member's records can be processed more **quickly and simply** than would otherwise be the case.

If you live in Norfolk, you can book an appointment with the Registrar online at **www.norfolk.gov.uk** or by calling **0344 800 8020**.

Bereavement support

If you, or someone you know, has suffered a loss, you'll find information on where to go for help and support at www.norfolk.gov.uk/grief



Finding support

If you feel you need additional support, there are many ways to get help. Volunteer bereavement support workers, self-help groups, faith groups and community groups can all provide support. You can also seek professional counselling if you feel you need it.

You can find these groups in the following ways:

- Search for local support groups using the **www.norfolk.gov.uk/directory**
- Ataloss can help you find national help groups and services **www.ataloss.org**
- Cruse Bereavement support offers a helpful tool that can help you identify what type of support will be best for you. Please call **0808 808 1677** or visit **www.cruse.org.uk**

Guidance for the Older Driver (GOLD)

Are you comfortable driving in modern traffic?

Do you feel that your driving ability is changing through loss of confidence or a medical condition? Then you could benefit from a driving assessment from Norfolk County Council's Guidance for the Older Driver (GOLD) programme.

A GOLD driving assessment is not a driving test - it's friendly helpful advice and a check on how you are driving.

- It's designed to review your driving and give an honest opinion of your skills and ability.
- A professional trainer will come to your home - you drive your own car and use the type of roads that you normally drive.
- The session aims to provide older drivers with reassurance

and increased confidence to drive in modern traffic conditions.

- 1 hour session
- £34 (which may be waived for certain medical conditions)
- Written feedback

For more information, and to book, please call **0344 800 8020** and ask for Road Safety and the Gold Scheme or Email roadsafety@norfolk.gov.uk

If you live outside Norfolk, similar schemes are offered by Driving Mobility. Please visit

www.drivingmobility.org.uk

or call **0800 559 3636**.



Do you have a query about your pension?

Please let us know as soon as possible if you have a query, or think there has been an error with your pension. Most issues are easily sorted out this way. However, if you disagree with any decision about your membership of the Local Government Pension Scheme, you're entitled to put your complaint through the official dispute procedure.

You can find a guide to the dispute procedure on our website at

www.norfolkpensionfund.org

Alternatively, please contact us and we will send you a copy.

Contact details

**Post Norfolk Pension Fund, County Hall, Martineau Lane,
Norwich, NR1 2DH**

Telephone 01603 495788

Email pensions@norfolk.gov.uk

Website www.norfolkpensionfund.org

Disclaimer the information in this newsletter is for general use only and does not cover every personal circumstance. If there is any disagreement over your pension benefits due under the Local Government Pension Scheme, the appropriate legislation will apply. This newsletter does not give you any contractual or legal rights, and is provided for information purposes only.

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If you need this magazine in large print, audio, Braille, alternative format or in a different language, please contact us on 01603 222824 or email pensions@norfolk.gov.uk



Norfolk Pension Fund

APPENDIX E

Employer Newsletter March 2023

Welcome to our Employer Newsletter

Thank you for your help and cooperation with the triennial valuation, which allowed us to complete the process in a timely and efficient manner. With the valuation in mind, in this issue we have an overview of the final stages of its delivery, together with details on the accompanying Funding Strategy Statement.

I also wanted to let you know that, after 70 years between them working in the LGPS, Mark Alexander and Merv McCune have hung up their boots at the Norfolk Pension Fund. I'm sure many of you will have worked with either or both of them over the years and would like to join with us in wishing them both well.

It is of course though 'business as usual' at the Fund and I'm delighted to confirm that Debra Keeling has picked up the reins as Pensions Services Manager, supported by Matthew Crane as Technical Services Manager and Patsy Bradley as Member Services Manager. Debra, Matthew, Patsy and the whole team are here to support you.

Best wishes,

Glenn Cossey
Director of the Norfolk
Pension Fund



In this issue

- **Triennial Valuation**
- **An update from the Technical Services team**
- **State Pension Forecast**
- **Pensions Oversight Board**
- **Our approach to ESG investment**
- **Pensions Committee**
- **Employee Contribution Bands 2023-24**
- **Protect your organisation from scams**
- **The TPR Pledge**
- **Member Self-Service**
- **Employer Forum**
- **New Member Joiner Pack**
- **Staff transfers**
- **Pre Retirement Course**
- **Employer's Pension Policy**
- **Contact details**

Triennial Valuation

The triennial valuation process is now drawing to a close. The Fund Actuary will sign off on the final report at the end of March in accordance with the regulatory deadlines.

The 2022 valuation exercise sets the contribution rates payable by employers for the period 1 April 2023 to 31 March 2026.

The purpose of the valuation is a health check on the Fund and to ensure that the contribution rates are set at a level to secure the benefits payable to members (your current and previous employees). The Valuation Report for the March 2022 valuation will be published on the [Investment and stewardship](#) page of our website www.norfolkpensionfund.org from the beginning of April.

Employer contribution rates are formally documented in the Rates and Adjustments certificate, which is included as an appendix to the Valuation Report.

As ever, we would like to thank you for your much appreciated support and engagement with what is an extremely complicated exercise and one which can sometimes result in difficult news.

Generally, the results have seen an uplift in funding levels for past service liabilities but we have acknowledged that financial factors including inflation expectations and demographic changes have put upward pressure on current service costs, which are the contributions payable in respect of the pension promises currently being made.

Overall the results show the Fund has a small surplus, but this is simply the sum of all the underlying employer funding positions, which often show a significant deviation from the whole Fund position.

Year End

Please submit your i-Connect data promptly

In looking back to the “old” year (2022-23), we no longer have the requirement for year end returns, but please ensure your final i-Connect data for the year (March) is submitted as soon as possible.

We are really proud of the quality of data you all support us in maintaining and, although it isn't a valuation year, this is essential for our external audit process and the production of member Annual Benefit Statements.

Check your contributions

You will have received written confirmation of your contribution rate for the next three years and provided your SR71 (remittance advices) for the coming year.

As these come into payment from April, please check that you, or your payroll provider, have made any changes required.

Many of you will see changes in rate each April, so it may be a good idea to mark this check in your diary for the next couple of years.

We tend to receive a higher percentage of incorrect contributions for the first couple of months of the financial year - the team are grateful for the efforts you can make to prevent this happening, which otherwise results in extra work for us all.

Triennial Valuation

Funding Strategy Statement

As part of the required valuation process we consulted with you on the *Funding Strategy Statement (FSS)*, which informs the valuation process and also sets out how we will deal with other funding events that may occur.

The consultation ran for a couple of months to 31 January 2023 and we are pleased to report that no material responses were received.

The new FSS will be published alongside the *Norfolk Pension Fund Valuation Report* on the [Investment and stewardship](#) page of our website www.norfolkpensionfund.org

The next timetabled review of the FSS will be made as part of the 2025 valuation.

This valuation date is around two years from now and we will begin the planning process in the second half of 2024.

In the year since the Fund valuation, we have seen volatility in the financial markets but, at the time of writing, we expect that our assets will have broadly held value compared with the position at 31 March 2022. There have also been some helpful movements in the financial factors that impact on the valuation of liabilities.

These observations however are at a point in time and funding will not be formally tested for most employers until 31 March 2025, but we appreciate it is useful for you to have a sense of the current situation.

As always, we would highlight that funding levels and pension costs are volatile and we are a full two years from the next valuation date.



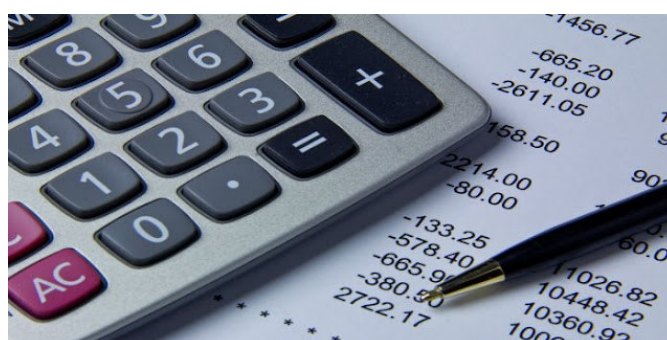
Accounting valuations (IAS19/FRS102)

Finally, we would highlight for those of you who receive accounting valuations (IAS19/FRS102), that these are prepared on a completely different basis to the funding valuation and will therefore show a different position.

They are used to meet financial reporting requirements only and have no bearing on the employer contribution calculation.

These have also shown strong improvements over the last year or so, driven primarily by increases in corporate bond yields, which are the primary driver of the valuation of liabilities in the accountancy approach.

If you have any further questions on the valuation process, please do not hesitate to contact us at pensions.finance@norfolk.gov.uk



An update from the Technical Services Team

Thank you!

We'd like to start by thanking you for submitting data via i-Connect.

This means we hold the most up to date information on your employees, plus it also ticks The Pension Regulator's (TPR) box regarding monthly submission of data.

The good news is that we no longer need the year end return process to be completed within the old deadlines, but (there's always a 'but'!) we do need you to make sure all outstanding files up to the period ending 31 March 2023 are uploaded by the 30 April 2023 at the latest.

Your help in doing this will be greatly appreciated as any delay will hold up the production of the 2023 Annual Benefit Statements.

The Annual Benefit Statement is a statutory requirement and provides your employees with an important update on the value of their LGPS pension, so providing us with accurate and timely data is vital in meeting production deadlines.

Please contact us as soon as possible at pensions.technical@norfolk.gov.uk if you need any support meeting the April deadline or any other help with sending data via i-Connect.



i-Connect contact details

If anyone who holds i-Connect log in details leaves your organisation, please don't allow them to pass those details to their replacement or any other colleague.

To ensure data security, please contact us so that we can set up a new user identity for the employee responsible for submitting data via i-Connect files.

Similarly, please let us know if any of your organisation's contacts on i-Connect change by completing the [Employer Contact Details \(MISC91\)](#) form and emailing it to us at pensions.technical@norfolk.gov.uk

State Pension Forecast

Please remind your employees that it's important they check their State Pension forecast to understand what they are entitled to receive.

They can do this by visiting www.gov.uk/check-state-pension or by calling **0800 731 0469** to find out:

- how much State Pension they could get
- when they can get it
- how to increase it (subject to eligibility).



Pensions Oversight Board

What is the Pensions Oversight Board?

The role of the Board is to assist the Norfolk Pension Fund comply with all the legislative requirements to ensure the scheme is being effectively and efficiently governed and managed.

It works with Norfolk County Council (as the Fund's administering authority), via Pensions Committee, and Norfolk Pension Fund officers to ensure that the pension scheme is being run properly and that our members and employers get the right service.

POB has an equal number of employer and member representatives, plus an independent chair to oversee the smooth running of the Board.

Current Board membership

Chairman

- Brian Wigg

Employer Representatives

- Cllr Chris Walker: Levying/precepting employers (Poringland Parish Council)
- Vacancy: Non levying/precepting employers
- Sally Albrow: Norfolk County Council

Scheme Member Representatives

- Frances Crum: Active/deferred member
- Peter Baker: Pensioner member
- Vacancy: Trade Union

Thanks to Howard Nelson

Howard Nelson will be leaving POB as the non levying/precepting employers representative in April.

The Norfolk Pension Fund, Pensions Committee and other POB members would like to thank Howard for his valued contribution as a member of the Pension Oversight Board and wish him the very best as he moves on to pastures new.

Interested in being the non levying employer representative?

With Howard's departure, there is a vacancy for a non levying/precepting employer representative.

If you would like to propose someone or nominate yourself for this position, please contact Jo Quarterman on 01603 223950 or at jo.quarterman@norfolk.gov.uk to register an expression of interest for the position.

All nominations must be received by 31 March 2023.

Our approach to ESG investment

The primary objective of the Norfolk Pension Fund is investing money to provide pension benefits to our members, which we do responsibly.

More details about how we do this can be found in our *Statement on Disinvestment/ Exclusion & ESG (Environmental, Social and Governance)* which is

available on the [Investment and stewardship](#) page of our website www.norfolkpensionfund.org together with the latest *Climate risk reporting* on our quoted equity portfolio.

Please contact us to request a printed copy of either document.

Pensions Committee

Norfolk County Council, as Administering Authority of the Norfolk Pension Fund, delegates its pensions functions to Pensions Committee to administer the scheme on behalf of all participating employers and scheme members.

The Pensions Committee last met on Tuesday 6 December 2022.

As usual, the meeting was attended by Norfolk Pension Fund officers and the items covered included:

- Administration Report including: the National picture; Employer Financial Reporting Requirements; Pensions Administration Key Performance Indicators; Communication and Engagement and

Knowledge and Skills

- Risk Register Report and Compliance with Breaches Policy
- Update from the Pensions Oversight Board
- Audit Results Report (ISA 260)
- ACCESS investment pool update

You can watch a recording of the public part of the meeting on the Norfolk County Council YouTube channel [here](#).

The Pensions Committee next meets on Tuesday 21 March 2023.

More information on Pensions Committee meeting dates, agendas and minutes can be found on the [Norfolk County Council website](#).

Employee Contribution Bands 2023-24

Employee Contribution Bands for 2023-24 are shown in the table below. For more information, please see the Contributions Guide G020, which is available on the *Employers* section of our website www.norfolkpensionfund.org under *Forms and documents/Guides*.

Band	Pensionable pay	Main Section	50/50 Section
1	Up to £16,500	5.50%	2.75%
2	£16,501 to £25,900	5.80%	2.90%
3	£25,901 to £42,100	6.50%	3.25%
4	£42,101 to £53,300	6.80%	3.40%
5	£53,301 to £74,700	8.50%	4.25%
6	£74,701 to £105,900	9.90%	4.95%
7	£105,901 to £124,800	10.50%	5.25%
8	£124,801 to £187,200	11.40%	5.70%
9	£187,201 or more	12.50%	6.25%

Protect your organisation from scams

To help organisations protect themselves against scams, National Training Standards has set up the Business Against Scams initiative which provides a number of resources you can share with your employees to educate them on a variety of common business related frauds such as:

- Government grant and tax rebate scams
- CEO fraud
- Invoice/mandate fraud
- Tech support scams

The support package includes a training session (PowerPoint) that takes around 10 minutes to complete and provides information on these frauds, what to look out for and how to prevent your organisation falling victim to them.

There are also a number of Fact Sheets (in PDF format) that can be used as a refresher for staff members, along with a number of infographics/posters that can be used internally or on social media.



In the meantime, Business Against Scams recommend a number of immediate actions you can take to protect your organisation from fraud:

- Supporting employees to use stronger passwords and setting up two factor authentication.
- Ensuring staff know how to report problems, especially those related to security.
- Creating 'How to' guides for new software and tools employees may be using.
- Using VPNs to allow users to securely access your organisation's IT services.

To find out more about Business Against Scams, please visit www.friendsagainstscams.org.uk/BAS

The TPR Pledge

The Norfolk Pension Fund is signed up to The Pension Regulator's (TPR) pledge in an effort to combat pension scams. The Pledge means we will combat pension scams by raising awareness, educating and protecting scheme members in a number of ways including:

- Warning members about pension scams
- Getting to know the warning signs of a scam and best practice for transfers
- Encouraging members to use Pension Wise



- Using resources on the Financial Conduct Authority (FCA) ScamSmart website
- Reporting concerns about a scam to relevant authorities

Please visit the [TPR website here](#) for more information.

Member Self-Service

Please remind your employees that Member Self-Service (MSS) online portal offers a great way for them to view their pension details.

Member Self-Service can be used to :

- View pension account benefits
- Amend personal details
- Update Death Grant nomination details
- Calculate pension benefits with the Benefit Projectors
- View their Annual Benefit Statement
- Upload documents and queries
- Contact us securely

The new service can be accessed from the homepage of our website at

www.norfolkpensionfund.org by clicking *Member Self-Service* on the menu bar or on the *Member Self-Service* icon.

For support, we have a dedicated Member Self-Service helpline on **01603 222132** and email address pensions.mss@norfolk.gov.uk

To help you promote Member Self-Service to your employees, we have produced a *Keep in touch with your pension online* PDF, which can be [downloaded here](#) to print or email.

Employer Forum

Please make a note in your diary for our next hybrid Employer Forum being held on **Wednesday 12 July 2023**, which you can join by either:

- Attending in person at The Space, Roundtree Way, Norwich, NR7 8SQ or:
- Virtually online via MS Teams.

The Forum offers a great opportunity to get an update on the latest news from the Norfolk Pension Fund, the LGPS and other relevant pension issues and understand what it all means for you as an employer. A more detailed Agenda will be circulated nearer the date.

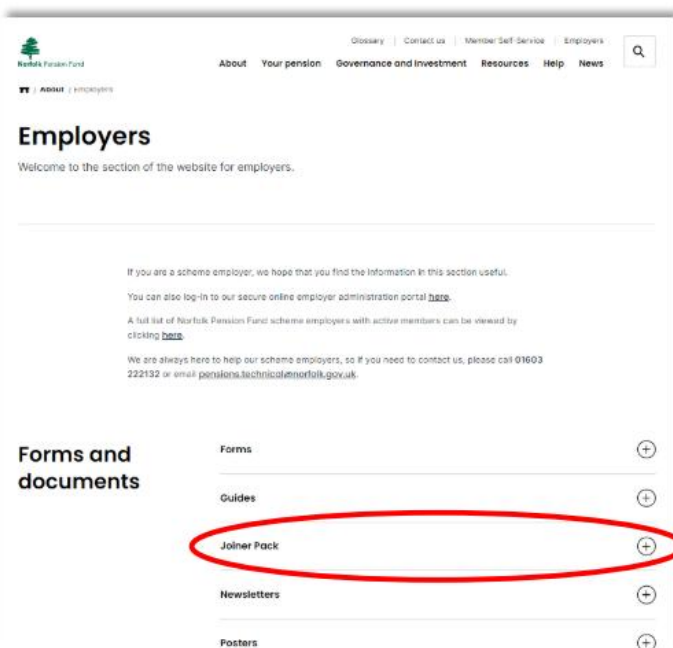
The meeting will commence at 10.00am. If you plan to attend at The Space, you're welcome to register and join us for a coffee from 9.30am – we hope to finish by 12.30pm, followed by a buffet lunch, giving you the opportunity to speak 1:1 with Hymans and our team members, and chat to other colleagues.



If you would like to join the Forum virtually, or in person, please email pensions@norfolk.gov.uk to reserve your place

New Member Joiner Pack

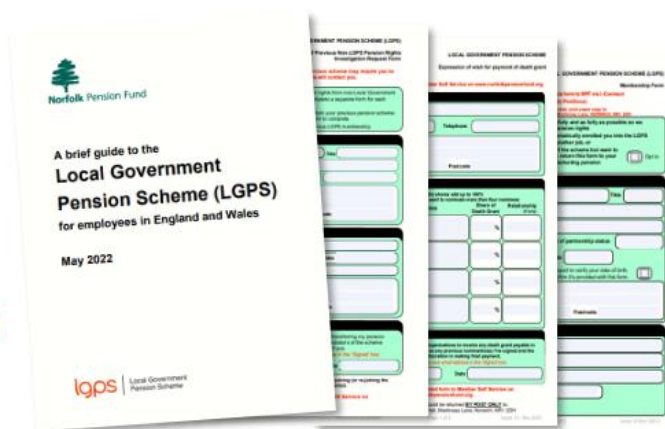
When you have a new employee, please provide them with New Joiner Pack items which can be downloaded from the *Employers* section of www.norfolkpensionfund.org under *Forms and documents/Joiner Pack*.



You can also download the documents by clicking on the item names below.

- [A Brief Guide to the LGPS](#)
- [Membership Form \(SR95\)](#)
- [Non LGPS Benefits Transfer-In Request \(SR96\)](#)
- [Death Grant Form \(SR81\)](#)

The forms can be completed electronically, so you can email a copy to the employee and submit the completed form via i-Connect.



Staff transfers

Just a reminder that if you are considering options for reshaping and/or reorganising your service delivery, such as outsourcing, please let us know at the earliest stage of your planning.

What you are considering could have significant pension implications...

We can help you understand these and take account of them upfront, for example, considering what pension information you may need to include in tender documentation.



If you are considering making any changes to your service delivery, please contact **Alex Younger** at alexander.younger@norfolk.gov.uk



Pre Retirement Course

If you have any employees within two years of retirement, they may benefit from the Pre Retirement Course delivered by Norfolk County Council on our behalf.

The course, which is held virtually over two half day sessions via Zoom, covers general LGPS scheme information, the process of retiring and information members should know before they leave work.

The course is free to all members of the Norfolk Pension Fund and the content includes:

- Creating a new future and managing change
- Investment and finance planning
- Ideas for leisure, sporting, and cultural activities
- Volunteering opportunities
- Information about the Local Government Pension Scheme (LGPS)



Next Course Dates

- 16 & 23 May 2023 (two half days)
- 5 & 19 July 2023 (two half days)

To book a place please contact

Norfolk Development Team

01603 224114

hrlid@norfolk.gov.uk

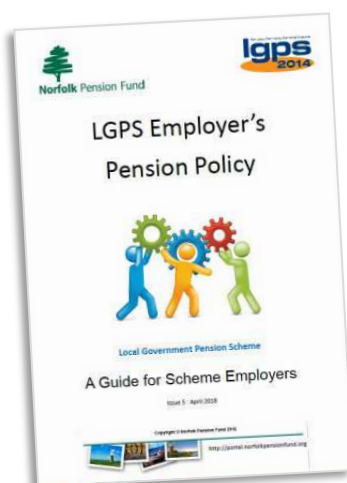
Norfolk County Council employees can book via myOracle Learn.

Employer's Pension Policy and Internal Disputes

Just a reminder of the importance of keeping your Employer Pension Policy up to date.

Your Employer Pension Policy should be sent to graham.trussell@norfolk.gov.uk within one month of joining the scheme and as soon as possible after making any update.

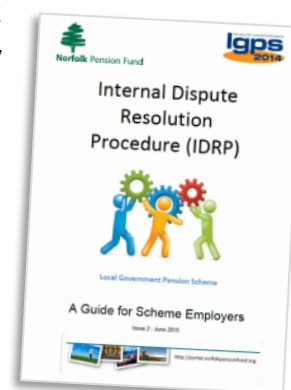
For more information, please see the [Employer Pensions Policy Guide \(G060\)](#) available on the Employers section of our website www.norfolkpensionfund.org under 'Forms and documents/Guides'.



The Policy usually specifies the person that your employees should contact in the first instance of any dispute.

For more information about managing Internal Disputes, please refer to the [Employer IDRPs Guide \(G070\)](#) which can be found on the Employers section of our website www.norfolkpensionfund.org under 'Forms and documents/Guides'.

There is also the [Scheme Member Guide to Disputes \(G071\)](#) available at www.norfolkpensionfund.org/help/compliments-complaints-and-disputes/



Contact details

**Norfolk Pension Fund
County Hall
Martineau Lane
Norwich
NR1 2DH**

**Pensions Administration
pensions@norfolk.gov.uk
01603 495923**

**Investment, Accountancy and Actuarial Services
pensions.finance@norfolk.gov.uk
01603 222139**

**Online, Technical and i-Connect Queries
pensions.technical@norfolk.gov.uk
01603 222132**

www.norfolkpensionfund.org



If you would like this newsletter in large print, audio, Braille, alternative format or in a different language, please call 01603 222824 or email pensions@norfolk.gov.uk

Norfolk Audit Services (NAS)

**Norfolk Pension Fund
Annual Internal Audit Report 2022-23**

Section Numbers	Contents
1	Introduction
2	Background and Audit Opinion Explanation
3	Key Messages
4	Pension Fund Internal Audit Work
5	Review of effectiveness of systems of Internal Audit
6	Quality Assurance
7	Data Analytics
8	Engaging Specialists
9	Annual Governance Statement
10	Responsibilities in relation to fraud
11	Acknowledgement

1. Introduction

- 1.1 The Director of Strategic Finance and Section 151 Officer (previously the Executive Director of Finance and Commercial Services) is responsible for the administration and financial accounting of the Pension Fund. During 2022-23 the Pensions Committee was formally briefed by the Executive Director of Finance and Commercial Services and Director of Norfolk Pension Fund on a quarterly basis.
- 1.2 Norfolk Audit Services (NAS) produces this annual report for the Pensions Committee. This Annual Internal Audit Report details the overall opinion on the system of internal control, including the arrangements for the management of risk, and details the level of audit coverage for the year.
- 1.3 During the year internal audit made detailed reports on three audits in the plan to the relevant manager, including an audit opinion and an agreed action plan. One audit was postponed, and a replacement topic was agreed and work is currently being undertaken on this. The audit work performed is considered enough to support our annual opinion. The internal audit service continued to deliver effective internal audit work remotely.
- 1.4 Internal Audit's role is to ensure that there is evidence of compliance with the Pension Fund's objectives, rules and procedures. Where such compliance does not exist, internal audit makes recommendations to ensure that proper controls are in place. Some audits carried out are based on the perceived risk to the Pension Fund as assessed using the internal audit risk model, whilst others are requested by the Pension Fund. The audit work follows the Public Sector Internal Audit Standards (PSIAS) as approved by CIPFA.
- 1.5 The approach NAS takes to its role is set out in its own Terms of Reference (Charter), Code of Ethics and Strategy, as approved by the County Council's Audit and Governance Committee, (formerly the Audit Committee)
- 1.6 The Internal Audit team, as part of the system of internal control, has provided an effective, efficient and economic function during the year, supporting Pension Committee, the Executive Director of Finance and Commercial Services, the Pension Fund Management Team and the service.

2. Background and Audit Opinion Explanation

- 2.1 The County Council's Finance and Commercial Services Department exists to provide a financial advisory, transactional and support service to the Council and its customers. The Department is principally focused on delivery of its services to Norfolk County Council, including the Norfolk Pension Fund.
- 2.2 The Norfolk Pension Fund publishes a Governance Strategy Statement which sets out the arrangements for fulfilling its role as Administering Authority. The Norfolk Pension Fund provides a report to the Council's Audit and Governance Committee each year to provide assurance on their governance arrangements.

- 2.3 During the year internal audit reported as follows for the Pension Fund (and Council as host) as relevant:
- Detailed reports to the relevant Executive Directors
 - Reporting to senior management on corporate high priority findings from audits
 - Quarterly reports to the Audit and Governance Committee
 - Relevant topical reports to the Audit and Governance Committee as requested
 - Annual report to the Pensions Committee
 - Annual Audit Plan to the Pensions Committee
- 2.4 As part of the Council's overall Good Governance Framework, the Director of Strategic Finance and Section 151 Officer provides an annual opinion on the adequacy and effectiveness of the system of internal control including risk management, for the Council. This informs the reporting of the Annual Governance Statement for the Fund. The latest document for 2020-21 is published alongside the NCC Annual Statement of Accounts and can be viewed on the NCC website. [Statement of accounts - Norfolk County Council](#) . The draft Annual Governance Statements for 2021-22 and (from 31 May 2023) 2022-23 are also included on NCC website. The statements for 2021-22 are still subject to external audit.
- 2.5 The overall audit opinion, that the adequacy and effectiveness of the system of internal control, including risk management, for the Norfolk Pension Fund is 'Acceptable' and therefore considered 'sound', is based on audit work undertaken during the year.
- 2.6 The collective assurance roles of internal audit, other internal assurance providers and external audit are coordinated and optimised. The resourcing of the internal audit function is considered adequate. The Norfolk Pension Fund participates in ACCESS (A Collaboration of Central, Eastern and Southern Shires), an investment asset pool of eleven Administering Authorities within the Local Government Pension Scheme (LGPS). That investment asset pool is audited by Essex County Council. An Internal Audit review of ACCESS Support Unit, (hosted by Essex CC, ECC) was last carried out in 2021/22 by ECC Internal Audit and received an overall opinion of Good Assurance.

3. Key messages

- 3.1 The key messages for the Pension Fund for 2022-23 are that:
- There is evidence of compliance with the Pension Fund's objectives, rules and procedures.
 - Based on an analysis of the audit work carried out and reports issued, NAS can assure the Pensions Committee that the adequacy and effectiveness of the system of internal control, including the arrangement for the management of risk, for the Pension Fund during 2022-23 was 'Acceptable' and therefore considered sound. Sufficient audits were performed to support the opinion.
 - The Council and the Pension Fund had unqualified External Audit Opinions and clear Annual Governance Reports for 2020-21. There has been a delay in the 2021/22 Statement of Accounts being audited and approved by Ernst Young LLP and the proposal is for these to be completed this summer.

- As a result of the audits undertaken during the year the Director of Strategic Finance and Section 151 Officer and Director of Norfolk Pension Fund clearly understand which of the Pension Fund control systems are operating satisfactorily and where and why any strengthening is required.
- The Fund's systems of internal audit were effective during 2022-23 for the purposes of the latest regulations. An external quality assessment (EQA) of the internal audit team was undertaken by the Chartered Institute of Internal Auditors. Their report, dated 19 January 2023, states the internal audit "generally conforms" to the IIA Standards – the highest rating available.
- NAS has received overall positive feedback on audits during the year ended 31 March 2023
- the work of NAS for the year and the assurance provided assists the Committee to reasonably assess the risk that the Financial Statements are not materially mis-stated due to fraud. The risks of Fraud and Corruption have been reviewed and planning and resources are considered adequate.

3.2 The work of NAS continues to evolve to cover all areas of risk as well as traditional financial audit. Some audits are carried out based on the perceived risk to the Pension Fund as assessed using the NAS risk model, the Pension Fund risk register, whilst others are requested by the Pension Fund Management Team. The plan is based on the model recommended by the Society of County Treasurers (SCT) and covers the key areas; Governance and Strategy, Pensions Administration and Investments. The audit work follows the Public Sector Internal Audit Standards (PSIAS) as approved by CIPFA. The audit team are developing strategies to apply Data Analytics, Assurance Mapping and Agile Auditing to their work, in accordance with best practice. In addition to audits NAS provides support and advice on Risk Management to the fund.

3.3 Other significant points to note were that:

- The Pensions Management Team undertake fraud preventative work to reduce the risk of fraud and corruption within the Pension Fund. Further details can be found at part 9 of this report.
- All NPF staff complete mandatory training covering Online and Information Security, and information Governance and Data Protection Essentials.
- A risk register is regularly reviewed by the Management Team and a detailed risk register report is presented to the Pensions Committee every six months. A summary heat map is also provided to the Pension Committee when the full register is not discussed to ensure Members are kept up to date with risk management.

4. Pension Fund Internal Audit Work

4.1 The internal audit work was performed through the Annual Internal Audit Plan approved by the then Executive Director of Finance and Commercial Services and the Director of Norfolk Pension Fund at the start of the year. All audit work was performed remotely.

4.2 Details of planned and finalised audits are given in the table below:

Audits for 2022/23	Final report issued
Pension Fund Governance and National LGPS Framework – Assurance the new structure is working effectively and as expected to reduce the risks associated with staff shortages and resilience	✓
Payables – regular payroll benefit payments, lump sums, death in service	✓
New custodian relationship with Northern Trust – Assurance that key controls and adequate processes are in place.	✓
Replacement audit for the Data Quality and iconnect audit – Compliance with NPF Training Strategy 2020	Fieldwork currently being undertaken

4.3 For the final reports above (4.2) we can confirm they were all issued with an ‘Acceptable’ opinion, in a timely manner and the scope of the audit work undertaken had met client’s expectations. The Data Quality and iconnect audit was postponed to 2023/24 audit plan because there has been a delay to NCC onboarding to iConnect. The replacement audit – Compliance with NPF Training Strategy 2020 was due to be carried out in Q4, but due to staff illness this was carried over to Q1 in the 2023/24 year.

4.4 It is considered that the above work (4.2) and also audits of core systems for the host authority, such as IT and payroll, which are included in the NAS NCC audit plan, provide a reasonable basis to draw a representative opinion as on a risk assessed basis a sufficient amount of work has been completed.

4.5 Assurance on risk management has also been gained through the risk register being reviewed and monitored by the Pension Fund and Pension Committee on a regular basis. The Council’s Risk Management Framework was independently assessed by a consultant from Zurick Insurance on May 2021 and found to be satisfactory. During 2022-23 work began on a new Pensions risk dashboard, to be used as part of a highlight report, showing a snapshot summary of the risks being managed across the three business areas of Funding & Investment, Benefit Administration and Governance. Once completed, the PowerBI dashboard will be linked to the Pensions risk register drawing data from it to present an informative visual to aid the discussion of risks. The Risk Management Officer is assisting with the creation of the dashboard.

4.6 The audits performed were within the agreed planned days. Audit work covered governance and strategy, systems and investment management and therefore is enough to inform the opinion, as part of the overall Medium-Term Internal Audit Plan.

4.7 The following audits are included in the 2023-24 audit plan:

- Compliance with The Pension Regulator Cyber Pledge – self certification.

- LGPS Frameworks – Assurance about the process in place to manage framework supplier failure.
- Receivables – contributions, (AVCs, APCs) transfer values, other receivables, recharges.
- Data Quality and I Connect – assurance there are adequate controls in place to ensure good data quality within key systems used by NPF, including the new i-connect system. Originally planned for 2022/23 but postponed to 2023/24 audit plan as there has been a delay to NCC onboarding to iConnect.

5. Review of effectiveness of systems of internal audit

- 5.1 The Accounts and Audit (England) Regulations 2015 (as amended), require the effectiveness of the Pension Fund’s systems of internal audit to be reviewed annually.
- 5.2 The method used in 2022-23 to review the effectiveness of the Pension Funds systems of internal control was to review information on the effectiveness of the Pension Fund’s management processes and corporate control functions of the Council, as the host authority, (legal, financial (including External Audit reporting outcomes), health and safety and human resources), as assessed by the Assistant Director of Finance (Audit). The Director of Norfolk Pension Fund completed a Self-Assessment governance checklist and provided a statement on compliance.
- 5.3 Internal Audit’s mission is to enhance and protect organisational value by following the Public Sector Internal Audit Standards (PSIAS). An external quality assessment (EQA) of the internal audit team was undertaken by the Chartered Institute of Internal Auditors in 2022. Their report dated 19 January 2023 states the internal audit “generally conforms” to the IIA Standards – the highest rating available. The report stated the governance framework over the internal audit service is mature, with well-established Audit Committee oversight, regular meetings, communications, reporting and performance monitoring.
- 5.4 The Pension Fund’s system of internal audit during 2022-23 was sound, adequate and effective in accordance with the requirements of the Accounts and Audit (England) Regulations 2015 (as amended) and the PSIAS.

6. Quality Assurance

- 6.1 A Quality Strategy for Internal Audit is in place, which includes a Quality Assurance Improvement Programme. This was used to review completed audit projects during the year to ensure they met quality standards. Internal Audit procedures are subject to continuous review and are updated during the year. No significant exceptions were noted from that work.
- 6.2 Internal Audit reports progress on the audit plan and feedback from customer satisfaction questionnaires to the Audit and Governance Committee quarterly. NAS has received overall positive feedback from the Pension Fund audits during the year ended 31 March 2023.

7. Data Analytics

- 7.1 Data Analytics is a useful tool for performance management, decision making and auditing. Such analysis enables information to be drawn from large or whole populations of system data providing improved and deeper assurance. The Council uses Power BI to undertake data analytics to support performance management.
- 7.2 We have taken a data analytics briefing note for Executive Leadership Team outlining our proposals to strengthen our use of data analytics within our audit work.
- 7.3 We have updated our audit terms of reference and the way we plan our audits to ensure that each audit topic is considered at the planning stage as to how data analytics may be applied within the audit and the audit team have been trained in respect of this.

8. Engaging Specialists

- 8.1 NAS did not engage any specialists from external sources to deliver audits for the Pension Fund during the period.

9. Annual Governance Statement

- 9.1 NAS internal audits undertaken for the Pension Fund provide assurances on the adequacy and effectiveness of internal controls and risk management for the Pensions Committee. The Pensions Committee will receive and approve its own Annual Governance Statement for 2022-23.
- 9.2 The Pension Fund (and the Council) has continued to fulfil the relevant requirements of the Coronavirus Act 2020 and associated local government regulations and enforcement, until these were revoked. Staff work remotely where they are able to do so.

10. Responsibilities in relation to Fraud

- 10.1 Under section 17 of the Crime and Disorder Act (1998) the Council has a statutory general duty to take account of the crime and disorder implications of all its work and do all that it reasonably can to prevent crime and disorder in Norfolk.
- 10.2 Internal Audit work helps to deter crime or increase the likelihood of detection by making crime difficult, increasing the risks of detection and prosecution and reducing rewards from crime. Internal audit work is planned to cover the higher risk areas including where weaknesses in controls might increase the risk of theft, fraud or corruption. An action plan is agreed for any weaknesses that are identified during audits.
- 10.3 The Pension Fund has adopted the County Council's Anti Fraud, Bribery and Corruption Policy and Strategy. The Audit and Governance Committee receives update reports on the Anti Fraud, Bribery and Corruption Policy and Strategy. The Council meets the requirements of the International Standard on Auditing (ISA 240).

- 10.4 Any actual fraud cases that have been fully investigated would be reported to the Council's Audit and Governance Committee. The Chairman would be informed of any significant fraud which had implications for this Committee. There have been no such cases during the last year. The Pensions Committee are therefore aware of the arrangements in place for Chief Officers to report about fraud to the Committee. The Committee and the Council's Audit and Governance Committee would therefore have knowledge of actual or suspected fraud and the actions that Chief Officers are taking to address it if it were required.
- 10.5 The Anti Fraud, Bribery and Corruption Policy and Strategy, Whistle blowing Strategy, Money Laundering Policy and the Standards of Conduct are promoted through staff newsletters and on the Council's Intranet site as well as through training for non-financial managers. Through the training, inductions and briefings provided by the Director of Norfolk Pension Fund, the Committee will be aware of the arrangements Chief Officers have in place for communicating with employees, members, partners and stakeholders regarding ethical governance and standards of conduct and behaviour.
- 10.6 The Pensions Management Team have undertaken fraud preventative work to reduce the risk of fraud and corruption within the Pension Fund, examples include taking part in the annual Club Vita mortality data matching exercise, sending data through each month of all pensions being paid to Accurate Data Services (ADS), who will send back matches for any people whom they believe to be deceased, checking of children's pension entitlements, checking of older and overseas members pension entitlement through Certificates of Entitlement, posting of monthly payslips when changes are made to payment details etc and annual benefits statements to identify goneaways. NPF are also registered with the Tell Us Once service to receive direct notifications from General Register Office (GRO) of deaths registered where the informant has given consent to pass on details.
- 10.7 NPF staff have used the E-learning training course hub to carry out the 'Fraud Awareness' and the 'Fraud Prevention and Detection' courses.
- 10.8 The County Council participated in the Cabinet Office's bi-annual NFI data matching exercise, with data being extracted in October 2022 and matches being received at the end of January 2023. The Pensions Fund Manager confirmed any NFI data matches were followed up effectively.
- 10.9 All NPF staff complete mandatory training covering Online and Information Security, and information Governance and Data Protection Essentials.
- 10.10 Online services continue to be developed to improve data quality on submission. This has further enhanced security for the communication of personal information between employers/members and the Fund.

11. Acknowledgement

11.1 The Internal Audit team has worked with the Pension Fund to deliver assurance on the adequacy of their internal controls and risk management and I would like to thank the Director, all the managers and staff of the Pension Fund for their co-operation and assistance.

Adrian Thompson
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If you need this report in large print, audio, Braille, alternative format or in a different language please contact Adrian Thompson on telephone 01603 222784 and we will do our best to help.



Norfolk Pension Fund - Medium Term Internal Audit Plan 2023-26

AUDIT UNIVERSE				
	2022-23	2023-24	2024-25	2025-26
	Revised planned No. of days	Planned No. of days	Planned No. of days	Planned No. of days
Governance and Strategy				
* Pension Fund Governance and National LGPS Framework – Assurance the new structure is working effectively and as expected to reduce the risks associated with staff shortages and resilience (JQ Qtr 3)	17			
Replacement audit for the iconnect audit – Compliance with NPF Training Strategy 2020 (JQ Qtr 4)	12			
Compliance with TPR Cyber Pledge- self certification. Management Letter to be produced (JQ Qtr 1)		7		
LGPS Frameworks – Assurance about the process in place to manage framework supplier failure (JQ Qtr 3)		15		
Audit areas to be confirmed			15	15
Total for Governance and Strategy	29	22	15	15
AUDIT UNIVERSE				
	2022-23	2023-24	2024-25	2025-26

	Revised planned No. of days	Planned No. of days		Planned No. of days
Admin processes and systems				
Transaction Life Cycles:				
Payables – regular payroll benefit payments, lump sums, death in service. (MA/DK Qrt. 2)	17			
Receivables – contributions, (AVCs, APCs) transfer values, other receivables, recharges. (to be audited every 2 years). (CA Qtr 2)		20		
NFI. Full exercise to be undertaken in October 2022.	2			
Work carried out in respect of IAS240 assurance work	1	1		
Audit areas to be confirmed			20	20
Systems:				
* Data Quality and i Connect – assurance there are adequate controls in place to ensure good data quality within key systems used by NPF, including the new i-connect system. Originally planned for 2022/23 but postponed to 2023/24 audit plan as there has been a delay to NCC on-boarding to iConnect. (DK Q4)		20		
Audit areas to be confirmed			40	40
Total Admin Processes and Systems	20	41	40	40
AUDIT UNIVERSE				
	2022-23	2023-24	2024-25	2025-26
	Revised planned No. of	Planned No. of days		Planned No. of days

	days			
Investment Management				
New custodian relationship with Northern Trust – Assurance that key controls and adequate processes are in place. (AY/RM Q4)	15			
Assurance that key controls and adequate processes are in place regarding asset transitions within the ACCESS Pool (AY/CA Q3)		15		
Areas to be audited – To Be Confirmed			20	20
Total Investment Management	15	15	20	20
Audit Management	10	10	10	10
Training provided to the Pension Oversight Board/Pension Committee – topics to be agreed. Topics such as risk management could be covered.	1	1	1	1
Total number of audit days in the plan and costs	75	89	86	86

Previous Audits

Governance and Strategy

2013-14 Governance arrangements assurance (included in half yearly report to Pensions Committee December 2013).

2015-16 Governance arrangements; Compliance with regulations in setting up Pensions Advisory Board.

2015-16 Compliance with CIPFA code of practice on public sector pensions finance knowledge and skills.

(Management Letter).

2016-17 National LGPS Procurement Frameworks.

2017-18 Pensions Oversight Board – Compliance with their Terms of Reference and Forward Plan.

2018-19 National LGPS Procurement Frameworks – Accounting processes and compliance with accounting principles

2018-19 ACCESS – pooled arrangements – Governance arrangements compliant with Inter Authority agreement

2018-19 General Data Protection Regulation (GDPR) – Assurance that compliance with the new GDPR requirements.

2019-20 Risk Management – Compliance with CIPFA Managing Risk in the Local Government Pension Scheme guidance

2020-21 * Cyber Security Governance – Assurance that adequate governance and controls are in place

2021-22 Assurance that adequate governance controls and decision making were in place during the pandemic

2021-22 High level review on the progress being made with the agreed actions resulting from the Hymans Robertson Future Proofing Review Feb 2019. Management Letter issued.

Admin processes and systems

Transaction Life Cycles:

2011-12 Review of Life Certificates.

2014-15 LGPS legislative changes from April 2014 (retirements/leavers).

2016-17 Data Quality: record keeping and record management.

2016-17 Receivables – contributions, (AVCs, APCs) transfer values, other receivables, recharges

2017-18 Review of Mortality screening processes.

2017-18 Triennial valuation 2016: A review of the technical and governance arrangements for the delivery of the valuation and implementation of results.

2019-20 Payables -regular payroll benefit payments, lump sums, transfers, death in service, other.

2020-21 Transfers out – Processes and controls in place for members who transfer their benefits.

2021-22 Receivables – contributions, (AVCs, APCs) transfer values, other receivables, recharges.

2021-22 Review of Mortality and Pension Entitlement screening processes.

Systems:

2014-15 Replacement Pension and Payroll System– Assurance that key controls are in place and the changeover has been managed effectively.

2014-15 Review of website On-Line services for Employers - new system and process.

2015-16 Employers; Assurance that adequate processes and controls are in place for employers joining and leaving the scheme.

2016-17 Business Continuity Planning / Disaster Recovery.

2018-19 Early Retirement costing and recharges, debt collection and write offs

2019-20 Information Security – unannounced visit.

2019-20 Deferred benefits: Assurance that adequate processes and controls are in place for members who have deferred their benefits.

2019-20 Annual pension fund reporting requirements; Assurance that NPF is compliant with CIPFA's new reporting guidance from April 2018.

Investment Management

2013-14 Dynamic Currency Hedging arrangements.

2013-14 Internal Control reports.
2014-15 Investment management – Performance Monitoring.
2014-15 Private Equity –Processes and procedures for drawing down distributions etc.
2015-16 New Custodian: Assurance that key controls are in place regarding the new HSBC electronic system for Investment Accounting.
2015-16 Transitioning; Assurance that key controls and adequate processes are in place.
2016-17 Pension Fund Bank Account Reconciliation.
2017-18 Post implementation review of the new Investment Accounting process and review of the dry run Faster Close processes - assurance that the processes are adequate and adequate controls are in place.
2018-19 Investment Strategy Statement: compliance with DCLG guidance and updated to reflect changes / recommendations from Triennial Valuation and the new different strategies.
2019-20 Asset Transition Process; Assurance that key controls and adequate processes are in place by ACCESS operator LINK, regarding the transition of assets into sub-funds.
2020-21 HEAT (Hymans Employer Asset Tracking) system: controls in place by Hymans, regarding the collection, transfer and use of the information provided to them.
2021-22 Private Equity, infrastructure and private debt –assurance that the processes and procedures for drawing down distributions are working as expected.

IIA's Risk in Focus 2023 – this year's hot topics

Macroeconomic and geopolitical risk, emerging and strategic risk
Climate change and environmental sustainability: Transition to climate change auditing
Human capital, diversity and talent management
Cybersecurity and data security
Digital disruption and new technology

Pensions Committee forward programme – as at June 2023

Pensions Committee	Pensions Committee	Pensions Committee	Pensions Committee	Committee Training
12 September 2023	5 December 2023	12 March 2024	tbc June 2024	
Administration Report	Administration Report	Administration Report	Administration Report	<ul style="list-style-type: none"> • TCFD • LGSP Pooling • LGPS Good Governance • tPR’s Combined Code • Enhanced Yield Assets
Update from Pensions Oversight Board	Update from Pensions Oversight Board	Update from Pensions Oversight Board	Update from Pensions Oversight Board	
ACCESS Pooling Update	ACCESS Pooling Update	ACCESS Pooling Update	ACCESS Pooling Update	
Corporate Governance and Shareholder Engagement Report (including Carbon Reporting)	Risk Register Report and Compliance with Breaches Policy	Corporate Governance and Shareholder Engagement Report (including Carbon Reporting)	Risk Register Report and Compliance with Breaches Policy	
Investment Update	Investment Update	Investment Update	Draft Accounts	
			Investment Update	
Investment Managers: (tbc)	Investment Managers: (tbc)	Investment Managers: (tbc)	Investment Managers: (tbc)	

Officer Representation on behalf of the Pension Fund

During the period since the last Pension Committee, the following meetings and events have occurred – some meetings were still ‘virtual’ due to the Covid-19 Pandemic and rail strikes:

GC: Glenn Cossey, **AY:** Alex Younger, **JQ:** Jo Quarterman, **EW:** Eunice Walcott,
DK: Debra Keeling, **LT:** Leon Thorpe, **KW:** Katie Wilson, **CA:** Charlotte Alexander, **LC:** Laura Copeman **MT:** Management Team

ACCESS regular meetings

AY / GC (JQ sub) attend Officer Working Group (fortnightly)
 AY/CA attend Investment User Group (IUG) (monthly)
 AY attend Non-Listed Sub-Group (NLSG) (monthly)
 AY attend Active Listed Sub-Group (monthly)
 GC/AY attend quarterly Joint Committee meetings
 AY/CA attended Responsible Investment Sub-group meetings

Other regular meetings

DK attends SECSOG (monthly)

Investment / Fund Managers

Monthly updates with GC/AY

National LGPS Frameworks

The National Frameworks team have held meetings with Funds, Pools and Service providers

Regular Webinars

LGPS Live Webinar Series

Other meetings and events

Date	What	Who
March		
22	PLSA meeting	JQ
28	Hymans Workshop – Pensions Services Structure	MT
29 / 30	LGC Investment Seminar	AY (speaker), JQ, EW, LT
April		
19	Janus Henderson review meeting	AY
25 / 26	LAPF Pooling Conference	AY
May		
5	CBRE introduction and review meeting	AY/CA
10	Columbia Threadneedle onboarding meeting	AY/CA
11	Heywood Pensions Service review meeting	GC/DK
16	Abrdn SOF Advisory Board	AY
17	Robbin Gellar Seminar	AY (speaker)/LC
18	CIPFA Conference	BW/FC/EW/MM
23-24	Various Harbourvest Advisory Committees	AY
24	Columbia Threadneedle onboarding meeting	AY/CA
30	New Pensions Committee Member Induction	GC/JQ
June		
1	Go Awards ceremony 2023	Frameworks team
7	Columbia Threadneedle onboarding meeting	AY/CA
8	Capital Group – Review meeting (Global Equity & GHIO)	AY

CIPFA – Chartered Institute of Public Finance and Accountancy	LAPF – Local Authority Pension Fund
LGA – Local Government Association	LGC – Local Government Chronicle
LGPS – Local Government Pension Scheme	PLSA - The Pensions and Lifetime Savings Association

Pensions Committee

Item No: 6

Report title:	Update from the Pensions Oversight Board
Date of meeting:	13 June 2023
Responsible Director:	Harvey Bullen, Director of Strategic Finance Glenn Cossey, Director of Norfolk Pension Fund
Executive Summary This report updates the Pensions Committee on the work of the Pensions Oversight Board.	
Recommendations Pensions Committee is invited to note the contents of this report.	

1 Background

- 1.1 This report updates the Pensions Committee on the work of the Pensions Oversight Board (POB). The last update was given at the 21 March 2023 Pensions Committee Meeting.

2 Pensions Oversight Board meetings

- 2.1 The Board last met on the 16 May 2023. The agenda for this meeting is at Appendix A.
- 2.2 Alongside updates on the latest LGPS reform, the Board received an update on strategic and operational performance and issues, including an ACCESS update, progress with the employer operational issues and team news at the Norfolk Pension Fund.
- 2.3 The Board received an update on cyber security and data management. The Board will receive a further update on this area later in the year.
- 2.4 The Board also received an update on the Pension Fund's risk management framework and latest risk update and heat map.
- 2.5 The minutes of the Board meeting of the 28 February 2023 are at Appendix B.
- 2.6 The Board next meets on 5 September 2023, when they will receive an update on Employer and Member Services.

3 ACCESS Joint Committee observation

- 3.1 In line with the agreed ACCESS arrangements to allow Local Pension Board's to fulfil their responsibilities, two representatives from the Board observed the ACCESS Joint Committee meeting on 6 March 2023. A copy of their report is at Appendix C.

4 Annual Report

- 4.1 In compliance with regulations and their Terms of Reference, the Board have produced their Annual Report for 2022 – 2023. This will be included within the Norfolk Pension Fund's Annual Report.
- 4.2 A copy of the Board's 2022 – 2023 Annual Report is at Appendix D.

5 Board membership

- 5.1 Following the recent local election, Chris Walker has stepped down from the Board. The Board recorded their grateful appreciation to Chris who has

represented tax raising employers since the Board was established in 2015.

5.2 This means that two of the three employer roles on the Board are currently vacant. We have written to all employers seeking new appointments and will raise this also at the Employer Forum in July.

5.3 The Trade Union seat on the Pensions Oversight Board also remains vacant.

6 Knowledge and Skills

6.1 It is a regulatory requirement for POB members to develop and maintain their knowledge and skills. All POB members have access to the LGPS Online Learning Academy (LOLA) and are invited to attend training and webinars alongside Pensions Committee, in line with the Norfolk Pension Fund training strategy.

6.2 Two members of the Board recently attended the CIPFA annual training for Board's together with Fund Officers. Board members will also join Pensions Committee for the training days later this year.

7 Financial and other Resource Implications

7.1 At the time of writing this report there are no additional financial or other resource implications beyond those already budgeted for and approved by Committee.

8 Risk Implications/Assessment

8.1 Any risk implications relating to this report will be recorded on the Fund's risk register.

9 Other Implications (Inc. Equality Impact Assessment (EqIA))

9.1 Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.

10 Data Protection Impact Assessments (DPIA)

10.1 We have not identified any data protection implications for the content of this report.

11 Recommendation

11.1 Pensions Committee is invited to note the contents of this report.

12 Background Papers

- 12.1 Appendix A: POB Agenda 16 May 2023
- Appendix B: POB minutes 28 February 2023
- Appendix C: ACCESS Joint Committee observation
- Appendix D: Board Annual Report 2022 – 2023

Officer Contact

If you have any questions about matters contained in this paper, please get in touch with:

Officer name: Glenn Cossey **Tel No:** 01603 228978

Email address: glenn.cossey@norfolk.gov.uk



If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Norfolk Pension Fund Pensions Oversight Board

Date: **Tuesday 16 May 2023**Time: **10:00am**Venue: **Virtual Team meeting****Membership**Chairman

Brian Wigg

Employer Representatives

Cllr Chris Walker	Poringland Parish Council
Sally Albrow	Norfolk County Council
Vacancy	Employer Rep (non levying)

Scheme Member representatives

Frances Crum	Active / Deferred member
Peter Baker	Pensioner member
Vacancy	Trade Union

Agenda

10:00 1. Welcome and Introduction

2. Apologies
To receive apologies

10:05 3. Minutes and matters arising
To agree the minutes of the meeting held on the 28 February 2023.

4. Declarations of interest
Members to declare any conflict of interest. For the purposes of a member of a Local Pension Board (the Pension Oversight Board), a 'conflict of interest' may be defined as a financial or other interest which is likely to prejudice a person's exercise of functions of a Local Pension Board. (A conflict does not include a financial or other interest arising merely by virtue of being a member of the LGPS / Norfolk Pension Fund).

Therefore, a conflict of interest may arise when a member of a Local Pension Board:

- must fulfil their legal duty to assist the Administering Authority; and
- at the same time they have:
 - a separate personal interest (financial or otherwise); or
 - another responsibility in relation to that matter, giving rise to a possible conflict with their first responsibility as a Local Pension Board member.

Norfolk Pension Fund Pensions Oversight Board

- 10:10 5. Board Membership update
To note latest Board membership changes and recruitment arrangements.
- 10:20 6. Items of urgent business
To receive any items of business which the Chairman decides should be considered as a matter of urgency.
- 10:25 7. Pensions Committee
Feedback from the Pensions Committee meeting on 21 March 2023 and items to be raised at the 13 June 2023 meeting.
- 10:35 8. LGPS Reform
Update on latest reform
- 10:45 9. POB Annual report
- 10:55 10. Norfolk Pension Fund operational update
An update on operational performance and issues, including ACCESS update, employer operational issues and resourcing.
- 11:15 *15-minute comfort break*
- 11:30 11. ACCESS Joint Committee
Feedback from Board observers at March ACCESS Joint Committee meeting
- 11:40 12. Cyber security
An update on cyber security and data management.
- 11:55 13. Risk Management
An update on the Norfolk Pension Fund's Risk management framework, to include the latest risk update and heat map.
- 12:05 14. Internal Audit reports
To receive the latest internal audit reports
- 12:15 15. Knowledge, skills and training
- 12:25 16. Forward work programme for the Pensions Oversight Board
- 12:30 17. Date of next meeting: to confirm the dates of the next meetings
close

Contact for questions about this agenda: Jo Quarterman, Head of Governance,
Norfolk Pension Fund jo.quarterman@norfolk.gov.uk Tel.: 01603 223950 Date
agenda published: 9 May 2023



Minutes of the Norfolk Pension Fund Pensions Oversight Board meeting held on Tuesday 28 February 2023

Present:

Chairman

Brian Wigg

Employer Representatives

Sally Albrow

Howard Nelson

Cllr Chris Walker

Norfolk County Council

DNEAT

Poringland Parish Council

Scheme Member Representatives

Frances Crum

Peter Baker

Active / Deferred member

Pensioner member

Also Present

Jo Quarterman

Glenn Cossey

Eunice Walcott

Madeleine Mitchell

Rob Bilton

Charlotte Alexander

Tim Shaw

Head of Governance, Norfolk Pension Fund

Director of the Norfolk Pension Fund

Governance Manager

Project and Policy Management Officer

Hymans Robertson

Norfolk Pension Fund Accountant

Committee Clerk

1. Welcome and Introduction

- 1.1 The Chair welcomed Pensions Oversight Board (POB) members to this virtual meeting of the Pensions Oversight Board.

2 Apologies for Absence

- 2.1 There were no apologies for absence.

3. Minutes

- 3.1 POB agreed the minutes of the meeting held on 8 November 2022.

4. Declarations of Interest

4.1 There were no declarations of interest.

5 Board Membership Update

5.1 POB noted that Howard Nelson would be resigning from the Board at the end of this meeting due to work commitments outside of Norfolk. The Chair placed on record the thanks of all POB Members to Howard for the significant contribution that he had made to the work of the Board.

5.2 Howard said that he would be happy to contribute to an article for the next edition of the employer newsletter that sought expressions of interest from those who might wish to take on the role of an Employer representative on the Board.

5.3 POB noted that arrangements were also being made to fill the vacancy for a Trade Union Member to serve on the Board.

6 Items of Urgent Business

6.1 There were no items of urgent business.

7 Feedback from the Pensions Committee meeting on 6 December 2022 and items to be raised at the meeting on 21 March 2023.

7.1 The POB noted that today's meeting would be the subject of a report to the Pensions Committee on 21 March 2023.

7.2 In addition to regular standing items, the Pensions Committee on 6 December 2022 had received a report on the employer operational issue discussed at the previous POB meeting, a report from Hymans on the 2022 Triennial Valuation process as well as presentations from the Actuary on the Fund's Funding Strategy Statement (that was shared with employers during the autumn for consultation) and the Fund's cash flow (based on medium term assumptions).

7.3 The March 2023 meeting of Pensions Committee would receive a report on the conclusion of the 2022 Triennial Valuation, a further update on the employer operational issue and a presentation on the findings of the review of enhanced yield assets (part 1) with a further review (part 2) due in June 2023.

8 LGPS Reform

8.1 POB received an update about the ongoing national reform programme and other issues within the LGPS.

8.2 The presentation provided an update on the following regulatory reforms:

- Revaluation data change: a short-term consultation had now closed
- Pooling guidance: consultation expected to start shortly
- Climate reporting (TCFD): guidance for reporting expected. Implementation expected by LGPS funds this time next year.
- Good Governance: delayed, now expected consultation on statutory guidance later this year.
- Levelling up: consultation anticipated.
- TPR revised code: implementation expected soon. This needs to be laid before parliament before it can be implemented.
- McCloud: implementation. Final guidance awaited.
- £95K cap: consultation anticipated in due course
- Pensions Dashboard: staging events expected followed by September 2024 date for implementation. **[Note post meeting: delays to Dashboard timetable announced by DWP on 2 March 2023].**

8.3 The Chair pointed out that the LOLA (LGPS Online Learning Academy) member training module 6 on current issues had been updated to include information on the Pensions Dashboard.

8.4 While specific details will be the subject of the anticipated consultation, it is understood that the levelling up agenda will require LGPS funds to publish plans for increasing local investment, including setting an ambition of up to 5% of assets invested in projects which supports local areas.

8.5 National standards have been defined for connecting to the Pensions Dashboard ecosystem. These include a code of connection that combines required security, service, and operational standards which ecosystem participants must adhere to.

9 Norfolk Pension Fund operational update and issues / ACCESS update

9.1 POB received an update on operational performance and issues that included the latest resourcing and operational update (KPIs), an ACCESS update, employer operational issues and feedback from the Employer Forum.

9.2 Team Changes and Resourcing

- Pension Services Manager (Mark Alexander) and Technical Services Manager (Merv McCune) were leaving.
- An interim team structure had been put in place for the next 12 months, to ensure that the NPF had the stability and resources necessary to manage the MyOracle recovery alongside the ongoing LGPS work programme (including the McCloud remedy and other scheme developments).

- The interim team management structure is:
 - Debra Keeling: Pension Services Manager
 - Matthew Crane: Technical Services Manager
 - Patsy Bradley: Member Services Manager
 - Paul Stimpson: Pensions Payroll Manager
- A third member services team is being established
- Longer term: review and update of the Pensions Services operational model (systems, processes, roles, and responsibilities) to identify opportunities and ensure realisation of benefits associated with new ways of working, building service resilience and development, and enhancing integration with the wider Pension Fund team (e.g., Employer Services)

9.3 The Board placed on record their appreciation of the support and commitment that Mark Alexander and Merv McCune had given to the Norfolk Pension Fund over many years and welcomed the new opportunities that the interim team structure would provide to NPF team members. Mark was the Pensions Services Manager at the Fund for many years, and between him and Merv they had over 70 years of LGPS experience.

9.4 ACCESS update

- Link (the operator of the ACCESS investment pool) sale. POB was brought up to date on the options for LINK operator services and noted this matter was being overseen by the FCA (an issue to be discussed at the next ACCESS meeting and at Pensions Committee that contained confidential details about third party operations for which inappropriate disclosure at this stage might expose the Norfolk Pension Fund to legal action).
- MJ Hudson (an investment consultant to ACCESS). This matter had been reported in the financial press and ACCESS had taken legal advice (an issue to be discussed at the next ACCESS meeting and Pensions Committee containing confidential details about third party operations for which inappropriate disclosure might expose the Norfolk Pension Fund to legal action). Due to a potential conflict of interest, Rob Bilton of Hymans was not present when POB considered this matter.
- ACCESS Support Unit: Client Manager recruitment.
- Next Joint Committee meeting
- The Chair and Peter Baker to observe next ACCESS Joint Committee meeting on behalf of POB.

9.5 Employer Operational Issues

- Raised with Pensions Committee in December 2022
- Advice taken from the Monitoring Officer (MO) i.r.o. potential breaches

- Closely monitoring with new MO and S151 (Simon George)
- Recovery plan in place and update to be given to March Committee.
- First live files now being uploaded into live system.
- Regular (weekly) meetings between Debra Keeling and John Baldwin (Assistant Director of Finance) and their teams and monthly meetings with Simon George, Kat Hulatt (acting MO following Helen Edwards departure) and John Baldwin to maintain progress and oversight.
- It was noted that the NPF was still expecting all data submission by the end of April (this was the standard deadline for all employers), which would then allow time to produce Annual Benefit Statements by the statutory deadline of 31 August 2023.
- A full update would be given to the Pensions Committee

9.6 Employer Forum ‘Valuation Special’

- The Forum was attended by 51 employer delegates
 - Face-to-face:13
 - Virtual:38

10 Hymans Robertson Valuation

10.1 Rob Bilton of Hymans provided POB with a presentation on the conclusion of the 2022 triennial valuation process.

10.2 The presentation by Rob Bilton included the following:

- The reasons why there was a valuation
 - Calculate employer contribution rates
 - Compliance with legislation
 - Analyse actual experience vs assumptions
 - Review Funding Strategy Statement
 - Part of continual ‘health check’ on fund solvency
- The valuation was a key risk management for the fund
- The 2022 funding position was stronger than in 2019.
- Q4 2022
 - Issued results (funding position and contribution rate) to all employers (November)
 - Issued updated Funding Strategy Statement for consultation (November)
 - Presentation on 2022 valuation results (November employer forum) & employer 1-to-1s (December)
 - Received updated Funding Strategy Statement (December)
 - Explored impact of higher inflation on Fund’s cashflows & review IH risk management (December)

- Q1 2023
 - Respond to employer queries regarding valuation results and FSS consultation feedback (Nov-Mar)
 - Sign off final Funding Strategy Statement and final valuation report (with Rates & Adjustment Certificate (R&A Certificate)) (March 2023).
 - Net impact would vary by employer, depending on funding profile
- A public statement to appear on the Fund website at the end of the process.

10.3 Thanks were placed on record to Rob Bilton for the presentation and to the NPF staff for their hard work in providing the required quality information in a timely manner.

11 The Scope of the Budget

11.1 POB received an overview of the budget process presented by Charlotte Alexander (Norfolk Pension Fund Accountant); and confirmation of the proposed POB budget for 2023/2024

11.2 The scope of the budget excluded

- Investment Income
- Investment Management Fees
- Pension Benefits

11.3 The scope of the budget included

- Staffing costs
- Software
- Valuation cycles
- Communication
- Advice and Guidance
- Recharges

11.4 Responsible Budget Officers at the Norfolk Pension Fund are:

Administration:	Debra Keeling
Advisory:	Alex Younger
Strategy:	Alex Younger
Facilities:	Jo Quarterman
Board:	Jo Quarterman
Projects:	Glenn Cossey

11.5 The budget process follows the NCC budget process and includes

- Backwards looking
- Horizon scanning
- Spend characteristics
- Sources of information for estimates

- 11.6** The budget monitoring process overview, covering
- Monthly
 - Based on accounting data
 - RBO review
 - Were all the invoices those expected to receive in the system?
 - Are there any transactions which don't belong to this cost centre?
 - Are all entries through payroll, correct?
 - Do the characteristics of the income/expenditure match expectations?
 - How does actual compare to budget?
- 11.7** Budget 2023-24 headlines were
- Staff cost increases and drivers
 - Lawrence House savings
 - Projects Cycle
 - Software rollout
- 11.8** The POB budget for 2023-24 was confirmed.
- 11.9** Thanks were placed on record to Charlotte Alexander for the presentation.

12 Risk Management: High risk movement tracking over time

- 12.1** POB received the latest risk update and heat map that showed risk movement in terms of governance, funding and investment and benefits administration for November 2022 showing movement since September 2022
- 12.2** The definitions of risk tolerance and appetite were explained to POB Members. Risk appetite corresponded to the risks that the pension fund was willing to take, within the capacity of a tolerance of risks, beyond which it did not wish to go.
- 12.3** POB noted that a full risk report was taken to Pensions Committee on a six-monthly basis and that the reporting process also included a heat map being taken to each meeting of the Pensions Committee to show the movement in high risks. This was also taken to POB. The risk register was owned by the senior management team. There were currently two red risks. A new way of reporting on risks was being developed by the NCC Risk Manager. It was hoped that this would be available for the next POB meeting in May 2023.

13 Internal audit reports

- 13.1** POB noted that there were no new Internal Audit reports since last meeting.

14 Knowledge, Skills, and Training

14.1 POB received an update on:

- National Knowledge Assessment.
- LGPS Online Learning Academy developed by Hymans which could be taken in bite sizes.
- Webinars. These were often recorded and catalogued for training purposes. It was important for the Norfolk Pension Fund to maintain a record of POB members understanding of the LGPS.
- Conferences

14.2 The overall average National Knowledge Assessment score for the Norfolk Pension Fund compared well with that of all other funds who took part in the Assessment. The Norfolk Pension Fund was 2nd out of 16 Funds. The “scores” were the average score of all participating Committee and Board members from each Fund.

14.3 National Knowledge Assessment Results 2022

Key findings:

- The performance of the Committee (average overall score of 62%) was stronger than that of the Board (average overall score of 60%), reflecting the relative experience of membership.
- The performance for the Committee and Board diverged the most in the Pensions Governance section where Committee results were 30% higher than the Board.
- The Committee performed most strongly around Pensions Administration and Pensions Governance.
- The board's areas of strongest Knowledge were Actuarial Methods, Standards and Practices and Pensions Administration
- Overall, for both groups, the area with least knowledge was Pensions Accounting and Audit Standards.
- Further training for POB Members would consider those areas where the data showed that POB members felt less confident.

14.4 A two-day training event would be put together for the Autumn for both POB and Pensions committee members (following changes in POB/Pensions Committee membership).

15 Forward Work Programme for the Pensions Oversight Board

15.1 POB noted the following:

- 28 February 2023.
 - This meeting would cover budget setting and review of valuation process.

- 16 May 2023.
 - This meeting would cover feedback from ACCESS JC observation, an Update on Cyber and Data 3rd party responses, Operational update: employer issues update and TPR Code of Practice.
- 5 September 2023
 - Strategic review: BAU update inc. Employer Services and Members Services
 - 7 November 2023 (face to face). This meeting would cover Risk Management overview, with focus on Cyber and Data security

15.2 In response to questions, it was noted that Norfolk Pension Fund was outside the scope of the corporate strategic review currently being undertaken by Norfolk County Council. The post of Executive Director of Finance and Commercial Services was being deleted from the staffing establishment and the Section 151 officer responsibilities of that post were moving to a new Director role. The Director of the Norfolk Pension Fund was expected to report to the new Executive Director.

16 Future Meeting dates

16.1 The following future meetings dates were noted:

28 February 2023	MS Teams
16 May	MS Teams
5 September	MS Teams
7 November	in person

Chair

ACCESS JOINT COMMITTEE – 6 March 2023

POB will be aware that the ACCESS Inter-Authority Agreement has been amended to allow observers from nominated constituent Local Pension Boards to attend the Joint Committee meetings. This meeting was the first opportunity for the Norfolk Pension Fund to send two representatives and we joined colleagues from the Kent and Suffolk Local Boards. Whilst the ACCESS Joint Committee does not determine who should attend, it encourages constituent authorities to nominate at least one 'beneficiary' member. On this occasion Peter Baker (Retired Members) and Brian Wigg (Independent Chair) represented Norfolk POB.

The Meeting Room was set up in a conventional four-sided layout with each authority representative identified, together with supporting officers. The Committee Chair was supported by the Director of the ACCESS Support Unit (ASU) with other ASU staff on hand to report and lend support as required. Professional support was provided by Squire Patton Boggs (Legal) and Hymans Robertson (Investment/Business Finance).

The area set aside for observers was a raised dais which allowed complete observation of events, although, audibility was a problem. It soon became apparent that discussion was affected because speakers had to wait until a microphone was passed to them. Those who made spontaneous comments had to repeat them with the help of the microphone. The Chair agreed that there would be greater use of roving microphones at future meetings which will improve the proceedings.

There were several reports on the agenda and those presenting talked to pre-circulated papers. These were somewhat difficult to follow given the previous comments on audibility. The meeting room had a display screen and the impact of reports could have been enhanced by screen presentation. The investment performance report desperately needed the help of visual technology. Key topical reports on Link Financial Services, MJ Hudson and ESG created most discussion and it became apparent that some authorities had more to say than others. It was difficult to determine whether the persistence of some was stoked up by prompting from the member's supporting officers!

The Chairman seemed genuinely concerned that we should get as much out of the meeting as we could. We were each invited to give 'off the cuff' feedback on our experience and we all expressed gratitude at our welcome and the opportunity to observe.

This Report intentionally does not set out a summary of Agenda items nor decisions taken. The agenda and relevant papers have been circulated and the minutes will follow before the next ACCESS meeting in June. The purpose is to give Pensions Committee and POB a flavour of the observing experience and the benefit of future attendance given that Norfolk is likely to attend once a year.

We think that overall, it was a good experience and members of POB should be encouraged to attend and it helps dispel the 'us and them' perception that some may have since the inception of ACCESS.

Annual Report from the Pensions Oversight Board

This is the Annual Report of the Norfolk Pension Fund Pensions Oversight Board (POB), covering the period from 1 April 2022 to 31 March 2023.

Role and Function

The Norfolk Pension Fund Pensions Oversight Board was established as the Local Pension Board for the Norfolk Pension Fund in accordance with section 5 of the Public Service Pension Act 2013 and Part 3 of the LGPS Regulations 2013.

The remit of the POB includes assisting the Administering Authority as Scheme Manager:

- to secure compliance with the LGPS regulations and any other legislation relating to governance and administration of the LGPS
- to secure compliance with requirements imposed in relation to the LGPS by the Pension Regulator.

The Terms of Reference for the Norfolk Pension Fund Pensions Oversight Board (Local Pension Board) are available on the Norfolk Pension Fund's website:

www.norfolkpensionfund.org/about/governance-and-investment/local-pension-board/



Brian Wigg
Chairman, Pensions Oversight Board

Membership

Membership of the Pensions Oversight Board is structured as follows:

- three scheme member representatives of which one has been nominated by the trade unions and the rest drawn from the total scheme membership
- three employer representatives made up of Norfolk County Council (one), precepting/levying employers (one), other employers (one)
- one independent non-voting chairman

Membership of the Board during the period April 2022 to March 2023 was as follows:

Role	Representing	Appointment
Independent Chair		Brian Wigg
Scheme Member representatives	Trade Union nominee	Vacancy
	Active/Deferred representative	Frances Crum
	Pensioner representative	Peter Baker
Employer representatives	Norfolk County Council representative	Sally Albrow
	Precepting/levying employers' representative	Councillor Chris Walker, Poringland Parish Council
	Other employers' representative	Howard Nelson, Diocese of Norwich Education and Academies Trust (resigned March 2023)

Pensions Oversight Board Meetings

The Pensions Oversight Board met four times during the year – in May 2022, September 2022, November 2022 and February 2023. Whilst the Board meets virtually for most meetings, the November meeting was 'in person'.

In addition to these meetings, Pensions Oversight Board Members have attended each of the Pensions Committee meetings between April 2022 and March 2023. The Chairman and Retired Members member also observed the ACCESS Joint Committee meeting in March 2023.

During the reporting period the areas reviewed and contributed to have included:

- LGPS reform, and the impact on the Norfolk Pension Fund and its stakeholders
- Norfolk Pension Fund: operational performance, compliance and strategic review
- 2022 triennial valuation
- Investment pooling (including transition of assets to the ACCESS pool)
- Budget setting process
- Risk Management and reporting
- Cyber and data security management
- Audit Reports

The Pensions Oversight Board maintains a forward work programme, aligned to the Pensions Committee work programme.

Average attendance at POB meetings during the year was 82%.

Pension Oversight Board Member Training

In order to fulfil their role effectively and to comply with requirements imposed by regulations which are enforced by the Pensions Regulator, the members of the Pensions Oversight Board are required to maintain their knowledge and understanding of the LGPS and pensions in general, so receive appropriate training.

The Fund maintains a Training Strategy to support Board, Committee and Officers.

All Pensions Oversight Board members receive introductory training and resources. Board members have access to the LGPS Online Learning Academy and are encouraged and make use of other resources and training opportunities. Board members have attended a wide range of virtual and in person training offered through the year, including webinars and conferences.

Together with members of Pensions Committee, Pensions Oversight Board members participated in the National Knowledge Assessment Survey. The results of the Survey help inform the development training plans for the Norfolk Pension Fund.

Knowledge and skills are considered at each meeting, to help shape future development needs aligned with their forward work programme. Details of observing at Pensions Committee meetings and training events (internal and external) are recorded throughout the year.

The Board acknowledges the opportunity of working closely with Pensions Committee.

A handwritten signature in black ink, appearing to read 'B Wigg', with a stylized flourish at the end.

Brian Wigg
Chairman of the Norfolk Pension Fund Pensions Oversight Board
16 May 2023

Report to Pensions Committee

Item No. 7

Report title:	Risk Register Report and Compliance with Breaches Policy
Date of meeting:	13 June 2023
Responsible Director:	Harvey Bullen, Director of Strategic Finance Glenn Cossey, Director of Norfolk Pension Fund
Executive Summary Norfolk County Council's Risk Management Framework requires reporting on all aspects of the Council's Risk Management responsibilities to the relevant Committee on a regular basis. This report updates the Pensions Committee on the Norfolk Pension Fund's Risk Register and Breaches Policy. The summary Risk Heat map was reported to Pensions Committee in March 2023, and the last full report to Pensions Committee was in December 2022.	
Recommendations The Pensions Committee is invited to note the contents of the Risk Register and summary of breaches.	

1. Background and Purpose

- 1.1 Risks are categorised under the headings of Governance; Benefits Administration; and Investment and Funding. Risks are scored using the methodology at Appendix A.
- 1.2 The Norfolk Pension Fund maintains a detailed Risk Register. The Risk Register incorporates an assessment of likelihood and impact as well as control measures in place and an overall risk score.
- 1.3 The Register is regularly reviewed by the Management Team and appropriate action taken.
- 1.4 A single page Heat Map summarising all risks is attached at Appendix B. The Heat Map shows risk movement since February 2023. Risks are shown as either Low (green), Medium (amber) or High (red) by their respective category (governance, benefits administration and investment and funding) and symbols indicate movement in risk scores since the last update to Pensions Committee.
- 1.5 Our risk management continues to be effective in delivering and maintaining a resilient operational service, highlighting areas that require attention and monitoring.
- 1.6 The Strategic Review was intended to reduce a number of long-term high-risk areas; we continue to see the impact of changes introduced so far as a result of the review delivering sustained improvements in areas of long-term risk across the Fund.

2. Risk Movement

- 2.1 The Heat Map at Appendix B highlights risk movement since the last report to Committee in February.
- 2.2 We have seen a variety of movement in risk since February including:
 - 4 areas identified as reduced risk
 - 2 closed risks

- 2 new risks
- 1 increased risk (high risk)

2.3 **Governance**

2.4 NPFG1 Failure to meet regulatory and performance requirements (Governance)

Risk reduced as team review and evidence compliance, remaining AMBER

2.5 NPFG8 lack of skilled resource (Governance)

Risk reduced as new team established and build knowledge and confidence, remaining AMBER

2.6 NPFG9 National LGPS Frameworks

Risk reduced as new team established and build knowledge and confidence, remaining AMBER

2.7 NPFG12 Future service delivery

Risk reduced as teams generally successfully adapt to hybrid working; some residual operational issues to resolve, reduced to AMBER.

2.8 **Funding and Investment**

2.9 NPFF13 Asset pooling (establishment)

2.10 ACCESS established and assets transition underway and delivering anticipated benefits. Risk CLOSED.

2.11 NPFF17: ACCESS Asset Class availability

Risk that ACCESS pool does not make available suitable illiquid (private markets) strategies in a timely manner – NEW risk assessed as AMBER

2.12 NPFF18: ACCESS operator contract

Risk that ACCESS is unable to provide continuity of good operator services – NEW risk assessed as AMBER

2.13 **Member Services (Administration)**

2.14 NPFA5 System transition and implementation

All employers have now been successfully on-boarded to i-Connect. Risk CLOSED.

2.15 NPFA6 Employer Operational Issues (administration)

2.16 This risk has increased and remains RED (see next section).

2.17 All other risks remain stable.

3. **Areas of High Risk**

3.1 Appendix C shows movement in areas identified as High Risk over time.

3.2 We currently have two areas identified as High Risk, across Governance, Funding and Investment, and Benefits Administration.

3.3 Employer operational Issues (NPFA6)

3.4 The risk score for this risk has increased to the maximum score. This risk is detailed further under a separate report at Item 12 on this agenda.

3.5 Cyber and Financial Crime (ref. NPFG11)

3.6 Cyber and Financial Crime is identified as an area of high risk, with a constantly evolving landscape, with complex interdependencies and an accelerating rate of change. Pensions are identified by the FCA and the Pensions Regulator as a prime target with an increasing threat level. Changes to working practices, including working remotely, and pressure on individuals' personal circumstances add to this risk.

- 3.7 A comprehensive review of Norfolk Pension Fund’s cyber security arrangements was completed as part of the Strategic Review Programme, and an action plan developed. This is being monitored and maintained.
- 3.8 The Pensions Oversight Board continue their oversight of progress with the action plan as part of their forward work programme in 2023. They received a detailed update at their November 2022 meeting and a progress report on the annual 3rd party cyber questionnaire results at their most recent meeting in May 2023.
- 3.9 With the support of NCC ICT, we have evaluated the responses to the annual cyber and data standards survey to 3rd party providers distributed earlier this year, and no areas of major concern have been identified.
- 3.10 Reassurances were sought via ACCESS that the recent Capita data breach did not put at risk any Norfolk Pension Fund data.
- 3.11 Internal audit is currently reviewing the Fund’s evidence in support of our self-certified compliance with the principles of The Pension Regulators pledge to combat pension scams.

4. Compliance with Breaches Policy

- 4.1 Following a review of our compliance with the Pensions Regulator’s Code of Practice (originally reported to Pensions Committee in June 2016), Committee approved the procedure for the reporting of breaches of law to the Pensions Regulator in December 2016.
- 4.2 Only breaches of ‘material significance’ should be reported to the Regulator. Criteria for determining whether a breach is material, together with examples of reportable breaches are detailed in the procedural document.

4.3 Data Protection

4.4 There have been no data protection incidents to report since the last report to Committee.

4.5 Late pay over of employees and employers’ contributions

4.6 The late pay over of employees and employers’ contributions is one of the areas monitored for reportable breaches. An extract from the breaches log is detailed below. None of the late pay overs were deemed material and therefore reportable to the Regulator.

4.7 There has not been a significant increase in delayed contribution payments as a result of the pandemic.

Month	Summary Description of Breaches
Sept 22	26 employers were late paying over their August contributions. The latest payment was 45 days late
Oct 22	24 employers were late paying over their September contributions. The latest payment was 27 days late
Nov 22	25 employers were late paying over their October contributions. The latest payment was 43 days late
Dec 22	22 employers were late paying over their November contributions. The latest payment was 17 days late
Jan 23	16 employers were late paying over their December contributions. The latest payment was 29 days late
Feb 23	17 employers were late paying over their January contributions. The latest payment was 48 days late

March 23	42 employers were late paying over their February contributions. The latest payment was 9 days late
----------	---

4.9 All the above late payments were identified by the Fund’s contribution monitoring process and chase communications were sent to ensure overdue amounts were received.

5. Financial and Other Resource Implications

5.1 At the time of writing this report there are no additional financial or other resource implications beyond those already budgeted for and approved by Committee.

6. Risk Implications/Assessment

6.1 Risk implications relating to this report will be recorded on the Fund’s risk register.

7. Other Implications (inc. Equality Impact Assessment (EqIA))

7.1 Officers have considered all the implications which members should be aware of. Apart from those listed (if any), there are no other implications to take into account.

8. Data Protection Impact Assessments (DPIA)

8.1 We have not identified any data protection implications for the content of this report.

9. Recommendation

9.1 The Pensions Committee is invited to note the contents of the Risk Register and summary of breaches.

10. Background Papers

- 10.1 Appendix A – Risk Scoring Methodology
- Appendix B – Risk Heat Map movement since February 2023
- Appendix C – High Risk movement tracking over time

Officer Contact

If you have any questions about matters contained in this paper, please get in touch with:

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Email address: glenn.cossey@norfolk.gov.uk



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Methodology

Methodology	
Project Name	Project XYZ
Prepared by	Project / Programme Manager
Date RAIDD Log opened	01 April 2011

Project Risk Impact Criteria Model

Likelihood of risk occurring		
Likelihood	Definition	Value
Almost Certain	The event is expected to occur before the target date in most circumstances	5
Likely	The event will probably occur before the target date in most circumstances	4
Possible	The event might occur at some time before the target date	3
Unlikely	The event is not expected to occur before the target date	2
Rare	The event may occur only in exceptional circumstances before the target date	1

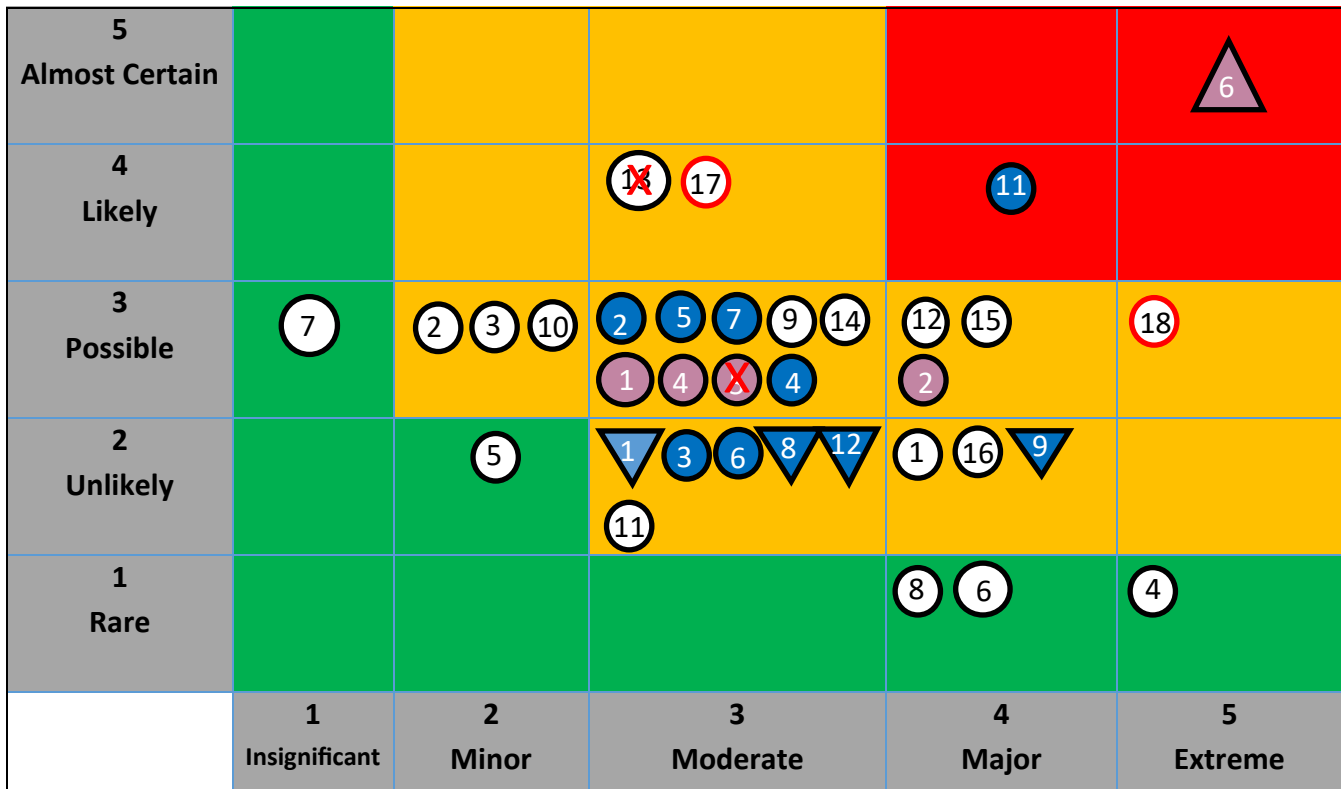
Impact if risk occurs (finalise and agree criteria with Project Board)			
Schedule	Costs	Performance / Quality	Value
<2 weeks delay	<1% of budget	Cosmetic impact only	1 Insignificant
2 weeks– 1 month	1%–<2%	Some minor elements of objectives affected	2 Minor
1 month–<2 months	2%–<8%	Significant areas of some objectives affected	3 Moderate
2 months–<4 months	8%–<12%	Wide area impact on some objectives	4 Major
>4 months delay	>12% of budget	Significant failure resulting in the project not meeting its objectives	5 Extreme

		Impact				
		5	4	3	2	1
Likelihood	5	25	20	15	10	5
	4	20	16	12	8	4
	3	15	12	9	6	3
	2	10	8	6	4	2
	1	5	4	3	2	1

Risk Level Tolerances	
Band	Risk Treatment
High 16-25 (Red Risks)	Risks analysed at this level are so significant that risk treatment is mandatory
Medium 6-15 (Amber Risks)	Risks analysed at this level require a cost/benefit analysis to take place to determine the most appropriate treatment
Low 1-5 (Green Risks)	Risks analysed at this level can be regarded as negligible, or so small that no risk treatment is required

Norfolk Pension Fund Risk Heat Map May 2023 showing movement since February 2023

APPENDIX B



	Governance (NPFG)	Funding & Investment (NPF)	Benefits Administration (NPFA)
1	Regulatory and performance requirements failure	Financial mismatch	Failure to meet regulatory and performance requirements
2	Asset pooling (ACCESS) (Gov)	Concentration	Lack of skilled resource (Admin)
3	Knowledge & understanding (O)	Manager underperformance	-
4	Knowledge & understanding PC	Systemic risk	Business continuity (Admin)
5	Knowledge & understanding POB	Credit default - Counterparty failure	System implementation and transition
6	Business continuity (Gov)	Illiquidity	Employer operational issues
7	Communication & Engagement	Default by participating employer	
8	Lack of skilled resource (gov)	Poor advice	
9	National LGPS Frameworks	Changing demographics (Assumptions v Experience)	
10	-	Business Continuity (F & Inv)	
11	Cyber Security	Communication	
12	Future service delivery	Lack of skilled resource (F & Inv)	
13		Asset pooling (ACCESS) (F & Inv)	
14		Currency risk	
15		Environmental, Social & Governance (ESG)	
16		Custody, Stock Lending, Transition	
17		ACCESS Asset Class availability	
18		ACCESS Operator contract	

Becoming more of a risk

Risk is stable

Becoming less of a risk

High risk movement tracking over time

Area of high risk	Sept 20	Nov 20	Feb 21	June 21	Nov 21	Feb 22	May 22	Sept 22	Nov 22	Feb 23	May 23
Insufficient skilled resource Governance NPFG8	→	→	→	→	↓	↓	→	→	↓	→	↓
Insufficient skilled resource Investment and Funding NPFF12	→	→	↓	→	↓	→	→	→	↓	→	→
Insufficient skilled resource Administration NPFA2	→	→	↓	→	→	→	↓	↓	→	→	→
Regulatory & performance reqt's failure Governance NPFG1	→	↑	→	↓	↓	→	→	→	→	→	↓
Cyber and Financial crime Governance NPFG11	→	→	→	↓	→	→	→	→	→	→	→
Pooling of assets Investment and Funding NPFF13	→	↓	→	→	→	→	→	→	→	→	Closed
Employer operational issues NPFA6	New							↑	↑	→	↑
National LGPS Frameworks Governance NPFG9	→	→	↑	→	→	↓	→	→	→	→	↓

Pensions Committee

Item No: 8

Report title:	Draft Pension Fund Accounts 2022-23
Date of meeting:	13 June 2023
Responsible Director:	Harvey Bullen, Director of Strategic Finance Glenn Cossey, Director of Pensions
<p>Executive Summary This report presents the draft annual accounts of the Norfolk Pension Fund for the year ended 31 March 2023, for consideration by the Committee.</p> <p>Recommendations It is recommended that the Committee notes the draft 2022-23 Accounts of the Norfolk Pension Fund (Appendix A).</p>	

1. Background and Purpose

- 1.1 The annual accounts have been prepared using the CIPFA example accounts and disclosure checklist, and in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23 governing the preparation of the 2022-23 financial statements for Local Government Pension Scheme funds.
- 1.2 The preparation of a Pension Fund Annual Report is a requirement of the Local Government Pension Scheme Regulations, which also prescribe certain items for inclusion. The regulations require that this wider annual report is published by the Fund by 1 December following the year-end. The accounts are prepared as part of this annual report and for inclusion within the Statement of Accounts of Norfolk County Council as Administering Authority of the Fund.

2. Approval timetable

- 2.1 The plan and timetable for approving the Norfolk Pension Fund Annual Report and Accounts for 2022-23 is below.
- 2.2

	Timetable
NPF Draft Annual Accounts Prepared by NPF	31/05/2023
Draft Accounts available for public inspection	31/05/2023
External Audit	Autumn
Pensions Committee receives draft Annual Report & Accounts	12/09/2023
Audit Committee	10/10/2023
Audit Opinion planned to be issued by	End of Autumn
Publication Date	01/12/2023

- 2.3 Prior to Committee, the Statement of Accounts of the Administering Authority (incorporating the accounts of the Fund) were certified by the responsible financial officer (Director of Strategic Finance) on or before the 31 May 2023, for draft publication in line with the statutory timetable.

- 2.4 Pensions Committee are asked to note the draft annual accounts (Appendix A).
- 2.5 The draft annual report and accounts (including finalised valuations as required) will be presented to the September meeting of Pensions Committee.
- 2.6 On 10 October 2023 the Pension Fund financial statements will be presented to the Audit Committee for approval as part of the Norfolk County Council Statement of Accounts.
- 2.7 Following the approval process set out above, the Annual Report and accounts will be published after approval by Audit Committee and final sign off by the Director of Strategic Finance and the issuing of the EY, audit opinion. The Annual report and accounts will be published on the Funds website prior to or on 1 December 2023 as required by LGPS regulations. As per the experience the 2021-22 accounts, if Audit certification is not available by December, a draft Annual Report and Accounts will be published online to comply with regulations.
- 2.8 The Committee will be aware that the 2021-22 Statement of Accounts of the Administering Authority have not yet been signed off and therefore the associated sign off of the Pension Fund accounts has also not occurred. Currently we understand it is planned that this process will be completed in July 2023.

3. Accounting and Audit process

- 3.1 The finance team successfully closed the accounts on the accounting system in accordance with the year-end closing timetable and the draft accounts were ready by 31 May 2023 for submission to the Director of Strategic Finance for sign off.
- 3.2 Where actual valuations are not available during the initial account preparation, the Fund has used estimated 31 March 2023 valuations in the accounts, as is standard practice during the draft accounts stage. The Fund does not expect to receive all final private market valuations until July 2023. In addition, we expect to update membership numbers as the Administering Authority works through the implementation on i-Connect for its own payroll and for those employers where it acts as payroll agent.

3.3 Employer Financial Reporting Requirements

- 3.4 The Fund has also worked with the Actuary to prepare, check, and review financial reporting (IAS19/FRS102) of pension obligations and costs for the 31 Fund employers with a financial year-end of 31 March 2023. The checks undertaken by the Fund form part of the assurance regime for EY where they are the appointed auditor to the employer.
- 3.5 31 March is the second largest of the employer financial reporting dates for the Fund. Exercises are also conducted on 31 July, 31 August, and 31 December. The August exercise has grown significantly as many more schools gain academy status, which brings with it a requirement to report and consider their individual pension positions.
- 3.6 The Fund is subject to a separate external audit appointment. This is the Eleventh year EY will have audited the Fund.
- 3.7 The Terms of Reference of the Pensions Committee provide that the Committee receives and considers the draft financial statements for the Norfolk Pension Fund.

4. Financial Implications and other Resource Implications

- 4.1 At the time of writing this report there are no additional financial or other resource implications beyond those already budgeted for and approved by Committee.

5. Other Implications (Inc. Equality Impact Assessment (EqIA))

- 5.1 Officers have considered all the implications which members should be aware of. Apart from those listed (if any), there are no other implications to take into account. There are no issues relevant to equality in this report.
- 5.2 **Data Protection Impact Assessments (DPIA)**
- 5.3 We have not identified any data protection implications for the content of this report.

6. Risk Implications/Assessment

- 6.1 Any risk implications relating to this report will be recorded on the Fund's risk register.

7. Recommendations

- 7.1 It is recommended that the Committee notes the draft 2022-23 Accounts of the Norfolk Pension Fund (Appendix A).

8. Background Papers

- 8.1 Appendix A – Norfolk Pension Fund Draft Accounts 2022-23

Officer Contact

If you have any questions about matters contained in this paper, please get in touch with:

Officer name: Glenn Cossey **Tel No.:** 01603 228978

Email address: glenn.cossey@norfolk.gov.uk



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Norfolk Pension Fund

Statement of Accounts 2022-23

Statement of Responsibilities

The Authority's Responsibilities

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Director of Strategic Finance;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to approve the statement of accounts.

The Director of Strategic Finance's Responsibilities

The Director of Strategic Finance is responsible for the preparation of the Pension Fund statement of accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) and Local Authority (Scotland) Accounts Advisory Committee (LASAAC) Code of Practice on Local Authority Accounting in Great Britain ("the Code").

In preparing this statement of accounts, the Director of Strategic Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code.

The Director of Strategic Finance has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate by Director of Strategic Finance

I certify the statement of accounts set out on pages **XX** to **XX** presents a true and fair view of the financial position of the Norfolk Pension Fund at the accounting date and its income and expenditure for the year ended 31 March 2023.

Signed: _____
Harvey Bullen
Director of Strategic Finance

Date: **XX XXXXXXXX** 2023 _____

Independent Auditor's Report

Independent Auditor's Statement to the Members of Norfolk County Council on the Pension Fund Financial Statements

EY – page 1

Revenue and Fund Account

For the Year Ended 31 March 2023

2021-22 £000		Notes	2022-23 £000
	Dealings with members, employers and others directly involved in the Fund		
169,810	Contributions	7	184,958
7,819	Transfers in from other pension funds	8	11,626
177,629			196,584
-155,016	Benefits	9	-160,774
-12,648	Payments to and on account of leavers	10	-6,883
-167,664			-167,657
9,965	Net additions/withdrawals from dealings with members		28,927
-26,760	Management Expenses	11	-28,967
-16,795	Net additions/withdrawals from dealings with members Including Fund Management Expenses		-40
	Returns on investments		
69,637	Investment income	12	74,379
-25	Taxes on income	13a	-1
332,266	Profit and losses on disposal of investments and changes in the market value of investments	14a	-114,986
401,878	Net return on investments		-40,608
385,083	Net increase/decrease in the net assets available for benefits during the year		-40,648
4,527,097	Opening net assets of the scheme		4,912,180
4,912,180	Closing net assets of the scheme		4,871,532

Net Assets Statement

As at 31 March 2023

2021-22 £000		Notes	2022-23 £000
4,901,001	Investment assets	14	4,854,624
-9,831	Investment liabilities	14	-846
4,891,170	Total Net Investments		4,853,778
506	Long term debtors	21	509
506			509
	Current Assets		
19,006	Debtors	21	16,110
10,350	Cash in hand	21	8,177
29,356			24,287
	Current Liabilities		
-8,852	Creditors	22	-7,042
-8,852			-7,042
20,504	Net current assets		17,245
4,912,180	Net assets of the Fund available to fund benefits at the period end		4,871,532

The Fund account and the net assets statement do not take account of liabilities to pay pensions and other benefits after the period end. The ability to meet these future liabilities is considered by the Fund actuary as part of the triennial formal valuation process. Information relating to the valuation of these liabilities is shown in note 20.

Signed:

.....
Harvey Bullen
Director of Strategic Finance

Date: XX XXXXXX 2023

Notes to the Accounts

1. Description of Fund

The Norfolk Pension Fund ("the Fund") is part of the Local Government Pension Scheme and is administered by Norfolk County Council ("the Administering Authority"). The Administering Authority is the reporting entity for this pension fund.

The following description of the Fund is a summary only. For more detail, reference should be made to the Norfolk Pension Fund Annual Report 2022-23 and the underlying statutory powers underpinning the scheme, namely the Public Service Pensions Act 2013 and the Local Government Pension Scheme (LGPS) Regulations.

a) General

The scheme is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The Local Government Pensions Scheme (Management and Investment of Funds) Regulations 2016 (as amended)

It is a contributory defined benefit pension scheme administered by Norfolk County Council to provide pensions and other benefits for pensionable employees of Norfolk County Council, the district councils in Norfolk and a range of other scheduled and admitted bodies. Teachers, police officers and fire fighters are not included as they come within other national public sector pension schemes.

The Council has delegated its pension functions to the Pensions Committee. Responsibility for the administration and financial management of the Fund has been delegated to the Director of Strategic Finance.

The Pension Committee is responsible for the strategic management of the assets of the Fund and the administration of benefits. The Committee meets quarterly in order to:

- Ensure compliance with legislation and best practice
- Determine policy for the investment, funding and administration of the Fund
- Monitor performance across all aspects of the service
- Consider issues arising and make decisions to ensure efficient and effective performance and service delivery
- Appoint and monitor advisors

- Ensure that arrangements are in place for consultation with stakeholders as necessary

b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the Norfolk Pension Fund include:

- Scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund
- Admitted bodies, which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector

There are currently 425 employer organisations with active members in the Norfolk Pension Fund including Norfolk County Council as detailed below. This is a net decrease of two employers since 31 March 2022.

	31 March 2022	31 March 2023
Number of Employers with Active Members	427	425
Full membership including employers with deferred and legacy pension commitments		
Number of Employees in Scheme		
Norfolk County Council	13,257	12,553
Other Employers	16,728	17,204
Total	29,985	29,757
Number of Pensioners		
Norfolk County Council	14,432	14,915
Other Employers	14,058	14,747
Total	28,490	29,662
Deferred Pensioners		
Norfolk County Council	20,343	19,144
Other Employers	19,964	20,571
Total	40,307	39,715
Total Members membership including employers with deferred and legacy pension commitments	98,782	99,134

The movement in employer numbers is due to the following employers leaving or joining the Fund during the financial year:

Employers ceasing to have active employees in the Fund:	Employers joining the active section of the Fund:
1. Aspens Services (Caister Academy)	1. Alburgh with Denton C of E Primary
2. Capita (Breckland Contract)	2. Churchill Services (Broadland District Council)
3. Childhood First	3. Churchill Services (Easton College)
4. Churchill Services (Acle Academy)	4. Morley C of E Primary
5. Churchill Services (Eastern MAT)	5. Mulbarton Parish Council
6. Edwards & Blake (Reepham High)	6. Snettisham Parish Council
7. Harleston CofE Primary	7. St Michaels Family Centre
8. Harrison Catering (Dussindale Primary)	8. Tacolneston C of E Primary
9. Norfolk Educational Services (NES)	9. The Bridge Easton School
10. NPS (Norwich) Ltd	10. TIAA Ltd (South Norfolk District Council)
11. Ormesby St Margaret with Scratby Parish Council	11. Trowse with Newton Parish Council
12. Stalham Town Council	
13. Winterton-on-Sea Parish Council	

A full list of participating employers is shown in Appendix I.

c) Funding

Benefits are funded by employee and employer contributions and investment earnings. For the financial year ending 31 March 2023, employee contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013 and range from 5.5% to 12.5% of actual pensionable pay.

Banding depends on a member's actual annual pay rate. The table below shows the bands for 2022-23 and 2023-24.

Employee contribution rates are prescribed by the governing regulations and cannot be varied locally. Employers' contributions are set based on triennial actuarial funding valuations.

The March 2019 triennial valuation set the rates payable by employers for the period 1st April 2020 to 31st March 2023. Excluding lump sum deficit recovery payments these rates range from 0% to 48.1% of actual pensionable pay.

Actual Pensionable Pay 2022-23	Contribution rate per year	Actual Pensionable Pay 2023-24	Contribution rate per year
Up to £15,000	5.5%	Up to £16,500	5.5%
£15,001 to £23,600	5.8%	£16,501 to £25,900	5.8%
£23,601 to £38,300	6.5%	£25,901 to £42,100	6.5%
£38,301 to £48,500	6.8%	£42,101 to £53,300	6.8%
£48,501 to £67,900	8.5%	£53,301 to £74,700	8.5%
£67,901 to £96,200	9.9%	£74,701 to £105,900	9.9%
£96,201 to £113,400	10.5%	£105,901 to £124,800	10.5%
£113,401 to £170,100	11.4%	£124,801 to £187,200	11.4%
£170,101 or more	12.5%	£187,201 or more	12.5%

d) Benefits

Pension benefits under the LGPS (until March 2014) were based on final pensionable pay and length of pensionable service. From 1st April 2014 the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th.

	Membership before April 2008	Membership April 2008 to March 2014	Membership from April 2014
Pension	Each year worked is worth 1/80 x final pensionable salary	Each year worked is worth 1/60 x final pensionable salary	1/49 of pensionable pay in each year
Lump Sum	Automatic lump sum of 3 x salary	No automatic lump sum	No automatic lump sum
Additional Lump sum	Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up	Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up	Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up

Benefits are index-linked in order to keep pace with inflation. In June 2010, the Government announced that the method of indexation would change from the retail prices index (RPI) to the consumer prices index (CPI). This change took effect from 1 April 2011. The appropriate index for April 2023 is 10.1% (3.1% April 2022).

There are a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits. For details, please contact the Fund.

2. Basis of Preparation

The Statement of Accounts summarises the Fund's transactions for the 2022-23 financial year and its position at year-end as at 31 March 2023. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23 (the Code) which is based upon International Financial Reporting Standards (IFRS) as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits is disclosed in accordance with the requirements of International Accounting Standard (IAS) 26. Full details of this approach are disclosed at note 20 of these accounts.

The accounts have been prepared on a going concern basis.

In carrying out its assessment that this basis is appropriate, made to 30th November 2023, management of the fund have considered the additional qualitative and quantitative key requirements:

- The basis for preparation is supported by legislation for local authorities, and the Code requirements on the basis of the continuation of services;
- All employers within the fund are paying contributions as per the rates and adjustment certificate. No employer has requested to defer their payments within the 2022-23 financial year, or within 2023-24 to date;
- The fund does not have any external borrowing; and
The fund has an allocation of 47% to public equities, 19% to liquid fixed income and holds around 1% of the Fund in cash (investment and current cash balances). These are assets that can be liquidated to pay benefits should the need arise.

On this basis, the fund has a reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern period. For this reason, alongside the statutory guidance, we continue to adopt the going concern basis in preparing these financial statements.

3. Summary of Significant Accounting Policies

Fund Account - Revenue Recognition

a) Contribution income

Employees' normal and additional contributions are accounted for when deducted from pay. Employer contributions are accounted for on the same basis as they are expressed in the Rates & Adjustments certificate to the relevant formal valuation. Employee and employer normal contributions are accounted for on an accruals basis.

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the scheme actuary or on receipt if earlier than the due date.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

b) Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations (see notes 8 and 10).

Individual transfers in and out are accounted for on a cash basis when received or paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use proceeds of their additional voluntary contributions (see below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (see note 8).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

c) Investment income

i) Interest income

Interest income is recognised in the Fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination.

ii) Dividend income

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

iii) Distributions from pooled funds

Income distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

iv) Property-related income

Property-related income consists of rental income and income from pooled property investment vehicles. Income from pooled property investment vehicles is recognised as in iii) above.

v) Movement in the net market value of investments

Changes in the net market value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund Account - Expense Items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

e) Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

f) Management expenses

The fund discloses its pension fund management expenses in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses 2016.

g) Administrative expenses

All administrative expenses are accounted for on an accruals basis. All costs incurred in respect of the administration of the Fund by the Administering Authority are charged to the Fund. These include staff, accommodation and IT costs.

h) Oversight and Governance Costs

All oversight and governance expenses are accounted for on an accruals basis. All staff costs associated with governance and oversight are charged direct to the fund. Associated management and other overheads are apportioned to this activity and charged as expenses to the fund.

i) Investment Management Expenses

All investment management expenses are accounted for on an accruals basis. Fund Manager fees are broadly based on the market value of the assets under management and therefore increase or reduce as the value of these investments change. Fees payable to external investment managers and the custodian are in accordance with the contractual agreements with the Fund.

In addition, the Fund has agreements with the following managers that an element of their fee is performance related:

Manager	Asset Class
Janus Henderson Global Investors	Fixed Income
Pantheon	Infrastructure
J.P. Morgan Asset Management	Infrastructure
Equitix	Infrastructure
Stafford International	Timberland
M&G	Fixed Income

	2021-22 £000	2022-23 £000
Performance-related fees	725	1,672

Where an investment managers' fee invoice has not been received by the Net Asset Statement date, an estimate based upon the market value of their mandate as at the end of the year plus any appropriate performance allowance is used for inclusion in the Fund account.

	2021-22 £000	2022-23 £000
Value of invoiced fees based on estimates (excluding performance fees and fee rebates)	3,408	5,019

The cost of obtaining investment advice from external consultants, investment performance measurement, governance and voting and custody is included within management expenses under the relevant heading.

Net Assets Statement

j) Financial assets

Financial assets are included in the net assets statement on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of asset are recognised by the Fund in the Fund Account.

The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the code of practice and IFRS13 (see note 16a). For the purposes of disclosing levels of fair value hierarchy, the fund has adopted the classification guidelines in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

k) Freehold and leasehold properties

The direct freehold property holding was valued as at 31 March 2022. The direct freehold property holding is valued every 3 years at the year-end date in line with the triennial valuation of the Fund. The valuation is performed by independent external valuers on a fair value basis and in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards (9th Edition). The next valuation will be as at 31 March 2025.

l) Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

m) Derivatives

The Fund uses derivative financial instruments to manage its exposure to specific risks arising from its investment activities. The Fund does not hold derivatives for speculative purposes.

Derivative contract assets are fair valued at bid prices and liabilities are fair valued at offer prices. Changes in the fair value of derivative contracts are included in change in market value.

The future value of forward currency contracts is based on market forward exchange rates at the year-end date and determined as the gain or loss that would arise if the outstanding contract were matched at the year-end with an equal and opposite contract.

n) Cash and cash equivalents

Cash comprises cash in hand and demand deposits as arising. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value. Cash and cash equivalents held with the global custodian (Northern Trust) are classified as cash deposits within other investment balances. Operational cash balances managed by the Administering Authority's treasury management operations are disclosed as cash in hand within current assets.

o) Financial liabilities

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the net assets statement on the date the Fund becomes party to the liability. From this date any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

p) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards.

q) As permitted under IAS 26, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statement (note 20).

r) Additional voluntary contributions (AVCs)

The Fund has three appointed providers of AVCs; Prudential, Clerical Medical and Utmost Life and Pensions (previously Equitable Life - a legacy arrangement that is not open to new contributors).

s) AVCs are held by the providers and do not form part of the Fund's assets. These amounts are not included in the main Fund accounts in accordance with Regulation 4 (1) (b) of the Pension Scheme (Management and Investment of Funds) Regulations 2016 but are disclosed as a note only (note 23).

Members participating in these arrangements receive an annual statement at 31 March each year showing the amount held in their account and the movements in the year. Contributions are deducted from member salaries by their employer and paid directly to the AVC providers. AVCs may be used to fund additional retirement benefits or to purchase additional life cover at a level higher than that provided by the main scheme.

Upon retirement the value of an individual AVC account may be used in some or all the following ways depending on the circumstances of the retiring member:

1. Buy an annuity from a third-party provider
2. Buy an annuity within the LGPS
3. Take some of or the entire accumulated AVC fund as cash, if within limits set down in the scheme regulations and by HMRC
4. Under certain specific circumstances buy extra membership within the LGPS (this is a legacy right associated with some members only)

Accounting Standards issued but not yet adopted

- t) The Code of Practice on Local Authority Accounting in the United Kingdom 2022-23 requires the disclosure of information relating to the expected impact of changes that will be required by a new standard that has been introduced but not yet adopted. There are no accounting standards issued but not yet adopted which apply for 2022-23.

Contingent Assets and contingent liabilities

- u) Contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events. Contingent liabilities can also arise in circumstances where a provision would be made, except that it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by the occurrence of future events.

Contingent assets and liabilities are not recognised in the net assets statement but are disclosed by way of narrative in the notes.

4. Critical Judgements in Applying Accounting Policies

Unquoted private equity investments

It is important to recognise the subjective nature of determining the fair value of private equity investments. They are inherently based on forward-looking estimates and judgements involving many factors.

The values of the investment in private equity are based on valuations provided by the general partners to the private equity funds in which Norfolk Pension Fund has invested. These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation guidelines, which follow the valuation principles of IFRS and US GAAP. Cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

Funds managed by HarbourVest are subject to full valuations at 31 March each year. abrtn Capital Partners funds are valued at 31 December and rolled forward for cash flows to 31 March.

	2021-22 £000	2022-23 £000
Value of unquoted private equity	414,125	438,636

Pooled Investment Vehicle – Property/Freehold Property

Pooled investment vehicles are valued at closing bid prices if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the Fund, net of applicable withholding tax.

Pooled property funds and Limited Partnerships in property have derived underlying assets that have been valued by independent external valuers on a fair value basis and generally in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards (9th Edition). The valuation of freehold property is performed by independent external valuers on a fair value basis and in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards (9th Edition).

	2021-22 £000	2022-23 £000
Value of Pooled Investment Vehicle – Property/Freehold Property	522,878	466,424

Infrastructure Equity Pooled Fund

Investments in Pooled Infrastructure Funds are valued using the fair value of the underlying investments. All assets are valued using income or discounted cash flows. Audited valuation is carried out annually and is based on the Limited partnerships are valued at Fair value based on the net asset value ascertained from periodic valuations provided by those controlling the partnership.

	2021-22 £000	2022-23 £000
Value of Infrastructure Equity Pooled Fund	372,010	472,535

Timberland Equity Pooled Fund

Investments in Pooled Timberland Funds are valued using the fair value of the underlying investments. Assets are valued by independent appraisers using comparable asset costs or sales and discounted cash flows. Audited valuations are carried out annually and based on the Fair value of the fund.

	2021-22 £000	2022-23 £000
Value of Timberland Equity Pooled Fund	20,502	56,976

Pooled Illiquid Closed-Ended Debt Funds

Pooled investment vehicle is valued at closing bid prices if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income, which is reinvested in the Fund, net of applicable withholding tax. The credit fund is valued monthly on a Net Asset Value basis. The five debt funds are valued quarterly on a Net Asset Value basis.

	2021-22 £000	2022-23 £000
Value of Pooled Illiquid Closed-Ended Debt Funds	167,100	167,852

Pension fund liability

The pension fund liability is calculated every three years by the appointed actuary. The assumptions underpinning the valuations are agreed with the actuary and are summarised in note 19. In accordance with IAS26 the Fund is also required to disclose on an annual basis the actuarial present value of promised retirement benefits (see note 20). Actuarial methodology used in triennial valuations is different from that used

in IAS26, therefore they will produce different liability values at a common valuation date.

The liability estimates in notes 19 and 20 are subject to significant variances based on changes to the underlying assumptions and actual future experience related to the development of pension liabilities.

5. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

- i) The preparation of financial statements requires the Administering Authority to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates

The key judgements and uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Item	Uncertainties	Effect if actual results differ from assumptions															
Actuarial present value of promised retirement benefits (measured under IAS26)	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the	<p>CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the liabilities are set out below:</p> <table border="1"> <thead> <tr> <th>Sensitivity to the assumptions for the year ended 31 March 2023</th> <th>Approximate % increase to liabilities</th> <th>Approximate monetary amount (£m)</th> </tr> </thead> <tbody> <tr> <td>0.1% p.a. increase in the Pension Increase Rate</td> <td>2%</td> <td>£88m</td> </tr> <tr> <td>1 year increase in member life expectancy</td> <td>4%</td> <td>£195m</td> </tr> <tr> <td>0.1% p.a. increase in the Salary Increase Rate</td> <td>0%</td> <td>£8m</td> </tr> <tr> <td>0.1% p.a. decrease in the Real Discount Rate</td> <td>2%</td> <td>£80m</td> </tr> </tbody> </table>	Sensitivity to the assumptions for the year ended 31 March 2023	Approximate % increase to liabilities	Approximate monetary amount (£m)	0.1% p.a. increase in the Pension Increase Rate	2%	£88m	1 year increase in member life expectancy	4%	£195m	0.1% p.a. increase in the Salary Increase Rate	0%	£8m	0.1% p.a. decrease in the Real Discount Rate	2%	£80m
Sensitivity to the assumptions for the year ended 31 March 2023	Approximate % increase to liabilities	Approximate monetary amount (£m)															
0.1% p.a. increase in the Pension Increase Rate	2%	£88m															
1 year increase in member life expectancy	4%	£195m															
0.1% p.a. increase in the Salary Increase Rate	0%	£8m															
0.1% p.a. decrease in the Real Discount Rate	2%	£80m															

Item	Uncertainties	Effect if actual results differ from assumptions
	assumptions to be applied.	
Private Equity	<p>Private equity investments are valued at fair value in accordance with appropriate standards and guidance. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.</p>	<p>The total private equity investments in the financial statements are £438.6m. There is a risk that this investment may be under or overstated in the accounts.</p> <p>Generally, these investments are valued a minimum of a quarter in arrears. Actual valuations as at 31 March 2023 for all HarbourVest private equity investments have been used in the accounts.</p> <p>Estimated valuations (valued at 31 December 22 and rolled forward for cash flows to 31 March 23) for abrdn Capital Partners have been used in the accounts.</p>
Pooled Property/Freehold Property	<p>Pooled investment vehicles are valued at closing bid prices if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also</p>	<p>The total pooled property/freehold property investments in the financial statements are £466.4m. There is a risk that this investment may be under or overstated in the accounts.</p>

Item	Uncertainties	Effect if actual results differ from assumptions
	<p>includes income which is reinvested in the Fund, net of applicable withholding tax. For freehold property the valuation is performed by independent external valuers on a fair value basis and in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards (9th Edition).</p>	
<p>Pooled Infrastructure Equity</p>	<p>Investments in Pooled Infrastructure Funds are valued using the fair value of the underlying investments. All assets are valued using income or discounted cash flows. Audited valuation is carried out</p>	<p>The total Pooled Infrastructure Equity investments in the financial statements are £472.5m. There is a risk that this investment may be under or overstated in the accounts.</p>

Item	Uncertainties	Effect if actual results differ from assumptions
	<p>annually and is based on the Limited partnerships are valued at Fair value based on the net asset value ascertained from periodic valuations provided by those controlling the partnership.</p>	
<p>Timberland Equity Pooled Fund</p>	<p>Investments in Pooled Timberland Funds are valued using the fair value of the underlying investments. Assets are valued by independent appraisers using comparable asset costs or sales and discounted cash flows.</p> <p>Audited valuations are carried out annually and based on the</p>	<p>The total Pooled Timberland Equity investments in the financial statements are £57.0m. There is a risk that this investment may be under or overstated in the accounts.</p>

Item	Uncertainties	Effect if actual results differ from assumptions
	Fair value of the fund.	
Pooled Illiquid Closed-Ended Debt Funds	<p>Pooled investment vehicle is valued at closing bid prices if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the Fund, net of applicable withholding tax. The credit fund is valued monthly on a Net Asset Value basis. The three debt funds are valued quarterly on a Net Asset Value basis.</p>	<p>The total Pooled Debt Fund investments in the financial statements are £167.9m. There is a risk that this investment may be under or overstated in the accounts.</p>

Having analysed historical data and current market trends, and consulted with independent investment advisors, the fund has determined that the valuation methods described above are likely to be accurate to within the following ranges as at 31 March.

Pooled Property/Direct Freehold Property	10.00%
Private Equity	15.00%
Pooled Infrastructure Equity	10.00%
Pooled Timberland Equity	10.00%
Pooled Debt Funds	10.00%
Pooled Real Estate Funds	12.00%

Full details of the impact on asset values are detailed in note 16.

6. Events after the Net Asset Statement Date

There have been no events since 31 March 2023, and up to the date when these accounts were authorised, which require any adjustments to these accounts.

7. Contributions Receivable

By Category

2021-22		2022-23
£000		£000
133,823	Employers – normal	145,201
70	Employers – special	0
824	Employers – strain	1,564
34,527	Members – normal	37,797
566	Members – purchase of additional scheme benefits	396
169,810		184,958

Employer Normal contributions include Deficit recovery (Secondary) contributions as shown below. Where applicable the actuarial certification of the employers' contribution rate includes an element in respect of secondary contributions.

2021-22		2022-23
£000		£000
38,546	Deficit recovery (Secondary) contribution included in employer normal contributions	38,730
38,546		38,730

Special contributions represent amounts paid by employers in excess of the minimum contribution levels required by the Actuary (in the Rates and Adjustment Certificate to the applicable triennial valuation) and to termination settlements agreed by scheduled bodies ceasing participation in the Fund. They do not relate to augmentation and strain arising on non ill-health early retirements.

Pension benefits are funded to be paid from normal retirement age. If any employee is allowed to take their pension benefits early this places an additional cost (strain) on the Pension Fund. Employers are required to reimburse the Pension Fund in respect of the "strain costs" arising from an employee taking early retirement. In some cases, the cost can be paid in full at the date of retirement or by instalments over 3 years in which case interest is added.

By Authority

2021-22 £000		2022-23 £000
72,799	Administering authority	79,513
78,252	Other scheduled bodies	87,659
4,350	Community admission bodies	4,495
2,592	Transferee admission bodies	2,652
11,817	Resolution bodies	10,639
169,810		184,958

The LGPS provides scope for employers to award additional years of membership on retirement. If an employer opts to award augmented membership, the employer is required to purchase the additional period from the Pension Fund. Again, in some cases the cost can be paid in one instalment or over 3 years with an appropriate interest adjustment.

The outstanding instalments due after 31 March were:

2021-22 £000		2022-23 £000
1	Strain instalments due after the Net Asset Statement date	68
1		68

The debtors figure for augmentation/strain due in note 21 comprises the total of these balances plus the outstanding invoiced balances in respect of augmentation/strain due from Fund employers at 31 March 2023.

8. Transfers In From Other Pension Funds

2021-22 £000		2022-23 £000
0	Group transfers	0
7,819	Individual transfers	11,626
7,819		11,626

There were no group transfers in 2022-23. The individual transfers figure represents the payments received by the Fund in relation to individual members' transfers of benefit into the Fund from other pension arrangements.

9. Benefits Payable

By Category

2021-22 £000		2022-23 £000
129,561	Pensions	137,276
21,194	Commutation and lump sum retirement benefits	20,599
4,261	Lump sum death benefits	2,899
155,016		160,774

By Authority

2021-22 £000		2022-23 £000
70,286	Administering authority	72,099
58,209	Other scheduled bodies	60,674
7,329	Community admission bodies	7,397
4,162	Transferee admission bodies	4,840
15,030	Resolution bodies	15,764
155,016		160,774

10. Payments To and On Account of Leavers

2021-22 £000		2022-23 £000
3,686	Group transfers	0
355	Refunds to members leaving service	441
8,607	Individual transfers	6,442
12,648		6,883

There were no Group Transfers in 2022-23 (Otley College Suffolk in 2021-22).

11. Management Expenses

Pension Fund management expenses for 2022-23 are accounted for in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Costs.

Note 11 Management Expenses now includes fund administration costs, oversight and governance costs (previously included with the fund administration cost figure) and investment management expenses (including Transaction Costs previously included in investment Purchases and Sales).

2021-22 £000		2022-23 £000
2,111	Administrative costs	2,163
23,743	Investment management expenses	25,782
906	Oversight and governance costs	1,022
26,760		28,967

The Local Government Pension Scheme Regulations enables administration expenses (including Oversight and Governance) to be charged to the Fund.

11a. Investment Expenses

	31 March 2023 Total £000	Management Fees £000	Performance Related Fees £000	Transaction Costs £000
Fixed Interest Securities	0	0	0	0
Pooled Investments	9,731	9,675	-117	173
Private equity	5,250	5,250	0	0
Infrastructure (Incl. Timberland)	6,848	5,059	1,789	0
Direct Freehold Property	37	37	0	0
Derivatives forward Currency	908	908	0	0
	22,774	20,929	1,672	0
Fees and Other expenses	2,987			
	21			
Custody fees				
Total	25,782			

RESTATED	31 March 2022 Total £000	Management Fees £000	Performance Related Fees £000	Transaction Costs £000
Fixed Interest Securities	0	0	0	0
Pooled Investments	10,685	9,872	694	119
Private equity	5,439	5,439	0	0
Infrastructure (Incl. Timberland)	3,815	3,784	31	0
Direct Freehold Property	25	25	0	0
Derivatives forward Currency	1,310	1,310	0	0
	21,274	20,430	725	119
Fees and Other expenses	2,435			
Custody fees	34			
Total	24,743			

12. Investment Income

2021-22 £000		2022-23 £000
617	Income from fixed interest securities	185
38	Income from index linked securities	140
18,389	Pooled Property investments	19,277
45,217	Pooled fund income - unit trusts and other managed funds	49,389
483	Private equity income	1,167
4,791	Pooled funds rebate	2,363
19	Interest on cash deposits	1,413
55	Rents from Property (note 12a)	57
28	Other	388
69,637		74,379

12a. Property Income

2021-22 £000		2022-23 £000
55	Rental income	57
-25	Direct operating expenses	-37
30	Net income	20

13. Other Fund Disclosures

13a. Taxes on Income

2021-22 £000		2022-23 £000
25	Withholding tax – pooled investments	1
25		1

13b. External Audit costs

2021-22 £000		2022-23 £000
72	Payable in respect of external Audit	86
72		86

14. Investments

Market Value 31 March 2022 £000		Market Value 31 March 2023 £000
	Investment assets	
65,047	Fixed Interest Securities	59,970
3,853,238	Pooled Investments	3,833,172
521,833	Pooled property investments	465,378
414,125	Private equity Partnerships	438,637
1,046	Direct Freehold Property	1,046
4,536	Derivatives – forward currency	7,875
36,160	Cash deposits	48,546
5,016	Amounts receivable for sales	0
4,901,001	Total investment assets	4,854,624
	Investment liabilities	
-9,831	Derivatives - forward currency	-846
0	Amounts payable for purchases	0
-9,831	Total investment liabilities	-846
4,891,170	Net investment assets	4,853,778

14a. Reconciliation of Movements in Investments and Derivatives 2022-23

	Market value 31 March 2022 £000	Purchases during the year and derivative payments £000	Sales during the year and derivative receipts £000	Change in market value during the year £000	Market value 31 March 2023 £000
Fixed Interest Securities	65,047	15,738	-5,073	-15,742	59,970
Pooled property investments	521,833	26,413	-20,470	-62,398	465,378
Pooled investments	3,853,238	411,548	-380,981	-50,633	3,833,172
Private equity	414,125	82,419	-64,301	6,394	438,637
Direct Freehold Property	1,046	0	0	0	1,046
	4,855,289	536,118	-470,825	-122,379	4,798,203
Derivative contracts:					
- Forward currency contracts	-5,295	92,610	-85,523	5,237	7,029
	-5,295	92,610	-85,523	5,237	7,029
Other investment balances:					
- Cash deposits	36,160			0	48,546
- Amount receivable for sales of investments	5,016			2,156	0
- Amount payable for purchases of investments	0			0	0
Net investment assets	4,891,170			-114,986	4,853,778

14a. Reconciliation of Movements in Investments and Derivatives 2021-22

	Market value 31 March 2021 £000	Purchases during the year and derivative payments £000	Sales during the year and derivative receipts £000	Change in market value during the year £000	Market value 31 March 2022 £000
Fixed Interest Securities	65,088	33,334	-32,824	-551	65,047
Pooled property investments	409,086	81,252	-33,362	64,857	521,833
Pooled investments	3,590,011	261,682	-154,255	155,800	3,853,238
Private equity	353,184	57,970	-108,872	111,843	414,125
Direct Freehold Property	1,210	0	0	-164	1,046
	4,418,579	434,238	-329,313	331,785	4,855,289
Derivative contracts:					
- Forward currency contracts	-447	53,290	-54,040	-4,098	-5,295
	-447	53,290	-54,040	-4,098	-5,295
Other investment balances:					
- Cash deposits	82,133			3,477	36,160
- Amount receivable for sales of investments	0			0	5,016
- Amount payable for purchases of investments	-1,000			1,102	0
Net investment assets	4,499,265			332,266	4,891,170

14a. Transaction Costs

Transaction costs are included in the cost of purchases and in sale proceeds. These include costs charged directly to the Fund, such as fees, commissions, stamp duty and other fees. In addition to these costs, indirect costs are incurred through the bid-offer spread on investments within pooled investments.

Transaction costs incurred during 2022-23	<u>173,000</u>
Transaction costs incurred during 2021-22	<u>119,000</u>

14b. Investments Analysed by Fund Manager

Market Value 31 March 2022			Market Value 31 March 2023	
£000	%		£000	%
Investments Managed by the ACCESS Pool (Link Fund Solutions)				
719,188	14.70%	LF ACCESS Global Equity (ex UK) Fund	709,657	14.62%
432,717	8.85%	LF ACCESS Globe Equity Capital Fund	414,417	8.54%
303,451	6.20%	LF ACCESS Globe Equity Mondrian Fund	299,388	6.17%
294,676	6.02%	LF ACCESS UK Equity Core Fund	290,236	5.98%
		LF ACCESS Janus Henderson MAC	291,517	6.01%
		LF ACCESS Global Alpha Paris Aligned	191,941	3.95%
1,750,032	35.77%		2,197,156	45.27%
Investments Managed outside of the ACCESS Pool				
585,867	11.98%	Janus Henderson Global Investors	235,067	4.84%
531,532	10.87%	LaSalle Investment Management	477,999	9.85%
437,423	8.94%	M&G – (Incl. Infracapital)	458,289	9.44%
408,700	8.36%	HarbourVest Partners	441,607	9.10%
310,701	6.35%	UBS	116,250	2.40%
173,826	3.55%	Insight Investment **	179,060	3.69%
171,919	3.51%	Capital International Limited	179,769	3.70%
169,495	3.47%	J.P. Morgan Asset Management	216,058	4.45%
114,613	2.34%	Equitix	134,018	2.76%
80,332	1.64%	Goldman Sachs Asset Management	0	0.00%
42,985	0.88%	AVIVA Investors	44,953	0.93%

38,295	0.78%	Pantheon	50,062	1.04%
29,230	0.60%	Global Custodian*	35,565	0.73%
25,052	0.51%	abrdrn Capital Partners	30,409	0.63%
20,858	0.43%	Stafford Capital Partners	56,976	1.17%
310	0.02%	Berenberg Bank**	0	0.00%
3,141,138	64.23%		2,656,662	54.73%
4,891,170	100.00%		4,853,778	100%

All the above companies are registered in the United Kingdom.

* The assets held by the Global Custodian(s) represent cash held in money market funds primarily to meet the cash flow requirements of the Fund's private markets programme.

**Currency hedging contracts in respect of the Fund's overseas equity holdings are reported in the Insight Investment and Berenberg Bank holdings. The market value of the contracts could represent a payable or receivable. The Insight Investment holding includes the Fixed Interest Securities (Gilts).

The following Investments Representing More Than 5% of the Net Assets of the Scheme as at 31 March 2023

Security	Market Value 31 March 2022 £000	Percentage of total fund %	Market Value 31 March 2023 £000	Percentage of total fund %
LF ACCESS Global Equity (ex UK) Fund	719,188	14.6	709,657	14.6
LF ACCESS Globe Equity Capital Fund	432,717	8.8	414,417	8.5
LF ACCESS Globe Equity Mondrian Fund	303,451	6.2	299,388	6.1
M&G Alpha Opportunities Fund	283,328	5.8	293,505	6.0
LF ACCESS Janus Henderson MAC			291,517	6.0
LF ACCESS UK Equity Core Fund	294,676	6.0	290,236	6.0

During the year there were no individual investment (a single security) exceeding 5% of the total value of the net assets. Six pooled holdings (seven in 2021-22) represent over 5% of the total value of the net assets of the scheme. Each holding is a pooled investment vehicle and comprises the following:

- As at 31 March 2023 the LF ACCESS Global Equity ex UK A INC fund held 203 (206) stocks.
- As at 31 March 2023 the M&G Alpha Opportunities Fund has 550 (539) individual issues, across 396 (433) issuers.
- As at 31 March 2023 the Link Fund Sol Ltd Janus Henderson Multi Asset Credit Fund held 387 individual issues from issuers 312 (not held as at 31 March 2022).
- As at 31 March 2023 the Link Fund Sol Ltd Access UK Equity Core A Inc fund held 57 (57) stocks.
- As at 31 March 2023 the Link Fund Sol Ltd Access Globe Eq Mondrian A Inc fund held 47 (45).
- As at 31 March 2023 the Link Fund Sol Ltd Access Globe Equity Cap A Inc fund held 295 (303).

14d. Property Holdings

Details of the Funds directly owned freehold properties are as follows:

Year Ending 31 March 2022 £000		Year Ending 31 March 2023 £000
1,210	Opening balance	1,046
0	Additions	0
0	Disposals	0
0	Net increase in market value	0
-164	Other changes in fair value	0
1,046	Closing balance	1,046

There are no restrictions on the realisability of the property or the remittance of income or proceeds on disposal and the Fund is not under any contractual obligations to purchase, construct or develop the property. Nor does it have any responsibility for any repairs, maintenance or enhancements relating to properties that are occupied.

15. Analysis of Derivatives

Objectives and policies for holding derivatives

The holdings in derivatives are to hedge exposures to reduce risk in the Fund. The use of derivatives is managed in line with the investment management agreements between the Fund and the investment managers holding mandates that permit the use of these instruments.

a) Futures

Futures contracts are exchange traded contracts to buy or sell a standard quantity of a specific asset at a pre-determined future date. The economic exposure represents the notional value of stock purchased under futures contracts and is therefore subject to market movements.

The Fund has also authorised the use of futures by Janus Henderson to assist in meeting the investment objectives that they have been set. Janus Henderson did not hold any futures contracts in its portfolio at 31 March 2023 (2022 nil).

b) Forward foreign currency

In order to maintain appropriate diversification and to take advantage of overseas investment opportunities, a significant proportion of the Fund's quoted equity portfolio is in overseas stock markets. To reduce the volatility associated with fluctuating currency rates, the Fund has a currency hedging programme in place, managed by Insight Investment.

The Fund also requires LaSalle to hedge 100% of the currency exposure arising from its discretionary (off-benchmark) investments in global (ex-UK) property funds. This hedging activity covers US Dollar, Euro, and Australian Dollar exposures. In addition to these mandate positions short term contracts may also arise in portfolios investing in non-Sterling denominated assets as a consequence of the need to settle transactions in foreign currencies. These tend to be shorter term contracts than those undertaken for other purposes but settlement may span the balance sheet date.

15a. Open forward currency contracts

Settlement	Currency bought	Local value 000	Currency sold	Local value 000	Asset value £000	Liability value £000
Up to one month	GBP	34,014	AUD	-59,255	1,905	0
Up to one month	GBP	23,134	EUR	-26,187	104	0
Up to one month	GBP	544	JPY	-86,719	16	0
Up to one month	GBP	6,678	USD	-8,284	0	-19
Between one & three months	GBP	17,691	EUR	-19,880	193	0
Between one & three months	GBP	244,491	JPY	-39,058,300	5,657	0
Between one & three months	JPY	11,563,700	GBP	-71,537	0	-827
Open forward currency contracts at 31 March 2023					7,875	-846
Net forward currency contracts at 31 March 2023						7,029
Prior year Comparative						
Open forward currency contracts at 31 March 2022					4,536	-9,831
Net forward currency contracts at 31 March 2022						-5,295

16. Fair Value – Basis of Valuation

The basis of the valuation of each class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

Description of Asset	Valuation Hierarchy	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Equities	Level 1	The value of an investment for which there is a readily available market price is determined by the bid market price ruling on the final day of the accounting period.	Not required	Not required
UK Gilts and Quoted Bonds	Level 1	Fixed interest securities are valued at a market value based on current yields.	Not required	Not required
FX	Level 1	Market forward exchange rates at the year-end.	Exchange rate risk	Not required
Equity Futures	Level 1	Published exchange prices at year end.	Not required	Not required
Pooled Investment Vehicle – Equity and Debt	Level 2	Valued at closing bid prices if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the Fund, net of applicable withholding tax.	The valuation is undertaken by the investment manager or responsible entity and advised as a unit or security price. Observable inputs are used. The valuation standards followed in these valuations adhere to industry guidelines or to standards set by the constituent documents of the pool or the management agreement.	Not required

Description of Asset	Valuation Hierarchy	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Pooled Investment Vehicle - Property	Level 3	Pooled investment vehicles are valued at closing bid prices if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the Fund, net of applicable withholding tax.	<p>Investments in unquoted property pooled funds are valued at the net asset value or a single price advised by the fund manager.</p> <p>Pooled property funds and Limited Partnerships in property have derived underlying assets that have been valued by independent external valuers on a fair value basis and generally in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards (9th Edition).</p>	Valuations could be affected by Material events.
Direct Freehold Property	Level 3	The valuation is performed by independent external valuers on a fair value basis and in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards (9th Edition)	<p>Existing lease terms and rentals;</p> <p>Independent market Research;</p> <p>Nature of tenancies;</p> <p>Covenant strength for existing tenants;</p> <p>Assumed vacancy Levels;</p> <p>Estimated rental Growth;</p> <p>Discount rate.</p>	<p>Significant changes in rental growth, vacancy levels or the discount rate could affect valuations as could more general changes to market prices.</p>

Private Equity	Level 3	<p>Investments in private equity funds and unquoted listed partnerships are valued based on the Fund's share of the net assets in the private equity fund or limited partnership using the latest financial statements published by the respective fund managers in accordance with the appropriate industry guidelines.</p> <p>Limited partnerships are valued at Fair value based on the net asset value ascertained from periodic valuations provided by those controlling the partnership.</p>	<p>Observable inputs are subject to judgment by the respective manager but are applied in accordance with the appropriate industry guidelines.</p>	<p>Valuations could be affected by Material events occurring between the date of the financial statements provided and the Pension fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts.</p>
Infrastructure Equity Pooled Fund	Level 3	<p>Investments in Pooled Infrastructure Funds are valued using the fair value of the underlying investments.</p> <p>Assets are valued using income or discounted cash flows.</p> <p>Audited valuations are carried out annually and based on the Limited partnerships valued at Fair value or based on the net asset value ascertained from periodic valuations provided by those</p>	<p>Unobservable inputs are subject to judgment by the respective manager but are applied in accordance with the appropriate industry guidelines.</p>	<p>Valuations could be affected by Material events occurring between the date of the financial statements provided and the Pension fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts.</p>

		controlling the partnership.		
Timberland Equity Pooled Fund	Level 3	<p>Investments in Pooled Timberland Funds are valued using the fair value of the underlying investments.</p> <p>Assets are valued by independent appraisers using comparable asset costs or sales and discounted cash flows.</p> <p>Audited valuations are carried out annually and based on the Fair value of the fund.</p>	<p>Observable inputs are subject to judgment by the respective manager but are applied in accordance with the appropriate industry guidelines.</p>	<p>Valuations could be affected by Material events occurring between the date of the financial statements provided and the Pension fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts.</p>
Pooled Debt Funds – Credit	Level 3	<p>The fund is valued monthly on a Net Asset Value basis.</p>	<p>The Fund primarily invest in Asset Backed Securities (ABS) and ABS securities issued by special purpose which are collateralised primarily by a portfolio that includes commercial and industrial bank loans ("CLO").</p> <p>The portfolio is valued using a number of unobservable inputs, such as internal credit ratings for internally-valued instruments (valued by the AIFM), which is used when deciding the comparable public bonds for the discount rate calculation, and single broker quotes for CLO instruments.</p>	<p>Valuations could be affected by Material events occurring between the date of the financial statements provided and the Pension fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts.</p>
Pooled Debt Funds – Special Situations	Level 3	<p>The funds are valued quarterly on a Net Asset Value basis.</p>	<p>The funds primarily invest in debt and equity instruments that have or are in the process of being restructured, covering both public and private instruments.</p>	<p>Valuations could be affected by Material events occurring between the date of the financial statements</p>

			<p>The portfolios are valued primarily using unobservable inputs due to the large weighting to private instruments. Unobservable inputs include but are not limited to discount rates, valuation multiples and land valuations.</p>	<p>provided and the Pension fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts.</p>
Pooled Debt Funds – Real Estate Debt	Level 3	The funds are valued quarterly on a Net Asset Value basis.	<p>The fund primarily invests in private junior loans that are secured against real estate assets.</p> <p>The primary unobservable input within the valuations is the internal credit rating, which is used when deciding the comparable public bonds for the discount rate calculation.</p>	<p>Valuations could be affected by Material events occurring between the date of the financial statements provided and the Pension fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts.</p>

Sensitivity of assets valued at Level 3

Having analysed historical data and current market trends, and consulted with independent investment advisors, the Fund has determined that the valuation methods described above are likely to be accurate to within the following ranges and has set out below the potential impact on the closing value of investments held at 31 March 2023.

Description of Asset	Assessed Valuation Range (+/-)	Value at 31 March 2023 £'000	Value on Increase £'000	Value on Decrease £'000
Pooled Property/Direct Freehold Property	10.00%	466,424	513,066	419,781
Private Equity	15.00%	438,637	504,432	372,841
Pooled Infrastructure Equity	10.00%	472,535	519,788	425,81
Pooled Timberland Equity	10.00%	56,976	62,674	51,278
Pooled Private Debt/Credit Funds	10.00%	132,348	145,583	119,114
Pooled Real Estate Debt Fund	12.00%	35,504	39,764	31,243
Net Investment Assets		1,602,424	1,785,307	1,419,538

The potential movement of +/- 10.00% for Pooled Property/Direct Freehold Property represents a combination of factors, the key one is market prices, which is derived from other factors, such as vacancy levels, rental movements and the discount rate.

Private Equity, Pooled Infrastructure Equity and Pooled Timberland Equity unrealised investments are typically valued in accordance with fair market value principles set out in the valuation policy and applicable valuation guidelines set out in international accounting standards. Actual realised returns on unrealised investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale. Accordingly, the actual valuations on these unrealised investments may differ materially from those indicated and could be up to 10.00% for Infrastructure, Timberland and Private Debt/Credit Funds, 6% for Real Estate Debt Funds and 15.00% for Private Equity investments (or higher or lower).

Description of Asset	Assessed Valuation Range (+/-)	Value at 31 March 2022 £'000	Value on Increase £'000	Value on Decrease £'000
Pooled Property/Direct Freehold Property	10.00%	522,879	575,166	470,591
Private Equity	15.00%	414,125	476,244	352,007
Pooled Infrastructure Equity	10.00%	372,010	409,211	334,809
Pooled Timberland Equity	10.00%	20,502	22,553	18,452
Pooled Private Debt/Credit Funds	10.00%	134,422	147,864	120,980
Pooled Real Estate Debt Fund	6.00%	32,677	34,638	30,717
Net Investment Assets		1,496,615	1,665,676	1,327,556

16a. Fair Value Hierarchy

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1

Financial instruments at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.

Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments would include unquoted equity investments and fund of funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into Levels 1 to 3, based on the level at which the fair value is observable:

Fair Value Hierarchy

Values at 31 March 2023	Quoted market price Level 1 £000	Using observable inputs Level 2 £000	With significant unobservable inputs Level 3 £000	Total £000
Investment assets				
Fixed interest securities	59,970	0	0	59,970
Pooled investments	0	3,135,809	697,363	3,833,172
Pooled property investments	0	0	465,378	465,378
Private equity partnerships	0	0	438,637	438,637
Derivatives - forward currency	7,875	0	0	7,875
Cash deposits	48,546	0	0	48,546
Total Investment Assets	116,391	3,135,809	1,601,378	4,853,578
Non-Financial assets at fair value through profit and loss				
Direct Freehold Property	0	0	1,046	1,046
Financial liabilities at fair value through profit and loss				
Derivatives - forward currency	-846	0	0	-846
Net Investment Assets	115,545	3,135,809	1,602,424	4,853,778

Values at 31 March 2022	Quoted market price Level 1 £000	Using observable inputs Level 2 £000	With significant unobservable inputs Level 3 £000	Total £000
Investment assets				
Fixed interest securities	65,047	0	0	65,047
Pooled investments	0	3,293,626	559,612	3,853,238
Pooled property investments	0	0	521,833	521,833
Private equity partnerships	0	0	414,125	414,125
Derivatives - forward currency	4,536	0	0	4,536
Cash deposits	36,160	0	0	36,160
Amounts receivable for sales	5,016	0	0	5,016
Total Investment Assets	110,759	3,293,626	1,495,570	4,899,955
Non-Financial assets at fair value through profit and loss				
Direct Freehold Property	0	0	1,046	1,046
Financial liabilities at fair value through profit and loss				
Derivatives - forward currency	-9,831	0	0	-9,831
Net Investment Assets	100,928	3 293 627	1,496,616	4 891,170

16b. Transfers between Levels 1 and 2

There were no transfers between Level 1 and 2 in 2022-23 (no transfers during 2021-22).

During the year five new investments were made and classified as Level 3 in accordance with the classification guidelines in the Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

16c. Reconciliation of Fair Value Measurements within Level 3

	Pooled Property/ Freehold Property	Private Equity	Infrastructure Pooled Fund	Timberland Pooled Fund	Pooled Illiquid Closed- Ended Debt Funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Market value 1 April 2022	522,879	414,125	372,010	20,502	167,100	1,496,616
Transfers into Level 3	0	0	0	0	0	0
Transfers out of Level 3	0	0	0	0	0	0
Purchases during the year and derivative payments	26,413	82,419	89,008	31,288	24,864	253,992
Sales during the year and derivative receipts	-20,470	-64,301	-41,396	-275	-17,876	-144,318
Unrealised gains/losses	4,713	30,565	2,985	0	451	38,714
Realised gains/losses	-67,111	-24,171	49,928	5,461	-6,687	-42,580
Market value 31 March 2023	466,424	438,637	472,535	56,976	167,852	1,602,424

Unrealised and realised gains and losses are recognised in the changes in value of investments line of the fund account

	Pooled Property/ Freehold Property	Private Equity	Infrastructure Pooled Fund	Timberland Pooled Fund	Pooled Illiquid Closed- Ended Debt Funds (Restated)	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Market value 1 April 2021	410,296	353,184	261,144	12,504	139,679	1,176,807
Transfers into Level 3	0	0	0	0	0	0
Transfers out of Level 3	0	0	0	0	0	0
Purchases during the year and derivative payments	81,252	57,970	105,265	4,770	12,695	261,952
Sales during the year and derivative receipts	-33,362	- 108,872	-18,879	-273	-6,803	-168,189
Unrealised gains/losses	-6,789	59,799	1,079	0	0	54,089
Realised gains/losses	71,482	52,044	23,401	3,501	21,529	171,957
Market value 31 March 2022	522,879	414,125	372,010	20,502	167,100	1,496,616

The Fund reclassified a Direct Lending Fund from Private Equity into Pooled Illiquid Closed-Ended Debt Funds during the 2021-22 financial year. Unrealised and realised gains and losses are recognised in the changes in value of investments line of the fund account.

17. Financial Instruments

17a. Financial Instruments – Classification

Fair value through profit and loss £000	31-Mar-21	Liabilities at amortised cost £000		Fair value through profit and loss £000	31-Mar-22	Liabilities at amortised cost £000
	Assets amortised at cost £000				Assets amortised at cost £000	
			Financial assets			
65,047			Fixed Interest Securities	59,970		
3,853,238			Pooled Investments	3,833,172		
521,833			Pooled Property	465,378		
414,125			Private equity	438,637		
4,536			Derivative contracts	7,875		
	46,510		Cash		56,723	
7,893			Other investment balances	855		
	67		Debtors		111	
4,866,672	46,577	0		4,805,886	56,834	0
			Financial liabilities			
-9,831			Derivative contracts	-846		
		-3,972	Creditors			-3,291
0			Other Investment Balances	0		
-9,831	0	-3,972		-846	0	-3,290
4,856,841	46,577	-3,972		4,805,040	56,834	-3,291

17b. Net Gains and Losses on Financial Instruments

31 March 2022 £000		31 March 2023 £000
Financial assets		
390,567	Fair value through profit and loss	-34,700
0	Assets amortised at cost	0
Financial liabilities		
-58,137	Fair value through profit and loss	-80,286
0	Liabilities at amortised cost	0
332,430	Total	-114,986
Reconciliation to Revenue and Fund Account - Profit and losses on disposal of investments and changes in the market value of investments		
-164	Direct Freehold Property Holding - Not classified as a financial Instrument	0
332,266		-114,986

In accordance with our accounting policies, financial assets and liabilities are included in the accounts on a fair value basis. The Authority has not entered into any financial guarantees that are required to be accounted for as financial instruments.

18. Nature and Extent of Risks Arising from Financial Instruments

Risk and risk management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. As there is an essential contradiction in these two aims the investment strategy aims to achieve an acceptable overall balance between "risk and reward." The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Fund manages these investment risks as part of its overall risk management programme.

Responsibility for the Fund's risk management and investments strategies rests with the Pension Fund Committee. Risk management policies are established to identify and analyse the risks faced by the council's pensions operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

18a. Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objectives of the Fund's risk management strategy are to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return at a given level of risk.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities.

Other Price Risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investment presents a risk of loss of capital. Except for shares sold short, the maximum risk

resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short are unlimited but restrictions are in place on managers undertaking this activity.

The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored by the council to ensure it is within limits specified in the Fund's investment strategy.

Other Price Risk - Sensitivity Analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the Fund's performance monitoring advisor, the Fund has determined that the following movements in market price risk are reasonably possible for the 2022-23 reporting period:

Asset Type	Potential Market Movements (+/-) %
Short Index-Linked Gilts	4.1
Long Index-Linked Gilts	8.9
UK Equities including pooled	18.2
Overseas Equities including pooled	19.0
Infrastructure Equity	16.0
UK Bonds including pooled	6.0
Index Linked Gilts including pooled	8.9
Bonds including pooled	7.8
Cash and Cash Equivalents (Including Payables and Receivables)	0.3
Pooled Property Investments/Direct Freehold Property	15.5
Private Equity	31.2
Private Debt	9.6
Timberland Equity	16.0
Total*	12.0

* The total % and value on increase/decrease totals are an aggregate across all asset classes and is applied to the assets in the Fund available to pay pensions benefits to illustrate sensitivity.

The potential price changes disclosed above are broadly consistent with a one-standard deviation movement in the value of the assets. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Had the market price of the Fund's investments increased/decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows (the prior year comparator is also shown below):

Asset Type	Value as at 31 March 2023 £000	Percentage Change %	Value on Increase £000	Value on Decrease £000
Cash and Cash Equivalents including payables and receivables	55,576	0.3	55,743	55,409
Investment Portfolio Assets:				
Short Index-Linked Gilts	22,955	4.1	23,896	22,014
Long Index-Linked Gilts	6,749	8.9	7,350	6,148
UK Equities including pooled	406,486	18.2	480,466	332,506
Overseas Equities including pooled	1,615,404	19.0	1,922,331	1,308,477
Infrastructure Equity	472,535	16.0	548,141	396,929
UK Bonds including pooled	610,018	6.0	646,619	573,417
Index Linked Gilts including pooled	30,266	8.9	32,960	27,572
Bonds including pooled	585,022	7.8	630,654	539,390
Pooled Property Investments/ Direct Freehold Property	466,424	15.5	538,720	394,128
Private Equity	438,637	31.2	575,492	301,782
Private Debt	86,730	9.6	95,056	78,404
Timberland	56,976	16.0	66,092	47,860
Total Assets Available to Pay Benefits	4,853,778	12.0	5,436,231*	4,271,325*

* The total % is an aggregate across all asset classes and is applied to the assets in the Fund available to pay pensions benefits to illustrate sensitivity.

Asset Type	Value as at 31 March 2022 £000	Percentage Change %	Value on Increase £000	Value on Decrease £000
Cash and Cash Equivalents including payables and receivables	35 881	0.3	35,989	35,773
Investment Portfolio Assets:				
Short Index-Linked Gilts	23,149	4.1	24,098	22,200
Long Index-Linked Gilts	9,108	9.2	9,946	8,270
UK Equities including pooled	605,377	19.9	725,847	484,907
Overseas Equities including pooled	1,455,356	20.1	1,747,883	1,162,829
Infrastructure Equity	372,010	14.6	426,323	317,697
UK Bonds including pooled	655,117	6.8	699,665	610,569
Index Linked Gilts including pooled	32,789	9.2	35,806	29,772
Bonds including pooled	653,330	7.4	701,676	604,984
Pooled Property Investments/ Direct Freehold Property	522,879	15.0	601,311	444,447
Private Equity	414,125	31.2	543,332	284,918
Private Debt	91,547	9.0	99,786	83,308
Timberland	20,502	14.6	23,495	17,509
Total Assets Available to Pay Benefits	4,891,170	12.1	5,483,002*	4,299,338*

* The total % is an aggregate across all asset classes and is applied to the assets in the Fund available to pay pensions benefits to illustrate sensitivity.

18b Interest Rate Risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's direct exposure to interest rate movements through its gross cash holdings as at 31 March 2022 and 31 March 2023 is set out below. These disclosures present interest rate risk based on the underlying financial assets:

Asset Type	Value as at 31 March 2022 £000	Value as at 31 March 2023 £000
Investment Cash Balances	36,160	48,546
Cash in hand	10,350	8,177
Fixed Interest Securities	65,047	59,970
Total	111,557	116,693

Asset Type	Interest Receivable 31 March 2022 £000	Interest Receivable 31 March 2023 £000
Investment Cash Balances	6	1,053
Cash in hand	13	360
Fixed Interest Securities	654	325
Total	673	1,738

Interest Rate Risk Sensitivity Analysis

The council recognises that interest rates can vary and can affect both income to the Fund and the value of the net assets available to pay benefits. A 100 basis point (BPS) movement in interest rates is consistent with the level of sensitivity applied by the Administering Authority when considering risk in its own treasury management activities.

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 100 BPS (1%) change in interest rates:

Asset Type	Asset values at 31		
	March 2023 £000	Impact of +1% £000	Impact of -1% £000
Investment Cash Balances	48,546	9,031	48,061
Cash in hand	8,177	8,259	8,095
Fixed Interest Bonds	59,970	60,570	59,370
	116,693	117,860	115,526

Asset Type	Asset values at 31		
	March 2022 £000	Impact of +1% £000	Impact of -1% £000
Investment Cash Balances	36,160	36,522	35,798
Cash in hand	10,350	10,454	10,246
Fixed Interest Bonds	65,047	65,697	64,397
	111,557	112,673	110,441

Asset Type	Interest Receivable 31		
	March 2023 £000	Impact of +1% £000	Impact of -1% £000
Investment Cash Balances	1,053	1,064	1,042
Cash in hand	360	364	356
Fixed Interest Bonds	325	328	322
	1,738	1,756	1,720

Asset Type	Interest Receivable 31		
	March 2022 £000	Impact of +1% £000	Impact of -1% £000
Investment Cash Balances	6	6	6
Cash in hand	13	13	13
Fixed Interest Bonds	654	661	647
	673	680	666

In addition, the above interest receivable the fund holds debt pooled fund investments. These are a mix of multi asset credit vehicles including fixed and variable interest rate securities.

18c Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (Sterling). The Fund holds both monetary and non-monetary assets denominated in currencies other than Sterling and Sterling denominated pooled investment vehicles where the underlying assets are denominated in other currencies. As detailed in note 15a the Fund has various hedging strategies in place to reduce the impact of currency volatility on the Fund assets. The table below the page is prepared after consideration of the hedging strategies in place.

Currency Risk Sensitivity Analysis

Following analysis of historical data in consultation with the Fund's performance measurers, the council considers the likely annualised volatility associated with foreign exchange movements to be 9.90% in respect of non-sterling assets including those partially hedged to Sterling but excluding those where full hedging is in place (see note 15b).

This analysis assumes that all other variables, in particular interest rates, remain constant.

A 9.90% strengthening/weakening of the pound against various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows (values shown are for non-Sterling denominated assets were full hedging of currency risk is not in place):

Currency Exposure – Asset Type	Asset Value	Change to net assets	
	as at 31 March 2023 £000	+9.90% £000	-9.90% £000
Overseas Equities (including pooled equity funds where underlying assets are non-Sterling denominated)	1,615,404	159,925	-159,925
Infrastructure	0	0	0
Timberland	56,976	5,641	-5,641
Private Equity	438,637	43,425	-43,425
Change in net assets available to pay benefits		208,991	-208,991

Currency Exposure – Asset Type	Asset Value	Change to net assets	
	as at 31 March 2022 £000	+9.50% £000	-9.50% £000
Overseas Equities (including pooled equity funds where underlying assets are non-Sterling denominated)	1,455,356	138,259	-138,259
Infrastructure	207,791	19,740	-19,740
Timberland	20,502	1,948	-1,948
Private Equity	414,2125	39,342	-39,342
Change in net assets available to pay benefits		199,289	-199,289

18d Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities

In essence, the Fund's entire investment portfolio is exposed to some form of credit risk, with the exception of the derivatives positions, where the risk equates to the net market value of a positive derivative position. However, the selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

Contractual credit risk is represented by the net payment or receipt that remains outstanding, and the cost of replacing the derivative position in the event of a counterparty default. The residual risk is minimal due to the various insurance policies held by the exchanges to cover defaulting counterparties.

Credit risk on over-the-counter derivative contracts is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

Where a direct counterparty relationship exists, cash collateral is posted when the value of unrealised profit due to the Fund exceeds an agreed limit.

Deposits are not made with banks and financial institutions unless they are rated independently and meet the council's credit criteria. Money market funds that are used all have AAA rating from a leading ratings agency.

The non-investment cash holding was managed through the treasury management arrangements of the Administering Authority:

The credit exposure was as follows:

Summary	Short term Rating (S&P) 31 st March 2022	Balances at 31 March 2022 £000	Short term Rating (S&P) 31 st March 2023	Balances at 31 March 2023 £000
Bank Deposit Accounts				
Federated Money Market Fund			AAA	3,990
Aberdeen Money Market Fund	AAA	5,097	AAA	3,991
Barclays Bank Fixed Interest Bearing Call Account	A-1	5,098		
Bank Current Accounts				
Barclays Bank	A-1	155	A-1	196
Total		10,350		8,177

The majority of Custodied Investment cash is swept overnight to the AAA rated constant NAV money market funds of the custodian. The credit exposure on investment cash balances at 31 March 2023 comprise £44.5 million (31 March 2022, £32.6m) deposited with AAA rated money market funds, 4.0 million (£8.6m) with the custodian Northern Trust (rated A-1+), The current account figure includes control account balances.

18e Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Council therefore takes steps to ensure that the pension fund has adequate cash resources to meet its commitments.

The Council has immediate access to its pension fund cash holdings, there were no deposits with fixed periods at 31 March 2023 (2022 nil).

Liquid Assets

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer than three months to convert into cash. The Fund classifies property (pooled and direct) and private equity partnerships in this category. The comparator figure has been restated in line with current liquidity profile of the Fund.

Balances at 31 March 2022 £000	Percentage of Total Fund Assets %	Balances at 31 March 2023 £000	Percentage of Total Fund Assets %
3,394,555	69.4%	3,296,973	67.9%

The Fund regularly monitors and forecasts future cash flow to understand and manage the timing of the Fund's cash flow obligations.

All financial liabilities at 31 March 2023 are due within one year.

Refinancing Risk

The key risk is that the Council will be bound to replenish a significant proportion of its pension fund financial instruments at a time of unfavourable interest rates. The Council does not have any financial instruments that have a refinancing risk as part of its treasury and investment strategies.

19. Funding Arrangements

In line with the Local Government Pension Scheme Regulations 2013 (“The Regulations”), the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last valuation took place as at 31 March 2022.

The funding policy is set out in the administering authority’s Funding Strategy Statement. The key elements of the funding policy are:

- to ensure the long-term solvency of the Fund using a prudent long-term view. This will ensure that sufficient funds are available to meet all members’/dependants’ benefits as they fall due for payment;
- to ensure that employer contribution rates are reasonably stable where appropriate;
- to minimise the long-term cash contributions which employers need to pay to the Fund, by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return (this will also minimise the costs to be borne by Council tax payers);
- to reflect the different characteristics of different employers in determining contribution rates. This involves the Fund having a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years; and
- to use reasonable measures to reduce the risk to other employers and ultimately to the Council tax payer from an employer defaulting on its pension obligations.

The aim is to achieve 100% solvency over a period of approximately 20 years and to provide stability in employer contribution rates where prudently possible. Solvency is achieved when the funds held, plus future expected investment returns and future contributions are sufficient to meet the expected future pension benefits payable. When an employer's funding level is less than 100% of the funding target (full solvency), then a deficit recovery plan will be put in place requiring additional contributions from the employer to meet the shortfall.

	<i>Funded</i> %	<i>Surplus/Deficit</i> £ millions
2022 actuarial valuation	106%	289
2019 actuarial valuation	99%	-28

The table below summarises the whole fund Primary and Secondary Contribution rates at this triennial valuation. The Primary rate is the payroll weighted average of the underlying individual employer primary rates and the Secondary rate is the total of the underlying individual employer secondary rates (before any pre-payment or

capitalisation of future contributions), calculated in accordance with the Regulations and CIPFA guidance.

2022 Valuation			
Primary Rate (% of Pay) 1 April 2023 - 31 March 2026	2023-24	Secondary Rate 2024-25	2025-26
22.4%	£12,219,000	£11,597,000	£10,947,000

2019 Valuation			
Primary Rate (% of Pay) 1 April 2020 - 31 March 2023	2020-21	Secondary Rate 2021-22	2022-23
19.5%	£29,020,000	£30,689,000	£32,182,000

The employer contribution rates payable (plus cash sums as applicable) arising from the 2022 Valuation are as follows:

<i>Year</i>	<i>Employers Contribution Rates (% of actual pensionable pay)</i>
1 April 2023 to 31 March 2024	Range from nil to 48.1
1 April 2024 to 31 March 2025	Range from nil to 48.1
1 April 2025 to 31 March 2026	Range from nil to 48.1

Individual employers' rates will vary from the common contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2022 Actuarial Valuation Report and the Funding Strategy Statement on the Fund's website.

The valuation of the Fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The principal assumptions were:

Financial Assumptions at 31 March 2022

	% per annum Nominal	% per annum Real
Price Inflation (CPI)	2.95	-
Pay increases	3.65	0.7
Investment Return (Discount rate)	4.75	1.8

Mortality Assumptions

The Fund is member of Club Vita which provides bespoke set of longevity assumptions specifically tailored to the membership profile of the Fund. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2018 model, an allowance for smoothing of recent mortality experience and a long-term rate of 1.25% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

Mortality assumption at age 65	Male	Female
Current Pensioners	21.5 years	24.3 years
Future Pensioners (current age 45)	22.5 years	25.9 years

The assumptions have changed since the previous IAS26 disclosure for the Fund in accordance with those used for the recently completed 2019 Triennial valuation.

Commutation assumption

An allowance is included for 45% of future retirements to elect to exchange pension for additional tax free cash up to HMRC limits..

1.0% of members (uniformly distributed across the age, service and salary range) will choose the 50:50 option.

Experience over the period since 31 March 2022

The most recent valuation was completed as at 31 March 2022 and showed an improvement in the funding position since the last valuation at 31 March 2019. While there have been periods of investment volatility since 31 March 2022, the overall value of fund assets has remained broadly stable. Across the same time-period the movement in financial assumptions has resulted in a falling present value measurement for liabilities. The combined impact of these two effects means that the current funding level is now likely to be better than that reported at the last formal valuation.

20. Actuarial Present Value of Promised Retirement Benefits

Under IAS26 the Fund is required to disclose the actuarial present value of promised retirement benefits. These represent the present value of the whole fund liabilities to pay future retirement benefits.

The required valuation is carried out by the Hymans Robertson LLP using a similar approach to that employed for individual participating employers reporting pension liabilities under either FRS102 (previously FRS17) or IAS19. For the avoidance of doubt this approach will result in a different valuation of liabilities than the methodology employed at the triennial funding valuation.

Under the IAS19/FRS102 basis reporting is produced using the same base data as the last completed funding valuation rolled forward to the latest reporting date, taking account of material changes in membership numbers and updating assumptions to the current year and requirements of the reporting approach.

In order to assess the value of the benefits on this basis, the Fund Actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see note 19).

	31 March 2022 £M	31 March 2023 £M
Actuarial present value of promised retirement benefits	-6,707	-4,866
Fair Value of scheme assets (bid value)	4,912	4,872
Net Liability	-1,739	6

The promised retirement benefits at 31 March 2023 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2022. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, I am satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

The figures include both vested and non-vested benefits, although the latter is assumed to have a negligible value. Further, there is no allowance made for unfunded benefits.

It should be noted the above figures are appropriate for the Administering Authority only for preparation of the pension fund accounts. They should not be used for any

other purpose (i.e. comparing against liability measures on a funding basis or a cessation basis). The figures include both vested and non-vested benefits, although the latter is assumed to have a negligible value. Further, there is no allowance made for unfunded benefits.

Assumptions

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2023 and 31 March 2022. I estimate that the impact of the change in financial assumptions to 31 March 2023 is to decrease the actuarial present value by £2,570m. I estimate that the impact of the change in demographic and longevity assumptions is to decrease the actuarial present value by £14m.

Financial assumptions

Year ended (% p.a.)	31 March 2023 % p.a.	31 March 2022 % p.a.
Pension Increase Rate	3.20%	2.95%
Salary Increase Rate	3.90%	3.65%
Discount Rate	2.70%	4.75%

Longevity assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 0% weighting of 2022 data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.5 years	24.3 years
Future pensioners (assumed to be aged 45 at the latest formal valuation date)	22.5 years	25.9 years

All other demographic assumptions have been updated since last year and as per the latest funding valuation of the Fund.

Commutation assumptions

An allowance is included for 45% of future retirements to elect to exchange pension for additional tax free cash up to HMRC limits.

Sensitivity Analysis

CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the liabilities are set out below:

Sensitivity to the assumptions for the year ended 31 March 2023	Approximate % increase to liabilities	Approximate monetary amount (£m)
0.1% p.a. decrease in the Discount Rate	2%	88
1 year increase in member life expectancy	4%	195
0.1% p.a. increase in the Salary Increase Rate	0%	8
0.1% p.a. increase in the Pension Increase Rate (CPI)	2%	80

The liabilities above are calculated on an IAS 19 basis and therefore will differ from the results of the 2019 triennial funding valuation (see note 19) because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

The Fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

21. Current Assets

31 March 2022 £000		31 March 2023 £000
	Cash In Hand	
10,350	Cash In Hand**	8,177
	Debtors:	
3,046	Contributions due - employees*	2,955
11,088	Contributions due - employers*	10,820
69	Employers special contributions	1
282	Augmentation & strain due	465
1,949	Dividends receivable**	454
918	Pooled funds rebate due**	243
526	UK tax receivable	0
1,002	Overseas tax receivable	740
39	VAT refund due	157
10	Interest due**	158
50	Recharge of fees**	53
10	Prepayments	6
17	Sundry **	58
19,006	Debtors	16,110
29,356	Current Assets	24,287

*Principally represents amounts due in respect of March payrolls but payable the following month. **Cash and Debtors classed as financial instruments (assets) note 17a.

31 March 2022 £000		31 March 2023 £000
Long term debtors:		
505	Employer contributions	441
1	Augmentation & strain due	68
506		509

Long term debtors comprise of amounts not due to be paid to the Fund for a period of more than 12 months from the balance sheet date.

Analysis of Debtors (including Long Term Debtors)

31 March 2022 £000		31 March 2023 £000
Debtors:		
1,567	Central government bodies	899
10,278	Other local authorities	9,889
7,667	Other entities and individuals	5,831
19,512		16,619

22. Current Liabilities

31 March 2022 £000		31 March 2023 £000
Creditors:		
1,645	Transfer values payable (leavers)	940
1,960	Benefits payable	1,339
1,361	Investment Management Fees**	461
14	Receipt in Advance**	14
2,589	Other Fees & Charges**	2,816
1,275	UK Taxation payable	1,472
8	Sundry creditors	0
8,852		7,042

**Creditors classed as financial instruments (liabilities) note 17a.

Analysis of Creditors

31 March 2022 £000		31 March 2023 £000
Creditors:		
1,276	Central government bodies	1,472
2,500	Other local authorities	2,715
5,076	Other entities and individuals	2,855
8,852		7,042

23. Additional Voluntary Contributions

The Fund has three in-house AVC providers; Prudential, Clerical Medical and Utmost Life and Pensions (previously Equitable Life - a legacy arrangement that is not open to new contributors). The value of AVC investments and contributions paid directly to the providers by scheme employers during the year is shown below.

Market Value 31 March 2022 £000		Market Value 31 March 2023 £000
7,606	Separately Invested AVC Funds	7,313

2021-22 £000		2022-23 £000
1,628	AVC contributions paid directly during the year	1,616

The 2021 -22 comparator values have been re-stated to include actuals received from Prudential after publication of the 2021-22 accounts.

24. Agency Contracted Services

The Norfolk Pension Fund pays discretionary awards to the former employees of Norfolk County Council, the seven Norfolk district councils and 23 other employers. The amounts paid are not included within the Fund Account but are provided as a service and fully reclaimed from the employer bodies. The sums are disclosed below:

31 March 2022 £000		31 March 2023 £000
1,137	Norwich City Council	1,132
1,093	Norfolk County Council	1,065
249	North Norfolk District Council	249
	Borough Council of Kings Lynn & West Norfolk	211
215		
159	Great Yarmouth Borough Council	155
99	Breckland District Council	105
88	Broadland District Council	83
53	South Norfolk District Council	47
141	Other	139
3,234		3,186

25. Related Party Transactions

Norfolk County Council

The Fund is administered by Norfolk County Council. Consequently, there is a close relationship between the council and the Fund.

The council incurred costs in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses.

The Local Government Pension Scheme Regulations enables administration expenses to be charged to the Fund. Internal Audit Services are provided by Norfolk Audit Services, the internal audit function of the Administering Authority. Internal legal fees represent the total cost of internal advice provided by the legal services unit of the Administering Authority (NPLaw).

The council is also the single largest employer of members in the pension fund.

	2021-22 £000	2022-23 £000
Norfolk County Council incurred administration and Investments costs reimbursed by the Fund	2,500	2,715

All monies owing to and due from the Fund were paid within statutory timescales.

Norfolk County Council Employer Contributions	56,893	61,952
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All contributions were paid in accordance with the rates and adjustment certificate.

Part of the pension fund cash holdings are invested on the money markets by the treasury management operations of Norfolk County Council. The arrangement is managed through a service level agreement.

	2021-22 £000	2022-23 £000
Average investment balance held by NCC Treasury Management Operation	16,291	15,256
Interest earned on balances invested by NCC Treasury Management Operation	13	360

Governance

Each member of the Pension Fund Committee is required to declare their interests at each meeting. Declarations of interest are recorded in the minutes of each Committee

meeting as part of the public record and a copy can be found on the Norfolk County Council website under Pensions Committee papers at www.norfolk.gov.uk.

Personnel Employed in the Delivery of the Pensions Function by the Administering Authority

All employees of Norfolk County Council (other than those whose profession grants them access to other public service schemes) may join the Local Government Pension Scheme. This includes personnel employed in delivering the pensions function through the Norfolk Pension Fund. Benefits are accrued and employee contributions calculated on a standard national, statutory basis.

Disclosure of senior officer remuneration is made in note 13 of the Statement of Accounts of the Administering Authority (Norfolk County Council). This disclosure includes the Director of Strategic Finance who has responsibility under S151 of the Local Government Act 1972 for the proper financial administration of the Fund and holds the role of Fund Administrator.

The Administering Authority (Norfolk County Council) disclosure of senior officer remuneration includes the Director of Strategic Finance who has responsibility under S151 of the Local Government Act 1972, for the proper financial administration of the Fund and holds the role of Fund Administrator. For 2022-23 the remuneration amount incurred by the Fund was £9,000 (£9,000 2021-22).

Remuneration is deemed to include:

- Gross pay (before the deduction of employees' pension contributions).
- Expense allowances chargeable to tax and other benefits (as declared on HM Revenue & Customs form P11D).
- Compensation for loss of office and any other payments receivable on termination of employment transfer.

26. Contractual Commitments, Contingent Assets and Liabilities

26a Contractual Commitments

Outstanding Capital Commitments	31 March 2022 £000	31 March 2023 £000
Private equity partnerships	369,385	366,958
Property investment vehicles	20,698	9,829
Pooled Illiquid Closed-Ended Debt Funds	20,780	16,610
Pooled Infrastructure	126,333	105,107
Pooled Timberland	28,632	214
Total	565,828	498,718

At 31 March 2023 the Fund had made contractual commitments to private equity funds managed by abrdn Capital Partners LLP (previously Aberdeen Standard Investments) and HarbourVest Partners. Commitments are made in the underlying currency of the Fund (Euros and US Dollars respectively) and are therefore subject to volatility (risk) arising from exchange rate fluctuation. This volatility will impact both on the value of unfunded commitments in Sterling terms and the valuation of the funded interest and monies received as distributions.

The Fund's private equity programme is now maturing. The commitments are paid over the investment timeframe of the underlying partnerships. Concurrently as these partnerships mature they distribute capital back to investors.

In addition to the private equity commitments, within the LaSalle property portfolio there are unfunded commitments to various property investment vehicles. This total potentially includes Sterling and US Dollar denominated commitments as at 31 March 2023. The foreign exchange exposure on the funded portion of these positions is hedged within the LaSalle portfolio but the unfunded commitments are impacted by exchange rate volatility. There are also commitments on the M&G Debt and Credit opportunities portfolios.

The Fund has ongoing contractual commitments with Infrastructure managers, Equitix, Pantheon and Aviva as well as Timberland manager Stafford. This includes Sterling and US Dollar denominated commitments as at 31 March 2023. The contractual commitments associated with these investments are shown above.

The current value of the funded commitment net of distributions in these funds at 31 March 2023 is included in the net asset statement.

26b Contingent Assets

There were no contingent assets as at 31 March 2023 (Nil for 31 March 2022).

APPENDICES

Appendix I – Participating Employers (Employers with active members during the year)

<u>Employer</u>	<u>Type</u>
Access Community Trust	Admitted Body
Acle Academy	Scheduled/Resolution Body
Acle Parish Council	Scheduled/Resolution Body
Action for Children Early Childhood and Family Services	Scheduled/Resolution Body
Ad Meliora Academy Trust	Scheduled/Resolution Body
Admirals Academy	Scheduled/Resolution Body
Alburgh with Denton C of E Primary	Scheduled/Resolution Body
Alderman Peel High School	Scheduled/Resolution Body
Alive West Norfolk Ltd	Scheduled/Resolution Body
All Saints Academy	Scheduled/Resolution Body
Angel Road Infant School	Scheduled/Resolution Body
Angel Road Junior School	Scheduled/Resolution Body
Anglia Maintenance Services	Admitted Body
Anthony Curton CofE Primary School Academy	Scheduled/Resolution Body
Antingham & Southrepps Community Primary School	Scheduled/Resolution Body
Archbishop Sancroft High School	Scheduled/Resolution Body
Arden Grove Infant and Nursery School	Scheduled/Resolution Body
Aslacton Primary School	Scheduled/Resolution Body
Aspens Services (Wroughton Infant Academy)	Admitted Body
Astley Primary School	Scheduled/Resolution Body
Attleborough Academy	Scheduled/Resolution Body
Attleborough Town Council	Scheduled/Resolution Body
Aylsham Town Council	Scheduled/Resolution Body
Banham Community Primary School	Scheduled/Resolution Body
Barford & Wrampingham Parish Council	Scheduled/Resolution Body
Bawdeswell Community Primary School	Scheduled/Resolution Body
Beeston Primary School	Scheduled/Resolution Body
Beighton Parish Council	Scheduled/Resolution Body
Belton with Browston Parish Council	Scheduled/Resolution Body
Biffa Municipal Ltd	Admitted Body
Bignold Primary School	Scheduled/Resolution Body
Blenheim Park Academy	Scheduled/Resolution Body
Blofield Parish Council	Scheduled/Resolution Body
Bluebell Primary School	Scheduled/Resolution Body
Borough Council of King's Lynn & West Norfolk	Scheduled/Resolution Body
Boudica Schools Trust (previously Right for Success)	Scheduled/Resolution Body

Bradwell Parish Council	Scheduled/Resolution Body
Brancaster CofE VA Primary School	Scheduled/Resolution Body
Brancaster Parish Council	Scheduled/Resolution Body
Breckland Council	Scheduled/Resolution Body
Brisley Church of England Primary Academy	Scheduled/Resolution Body
Broadland District Council	Scheduled/Resolution Body
Broadland High Ormiston Academy	Scheduled/Resolution Body
Broads (2006) Internal Drainage Board	Scheduled/Resolution Body
Broads Authority	Scheduled/Resolution Body
Brundall Parish Council	Scheduled/Resolution Body
Bunwell Primary School	Scheduled/Resolution Body
Bure Park Specialist Academy	Scheduled/Resolution Body
Burnham Market Parish Council	Scheduled/Resolution Body
Burnham Market Primary School	Scheduled/Resolution Body
Burston Primary School	Scheduled/Resolution Body
Butterflies Nursery	Scheduled/Resolution Body
Buxton With Lamas Parish Council	Scheduled/Resolution Body
Caister Academy	Scheduled/Resolution Body
Castle Acre Church of England Primary Academy	Scheduled/Resolution Body
Caston Church of England Primary Academy	Scheduled/Resolution Body
Cawston Parish Council	Scheduled/Resolution Body
Cawston Church of England Primary Academy	Scheduled/Resolution Body
Change Grow Live	Admitted Body
Charles Darwin Primary	Scheduled/Resolution Body
Chartwells (Eastern Multi Academy Trust)	Admitted Body
Chartwells (Iceni Academy)	Admitted Body
Cherry Tree Academy Marham Infant	Scheduled/Resolution Body
Cherry Tree Academy Marham Junior	Scheduled/Resolution Body
Cherry Tree Academy Trust Marham	Scheduled/Resolution Body
Churchill Park Academy	Scheduled/Resolution Body
Churchill Services (Broadland District Council)	Admitted Body
Churchill Services (Easton College)	Admitted Body
Churchill Services (Wensum Trust)	Admitted Body
Clarion Housing Association	Admitted Body
City Academy Norwich	Scheduled/Resolution Body
City College Norwich	Scheduled/Resolution Body
City of Norwich School	Scheduled/Resolution Body
Clarion Corvus Trust	Scheduled/Resolution Body
Clenchwarton Primary School	Scheduled/Resolution Body
Cliff Park Ormiston Academy	Scheduled/Resolution Body
Cliff Park Primary Academy	Scheduled/Resolution Body
Cobholm Primary Academy	Scheduled/Resolution Body
Colkirk Church of England Primary Academy	Scheduled/Resolution Body
College of West Anglia	Scheduled/Resolution Body
Coltishall Parish Council	Scheduled/Resolution Body

Corpusty Primary School	Scheduled/Resolution Body
Costessey Primary School	Scheduled/Resolution Body
Costessey Town Council	Scheduled/Resolution Body
Cranworth Parish Council	Scheduled/Resolution Body
Cringleford Parish Council	Scheduled/Resolution Body
Cromer Academy	Scheduled/Resolution Body
Cromer Junior School	Scheduled/Resolution Body
Cromer Town Council	Scheduled/Resolution Body
Dereham Church of England Junior Academy	Scheduled/Resolution Body
Dereham Neatherd High School	Scheduled/Resolution Body
Dereham Town Council	Scheduled/Resolution Body
Dersingham Parish Council	Scheduled/Resolution Body
Diamond Academy	Scheduled/Resolution Body
Dickleburgh Church of England Primary Academy	Scheduled/Resolution Body
Diocese of Norwich Education and Academies Trust	Scheduled/Resolution Body
Diocese of Norwich Education Services Company	Scheduled/Resolution Body
Diocese of Norwich St Benet's Multi-Academy Trust	Scheduled/Resolution Body
Diss Church of England Junior Academy	Scheduled/Resolution Body
Diss High School	Scheduled/Resolution Body
Diss Infant Academy and Nursery	Scheduled/Resolution Body
Diss Town Council	Scheduled/Resolution Body
Ditchingham Church of England Primary Academy	Scheduled/Resolution Body
Docking Church of England Primary Academy and Nursery	Scheduled/Resolution Body
Docking Parish Council	Scheduled/Resolution Body
Downham & Stow Bardolph Internal Drainage Board	Scheduled/Resolution Bod
Downham Market Academy	Scheduled/Resolution Body
Downham Market Town Council	Scheduled/Resolution Body
Drayton Community Infant School	Scheduled/Resolution Body
Drayton Parish Council	Scheduled/Resolution Body
Duchy of Lancaster Methwold Church of England Primary School	Scheduled/Resolution Body
Duke of Lancaster School	Scheduled/Resolution Body
Dussindale Primary School	Scheduled/Resolution Body
East Coast College (previously Great Yarmouth College of Further Education)	Scheduled/Resolution Body
East Norfolk Multi Academy Trust	Scheduled/Resolution Body
East of Ouse, Polver & Nar Internal Drainage Board	Scheduled/Resolution Body
East Ruston Infant School and Nursery	Scheduled/Resolution Body
Eastern Inshore Fisheries and Conservation Authority	Scheduled/Resolution Body
Eastern Multi-Academy Trust	Scheduled/Resolution Body
Eastgate Academy	Scheduled/Resolution Body
Eaton Hall Specialist Academy	Scheduled/Resolution Body
Eaton Primary School	Scheduled/Resolution Body
Edith Cavell Academy	Scheduled/Resolution Body

Edward Worlledge Ormiston Academy	Scheduled/Resolution Body
Edwards & Blake	Admitted Body
Edwards & Blake (Cherry Tree Marham Infant Academy)	Admitted Body
Edwards & Blake (Fakenham Infant and Nursery School)	Admitted Body
Edwards & Blake (Fred Nicholson School)	Admitted Body
Edwards & Blake (Magdalen Gates Primary School)	Admitted Body
Edwards & Blake (Unity Trust Kings Park)	Admitted Body
Edwards & Blake (Wymondham Academy)	Admitted Body
Emneth Academy	Scheduled/Resolution Body
Enrich Learning Trust (previously IE Trust)	Scheduled/Resolution Body
Evolution Academy Trust	Scheduled/Resolution Body
Evolve Norse Ltd (previously NPS (London) Ltd)	Scheduled/Resolution Body
Fakenham Academy	Scheduled/Resolution Body
Fakenham Infant and Nursery School	Scheduled/Resolution Body
Fakenham Junior School	Scheduled/Resolution Body
Fakenham Town Council	Scheduled/Resolution Body
Filby Primary School	Scheduled/Resolution Body
Firside Junior School	Scheduled/Resolution Body
Flagship Housing Group	Admitted Body
Flegg High Ormiston Academy	Scheduled/Resolution Body
Fritcham Church of England Primary Academy	Scheduled/Resolution Body
Foulsham Primary School Academy	Scheduled/Resolution Body
Framingham Earl High School	Scheduled/Resolution Body
Framingham Earl Parish Council	Scheduled/Resolution Body
Freebridge Community Housing Ltd	Admitted Body
Gardoldisham Church Primary School	Scheduled/Resolution Body
Garrick Green Infant School	Scheduled/Resolution Body
Garvestone Primary School	Scheduled/Resolution Body
Gayton Church of England Primary Academy	Scheduled/Resolution Body
Gaywood Primary School	Scheduled/Resolution Body
George White Junior School	Scheduled/Resolution Body
Ghost Hill Infant & Nursery School	Scheduled/Resolution Body
Gillingham St Michael's CofE Primary Academy	Scheduled/Resolution Body
Glebeland Primary School	Scheduled/Resolution Body
Gooderstone Church of England Primary Academy	Scheduled/Resolution Body
Great and Little Plumstead Parish Council	Scheduled/Resolution Body
Great Dunham Primary School	Scheduled/Resolution Body
Great Hockham Primary	Scheduled/Resolution Body
Great Snoring Parish Council	Scheduled/Resolution Body
Great Witchingham Church of England Primary Academy	Scheduled/Resolution Body
Great Witchingham Parish Council	Scheduled/Resolution Body
Great Yarmouth Borough Council	Scheduled/Resolution Body
Great Yarmouth Charter Academy	Scheduled/Resolution Body
Great Yarmouth Norse	Scheduled/Resolution Body
Great Yarmouth Port Authority	Admitted Body

Great Yarmouth Port Company	Admitted Body
Great Yarmouth Primary Academy	Scheduled/Resolution Body
Greenpark Academy (previously St Edmunds Academy)	Scheduled/Resolution Body
Gresham Village School	Scheduled/Resolution Body
Greyfriars Academy	Scheduled/Resolution Body
Grove House Nursery Primary School	Scheduled/Resolution Body
GYB Services Ltd	Scheduled/Resolution Body
Happisburgh Parish Council	Scheduled/Resolution Body
Hardingham Parish Council	Scheduled/Resolution Body
Harling Parish Council	Scheduled/Resolution Body
Heacham Infant School	Scheduled/Resolution Body
Heacham Junior School	Scheduled/Resolution Body
Heart Education Trust	Scheduled/Resolution Body
Heartsease Primary Academy	Scheduled/Resolution Body
Heather Avenue Infant School	Scheduled/Resolution Body
Hellesdon High School	Scheduled/Resolution Body
Hellesdon Parish Council	Scheduled/Resolution Body
Hemblington Parish Council	Scheduled/Resolution Body
Hemblington Primary School	Scheduled/Resolution Body
Hemsby Parish Council	Scheduled/Resolution Body
Henderson Green Primary Academy	Scheduled/Resolution Body
Hethersett Academy	Scheduled/Resolution Body
Hethersett Parish Council	Scheduled/Resolution Body
Highgate Infant School	Scheduled/Resolution Body
Hilgay Riverside Academy	Scheduled/Resolution Body
Hillside Avenue Primary and Nursery School	Scheduled/Resolution Body
Hindolveston Parish Council	Scheduled/Resolution Body
Hobart High School	Scheduled/Resolution Body
Hockering Church of England Primary Academy	Scheduled/Resolution Body
Holt Town Council	Scheduled/Resolution Body
Holy Cross Church of England Primary School	Scheduled/Resolution Body
Hopton Church of England Primary Academy	Scheduled/Resolution Body
Hoveton Parish Council	Scheduled/Resolution Body
Howard Junior School (Academy)	Scheduled/Resolution Body
Hunstanton Town Council	Scheduled/Resolution Body
Iceni Academy	Scheduled/Resolution Body
Inclusive Schools Trust	Scheduled/Resolution Body
Independence Matters	Admitted Body
Inspiration Trust	Scheduled/Resolution Body
Jane Austen College	Scheduled/Resolution Body
Kenninghall Primary School	Scheduled/Resolution Body
Kettlestone Parish Council	Scheduled/Resolution Body
King Edward VII Academy	Scheduled/Resolution Body
King's Lynn Academy	Scheduled/Resolution Body
King's Lynn Internal Drainage Board	Scheduled/Resolution Body

King's Lynn Water Management Alliance	Scheduled/Resolution Body
King's Oak Academy	Scheduled/Resolution Body
King's Park Infant School	Scheduled/Resolution Body
Kinsale Junior School	Scheduled/Resolution Body
Kirby Cane and Ellingham Parish Council	Scheduled/Resolution Body
Konectbus Ltd	Admitted Body
Lingwood and Burlingham Parish Council	Scheduled/Resolution Body
Lingwood Primary Academy	Scheduled/Resolution Body
Lionwood Infant and Nursery School	Scheduled/Resolution Body
Lionwood Junior School	Scheduled/Resolution Body
Litcham School	Scheduled/Resolution Body
Little Snoring Community Primary Academy	Scheduled/Resolution Body
Little Snoring Parish Council	Scheduled/Resolution Body
Loddon Parish Council	Scheduled/Resolution Body
Lodge Lane Infant School	Scheduled/Resolution Body
Long Stratton High School	Scheduled/Resolution Body
Ludham Parish Council	Scheduled/Resolution Body
Lynn Grove High Academy	Scheduled/Resolution Body
Magdalen Academy	Scheduled/Resolution Body
Manor Field Infant and Nursery School	Scheduled/Resolution Body
Marlingford & Colton Parish Council	Scheduled/Resolution Body
Marshland High School	Scheduled/Resolution Body
Marshland St. James Primary School	Scheduled/Resolution Body
Martham Academy	Scheduled/Resolution Body
Martham Parish Council	Scheduled/Resolution Body
Mattishall Parish Council	Scheduled/Resolution Body
Mattishall Primary School	Scheduled/Resolution Body
Middleton Church of England Primary Academy	Scheduled/Resolution Body
Moorlands Church of England Primary Academy	Scheduled/Resolution Body
Morley C of E Primary	Scheduled/Resolution Body
Mousehold Infant and Nursery School	Scheduled/Resolution Body
Mulbarton Parish Council	Scheduled/Resolution Body
Mundesley Parish Council	Scheduled/Resolution Body
Mundford Church of England Primary Academy	Scheduled/Resolution Body
Narborough Church of England Primary Academy	Scheduled/Resolution Body
NCS (Assistive Technology)	Scheduled/Resolution Body
NCS Transport Ltd	Scheduled/Resolution Body
Nelson Academy	Scheduled/Resolution Body
Nelson Infant School	Scheduled/Resolution Body
New Anglia Local Enterprise Council	Admitted Body
New Buckenham Parish Council	Scheduled/Resolution Body
Newton Flotman Church of England Primary Academy	Scheduled/Resolution Body
Newton Flotman Parish Council	Scheduled/Resolution Body
Nightingale Infant & Nursery School	Scheduled/Resolution Body
Norfolk Chief Constable	Scheduled/Resolution Body

Norfolk County Council	Scheduled/Resolution Body
Norfolk Heritage Fleet Trust	Admitted Body
Norfolk Police and Crime Commissioner	Scheduled/Resolution Body
Norfolk Rivers Internal Drainage Board	Scheduled/Resolution Body
Norman Church of England Primary School	Scheduled/Resolution Body
Norse Care Limited	Scheduled/Resolution Body
Norse Care Services	Scheduled/Resolution Body
Norse Commercial Services	Scheduled/Resolution Body
Norse Eastern	Scheduled/Resolution Body
Norse Eastern (Highways)	Scheduled/Resolution Body
North Norfolk District Council	Scheduled/Resolution Body
North Walsham High School	Scheduled/Resolution Body
North Walsham Infant School & Nursery	Scheduled/Resolution Body
North Walsham Junior School	Scheduled/Resolution Body
North Walsham Town Council	Scheduled/Resolution Body
North Wootton Academy	Scheduled/Resolution Body
Northgate High School	Scheduled/Resolution Body
Northgate Primary School	Scheduled/Resolution Body
Northrepps Parish Council	Scheduled/Resolution Body
Norwich City Council	Scheduled/Resolution Body
Norwich City Services Ltd	Admitted Body
Norwich Primary Academy	Scheduled/Resolution Body
Norwich Road Academy	Scheduled/Resolution Body
Norwich University of the Arts	Scheduled/Resolution Body
Notre Dame High School	Scheduled/Resolution Body
NPS (South East) Ltd	Scheduled/Resolution Body
NPS (South West) Ltd	Scheduled/Resolution Body
NPS Property Consultants Ltd	Scheduled/Resolution Body
Old Buckenham High School	Scheduled/Resolution Body
Old Buckenham Primary School	Scheduled/Resolution Body
Old Catton Parish Council	Scheduled/Resolution Body
Open Academy - Heartsease	Scheduled/Resolution Body
Ormiston Herman Academy	Scheduled/Resolution Body
Ormiston Venture Academy	Scheduled/Resolution Body
Ormiston Victory Academy	Scheduled/Resolution Body
Overstrand Parish Council	Scheduled/Resolution Body
Ovington Parish Council	Scheduled/Resolution Body
Parker's Church of England Primary Academy	Scheduled/Resolution Body
Peterhouse Church of England Primary Academy	Scheduled/Resolution Body
Poringland Parish Council	Scheduled/Resolution Body
Postwick with Witton Parish Council	Scheduled/Resolution Body
Queensway Infant Academy and Nursery	Scheduled/Resolution Body
Raleigh Infant Academy	Scheduled/Resolution Body
Redenhall with Harleston Town Council	Scheduled/Resolution Body
Reedham Parish Council	Scheduled/Resolution Body

Reepham High School and College	Scheduled/Resolution Body
Reepham Primary School	Scheduled/Resolution Body
Reepham Town Council	Scheduled/Resolution Body
Reffley Academy	Scheduled/Resolution Body
Rockland St. Mary Primary School	Scheduled/Resolution Body
Rollesby Parish Council	Scheduled/Resolution Body
Rudham Church of England Primary Academy	Scheduled/Resolution Body
Saffron Housing Trust	Admitted Body
Salhouse Parish Council	Scheduled/Resolution Body
Sandringham And West Newton Church Of England Primary	Scheduled/Resolution Body
Saxlingham Nethergate Parish Council	Scheduled/Resolution Body
Scoulton Parish Council	Scheduled/Resolution Body
Sculthorpe Church of England Primary Academy	Scheduled/Resolution Body
Seething and Mundham Primary School	Scheduled/Resolution Body
Serco (Breckland Refuse)	Admitted Body
Serco Group Plc (North Norfolk District Council)	Admitted Body
Sewell Park Academy	Scheduled/Resolution Body
Sheringham High School	Scheduled/Resolution Body
Sheringham Town Council	Scheduled/Resolution Body
Short Stay School for Norfolk	Scheduled/Resolution Body
Sir Isaac Newton Sixth Form Free School	Scheduled/Resolution Body
Smithdon High School	Scheduled/Resolution Body
Snettisham Parish Council	Scheduled/Resolution Body
Snettisham Primary School	Scheduled/Resolution Body
South Norfolk District Council	Scheduled/Resolution Body
South Walsham Parish Council	Scheduled/Resolution Body
South Wootton Parish Council	Scheduled/Resolution Body
Southery & District Internal Drainage Board	Scheduled/Resolution Body
Southery Academy	Scheduled/Resolution Body
Southtown Primary School	Scheduled/Resolution Body
Spixworth Parish Council	Scheduled/Resolution Body
Spooner Row Primary School	Scheduled/Resolution Body
Sporle Church of England Primary School	Scheduled/Resolution Body
Sports & Leisure Management Ltd	Admitted Body
Springwood High School	Scheduled/Resolution Body
Sproston Community Academy	Scheduled/Resolution Body
Sproston Town Council	Scheduled/Resolution Body
St Augustine's Catholic Primary School	Scheduled/Resolution Body
St Clements High School	Scheduled/Resolution Body
St Francis of Assisi Catholic Primary School	Scheduled/Resolution Body
St Germans Academy	Scheduled/Resolution Body
St John the Baptist Multi-Academy Trust	Scheduled/Resolution Body
St Martha's Catholic Primary School	Scheduled/Resolution Body

St Martin at Shouldham Church of England VA Primary Academy	Scheduled/Resolution Body
St Mary & St Peter Catholic Primary School	Scheduled/Resolution Body
St Mary's Church of England Junior Academy	Scheduled/Resolution Body
St Michael's Church of England Academy (King's Lynn)	Scheduled/Resolution Body
St Michael's Family Centre	Admitted Body
St Peter & St Paul Carbrooke Church of England Primary Academy	Scheduled/Resolution Body
St Peters Church of England Primary Academy	Scheduled/Resolution Body
St. Clements Hill Primary Academy	Scheduled/Resolution Body
Stalham Academy	Scheduled/Resolution Body
Stalham High School	Scheduled/Resolution Body
Stalham Infant School and Nursery	Scheduled/Resolution Body
Stradbroke Primary Academy	Scheduled/Resolution Body
Strumpshaw Parish Council	Scheduled/Resolution Body
Suffolk Coastal Services	Scheduled/Resolution Body
Surlingham Primary	Scheduled/Resolution Body
Swaffham Church of England Junior Academy	Scheduled/Resolution Body
Swaffham Town Council	Scheduled/Resolution Body
Swanton Morley Parish Council	Scheduled/Resolution Body
Synergy Academy Trust (previously North Norfolk Academy Trust)	Scheduled/Resolution Body
Tacolneston C of E Primary	Scheduled/Resolution Body
Tarmac	Admitted Body
Tasburgh Parish Council	Scheduled/Resolution Body
Taverham High School	Scheduled/Resolution Body
Taverham Parish Council	Scheduled/Resolution Body
Ten Mile Bank Riverside Academy	Scheduled/Resolution Body
Tharston and Hapton Parish Council	Scheduled/Resolution Body
The Bishop's CE Primary Academy	Scheduled/Resolution Body
The Bridge Easton School	Scheduled/Resolution Body
The Fen Rivers Academy	Scheduled/Resolution Body
The Free School Norwich	Scheduled/Resolution Body
The Hewett Academy	Scheduled/Resolution Body
The Nicholas Hamond Academy	Scheduled/Resolution Body
The Pinetree School (previously Thetford Free School)	Scheduled/Resolution Body
The Thetford Academy	Scheduled/Resolution Body
The Wensum Trust	Scheduled/Resolution Body
The Wherry School	Scheduled/Resolution Body
The Yare Education Trust	Scheduled/Resolution Body
Thetford Town Council	Scheduled/Resolution Body
Thomas Bullock CE Primary Academy	Scheduled/Resolution Body
Thompson Primary School	Scheduled/Resolution Body
Thorpe St Andrew School and Sixth Form	Scheduled/Resolution Body
Thorpe St. Andrew Town Council	Scheduled/Resolution Body

Thurlton Primary	Scheduled/Resolution Body
TIAA Ltd (South Norfolk District Council)	Admitted Body
Tilney All Saints C of E Primary School	Scheduled/Resolution Body
Tivetshall Primary School	Scheduled/Resolution Body
Trowse with Newton Parish Council	Scheduled/Resolution Body
Tuckswood Academy and Nursery	Scheduled/Resolution Body
Unity Education Trust	Scheduled/Resolution Body
University Technical College Norfolk	Scheduled/Resolution Body
Upton with Fishley Parish Council	Scheduled/Resolution Body
Upwell Academy	Scheduled/Resolution Body
Valley Primary Academy	Scheduled/Resolution Body
Wacton Parish Council	Scheduled/Resolution Body
Walcott Parish Council	Scheduled/Resolution Body
Walpole Cross Keys Primary School	Scheduled/Resolution Body
Walsingham Parish Council	Scheduled/Resolution Body
Watton Town Council	Scheduled/Resolution Body
Watton Westfield Infant & Nursery School	Scheduled/Resolution Body
Watton Junior School (Wayland Junior)	Scheduled/Resolution Body
Wayland Academy	Scheduled/Resolution Body
Weasenham Church of England Primary Academy	Scheduled/Resolution Body
Weeting VC Primary School	Scheduled/Resolution Body
Wells-next-the-Sea Primary	Scheduled/Resolution Body
Wells-next-the-Sea Town Council	Scheduled/Resolution Body
Wensum Junior School	Scheduled/Resolution Body
West Lynn Primary School	Scheduled/Resolution Body
Whitefriars Church of England Primary Academy	Scheduled/Resolution Body
White House Farm Primary School	Scheduled/Resolution Body
Wimbotsham and Stow Academy	Scheduled/Resolution Body
Winterton Primary School and Nursery	Scheduled/Resolution Body
Woodlands Primary Academy	Scheduled/Resolution Body
Wroughton Infant Academy	Scheduled/Resolution Body
Wroughton Junior Academy	Scheduled/Resolution Body
Wroxham Parish Council	Scheduled/Resolution Body
Wymondham College	Scheduled/Resolution Body
Wymondham College Prep School	Scheduled/Resolution Body
Wymondham High School	Scheduled/Resolution Body
Wymondham Town Council	Scheduled/Resolution Body

Appendix II – Disclosure Regulations

The Government introduced Disclosure of Information Regulations as a step towards protecting the interests of pension fund members after the occurrence of a few well-known cases of misuse of pension fund assets. These regulations extended the items of basic information to be disclosed and introduced fixed time limits for their disclosure.

Pensions Registry

There is a registry of all schemes and information about this Scheme has been passed to:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW

<http://www.thepensionsregulator.gov.uk/>

Investment Strategy Statement and Funding Strategy Statement

With effect from the 1st April 2017 the Pension Fund is required to publish an Investment Strategy Statement in accordance with Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (“the Regulations”) and supersedes all previously published Statement of Investment Principles.

The Investment Strategy Statement and Funding Strategy Statement can be found on the Pension Funds website at the following location under the “Investment” and “Funding” sections:

<https://www.norfolkpensionfund.org/about-us/forms-and-publications/>

Alternatively, a copy can be obtained by contacting the Norfolk Pension Fund at:

Norfolk Pension Fund
County Hall
Martineau Lane
Norwich
NR1 2DH

Telephone: 01603 222870

Appendix III – The Fund

Norfolk County Council administers a Pension Fund to provide retirement benefits for all its employees who are members of the Local Government Pension Scheme. Also included in the Fund are employees of the seven District Councils in Norfolk and 418 other bodies who actively participate in the Scheme.

Teachers and fire-fighters have their own pension schemes and are not included in the Fund.

The County Council has delegated to its Pensions Committee responsibility for deciding upon the best way in which the Pension Fund is invested. The Committee consists of 8 members, 5 appointed by the County Council plus 2 co-opted members representing the District Councils and a Staff Representative. The Head of Norfolk Pension Fund, the external Investment Managers, the Fund's Actuary and an employee representative also attend. This Committee meets quarterly.

The Director of Strategic Finance, together with the Director of Pensions and other staff member, control the investment administration and accounting functions relating to the Fund. The investment performance of the Fund is monitored throughout the year in conjunction with the Fund's Actuary. The Director of Strategic Finance also decides matters relating to policy on benefits.

Appendix IV – Governance Compliance Statement

The Norfolk Pension Fund
 Governance Compliance Statement as at May 2023
 Local Government Pension Scheme Regulations 2013 (as amended)
 Regulation 55

Principle A – Structure

	Not compliant*				Fully compliant
a					√
b					√
c					√
d					√

- a. The management of the administration of benefits and strategic management of fund assets rests clearly with the main committee established by the appointing council.

Full Council have delegated responsibility to Pensions Committee to administer all aspects of the Norfolk Pension Fund on behalf of Norfolk County Council as Administering Authority of the scheme, and on behalf of NCC as an employer within the scheme alongside all other contributing employers, and on behalf of all scheme beneficiaries (scheme members). The Norfolk Pension Fund is part of the ACCESS investment pool, and is represented at the ACCESS Joint Committee, however all strategic asset allocation decisions remain with the Norfolk Pension Fund Pensions Committee.

- b. That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.

In addition to the Norfolk County Council members, 2 district councillors elected by the Norfolk Leaders Board represent the largest group of employers; an observer seat is available to all other employers. Scheme members (including active, deferred and retired) are represented at Committee by the Staff Representative. Pensions Committee is observed by members of the Local Pension Board (known locally as the Pensions Oversight Board [POB]), made up of employer and employee representatives, and an independent Chair.

- c. That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.

There is no formal secondary committee or panel. Regular employers' forums and other activities detailed within the communication strategy ensure effective communication. The Local Pension Board (known locally as the Pensions Oversight Board [POB]) regularly reports to Pensions Committee and POB members observe all Pensions Committee meetings.

- d. That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.

No formal secondary committee or panel has been established. However, employers are regularly reminded via the Employers' Forum and Employers newsletters of the observer opportunity at Committee. Scheme members are reminded that they can observe committee meetings via the annual "Your Pension" booklet and also at the Annual Meeting. Some Committee and POB Members also attend Employer Forum meetings and member events

Principle B – Representation

	Not compliant*				Fully compliant
a.i					√
.ii					√
.iii					√
.iiii					√

a That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:

- i Employing authorities (including non-scheme employers, e.g. admitted bodies)
Two district councillors elected by the Norfolk Leaders Board represent the largest group of employers. An observer place is available to all other employers. POB: 3 employer representatives; all employers are invited to stand for election to POB.
- ii Scheme members (including deferred and pensioner scheme members)
Scheme members (including active, deferred and retired) are represented at Committee by the Staff Representative, who has full voting rights. Scheme members are reminded that they can observe committee meetings via the annual "Your Pension" booklet and also at the Annual Meeting. POB: 3 scheme member representatives; all scheme members invited to stand for election.
- iii Independent professional observers
Hymans Robertson, as Advisers to the Norfolk Pension Fund, attend Committee; they also attend POB as required.
- iv Expert advisors (on an ad-hoc basis)
Expert advisors are invited to attend committee and POB as and when necessary.

Principle C – Selection and role of lay members

	Not compliant*				Fully compliant
a					√
b					√

a *That committee or panel members are made fully aware of the status, role and function that they are required to perform on either a main or secondary committee.*

In addition to general Councillor Induction for newly elected members, Pensions Committee / POB members are briefed on appointment to Pensions Committee / POB by the Director of the Norfolk Pension Fund and senior officers. Other elected members who do not sit on Pensions Committee are briefed as required / requested. An on going training strategy is maintained and delivered.

- b That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.
This is a standing agenda item for each committee and POB meeting.*

Principle D – Voting

	Not compliant*				Fully compliant
A					√

- a The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.*

Voting rights are set out in the Norfolk Pension Funds Governance statement which is published on the Funds website, www.norfolkpensionfund.org. All members of Pensions Committee have voting rights, including the Staff Representative. All Employer and Scheme member representatives on POB have voting rights.

Principle E – Training / facility time / expenses

	Not compliant*				Fully compliant
A					√
B					√
C					√

- a That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.*

We use Norfolk County Councils’ generic elected member remuneration policy, which includes Travel and Subsistence allowances. POB members can claim travel and subsistence costs incurred. In addition, the Fund maintains a training budget for Pensions Committee and POB for the delivery of our on-going members training programme, and related expenses.

- b That where such a policy exists it applies equally to all members of committees, sub-committees, advisory panels or any form of secondary forum.*

All relevant individuals / bodies are treated equally, including for example the Staff Representative on Pensions Committee, members of the Pensions Oversight Board (Local Pension Board).

- c That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.*

The Fund maintains and delivers a training strategy. Committee member and POB training needs are considered alongside the 12 month committee agenda planning process. Some aspects of training are business driven and therefore the programme is flexible. This allows us to align training most effectively with operational need / current agenda items, and therefore support member decision making. Regular Member training is supplemented by attending Local Government Association and other associated events, webinars, virtual and in person conferences and training, as well as an annual (more frequently if required) comprehensive bespoke Knowledge and

Understanding event, talking to leading experts about all aspects of LGPS Investment and Governance and current issues. A Training Log is maintained.

Principle F – Meetings (frequency / quorum)

	Not compliant*				Fully compliant
a					√
b					√
c					√

- a *That an administering authority’s main committee or committees meet at least quarterly.*

The Pensions Committee meets quarterly.

- b *That an administering authority’s secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.*

There is no formal secondary committee or panel. The Employers’ Forum meets regularly, planned around operational requirements; POB meets quarterly, aligned to Committee timetable.

- c *That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.*

A Staff Representative (who represents all current, deferred and retired scheme members) sits on Pensions Committee, alongside 2 district councillors elected by the Norfolk Leaders Board to represent the largest employers. An Observer Seat at Committee is also available to Employers not directly represented. Regular Employers’ Forums take place. Retired Members engagement is maintained via a dedicated newsletter twice a year; in person Pensions Clinics for all scheme members (including Deferred) are held each autumn, after the production of Annual Benefit Statements; communications with scheme members is maintained via publications to home addresses, website and employers, and an Annual Meeting is offered. The Pensions Oversight Board (Local Pension Board) has equal employer /scheme member membership.

Principle G – Access

	Not compliant*				Fully compliant
a					√

- a *That subject to any rules in the council’s constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.*

All committee and POB members have equal access to committee papers, documents and advice. POB members observe Committee meetings. Public Minutes of Committee Meetings are published on Norfolk County Councils website:

http://norfolkcc.cmis.uk.com/norfolkcc/Committees/tabid/62/ctl/ViewCMIS_Details/mid/381/id/30/Default.aspx

POB minutes are published on the Norfolk Pension Fund’s website:

<https://www.norfolkpensionfund.org/about/governance-and-investment/local-pension-board/>

Principle H – Scope

	Not compliant*				Fully compliant
a					√

- a *That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.*

The Norfolk Pension Fund adopts a holistic approach to pension fund management. Pensions Committee is responsible for all aspects of the management of the pension fund (investment and administration) and delivery of its services, including all relevant budgets, strategies and service planning.

Principle I – Publicity

	Not compliant*				Fully compliant
a					√

- a *That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed can express an interest in wanting to be part of those arrangements.*

The Norfolk Pension Funds’ Governance Statement and Communication and Customer Care Strategy are published on the Funds’ website www.norfolkpensionfund.org, and included within the Pension Fund Annual Report (which is also published on our website), with hard copies of each available on request. Employers are reminded via the Employers Forum and Employers Newsletters that there is an observer seat at Committee for Employers not directly represented. Scheme Members receive an annual booklet with news of the Funds performance, legislative changes and other relevant pension’s news, and are invited to a formal annual meeting. All scheme members and employers are invited to stand for membership of the Pensions Oversight Board (Local Pensions Board).

Appendix V – Actuarial Statement for 2022-23 by Hymans Robertson LLP

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS), dated March 2023. In summary, the key funding principles are as follows:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants
- use a balanced investment strategy to meet the regulatory requirement for long-term cost efficiency (where efficiency in this context means to minimise cash contributions from employers in the long term)
- where appropriate, ensure stable employer contribution rates
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations
- manage the fund in line with the stated ESG policies.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 20 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least a 75% likelihood that the Fund will achieve the funding target over 20 years.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund's assets, which at 31 March 2022 were valued at £4,901 million, were sufficient to meet 106% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £289 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure as per the FSS.

Individual employers' contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2022 valuation report and FSS.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

Financial assumptions	31 March 2022
Discount rate	4.3% pa
Salary increase assumption	3.4% pa
Benefit increase assumption (CPI)	2.7% pa

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	21.9 years	24.6 years
Future Pensioners*	22.9 years	26.2 years

*Aged 45 at the 2019 Valuation.

Copies of the 2022 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund and on the Fund's website.

Experience over the period since 31 March 2022

Markets continued to be disrupted by the ongoing war in Ukraine and inflationary pressures, impacting on investment returns achieved by the Fund's assets. High levels of inflation in the UK (compared to recent experience), have resulted in a higher than expected LGPS benefit increase of 10.1% in April 2023. Despite this, the funding level of the Fund is likely to be higher than reported at the previous formal valuation at 31 March 2022 due to the significant rise in interest rates which reduces the value placed on the Fund's liabilities.

The next actuarial valuation will be carried out as at 31 March 2025. The Funding Strategy Statement will also be reviewed at that time.

A handwritten signature in black ink, appearing to read "Robert Bilton". The signature is written in a cursive style with a long horizontal stroke at the end.

Robert Bilton FFA

27 April 2023

For and on behalf of Hymans Robertson LLP

Appendix VI – Glossary

Active Management

A style of investment management which seeks to provide outperformance of a relevant benchmark through asset allocation, market timing or stock selection (or a combination of these). Directly contrasted with passive management that seeks to replicate the performance of a selected benchmark.

Actuarial Valuation

A review of the Pension Fund by a qualified Actuary, which takes place every three years to ensure that employers' contributions are sufficient to maintain the solvency of the Fund in the long-term.

Actuary

An independent qualified consultant who carries out the Actuarial Valuation and advises on new investment strategies or changes to the benefit structure.

Administering Authority

A local authority required to maintain a pension fund under LGPS regulations. Within the geographical boundary of Norfolk this is Norfolk County Council.

Admitted Bodies

An organisation, which, under the Pension Scheme Regulations, is able to apply to the Administering Authority to join the Scheme (e.g. a contractor providing services to the Council or another scheduled body). Upon acceptance, an Admission Agreement is prepared admitting the organisation and allowing its employees to join.

Asset Allocation/Asset Mix

The apportionment of a Fund's assets between asset classes and/or markets. Asset allocation may be either strategic i.e. long-term, or Tactical i.e. short-term, aiming to take advantage of relative market movements.

Assumed Pensionable Pay

Where an employee loses pay due to sickness or reduced pay family related leave, the pay actually received is substituted with "Assumed Pensionable Pay" when calculating "career average" benefits and employer contributions. Assumed Pensionable Pay is the average of pay in the three months prior to the month in which the reduced pay occurs.

Auditor

An independent qualified accountant who is required to verify and agree the Pension Fund Accounts and issue an opinion on their accuracy.

Benchmark

A "notional" fund or model portfolio which is developed to provide a standard against which a manager's performance is measured e.g. for a global equity fund the benchmark against which it will be measured could be made up 70%/30% by UK equities / overseas equities. A target return is generally expressed as some margin over the benchmark.

Bond

A certificate of debt, paying a fixed rate of interest, issued by companies, governments or government agencies.

Collateral

An asset (cash or securities) posted from one counterparty to another, and held as a guarantee against the value of a specified portfolio of trades or other transactions. Commonly referred to as margin, the collateral acts as a credit-risk mitigant. A collateral call is the demand by a derivatives counterparty for an investor to transfer cash or securities to collateralise movements in the value of a derivatives contract.

Currency Forward

An agreement between two counterparties to buy/sell a specified quantity of the underlying currency at a specified future date. Contracts are settled in cash on the expiration date.

Custody/Custodian

Safekeeping of securities by a financial institution. The custodian keeps a register of holdings and will collect income and distribute monies according to client instructions.

Exchange Traded Derivatives Contract

Standardised derivatives contracts (e.g. futures contracts and options) that are transacted on an organised futures exchange.

Equities

Ownership positions (shares) in companies that can be traded on public markets. Often produce income that is paid in the form of dividends. In the event of a company going bankrupt, equity holders' claims are subordinate to the claims of bond holders and preferred stock holders.

Final Pay

This is the figure used to calculate members' benefits that have built up on the "final salary" basis. This is the pay in the last year before leaving, or one of the previous two years' pay if that amount is higher. For a part-time employee, the figure used is the pay an equivalent whole-time employee would have received. Pay lost on account of sickness or reduced pay family leave is added back.

Fixed Interest Securities

Investments in stocks mainly issued by governments, which guarantee a fixed rate of interest.

FTSE

A company that specialises in index calculation. Although not part of a stock exchange, co-owners include the London Stock Exchange and the Financial Times. They are best known for the FTSE 100, an index of the top 100 UK companies (ranked by size).

Fund Manager

A firm of professionals appointed by the Pensions Committee to carry out day to day investment decisions for the Fund within the terms of their Investment Management Agreement.

Futures

Futures contracts are exchange traded contracts to buy or sell a standard quantity of a specific asset at a pre-determined future date. The economic exposure represents the notional value of stock purchased under futures contracts and is therefore subject to market movements.

Gilts

Bonds issued by the British government. They are the equivalent of U.S. Treasury securities

Hedging

A strategy which aims to eliminate a risk in an investment transaction (both upside and downside potential). Often used in the context of overseas investments to eliminate the impact of currency movements.

Index

A benchmark for the performance of a group of shares or bonds.

Index-Linked Securities

U.K. Government issue stocks on which the interest, and eventual repayment of the loan, is based on movements in the Retail Price Index.

Initial Margin

The upfront collateral requirement, set aside as a guarantee to an underlying futures contract, generally a percentage of the notional amount of the contract.

Investment Advisor

A professionally qualified individual or company whose main livelihood is derived from providing objective, impartial investment advice to companies, pension funds or individuals.

Mandate

A set of instructions given to the fund manager by the client as to how a Fund is to be managed (e.g. targets for performance against a benchmark may be set or the manager may be prohibited from investing in certain stocks or sectors).

Market Value

The “on paper” value of a security at a specific point in time. It is calculated by multiplying the number of shares held by market price of that share in sterling terms.

Outperformance/underperformance

The difference in returns gained by a particular Fund against the “average” Fund or an index over a specified time period i.e. a target for a Fund may be outperformance of a given benchmark over a 3-year period.

Passive Management

An investment strategy that seeks to match the return and risk characteristics of a market segment or index, by mirroring its composition. also called passive portfolio strategy.

Pensionable Pay

This is the pay on which employee and employer pension contributions and "career average" benefits are based. Where an employee loses pay due to sickness or reduced pay family related leave then "Assumed Pensionable Pay" is used instead to calculate employer contributions and benefits.

Performance

A measure, usually expressed in percentage terms, of how well a Fund has done over a particular time period – either in absolute terms or as measured against the “average” Fund of a particular benchmark.

Portfolio

Term used to describe all investments held.

Private Equity

Investments in new or existing companies and enterprises which are not publicly traded on a recognised stock exchange.

Regulations

The Scheme is governed by Regulation approved by Parliament. Necessary amendments are made to these Regulations by means of Statutory Instruments.

Resolution Body (designating body)

A resolution body is an organisation which has the right to join the Scheme if it elects to do so (e.g. a Parish Council). Membership may apply to some or all of its employees.

Risk

Generally taken to mean the variability of returns. Investments with greater risk must usually promise higher returns than more “stable” investments before investors will buy them.

Scheduled Bodies

These are organisations as listed in the Local Government Pension Scheme Regulations 1997 (Schedule 2) such as County Councils and District Councils etc, the employees of which may join the Scheme as of right.

Securities

Investment in company shares, fixed interest or index-linked stocks.

Statement of Investment Principles

Requirement, arising from the Pensions Act 1995, that all occupational pension plan trustees must prepare and maintain a written Statement of Investment Principles outlining policy on various investment matters (e.g. risk, balance between real and monetary assets, realisability of assets etc).

Transfer Values

Capital value transferred to or from a scheme in respect of a contributor’s previous periods of pensionable employment.

Unit Trusts

A method which allows investors’ money to be pooled and used by fund managers to buy a variety of securities.

Variation Margin

A cash collateral requirement that moves up and down with the value of a futures contract.

Yield Curve

A graphic line chart that shows interest rates at a specific point for all securities having equal risk, but different maturity dates. For bonds, it typically compares the two- or five-year Treasury with the 30-year Treasury.

Pensions Committee

Item No: 9

Report title:	ACCESS Update Unrestricted Items
Date of meeting:	13 June 2023
Responsible Director:	Harvey Bullen, Director of Strategic Finance Glenn Cossey, Director of Norfolk Pension Fund
Executive Summary <p>The Government requires LGPS Funds to work together to “pool” investments to significantly reduce costs, while maintaining investment performance”.</p> <p>Since December 2016 the Norfolk Pension Fund has been working with 10 other ‘like-minded’ Administering Authorities to operate the ACCESS (A Collaboration of Central, Eastern and Southern Shires) Pool. The ACCESS Funds are Cambridge, East Sussex, Essex, Hampshire, Hertfordshire, Isle of Wight, Kent, Norfolk, West Northamptonshire, Suffolk, and West Sussex.</p> <p>An Inter-Authority Agreement (IAA) has been signed by all 11 authorities defining governance and cost sharing arrangements for the ACCESS Pool.</p> <p>The ACCESS Pool is governed by a Joint Committee (JC) made up of one elected councillor from each authority’s Pensions Committee. The Norfolk Pension Fund is represented by the Chair of Pensions Committee.</p> <p>This report provides an update to the Pensions Committee on the work of the ACCESS Pool.</p> Recommendations <p>The Pensions Committee is invited to consider and note the contents of this report.</p>	

1. Background and Purpose

- 1.1 The ACCESS Joint Committee (JC) last met on 5 June 2023. A full set of restricted and unrestricted agenda papers relating to this meeting was circulated to members of this Committee and the Pensions Oversight Board for information.
- 1.2 This report briefs Pensions Committee on the unrestricted items considered by the JC on 5 June 2023. The restricted items discussed by the JC are considered elsewhere on this agenda. The JC is due to meet again on 4 September 2023.

2. 2022-23 Business Plan and Budget

- 2.1 The ACCESS Section 151 (S151) Officer Group is responsible for making recommendations to the Joint Committee (JC) on budget and business plan matters and reviewing/advising on budget variations throughout the financial year.
- 2.2 The business plan for 2022-23 was agreed by the JC in December 2021. At the same meeting the JC also determined the budget necessary to implement the business plan and recharge the relevant ACCESS Authorities.
- 2.3 The activities within last year’s 2022-23 Business Plan, along with commentary on the status of each milestone at the end of the financial year (31 March 2023) are shown in the table below. The ongoing nature of some activities results in milestones spanning different years (in progress).

Theme / Milestone	2022-23 activity	Year-end status
Actively managed listed assets		
Launch of Tranche 5b	3 Fixed income sub-funds	In progress
Launch of Tranche 5c	2 Fixed income sub-funds; 1 global equity sub-fund	Complete
Launch of Tranche 6	2 Emerging Market sub-funds	In progress
Launch of Tranche 7a	2 Fixed income sub-funds	In progress
Launch of Tranche 7b	1 Fixed income sub-fund; 1 global equity sub-fund	Complete
Scheduled BAU evaluation	Ongoing dialogue	In progress
Actively managed non-listed assets		
Implementation of approach	Procurement for property mandates	Complete
Passively managed assets		
Ongoing monitoring of passive assets	Ongoing dialogue with UBS	Complete
Governance		
Meetings and oversight	3 Joint Committees held; 3 Member briefings held 5 ACCESS s151 Officer meetings held	Complete Complete
Operational protocols	Review of Governance Manual completed Revisions to IAA Completed Third party review commissioned	Complete Complete In progress
Engagement with HM Government	Annual Report to DLUHC submitted Autumn 2022 Response submitted to TFCO consultation	Complete Complete
Joint Policies & guidelines Communications ESG / RI	Comms partner re-procurement commenced Revised RI guidelines recommended to Councils	In progress Complete
ASU		
ACCESS Support Unit	Third Party Review commissioned Internal Audit undertaken	In progress In progress

2.4 The approved budget for the delivery of the 2022-23 Business Plan was £1,366m (£124k per ACCESS Authority). Details of the agreed budget and final outturn position are shown in the table below.

	Agreed Budget 2022/2023 £	Actual Costs as at 31 Jan plus forecast 2022/2023 £	Outturn 2022/2023 £	Overspend / (Underspend) 2022/2023 £	Agreed Budget 2023/2024 £
ASU					
ASU Salaries (incl. on cost)	465,000	465,736	458,404	(6,596)	499,833
ASU Operational	23,000	16,983	16,104	(6,896)	23,000
ASU Host Authority Recharge	35,000	34,000	34,000	(1,000)	35,700
Technical Lead Recharge Costs	45,000	44,599	49,357	4,357	40,000
ASU Total	568,000	561,318	557,865	(10,135)	598,533
Professional Costs					
<i>Internal Professional Costs</i>					
JC Secretariat	22,000	22,768	23,028	1,028	23,100
Procurement	60,000	52,000	42,000	(18,000)	145,000
<i>Internal Professional Costs</i>	82,000	74,768	65,028	(16,972)	168,100
<i>External Professional Costs</i>					
Strategic & Technical	546,000	408,906	333,854	(212,146)	602,000
Legal & Governance	170,000	223,796	218,405	48,405	190,400
<i>External Professional Costs</i>	716,000	632,702	552,259	(163,741)	792,400
Professional Costs Total	798,000	707,470	617,287	(180,713)	960,500
Total Costs for the Financial Year	1,366,000	1,268,788	1,175,152	(190,848)	1,559,033
Cost Per Authority	124,182	115,344	106,832	(17,350)	141,730
Cost Per Authority (rounded)	124,000	115,000	107,000	(17,000)	142,000

2.5 The final expenditure for financial year 2022-23 was £1.175m (£107k per ACCESS Authority) giving rise to an underspend of £0.191m. The underspend being largely the result of planned procurements (including Responsible Investment Phase II) being rescheduled to 2023-24, resulting in the budget for external professional costs to be underspent.

3. **2023-24 Business Plan and Budget**

3.1 Key deliverables within the current year's 2023-24 Business Plan, include:

- **Actively managed listed assets:** further pooling of active-listed assets within the Authorised Contractual Scheme (ACS)
- **Alternative / non-listed assets:** work on the procurement of pooled asset solutions for private debt and private equity.
- **Passive assets:** ongoing monitoring and engagement.
- **Governance:** the continued application of appropriate forms of governance throughout ACCESS; the procurement & commencement of RI reporting for the Pool and the commencement of the second contract for communications support.
- **ACCESS Support Unit (ASU):** the implementation of the outcomes of the external review of the ASU.

3.2 The budget (shown in the table at 2.4) for the delivery of the 2023-24 Business Plan is estimated to be £1.559m which equates to £142k per ACCESS Authority.

4. **ACCESS Procurements**

4.1 A revised timetable for the re-procurement of an ACCESS Communications Partner was agreed by the JC. The evaluation of bids from prospective suppliers will be undertaken over the summer, with the outcome considered at the September 2023 JC meeting. As a consequence, it has been necessary to extend the existing arrangements with MHP Mischief until 31 December 2023.

4.2 Having been appointed preferred supplier to undertake the review of the ACCESS Support Unit, Barnett Waddingham are undertaking research in consultation with ACCESS authorities. Barnett Waddington will present their findings to the September 2023 meeting of the JC.

4.3 The procurement for Phase II of Responsible Investment (RI) which will support Pool monitoring and reporting of RI activity, is currently underway. The outcome of the procurement exercise is expected to be brought to the JC's meeting on 4 September 2023.

5. **ACCESS Support Unit staffing**

5.1 Alistair Coyle has recently joined the ASU as Client Manager. Alistair was due to take over the role from Paul Tysoe who had planned to retire at the end of April 2023. However, in view of current workloads and following dialogue with the S151 Officer Group, arrangements have been made for Paul Tysoe to undertake a part-time role as additional Client Manager on a temporary basis, prior to the outcomes of the Third-Party Review being reported to the Committee.

6. **Financial and Other Resource Implications**

6.1 At the time of writing this report there are no additional financial or other resource implications beyond those already budgeted for and approved by Committee.

7. Other Implications (Inc. Equality Impact Assessment (EqIA))

- 7.1 Officers have considered all the implications which members should be aware of. Apart from those listed (if any), there are no other implications to consider. There are no issues relevant to equality in this report.

8. Data Protection Impact Assessments (DPIA)

- 8.1 We have not identified any data protection implications for the content of this report.

9. Risk Implications/Assessment

- 9.1 Any risk implications relating to this report will be recorded on the Fund's risk register.

10. Recommendations

- 10.1 The Pensions Committee is invited to consider and note the contents of this report.

11. Background Papers

- 11.1 A full set of restricted and unrestricted agenda papers relating to the 5 June 2023 meeting of the JC was circulated by email to members of this Committee and the Pensions Oversight Board.

Officer Contact

If you have any questions about matters contained in this paper, please get in touch with:

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Email address: glenn.cossey@norfolk.gov.uk



If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.