

# Pensions Committee

Date: **Tuesday 11 June 2024**  
Time: **9:30am**  
Venue: **Council Chamber, County Hall, Martineau Lane,  
Norwich NR1 2DH**

## Membership

### Members

Cllr Tom Fitzpatrick – Chair

Cllr Alison Birmingham  
Cllr Brian Watkins  
Cllr Will Richmond  
Cllr Martin Storey

### Co-opted Members

To be confirmed

## 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](mailto:committees@norfolk.gov.uk)

Current practice for respiratory infections requests that 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. **Election of Vice Chair**

(Page 5)

3. **Minutes**

To confirm the minutes of the meeting held on 12 March 2024

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 10)

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

**6. Update from the Pensions Oversight Board (Page 101)**

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

**7. Draft Pension Fund Accounts 2023-2024 (Page 110)**

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

**8. Risk Register Report and Compliance with Breaches Policy (Page 231)**

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

**9. ACCESS Update Unrestricted Items (Page 244)**

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

**10. Exclusion of the Public (Items 10-17 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 249)**

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

**12. Hymans Robertson Quarterly Performance Report (Page 255)**

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

**13. Development of 2025 Valuation Strategy and approach (Page 275)**

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

**Comfort break**

- 14. Procurement of Investment Consultancy Services** (Page **294**)  
Joint Report by the Director of Strategic Finance and the Director of the Norfolk Pension Fund
- 15. Affordable Housing and Transition of Real Estate Assets** (Page **255**)  
Joint Report by the Director of Strategic Finance and the Director of Norfolk Pension Fund
- 16. Investment Update** (Page **324**)  
Joint Report by the Director of Strategic Finance and the Director of Norfolk Pension Fund
- 17. Exempt Minutes** (Page **329**)  
To confirm the exempt minutes of the meeting held on 12 March 2024.



**Tom McCabe**  
**Chief Executive**  
**County Hall**  
**Martineau Lane**  
**Norwich**  
**NR1 2DH.**

Date Agenda Published: 3 June 2024.



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# Pensions Committee

**Minutes of the meeting held on Tuesday 12<sup>th</sup> March commencing at 9:30 am and held at County Hall, Norwich**

## **Present:**

Cllr Judy Oliver	(Chair)
Cllr William Richmond	(Vice Chair)
Cllr Martin Storey	
Mr Steve Aspin	

## **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
Eunice Walcott	Governance Manager
Nicola Ledain	Committee Officer

## **Others Present:**

Brian Wigg	Chair of the Pensions Oversight Board
Peter Baker	Scheme Member Representative, Pensions Oversight Board
Ross MacLeod	Hymans Robertson
Hossein Nikoopour	Insight Investment
Andy Burgess	Insight Investment
Erin Musli	Insight Investment

## **1 Apologies for Absence**

**1.1** Apologies for absence were received from Cllr John Fuller, Cllr Paul Hewett and Cllr Brian Watkins.

## **2 Minutes**

**2.1** The minutes of the previous meeting held on Tuesday 5 December 2023 were confirmed as a correct record and signed by the Chair.

## **3 Declaration of Interest**

**3.1** Steve Aspin declared an 'other' interest as he had investments with Fidelity.

#### **4. Administration Report**

4.1 The annexed report (4) by the Director of Strategic Finance and the Director of the Norfolk Pension Fund was received. This 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 2023.

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

- The Pensions Regulator's new General Code comes into effect at the end of March 2024.
- Two new amber risks added to risk register, Pensions Dashboard readiness and Pension Services Delivery Model.
- Audit coverage detailed in the 2024-2027 Medium Term Internal Audit Plan.
- Main activities and key operational projects set out in the Service Plan.
- The submission of the Annual Data Quality Report to the Pensions Regulator.
- 2021-22 Annual Report and Accounts being signed off by external auditors.
- The strategy for Cash Management and counterparty/collateral arrangements for the currency programme.
- the three Admission Agreements in respect of:
  - Aspens Services (Broad Horizons Education Trust)
  - Churchill Services (Notre Dame High School)
  - Caterlink (Colman Infant & Junior Federation)

#### **4.3 RESOLVED**

- To agree the main activities and projects outlined in the Service Plan
- To note the 2024-27 Medium Term Internal Audit Plan
- To approve the cash management strategies for the management of the Fund's cash balances and dynamic currency programme (items 9 and 10).
- To note the three Admission Agreements in respect of:
  - Aspens Services (Broad Horizons Education Trust)
  - Churchill Services (Notre Dame High School)
  - Caterlink (Colman Infant & Junior Federation)

#### **5. Update from the Pensions Oversight Board**

5.1 The annexed report (5) by the Director of Strategic Finance 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 last reported to the Committee on 5 December 2023.

#### **5.2 RESOLVED**

That the Committee noted the contents of the report.

## **6. Pension Fund Budget 2024-2025**

- 6.1 The annexed report (6) by the Director of Strategic Finance and the Director of the Norfolk Pension Fund was received. It explained that the Norfolk Pension Fund budget was set separately from Norfolk County Council's budget and was based upon the Fund's Service Plan. 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 In approving the 2023-24 budget, Pensions Committee were advised of interim staffing arrangements following the departure of two senior managers within the Pension Services Team. This provided the opportunity to review and update the Pension Services operational model. While the transition from interim to permanent staffing arrangements remains on-going, work completed to date (approx. 30 of the 40 impacted headcount) has been reflected in the 2024-25 staffing budget.
- 6.3 The Committee were reassured that the staffing budget for Pension Services was designed to create a robust structure. Members confirmed that whilst they would always hold the officers to account, having staff to undertake complex work was always a challenge but ultimately the right people had to be employed to do the job.
- 6.4 **RESOLVED**  
The Pensions Committee approved the Pension Fund 2024-25 budget.

## **7. Corporate Governance and Shareholder Engagement Report (including summary climate risk monitoring report)**

- 7.1 The annexed report (7) by the Director of Strategic Finance and the Director of the Norfolk Pensions Fund was received. The report was the six-monthly update for the Pensions Committee on corporate governance and shareholder engagement matters relating to the Fund including Environmental Social Governance matters relating to the ACCESS Pool. The report covered the period 1 July 2023 to 31 December 2023 and included the carbon measurement report for the public equity portfolios and the updating of the Fund's Statement on Divestment / Exclusion and ESG (Environmental, Social and Governance) Aspects of Investment Strategy.
- 7.2 Having considered the contents of the report, the Pensions Committee **NOTED** and **APPROVED** the updated Statement on Divestment / Exclusion & ESG (Environmental, Social & Governance) Aspects of Investment Strategy.

## **8. ACCESS Update Unrestricted Items**

- 8.1 The annexed report (8) by the Director of Strategic Finance and the Director of the Norfolk Pension Fund was received. This report provided an update to the Pensions Committee on the work of the ACCESS Pool.

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

- 8.2.1
- JC last met on 4 March 2024 – morning workshop to discuss Third Party Review (see item 10). Peter Baker (Scheme Member Representative) from Norfolk's Pensions Oversight Board attended as observer. The next meeting was due to be held on 10 June 2024.
  - 2023-24 Business Plan – progress against key deliverables was discussed.
  - 2023-24 forecast spend of £1.604m v's approved budget £1.559m reflects additional legal advice required to support business plan activities. Total forecast spend equates to £146k per ACCESS authority.
  - Arrangements for Local Pension Board members to observe JC meeting on a rotational basis is to be reviewed after its first year of operation.
  - PIRC (Responsible Investment Consultants) working to deliver.
    - a) Reporting Framework for ACCESS's Responsible Investment Guidelines
    - b) Updated Voting Guidelines
    - c) An ACCESS submission for UK Stewardship Code

8.3 **RESOLVED**

That the committee noted the contents of the report.

## 9. **Exclusion of the Public Items 10-15 only**

9.1 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.

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

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

### 9.4 **Items 10 to 15**

The reports contain 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.

9.5 **RESOLVED**



That agenda items 10-15 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.

**Public meeting closed at 10.20am**

# Pensions Committee

Item No: 5

**Report title:** Administration Report

**Date of meeting:** 11 June 2024

**Responsible Director:** Harvey Bullen, Director of Strategic Finance

**Director:** 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 2024.

## Recommendations

The Committee is invited to:

- consider and note the content of this report including two Admission Agreements in respect of Careline365 Limited (Great Yarmouth Borough Council) and Caterlink (Inspiration Trust)
- review and adopt the draft Conflicts Policy.

Item	Title:	Appendices
<b>1.</b>	<b>Background</b>	
<b>2.</b>	<b>Governance framework for the Norfolk Pension Fund:</b>	
2.1	Pensions Oversight Board	
2.3	National Scheme Advisory Board	
2.5	Annual Report Guidance updated	
2.8	Department for Levelling Up, Housing and Communities (DLUHC)	Appendix A
2.10	The Pensions Regulator (TPR)	
2.11	○ The General Code	
2.18	Norfolk Pension Fund	
2.19	○ Conflicts Policy	Appendix B
2.22	Cyber Security, Information Governance and Confidentiality Guidelines	
2.24	Governance Strategy Statement	Appendix C
2.26	Customer Care and Communication Strategy Statement	Appendix D
2.28	Norfolk Audit Services	
2.29	○ Annual Internal Audit Report for 2023-24 for the Norfolk Pension Fund	Appendix E
2.33	Update on Current Issues	
2.34	○ Hymans Robertsons 'Current Issues in the LGPS' May 2024	Appendix F
<b>3.</b>	<b>Norfolk Pension Fund Service Planning and Performance Data</b>	
3.1	○ Service Plan	
3.3	○ Key Performance Indicators	Appendix G
<b>4.</b>	<b>Communication</b>	
4.1	With Active and Deferred Scheme Members	
4.2	○ Newsletter for Retired members	Appendix H
4.5	Pensions Increase notifications	
4.7	P60 End of Year Certificates	
4.9	Printed payslips	
4.11	With Employers	
4.12	○ Employer Forums	
4.14	○ Employer Newsletters	Appendix I

4.16	Norfolk Pension Fund Team	
<b>5.</b>	<b>Accounts and Financial Reporting</b>	
<b>6.</b>	<b>Collaborative Working / Value for Money</b>	
6.1	Annual Benefit Statements production and distribution	
6.3	National LGPS Procurement Frameworks	
<b>7.</b>	<b>Knowledge and Skills</b>	
<b>8.</b>	<b>Admission Agreements</b>	
8.1	o Careline365 Limited (Great Yarmouth Borough Council)	
8.9	o Admission Agreement – Caterlink (Inspiration Trust)	
<b>9.</b>	<b>Update on Bulk Transfer Values in progress</b>	Appendix J
<b>10.</b>	<b>Freedom of Information Act (FoIA)</b>	
<b>11</b>	<b>Representation on behalf of the Pension Fund</b>	Appendix K
<b>12.</b>	<b>Norfolk Pension Fund – Pensions Committee Forward Plan</b>	Appendix L
<b>13.</b>	<b>Financial and Other Resource Implications</b>	
<b>14.</b>	<b>Other Implications (inc. Equality Impact Assessment (EqIA)</b>	
<b>15.</b>	<b>Data Protection Impact Assessments (DPIA)</b>	
<b>16.</b>	<b>Risk Implications/Assessment</b>	
<b>17.</b>	<b>Recommendations</b>	
<b>18.</b>	<b>Background Papers</b>	
18.1	Appendix A – Department for Levelling Up, Housing and Communities (DLUHC) Appendix B – Conflicts Policy Appendix C – Governance Strategy Statement Appendix D – Customer Care and Communication Strategy Statement Appendix E – Annual Internal Audit Report for 2023-24 for the Norfolk Pension Fund Appendix F – Hymans Robertsons ‘Current Issues in the LGPS’ May 2024 Appendix G – Key Performance Indicators Appendix H – Newsletter for Retired members Appendix I – Employer Newsletters Appendix J - Update on Bulk Transfer Values in progress Appendix K - Representation on behalf of the Norfolk Pension Fund Appendix L - 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 2024.

## **2. Governance framework for the Norfolk Pension Fund**

### **2.1 Pensions Oversight Board**

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

### **2.3 National Scheme Advisory Board (SAB)**

2.4 The SAB publish a summary update of their meetings on their website [here](#).

### **2.5 Annual Report Guidance updated**

2.6 Since the last report to Pensions Committee, the SAB have published updated guidance for preparing the fund annual report. This can be found on the [Board guidance](#) page. This guidance is the first publication which has been reviewed and jointly approved by the SAB’s Compliance and Reporting Committee (CRC), the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Department for Levelling Up, Housing and Communities (DLUHC). It replaces the 2019 guidance produced by the CIPFA Pensions Panel, which was disbanded in 2021.

- 2.7 The new guidance applies to 2023/24 annual reports which are due for publication by 1 December 2024, and later years. The guidance says funds should use their best endeavours to comply fully with the requirements for 2023/24 but exercise judgement where, because of changes to the previous content, to do so would require disproportionate effort or cost. We are currently reviewing the guidance to see where we may need to collect additional data or analyse it differently going forward.
- 2.8 **Department for Levelling Up, Housing and Communities (DLUHC)**
- 2.9 Simon Hoare MP, Minister for Local government, has written to all LGPS Administering Authorities in England asking that they set out their approach to efficiencies in the management, governance, and administration of their LGPS Fund and asset pool. A copy of the letter is at Appendix A. This item will be covered in more detail under Agenda Item 16.
- 2.10 **The Pensions Regulator (TPR)**
- 2.11 The General Code
- 2.12 The new TPR General Code (which brings together all previous TPR Codes of Practice into one combined code) came into effect in late March 2024.
- 2.13 The new Code is categorised into 5 general areas:
- The Governing Body
  - Funding and investment
  - Communications and disclosure
  - Administration
  - Reporting to TPR
- 2.14 Within these five areas are 51 specific modules that apply to the running of a pension scheme. Not all apply to LGPS funds – some do, some don't, and some may be considered best practice.
- 2.15 As anticipated, new modules include cyber controls and pension scams.
- 2.16 We are in the process of assessing our compliance with the new Code.
- 2.17 As discussed at the March Pensions Committee, POB plan to monitor progress with compliance which will include gap analysis, and action plans to address any outstanding areas of compliance. At their May meeting the POB received training on the contents for the new General Code. This training was recorded and is available for Committee to view.
- 2.18 **Norfolk Pension Fund**
- 2.19 Conflicts Policy
- 2.20 It is best practice for LGPS Pension Fund's to maintain their own Conflicts Policy. The proposed Norfolk Pension Fund Conflicts Policy is at Appendix B.
- 2.21 Pensions Committee is invited to review and adopt the draft Conflicts Policy.
- 2.22 Cyber Security, Information Governance and Confidentiality Guidelines
- 2.23 The Norfolk Pension Fund Cyber Security, Information Governance and Confidentiality Guidelines have been updated and published. This is covered in more detail under Agenda Item 8 (Risk and Breaches report).
- 2.24 Governance Strategy Statement
- 2.25 The Fund's Governance Strategy Statement has been updated and published on the website. A copy of the Statement is at Appendix C.
- 2.26 Customer Care and Communication Strategy Statement
- 2.27 The Fund's Customer Care and Communication Strategy Statement has been updated and published on the website. A copy of the Statement is at Appendix D.

- 2.28 **Norfolk Audit Services**
- 2.29 Annual Internal Audit Report for 2023-24 for the Norfolk Pension Fund
- 2.30 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.
- 2.31 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 2023-24 was 'acceptable' and therefore considered sound.
- 2.32 The Internal Audit Report for 2023-24 for the Norfolk Pension Fund is at Appendix E.
- 2.33 **Update on current issues**
- 2.34 Hymans Robertson's 'Current issues in the LGPS' May 2024 edition (Appendix F) provides an overview of some of the latest issues.
- 3. Norfolk Pension Fund Service Planning and Performance Data**
- 3.1 **Service plan**
- 3.2 Following the adoption of the Service Plan at Pensions Committee in March 2024, the Mission, Strategic Objectives and Service Plan now provide the basis for the current objective setting process under the performance and development process for teams and individuals.
- 3.3 **Key Performance Indicators**
- 3.4 The latest Norfolk Pension Fund benefits management Key Performance Indicators (KPI's) are at Appendix G.
- 4. Communication**
- 4.1 **With Active and Deferred Scheme Members**
- 4.2 Newsletter for Retired Members
- 4.3 The regular newsletter for retired members, Primetime, was posted to all retired members in April 2024 and published on the Fund's website. A copy is at Appendix H.
- 4.4 The booklet contains 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.
- 4.5 Pensions Increase Notifications
- 4.6 Pensions increased by 6.7% in April, reflecting the Consumer Price Index (CPI) as at September 2023. This was communicated to retired members via their April payslip.
- 4.7 P60 End of Year Certificates
- 4.8 P60 tax statements were sent to all retired members in early May.
- 4.9 Printed payslips
- 4.10 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).
- 4.11 **With Employers**
- 4.12 Employer Forums
- 4.13 Our next hybrid Employer Forum is scheduled for Wednesday 10 July.

#### 4.14 Employer Newsletters

4.15 The latest Employer Newsletter (Appendix I) was published in April, providing a range of articles and information relevant to employers and employees, including an update on year-end preparations, the importance of maintaining and improving data quality, scams and cyber security, investment, and other operational updates.

#### 4.16 **Norfolk Pension Fund Team**

4.17 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.

4.18 We are also continuing our regular 'Spotlight' sessions, focussing on different areas of the team.

4.19 The next whole team meeting will take place on 10 July. This will provide an opportunity to reflect on the service plan and review progress; there will also be training for the whole team on the Pension Regulators new General Code.

### **5. Accounts and Financial Reporting**

5.1 These matters are dealt with separately under Agenda Item 7.

### **6. Collaborative Working / Value for Money**

#### **6.1 Annual Benefit Statements production and distribution**

6.2 Following a competitive procurement exercise compliant with the Public Contracts Regulations 2015, a contract for the production and distribution of the Annual Benefit Statement booklets for the next 3 years has been awarded to Latcham Direct Limited.

#### **6.3 National LGPS Procurement Frameworks**

6.4 Using the National LGPS Frameworks saves LGPS Funds considerable 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 £172m, as well as 217 years effort saved to date since 2012. £4.2m+ cumulative rebate has been shared between 98 funds as a result of the National LGPS Frameworks programme. To date over 520 contracts have been let via the Frameworks by users.

6.5 Since the last report to Pensions Committee, a new Framework for Integrated Service Providers (ISP) and Member Data Services Framework has been launched. This Framework is to support Funds in preparation for and meeting the Pensions Dashboards requirements; and an AVC Services Framework for Funds is due to go live imminently.

6.6 Work has started on the next versions of both a Transition Services Framework and a Pensions Administration Software Framework.

6.7 We have started market engagement in anticipation of commencing work on the next Actuarial, Governance and Benefits Framework later this summer.

6.8 New Procurement Regulations will come into effect in October 2024. These will offer greater flexibility in some areas. We are currently assessing the implication of the new regulations and how best to utilise them to support the LGPS.

6.9 The new National LGPS Frameworks website is expected to go live towards the end of May / early June.

## **7. Knowledge and Skills**

- 7.1 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.
- 7.2 Members of the Pensions Oversight Board and Officers attended the CIPFA's Board conference in May.
- 7.3 The Pensions Oversight Board received training on the new General Code; this training was recorded, and details circulated to Pensions Committee and Board members.
- 7.4 Details of training events, conferences and webinars that may be of interest are regularly shared with members of Pensions Committee and the Pensions Oversight Board, and training records are maintained.
- 7.5 All members of Committee and POB have access to the LGPS online learning academy to support them in gaining and maintaining their knowledge.
- 7.6 Leon Thorpe, Head of Operational Service and Support in the National LGPS Frameworks team, has qualified as a Member of the Chartered Institute of Procurement & Supply (MCIPS).
- 7.7 All mandatory officer training is up to date.

## **8. Admission Agreements**

- 8.1 There are two additional admission agreements for the Committee to note.
- 8.2 **Admission Agreement – Careline365 Limited (Great Yarmouth Borough Council)**
- 8.3 We have received application for a new admission agreement from the contractor Careline365 Limited, provider of social monitoring services, as they onboard a new contract win.
- 8.4 The admission application is in respect of a contract with Great Yarmouth Borough Council commencing June 2024 for a contract length of 4 years.
- 8.5 The admission agreement will cover 6 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 (Great Yarmouth Borough Council) 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 – Caterlink (Inspiration Trust)**
- 8.10 We have received application for a new admission agreement from the catering contractor Caterlink, as they onboard a new contract win.
- 8.11 The admission application is in respect of a catering contract with Inspiration Trust commencing 1 August 2024 for a contract length of 3 years with a possible extension of 1 + 1 years.
- 8.12 The number of staff transferring, with the current right to LGPS membership, remains subject to final confirmation. 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 (Inspiration 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 Strategic Finance.

## **9. Update on Bulk Transfer Values in progress**

- 9.1 Please see Appendix J for Bulk Transfer Values in progress.

## **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.

<b>Date received</b>	<b>ENQ Reference/ Requester</b>	<b>Details</b>	<b>Action</b>
09/05/2024	ENQ-704058-L4G8K5	List of specific companies and the amount invested in them by the LGPS.	Responded
02/05/2024	ENQ-702807-R6G3F7	Confirmation how much is invested in Caterpillar, Boeing, BAE Systems, Thales and Safran.	Responded
15/04/2024	ENQ 698455-M5F0V6	Commitment, Contribution, Distribution, Value, and IRR as of 30 September and 31 December 2023	Responded
10/04/2024	ENQ-697321-N3W9H6	Suppliers who applied for inclusion on each lot of the Integrated Service Providers (ISP) and the Provision of Member Data Services framework including which were successful & not successful at the PQQ & ITT stages	Responded
09/04/2024	ENQ-697147-V3B9X6	Marketing material, updates, and prospectuses for Equitix Capital Eurobond 5 Ltd and Equitix Capital Eurobond 6 Ltd	Responded
26/03/2024	ENQ-694730-T5T7K7	Details about infrastructure investments	Responded
18/03/2024	ENQ-693409-T3W8Y7	Q4 2023 performance report for closed-end funds	Responded

## **11. Representation on behalf of the Pension Fund**

- 11.1 Please see Appendix K 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 L.

## **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 consider.

## **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 invited to:

- consider and note the content of this report including two Admission Agreements in respect of Careline365 Limited (Great Yarmouth Borough Council) and Caterlink (Inspiration Trust)
- review and adopt the draft Conflicts Policy.

## 18. Background Papers

- 18.1 Appendix A – Department for Levelling Up, Housing and Communities (DLUHC)  
Appendix B – Conflicts Policy  
Appendix C – Governance Strategy Statement  
Appendix D – Customer Care and Communication Strategy Statement  
Appendix E – Annual Internal Audit Report for 2023-24 for the Norfolk Pension Fund  
Appendix F – Hymans Robertsons 'Current Issues in the LGPS' May 2024  
Appendix G – Key Performance Indicators  
Appendix H – Newsletter for Retired members  
Appendix I – Employer Newsletters  
Appendix J - Update on Bulk Transfer Values in progress  
Appendix K - Representation on behalf of the Norfolk Pension Fund  
Appendix L - Pensions Committee Forward Plan

### Officer Contact

If you have any questions about matters contained in this paper, please contact:

**Officer name:** Glenn Cossey **Tel No:** 01603 228978  
**Email address:** [glenn.cossey@norfolk.gov.uk](mailto: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.

## APPENDIX A



# Department for Levelling Up, Housing & Communities

**Simon Hoare MP**  
Minister for Local Government  
2 Marsham Street  
London  
SW1P 4DF

Chief Executives and Section 151 Officers of  
Administering Authorities in England

By email

15  
May 2024

Dear Colleagues,

### **Efficiencies in local government and the management of Local Government Pension Scheme (LGPS) funds**

I wrote to all chief executives on 16 April setting out my expectations for the productivity plans to be developed by each authority as announced at the local government finance settlement. In this, I asked for plans covering service transformation, better use of technology and data and reduction of wasteful spend as well as views on barriers which government could remove (letter at annex A).

I am now writing to you to ask you to set out your approach to efficiencies in the management, governance and administration of your LGPS fund and asset pool in a separate letter. I am interested in what is happening across local government to deliver efficiencies in the management of the £359 billion of pension assets you hold, and in your administration of pension benefits for the 6.6 million members.

Since taking on ministerial responsibility for the LGPS I have been grateful for the generous engagement I have received, and I have been struck by the generally strong financial position of the scheme, as well as the strong commitment to serving scheme members. However, it is clear that there is also a need for improvements, including to meet the expectations set out on asset pooling and investments set out at the [Autumn Statement](#). More efficiencies in fund administration and management should also be achieved: across the scheme in 2022-3 investment management costs were £1.7 billion and £280 million on administration and governance.

Your response should consider the following themes on pensions.


- 1. How your fund will complete the process of pension asset pooling to deliver the benefits of scale.**
  - What proportion of assets have been pooled in your chosen LGPS asset pool? Is your fund on track to pool all listed assets by March 2025, and if not, what are the barriers to this?
  - Is there scope for minimising waste and duplication by making use of your LGPS asset pool's services and expertise in reporting and development of the pensions investment strategy? What is your expenditure on pensions investment consultancy?
  - Does your LGPS asset pool have an effective, modern governance structure in place, which is able to deliver timely decisions and ensure proper oversight? If not, what steps are you taking to make your pool's governance more effective?

**2. How you ensure your LGPS fund is efficiently run, including consideration of governance and the benefits of greater scale.**

- Does your LGPS fund have effective and skilled governance in place, which is able to hold officers, service providers and the pool to account on performance and efficiency?
- Would you be likely to achieve long-term savings and efficiencies if your LGPS fund became part of a larger fund through merger or creation of a larger pensions authority?

As set out in my previous letter I do not wish to impose excessive burdens. I expect your letter to be no more than two pages in length. Your plans must be returned by 19 July 2024, by email to [lgpensions@levellingup.gov.uk](mailto:lgpensions@levellingup.gov.uk). We will review your responses and consider the issues emerging and the implications for future national policy.

I look forward to working with you to deliver the best outcomes.

With every good wish.  
Yours,  
  
**SIMON HOARE MP**  
Minister for Local Government

### Norfolk Pension Fund Conflicts of Interest Policy

#### 1. Introduction

- 1.1 In the LGPS environment many of those managing LGPS funds will have a variety of roles and responsibilities, for example as a member of the scheme or an elected member of an employer participating in the LGPS. Some may have a personal, business, or other interest which might conflict, or be perceived to conflict, with their role managing or advising LGPS funds.
- 1.2 This policy applies to members of the Pensions Committee, Norfolk Pension Fund Pension Oversight Board (POB) and all officers managing the Fund including the s151 officer and sets out guidelines and procedures for identifying, monitoring, and managing actual and potential conflicts of interest. It should be read along with other relevant constitutional documents, including Norfolk County Council's members code of conduct.

#### 2. Identifying a Conflict or Potential Conflict

- 2.1 A conflict of interest is defined in section 5(5) of the Public Service Pensions Act 2013 as a financial or other interest likely to prejudice the way in which someone carries out their role<sup>1</sup>. It further specifies that a conflict does not include a financial or other interest arising merely by virtue of that person being a member of a relevant pension scheme.
- 2.2 Therefore, a conflict of interest may arise when an individual:
- (a) has a responsibility or duty in relation to the management of, or provision of advice to, the Norfolk Pension Fund and at the same time, they:
    - (i) have a separate personal interest (financial or otherwise), or
    - (ii) have another responsibility in relation to that matter, giving rise to a possible conflict with their first responsibility.
- 2.3 Some of the key areas of potential conflict relate to the dual roles held by Norfolk County Council as Administering Authority to the Fund and a participating employer in Fund. Examples of potential conflicts including relating to these dual roles are included in Appendix 1.

<sup>1</sup> The Public Service Pensions Act 2013 defines a conflict of interest in the context of a member of a pension board however the definition is extracted here to apply to all stakeholders.

2.4 Norfolk Pension Fund will:

- (a) encourage a culture of openness and transparency
- (b) encourage individuals to be vigilant, have a clear understanding of their role and the circumstances in which they may have a conflict of interest, and of how potential conflicts should be managed
- (c) evaluate the nature of any dual interests or responsibilities that are highlighted and assess the impact on pension fund operations and good governance were an actual conflict of interest to materialise.

2.5 Ways in which conflicts of interest may be managed include:

- (a) the individual concerned abstaining from discussion, decision-making or providing advice relating to the relevant issue
- (b) the individual being excluded from the meeting(s) and any related correspondence or material in connection with the relevant issue
- (c) a working group or sub-committee being established, excluding the individual concerned, to consider the matter outside of the formal meeting (where the terms of reference permit this to happen).

2.6 Where Norfolk Pension Fund (having taken any professional advice deemed to be required) is satisfied a conflict is considered to be so fundamental it cannot be effectively managed, or where a Pension Board member has an actual conflict of interest as defined in the Public Service Pensions Act 2013, the individual will be required to resign from their role.

### **3. Code of Conduct**

3.1 Elected members are required to adhere to the Code of Conduct for members of their authority which sets out the expected standards of conduct, including requirements around registering and declaring interests.

3.2 POB members are required to adhere to the Standards of Conduct set out in their terms of reference and complete a conflicts declaration.

3.3 Officers of the Fund are required to adhere to the Norfolk County Council employee Code of Conduct which includes requirements to disclose and manage personal and other interests and receipt of gifts and hospitality.

3.4 The information contained in these declarations will be collated into the Pension Fund Register of conflicts of interest in a format the same or similar to that included in Appendix 2.

#### **4. Managing and Mitigating Potential Conflicts of Interest**

- 4.1 At the commencement of any Pension Committee and Pension Board or other formal meeting where pension fund matters are to be discussed, the Chair will ask all those present who are covered by this Policy to declare any new potential conflicts.
- 4.2 Where anyone has a Disclosable Pecuniary Interest (as defined in Norfolk County Council's Constitution, an extract of which is set out in Appendix 3) in a matter to be considered at the meeting and that interest is on the Pension Fund Register, they must not speak or vote on the matter. If they have a Disclosable Pecuniary Interest in a matter to be considered at the meeting and that interest is not on their Pension Fund Register, they must declare that interest at the meeting and not speak or vote on the matter. In either case they may remain in the room where the meeting is taking place. If they consider that it would be inappropriate in the circumstances to remain in the room, they may leave the room while the matter is dealt with.
- 4.3 Where a matter arises at a meeting which relates to or affects 'Other Interests' the relevant person must declare the existence and nature of the interest unless it has been entered in the Pension Fund Register.
- 4.4 An 'Other' Interest' is one which affects, to a greater extent than others in their division the relevant person's:
- (a) own wellbeing or financial position or
  - (b) that of family or close friends
  - (c) any body
    - (i) exercising functions of a public nature
    - (ii) directed to charitable purposes; or
    - (iii) 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
- 4.5 Where an 'Other Interest' arises, the relevant person must declare an interest but may speak and vote on the matter.
- 4.6 Where information relating to any potential or actual conflict has been provided, Norfolk Pension Fund may seek such professional advice as they think fit (such as legal advice from the Monitoring Officer) on how to manage any identified conflicts. Any such potential or actual conflicts of interest and the action taken will be recorded on the Fund's Register of conflicts of interest.

4.7 As part of the year end accounts procedure, we obtain a declaration of related party transactions from all members that have served on the Pension Committee during the financial year and all current senior officers of the Pension Fund.

## **5. Advisers and conflicts**

5.1 Any advisers to the Fund are expected to have their own policies on how conflicts of interest will be managed in their relationships with their clients; and these should be shared with Norfolk County Council.

5.2 All potential or actual conflicts must be notified to the Head of Governance as they arise.

5.3 All advisers will on appointment be provided with a copy of this policy as updated from time to time and must:

- (a) notify the Head of Governance with all potential or actual conflicts as they arise; and
- (b) provide, on request, information to the Head of Governance as to how they will manage and monitor actual or potential conflicts of interests relating to the provision of advice or services to Norfolk Pension Fund.

## **6. Further Information**

6.1 If you require further information about anything in or related to this Conflicts of Interest Policy, please contact:

**Head of Governance**

**Email [jo@quarterman.norfolk.gov.uk](mailto:jo@quarterman.norfolk.gov.uk)**

## Appendix 1 - Examples of Potential Conflicts of Interest

The examples provided are for illustrative purposes only and are not designed to be an exhaustive list.

<b>Examples of Pension Related Potential Conflict of Interest</b>
A Committee member or Officer is asked to provide views on a funding strategy which could result in an increase in the employer contributions required from the employer he or she represents.
A member of the Pensions Committee or the Pensions Oversight Board is on the board of a Fund Manager that is being considered for appointment.
An Officer of the Fund or a member of the Pensions Committee or Pensions Oversight Board accepts a dinner invitation from a service provider who has submitted a bid as part of a tender process.
An employer representative on the Pensions Committee or the Pension Oversight Board represents an organisation to which the administering authority has outsourced its pension administration services and is asked to review the standards of service provided by that company.
The person appointed to consider internal disputes is asked to review a case relating to a close friend or relative.
A member of the Pensions Committee or the Pensions Oversight Board could be conflicted if he or she only acts in the interests of the administering authority or their own employer, rather than those of all participating employers. Equally, a member representative, who is also a trade union representative, appointed to represent the entire scheme membership could be conflicted if he or she only acts in the interests of their union and union membership, rather than all scheme members.
A Fund adviser is party to the development of a strategy which could result in additional work for their firm, for example, providing assistance with monitoring the covenant of employers.
A Fund advisor is appointed to a role which gives access to their competitors IPR.
An administrator in the Fund receives a case to calculate benefits from a scheme employer which relates to a family member, close friend, or colleague.



Appendix 2 – Norfolk Pension Fund – Register of Potential or Actual Conflicts of Interest

All reported conflicts of interest will be recorded in the minutes, and we will maintain and review a register of conflicts annually.

Date Identified	Name of person	Role of Person	Details of conflict	Actual or potential conflict	How notified  Eg verbal declaration at meeting, written conflicts etc	Action taken  Eg withdrawing from a decision making process, left meeting	Follow up required	Date resolved

### Version Control

<b>Version</b>	<b>Author / updater</b>	<b>Date</b>	<b>Notes</b>
<b>1</b>	Eunice Walcott	16.04.2024	For review and sign off by Management Team
<b>2</b>	Jo Quarterman	27/05/24	For Committee approval



**Norfolk Pension Fund**

# **Governance Strategy Statement**

**This document sets out the  
governance arrangements  
for the  
Norfolk Pension Fund  
as at May 2024**

## Administering Authority

Norfolk County Council (NCC) is the **Administering Authority** of the Norfolk Pension Fund and administers the Local Government Pension Scheme (LGPS) on behalf of participating employers and scheme members.

- Norfolk County Council has delegated its pensions functions to the **Pensions Committee**
- Norfolk County Council has delegated responsibility for the administration and financial accounting of the Norfolk Pension Fund to the **Director of Strategic Finance**
- The **Norfolk Pension Fund Pensions Oversight Board** acts as the **Local Pension Board** for the Norfolk Pension Fund

## Pensions Committee

The Pensions Committee is responsible for the strategic management of the assets of the Fund and the administration of benefits. The Pensions 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 secure efficient and effective performance and service delivery
- Appoint and monitor advisors
- Ensure that arrangements are in place for consultation with stakeholders as necessary



## Pensions Committee Trustees\*

- The Pensions Committee act as Trustees and oversee the management of the Norfolk Pension Fund
- As Trustees, their overriding duty is to ensure the best possible outcomes for the Pension Fund, its participating employers and scheme members
- Their knowledge is supplemented by professional advice from Pension Fund staff, professional advisers and external experts
- To meet the requirements set out by the Pensions Regulator's Code of Practice, Trustees need a certain level of expertise. An ongoing programme of trustee training is delivered and no substitutions are allowed at Committee

## Pensions Committee Membership

There are eight members of the Pensions Committee:

<b>Chairman</b>	Norfolk County Councillor	Tom FitzPatrick
	Norfolk County Councillor	Alison Birmingham
	Norfolk County Councillor	William Richmond
	Norfolk County Councillor	Martin Storey
	Norfolk County Councillor	Brian Watkins
	District Councillor (elected by the Local Government Association)	The Lord Fuller OBE
	District Councillor (elected by the Local Government Association)	Paul Hewett
	Staff Representative	Steve Aspin
<b>Other attendees</b>	Administrator of the Fund (Director of Strategic Finance)	Harvey Bullen
	Director of the Norfolk Pension Fund	Glenn Cossey
	Investment Advisor to the Fund (Hymans Robertson)	David Walker

\* Pensions Committee members act as Trustees but do not have legal status as Trustees.

## Local Pension Board

In line with all public service pension schemes, each Local Government Pension Scheme (LGPS) Fund is required to have a Local Pension Board.

The Local Pension Board for the Norfolk Pension Fund is called the **Norfolk Pension Fund Pensions Oversight Board**.

## Role of the Pensions Oversight Board

The role of the **Pensions Oversight Board**, as defined by Regulation 106 of the Local Government Pension Scheme Regulations 2013, (“the Regulations”) is to:

- Assist the **Administering Authority** to secure compliance with:
  - the Regulations and any other legislation relating to the governance and administration of the Local Government Pension Scheme (LGPS);
  - requirements imposed in relation to the LGPS by the Pensions Regulator (tPR); and
  - such other matters as the LGPS regulations may specify
- Assist the **Administering Authority** to ensure the effective and efficient governance and administration of the Norfolk Pension Fund
- Provide the **Administering Authority** with such information as it requires ensuring that any member of the **Pensions Oversight Board** or person to be appointed to the **Pensions Oversight Board** does not have a conflict of interest

The **Pensions Oversight Board** also helps ensure that the Norfolk Pension Fund is managed and administered effectively and efficiently and complies with the Code of Practice on the governance and administration of public service pension schemes issued by The Pensions Regulator.

The creation of the **Pensions Oversight Board** does not change the core role of the **Administering Authority** nor the way it delegates its pension functions to the **Pensions Committee**. The **Pensions Oversight Board** does not replace the **Administering Authority** nor make decisions which are the responsibility of the **Administering Authority** under both the Regulations and other relevant legislation.

The **Pensions Oversight Board** only has the power to oversee decisions made by the **Administering Authority** and to make recommendations to improve the efficient and effective administration and governance of the pensions function, including funding and investments.

The full **Terms of Reference** for the **Pensions Oversight Board** are on the Norfolk Pension Fund website at [www.norfolkpensionsfund.org](http://www.norfolkpensionsfund.org).

## Pensions Oversight Board Membership

The **Pensions Oversight Board** has an equal number of scheme member and scheme employer representatives (three of each), along with an Independent Chairman:

<b>Independent Chair</b>	Brian Wigg
<b>Scheme Member Representative</b>	Frances Crum Active/deferred member
<b>Scheme Member Representative</b>	Peter Baker Pensioner member
<b>Scheme Member Representative</b>	Vacancy Trade union
<b>Scheme Employer Representative</b>	Liz Marsham Levying/precepting employer
<b>Scheme Employer Representative</b>	Vacancy Non-levying/precepting employer
<b>Scheme Employer Representative</b>	Sally Albrow Norfolk County Council

**Pensions Oversight Board** members comply with the Norfolk Pension Fund training policy, and training opportunities are as far as possible are shared with the **Pensions Committee**.

Each member of the **Pensions Oversight Board** is responsible for complying with the knowledge and understanding requirements of section 248A of the Pensions Act 2004.

## Pensions Oversight Board Meetings

There are at least two **Pensions Oversight Board** meetings a year and it normally meets quarterly.

Papers, agendas and minutes of these meetings are published on the Norfolk Pension Fund website at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org).

In addition, the **Pensions Oversight Board** produce an annual report in accordance with any regulatory requirements.

## Director of Strategic Finance

- The **Director of Strategic Finance** is Norfolk County Council's Chief Finance Officer and Section 151 Officer
- As Administrator of the Fund he is responsible for:
  - The administration and financial accounting of the Fund
  - The preparation of the Pension Fund Annual Statement of Accounts

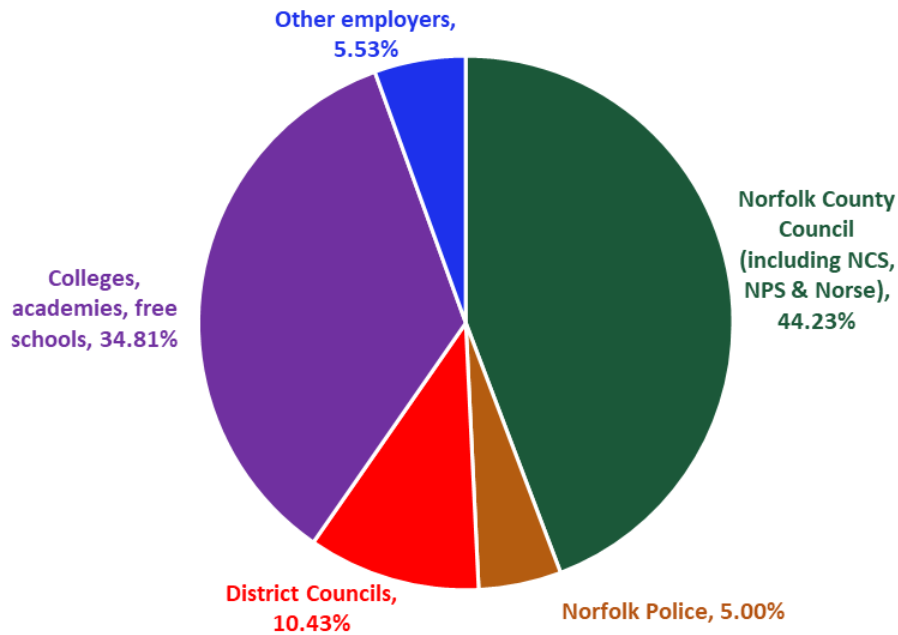
## Legislation and Regulations

- The Norfolk Pension Fund administers the Local Government Pension Scheme (LGPS) in Norfolk and is governed by the:
  - Local Government Pension Scheme Regulations 2013
  - Local Government Pension Scheme (Miscellaneous Amendments) Regulations 2014
  - Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014
  - Local Government Pension Scheme (Amendment) Regulations 2015
  - Local Government Pension Scheme (Management and Investment of funds) Regulations 2009, and subsequent amendments
- **Pensions Committee** is governed by Norfolk County Council's procedural rules under the Council's Constitution. The Committee's **Terms of Reference** are:
- "To administer all aspects of the Norfolk Pension Fund on behalf of Norfolk County Council as Administering Authority of the Local Government Pension Scheme, and on behalf of Norfolk County Council as an employer within the scheme alongside all other contributing employers, and on behalf of all scheme beneficiaries (scheme members) including:
  - Functions relating to local government pensions etc under regulations made under Sections 7, 12 and 24 of the Superannuation Act 1972
  - To receive and consider the draft Financial Statements for the Norfolk Pension Fund
  - To comment on the draft Financial Statements and make a recommendation to the Audit Committee that they be approved/not approved"
- Financial affairs are conducted in compliance with Norfolk County Council's Financial Regulations
- Funds are invested in compliance with the Norfolk Pension Fund's Investment Strategy Statement



# Membership of the Fund and Local Accountability

## Active Membership Breakdown by Employer as at 31 March 2023\*



## Local Accountability - Representation

### Employers

- Employers are directly represented on Pensions Committee and the Pensions Oversight Board
- All employers are invited to regular Employer Forums and the Annual Meeting

### Scheme Members

- Scheme Members are directly represented on Pensions Committee and the Pensions Oversight Board
- All active and deferred scheme members are invited to the Annual Meeting and Pensions Clinics; retired members receive two annual newsletters and are directly represented on the Pensions Oversight Board

## Membership as at 31 March 2023

**430 Contributing Employers**

**28,536 Pensioners**

(members in receipt of a pension from the Fund)

**29,153 Active members**

(members who are currently in the employment of a participating employer)

**40,300 Deferred members**

(members who have left the employment of a participating employer, but who are not yet in receipt of their pension)

## Local Accountability - Transparency

- The Fund is committed to providing clear, relevant, accessible and timely information to all stakeholders
- How it does this is set out in the annually updated Customer Care and Communication Strategy Statement. This is on our website at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)
- Pensions Committee reports, agendas and minutes are published on the Norfolk County Council website at [www.norfolk.gov.uk](http://www.norfolk.gov.uk)
- Pensions Committee meetings are open to the public
- Pensions Oversight Board reports, agendas and minutes are published on the Norfolk Pension Fund website at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)
- The Annual Pension Fund Report and Accounts, reporting on the activities and investment performance of the Fund, and including the Pensions Oversight Board annual report, are on our website at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)
- Payments over £500 are published on the Norfolk County Council website at <https://www.norfolk.gov.uk/what-we-do-and-how-we-work/open-data-fois-and-data-protection/open-data/payments-to-suppliers>
- Extracts from the Annual Report and a signpost to the whole document are included in the Annual Benefit Statement sent to all scheme members, and in Primetime, the annual newsletter sent to all retired members
- All scheme members and employers are invited to an Annual Meeting
- All employers and members of the Pensions Committee and Pensions Oversight Board are invited to our Employer Forums. These are an opportunity for employers to discuss matters of interest to their organisations with officers and members

## ACCESS Investment Pool

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).

The ACCESS authorities have signed an Inter Authority Agreement which established a Joint Committee at which the Chair from each Administering Authority Section 101 Committee ('Pensions Committee') is represented.

The Norfolk Pension Fund Pensions Committee and Pensions Oversight Board are regularly updated and review the work of the Joint Committee and the Operator, and ACCESS investment performance.

More information can be found on the ACCESS website at [www.accesspool.org](http://www.accesspool.org).

**Norfolk Pension Fund**

**County Hall**

**Martineau Lane**

**Norwich**

**NR1 2DH**

**Pensions Administration**

**01603 495923**

**[pensions@norfolk.gov.uk](mailto:pensions@norfolk.gov.uk)**

**Investment, Accountancy and Actuarial Services**

**01603 222139**

**[pensions.finance@norfolk.gov.uk](mailto:pensions.finance@norfolk.gov.uk)**

**Online, Technical and i-Connect Queries**

**01603 222132**

**[pensions.technical@norfolk.gov.uk](mailto:pensions.technical@norfolk.gov.uk)**

**[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)**



**Norfolk Pension Fund**



**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](mailto:pensions@norfolk.gov.uk)**



## Norfolk Pension Fund

# Customer Care and Communication Strategy Statement May 2024

**The Norfolk Pension Fund  
is committed to delivering  
a consistently high level of  
performance and customer service.**

**Good communication is core  
to this commitment.**

**This document sets out how  
we do this.**

# Customer Care and Communication Strategy Statement

This Customer Care and Communication Strategy Statement aims to ensure that the Norfolk Pension Fund:

- provides clear, relevant, accurate, accessible and timely information
- listens, considers and responds appropriately to communication we receive
- uses plain English wherever possible, and avoids unnecessary jargon
- uses communication channels which best fit the audience and the information being passed on

**Communication is ‘to share or exchange information or ideas’**

## Our Core Customer Care Standards

- To answer the telephone within 15 seconds, and respond to enquiries within five working days
- To respond to letters within five working days
- To respond to email enquiries within three working days
- To meet visitors within five minutes of appointment time
- When visiting, to agree a time in advance and show an identity card

## Who are we in regular communication with?

- Pensions Committee (the Trustees)
- Pensions Oversight Board
- Participating employers
- Scheme members
- Prospective members
- Scheme member representatives
- Norfolk Pension Fund staff
- Other bodies, including
  - Investment managers
  - The media
  - Actuaries
  - Other pension funds
  - Department for Levelling Up, Housing and Communities and The Pensions Regulator (regulators of the scheme)

## How does the Norfolk Pension Fund communicate?

When deciding how to communicate, we consider the audience, the message and the cost to the Fund.

We want to get our messages over and to make ourselves available to hear queries, opinions and concerns.

We make use of telephone, email, surface mail, internet, social media, paper publications, face to face conversations and meetings, seminars, road shows, attendance at conferences and other forums.

Our website meets accessibility guidelines and our Accessibility Statement can be found on our website [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org).

## Data Protection Statement

Norfolk County Council on behalf of 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](http://www.norfolkpensionfund.org).

## Pension Committee Trustees

The Pensions Committee act as trustees and oversee the management of the Norfolk Pension Fund. The Members of the Committee are committed to ensuring the best possible outcomes for the Norfolk Pension Fund, its participating employers and scheme members. Their knowledge is supplemented by professional advice from Norfolk Pension Fund staff, professional advisers and external experts.

### The Trustees

#### Norfolk County Councillors

Tom FitzPatrick (Chairman)

Alison Birmingham

William Richmond

Martin Storey

Brian Watkins

#### District County Councillors

The Lord Fuller OBE

Paul Hewett

#### Staff representative

Steve Aspin



## Sharing information

### Committee Meetings

The Pensions Committee meets quarterly, to consider all investment and administration (the calculation and payment of benefits) issues related to the Norfolk Pension Fund. It monitors performance, discusses significant issues and makes all decisions related to the Fund. The Director of Strategic Finance, Norfolk Pension Fund staff and other professional advisers prepare reports, briefings and make recommendations for the Committee to consider and act upon.

### Observers

People who would like to see the Pensions Committee in action can view meetings on the Norfolk County Council Democratic Services [www.youtube.com](https://www.youtube.com) channel.

### Internet

Pensions Committee reports, agendas and minutes are available via the Norfolk County Council internet and intranet sites at [www.norfolk.gov.uk](http://www.norfolk.gov.uk) under **Council and Democracy** then **Meetings**.

# Pensions Oversight Board

The Pensions Oversight Board helps ensure that the Norfolk Pension Fund continues to be well run and properly managed. The purpose of the Board is to assist Pensions Committee and Officers with responsibilities for managing the Norfolk Pension Fund by helping to:

- Secure compliance with the Regulations, any other legislation relating to the governance and administration of the scheme, and requirements imposed by The Pensions Regulator in relation to the scheme and;
- Ensure the effective and efficient governance and administration of the scheme

The full **Terms of Reference** for the **Pensions Oversight Board** are on the Norfolk Pension Fund website at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org).

## Board Members

<b>Independent Chair</b>	Brian Wigg
<b>Scheme Member Representative</b>	Frances Crum (Active/Deferred member)
<b>Scheme Member Representative</b>	Peter Baker (Pensioner member)
<b>Scheme Member Representative</b>	Vacancy (Trade Union)
<b>Scheme Employer Representative</b>	Liz Marsham (Levying/precepting employers)
<b>Scheme Employer Representative</b>	Vacancy (Non levying/precepting employers)
<b>Scheme Employer Representative</b>	Sally Albrow (Norfolk County Council)

## Sharing information

There are at least two **Pensions Oversight Board** meetings a year. Papers, agendas and minutes of these meetings are published on the Norfolk Pension Fund website at [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org).

In addition, the **Pensions Oversight Board** produce an annual report in accordance with any regulatory requirements.



## Scheme members

Norfolk Pension Fund scheme members come from a range of private, public and quasi-public organisations across the county.

It is essential that scheme members are provided with detailed information about the scheme and be able to understand what pension and benefits they may be entitled to in the future.

**Communication with members reflects the varying interests and concerns of the different groups of scheme members:**

### **Active members (33,367)**

People currently in the employment of a participating employer.

### **Deferred members (42,997)**

People who have left the employment of a participating employer, but who have not yet retired.

### **Pensioner members (30,872)**

People in receipt of a pension from the Norfolk Pension Fund.  
(Membership numbers as at 31 March 2024)

## Telephone Helpline

A dedicated helpline for scheme members is operated by our experienced Pension Administration Team.

The team gives advice to active, deferred and retired members on scheme membership and benefits.

**01603 495923**

**Phone lines open**

**Monday to Thursday 8.45am - 5.00pm**

**Friday 8.45am - 4.00pm**

## Scheme members

Sharing information with scheme members...	Active	Deferred	Pensioner
<p><b>Internet</b></p> <p>The Norfolk Pension Fund website provides advice, information and news as well as <b>direct and secure access to members personal data</b>, including a pensions calculator for active members at <a href="http://www.norfolkpensionfund.org">www.norfolkpensionfund.org</a></p>	✓	✓	✓
<p><b>Scheme guide</b></p> <p>A scheme guide is supplied to all members and published on the website.</p>	✓	✓	✓
<p><b>Annual Benefit Statement and newsletter</b></p> <p>Annual Benefit Statement booklets are sent to members' home addresses. The booklet also gives information on changes to the scheme and other topical issues, including a summary of the accounts and a general review.</p>	✓	✓	x
<p><b>Annual Meeting and Pension Clinics</b></p> <p>Scheme members can raise questions directly with Pensions Committee at the Annual Meeting or discuss their LGPS pension face to face at a Pension Clinic.</p>	✓	✓	x
<p><b>Pay Advice and Pensions Increase Notification</b></p> <p>Payslips are posted to all pensioners when the pension payment after tax is more that £1.00 different to the last monthly payment. Members can view their monthly payment details on our website. We write to members about the annual pensions increase and other important messages. We also send them a P60 Tax Form each year.</p>	x	x	✓
<p><b>Pensions roadshows</b></p> <p>Roadshows are run as, when and most importantly where they are needed.</p>	✓	x	x
<p><b>Pre-Retirement Planning Course</b></p> <p>The Pension Fund supports a Pre-Retirement Planning Course, to help members approaching retirement prepare for the financial and lifestyle changes retirement brings. The course is delivered virtually via MS Teams.</p>	✓	x	x
<p><b>Retired members newsletter</b></p> <p>Primetime, our newsletter for retired members (currently published twice a year) is posted to home addresses and covers the latest information about pensions and the Fund.</p>	x	x	✓

## Prospective and new scheme members

Most people coming to work for any of the employers participating in the Norfolk Pension Fund are able to join the Local Government Pension Scheme (LGPS).

An up-to-date list of all the employers who participate in the scheme is posted on our website at:

[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)

Most employers automatically enrol eligible new employees into the LGPS. They then have the right to 'opt out' of the Fund and cease to be a member.

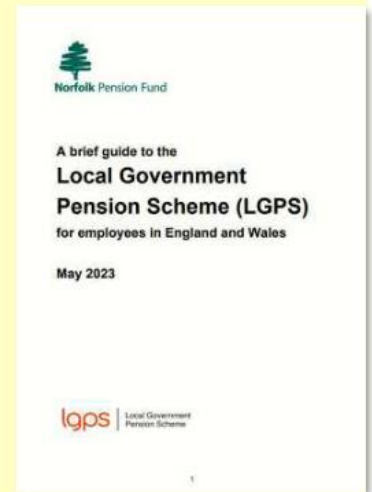
Some members will have circumstances that may make it appropriate to opt out of the Fund.

We want people to make well informed decisions. We work closely with employers to help prospective members understand the wider benefits of membership and to encourage new members not to give up scheme membership without careful consideration.

### Sharing information with prospective/new scheme members

#### New joiner information

A number of items are published on our website with information for new scheme members including the 'Brief Guide to the Local Government Pension Scheme (LGPS)'.



#### Online

The Norfolk Pension Fund website has an area for joiners with details of the scheme benefits, costs, who can join and how to join. [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)

#### Induction courses

The benefits of membership are highlighted by scheme employers during their induction procedures.

#### Recruitment

Recruitment exercises highlight the opportunity of joining the scheme to potential employees.

## Member representatives

The staff representative member of the Pensions Committee is also a representative of UNISON.

We maintain positive relations with member representatives and meet as requested or needed.

# Employers

At the end of March 2023, the Norfolk Pension Fund had 430 contributing employers. This included Norfolk County Council, non-uniformed police authority and fire service staff, district councils, parish councils and drainage boards, a range of charities and quasi-government organisations such as the Citizens Advice and housing associations, increasingly some private companies delivering services on behalf of local authorities, and a growing number of academy schools.

## Sharing information with our employers

### Employer Forum and webinars

All employers are invited to regular hybrid Employer Forums (delivered face to face and virtually) and webinars. These offer a great opportunity for employers and Norfolk Pension Fund colleagues to get together, to exchange news and views. Norfolk Pension Fund staff update employers with the latest news affecting the Norfolk Pension Fund, and external speakers provide insights into the wider pensions world. Webinars and virtual Employer Forums are recorded for colleagues unable to attend the live events.

### Employer Manual

Our interactive Employer Manual is provided via the Norfolk Pension Fund website, and aims to provide all the information needed to take part effectively in the pension scheme.

### Employer Newsletter

The Fund publishes a regular newsletter, aimed specifically at employers. It covers topical issues under debate, technical changes that need their attention and changes to regulations that impact on their duties and responsibilities.

### Annual Report and Accounts

The audited accounts of the Norfolk Pension Fund are prepared as at 31 March each year and published on our website.

### Specialist advice

Professional advice can be provided/arranged, related to specific pensions activities undertaken by employers, for example transfer of staff, external contracts, etc.

### Internet - [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) and i-Connect (employer portal)

The Fund's website hosts an area for employers. It has lots of information about the scheme and the Norfolk Pension Fund. The employer manual, information, forms and employer newsletters are all available online. Our employer portal, i-Connect, gives employers access to view their own data, securely exchange data and submit requests and changes online.

### Contacts database

We maintain an employer contact database.

### Email

Updates on relevant topics are emailed to employer contacts as appropriate.

### Fact sheets

Pension Fund fact sheets are maintained on issues such as early retirements.

### Individual employer meetings

Pension Fund staff arrange virtual meetings with employers on request.

## Other bodies we communicate with

**Department for Levelling Up, Housing and Communities:** We have regular contact with the Department for Levelling Up, Housing and Communities, as regulator of the scheme, and participate in a number of working groups where new developments are discussed.

**The Pensions Regulator (TPR):** to ensure good governance and standards of administration and compliance with Public Service Code of Practice 14.

**ACCESS (A Collaboration of Central, Eastern and Southern Shires):** The Norfolk Pension Fund is one of 11 LGPS Funds in the ACCESS investment pool.

### **The Society of County Treasurers**

**Chartered Institute of Public Finance Accountants (CIPFA):** The Norfolk Pension Fund takes part in the annual CIPFA Pensions Administration Benchmarking Club.

**Local Authority Pension Fund Forum (LAPFF):** The Norfolk Pension Fund is a member of the LAPFF, which was established to help local authority funds share information and ideas about how we can be socially responsible owners of the companies in which we invest.

**Pensions and Lifetime Savings Association (PLSA):** The Norfolk Pension Fund is a member of the PLSA, which helps us be a part of the national pensions debate. Jo Quarterman, Head of Governance, sits on the PLSA Local Authority Committee.

**South Eastern Counties Superannuation Officers Group:** Pension Officers from administering authorities in the region meet regularly to share information and ensure uniform interpretation of the rules governing the scheme.

**Investment Managers, Professional Advisors and Actuaries:** We have regular meetings with fund managers who invest the monies belonging to the Fund. We also meet the Fund's actuaries who measure and value the assets and liabilities of the Fund, and calculate the necessary employer contribution rates to keep the Fund solvent.

**Heywoods CLASS and Payroll User Groups:** We are active members of the Heywood's Administration CLASS (Computerised Local Authority Superannuation System) and Payroll system users groups.

**Pension Fund Custodian:** The Fund's custodian is Northern Trust, who ensure the safekeeping of the Fund's investment transactions and all related share certificates, etc.

**Barclays Bank:** provide banking services to the Fund.

**The Press:** The Fund has a good working relationship with professional pension publications and the local media.

**Seminars and conferences:** Norfolk Pension Fund staff regularly attend and speak at seminars and conferences, to continue their professional development, maintain knowledge levels and to contribute to pensions development.

# Norfolk Pension Fund staff

The Norfolk Pension Fund is administered by Norfolk County Council.

**Administrator of the Norfolk Pension Fund Norfolk County Council Director of Strategic Finance,**  
Harvey Bullen



**Head of Service Director of the Norfolk Pension Fund,**  
Glenn Cossey, leads the Service.



**Administration Management Pensions Manager,** Debra Keeling, and her team provide benefit administration services to scheme members and participating employers.

**Investment Management Head of Funding and Investment,** Alex Younger, and his team manage the pension fund investments and accounts, as well as providing support to employers and the Trustees in their stewardship of the Fund.

**Governance Head of Governance,** Jo Quarterman, supports the Fund's governance, communication, service development and project management.

## Sharing information

### Management meetings

The Management Team meets regularly, for strategic and development planning and review, as well as operational performance issues and monitoring.

### Team meetings and weekly newsletter

Team meetings take place regularly, and are supplemented by additional or informal meetings for specific issues as required.

A weekly newsletter is also circulated to the team.

### Service Plan

The Fund maintains a three year service plan, which sets out the agenda for the future. All the team share the plan, and discuss at team meetings.

### Team development

A budget is allocated for training and development. A combination of formal and informal training and development is maintained.

### Performance development framework

The performance development framework includes conversations between managers and team members to establish clear goals in work aligned to organisational plans; maximising the strengths of contribution to the service; and reviewing performance and future development plans.

### Intranet, internet and email

All staff have access to the Norfolk County Council intranet, the internet and email.



**Norfolk Pension Fund**

**Norfolk Pension Fund**

**County Hall**

**Martineau Lane**

**Norwich**

**NR2 1AD**

**Telephone: 01603 495923**

**Email: [pensions@norfolk.gov.uk](mailto:pensions@norfolk.gov.uk)**

**[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)**

## Norfolk Pension Fund publications

Communication material	Paper based	Online	Large sight copy	Braille/ Audio	When published	When reviewed
Website: <a href="http://www.norfolkpensionfund.org">www.norfolkpensionfund.org</a>		✓	Help available	Help available	Constantly available	Ongoing
Scheme Booklet	✓	✓	On request	On request	Constantly available	Ongoing
A Guide to the LGPS	✓	✓	On request	On request	Constantly available	Ongoing
Annual Benefit Statement, members newsletter and accounts	✓	✓	On request	On request	Annually	Annually
Pay advice slip	✓	✓	On request	On request	Online - Monthly Paper - only if payment changes	Monthly
Retired members newsletter	✓	✓	On request	On request	Twice yearly	Twice yearly
Information sheets (various)	✓	✓	On request	On request	As required	Ongoing
Employer Manual	✓	✓	On request	On request	Constantly available	Ongoing
Employer Newsletter	✓	✓	On request	On request	3-4 times a year	3-4 times a year
Report and Accounts	✓	✓	On request	On request	Annually	Annually
Pensions Committee Papers	✓	✓	On request	On request	Quarterly	Quarterly
Pensions Oversight Board Papers	✓	✓	On request	On request	3-4 times a year	3-4 times a year
Press articles	✓	✓	On request	On request	As required	As required



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](mailto:pensions@norfolk.gov.uk)



# Norfolk Pension Fund Events

Pensions Committee	Four times a year
Pensions Oversight Board	Four times a year
Employer Forum and webinars	Approximately four a year
Annual Meeting and Pension Clinics	October/November
Pre-Retirement Planning Course	Bi-monthly
Norfolk Pension Fund member roadshow	As requested
Induction sessions for employers (new HR and Finance staff)	As requested

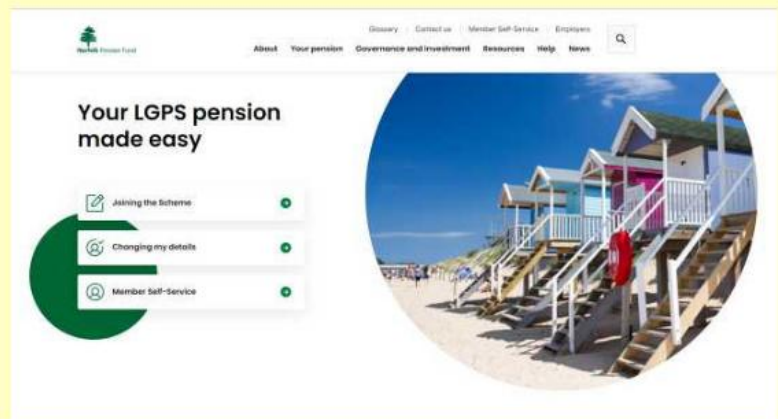
**Visit the Norfolk Pension Fund at  
[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)**

## For information on

- Benefits
- Fund performance
- Fund literature and guides
- Events
- Latest news
- Contact information

## Register for online services for

- Personal details
- Annual Benefit Statement
- Pension payments
- Online requests





Norfolk Audit Services (NAS)

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**Norfolk Pension Fund  
Annual Internal Audit Report 2023-24**

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<b>Section Numbers</b>	<b>Contents</b>
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 is responsible for the administration and financial accounting of the Pension Fund. During 2023-24 the Pensions Committee was formally briefed by the Director of Strategic Finance 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 two audits in the plan to the relevant manager, including an audit opinion and an agreed action plan. 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 Director of Strategic Finance, the Pension Fund Management Team and the service.

## **2. Background and Audit Opinion Explanation**

- 2.1 The County Council's Finance Directorate 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

- 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. The latest document for 2022-23 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 2022-23 and (from 31 May 2023) 2023-24 will be included on NCC website. The Annual Governance Statement for NCC, alongside the Funds' Governance Strategy Statement and Governance Compliance Statement, informs the opinion on the governance of the Fund as part of its Annual Accounts.
- 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 for the year. 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 2023/24 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 2023-24 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 2023-24 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 2021-22. There has been a delay in the 2022/23 Statement of Accounts being audited and approved by Ernst Young LLP. The work is substantially completed and a report was presented to the Audit and Governance Committee in April 2024 to summarise the preliminary audit conclusion. The proposal is for the audit 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 2023-24 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 2024
- 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 Services, Investments and funding. 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 Director of Strategic Finance 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 2023/24	Final report issued
Compliance with TPR Cyber Pledge-self certification. Management Letter to be produced	✓
Receivables – contributions, (AVCs, APCs) transfer values, other receivables, recharges. (to be audited every 2 years).	✓
Assurance that key controls and adequate processes are in place regarding asset transitions within the ACCESS Pool (Q4)	Fieldwork currently being undertaken
LGPS Frameworks – Contract monitoring and Management	Planning currently being undertaken
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	Postponed and included in 24/25 audit plan

- 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. Fieldwork is in progress for one audit which has encountered delays with staff availability and absences. One audit is currently at its planning stage after refinements were needed on the originally planned audit scope. The audit of Data Quality and I Connect has been postponed at the Pensions Management Teams request and included in the plan for 24/25.
- 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 Pensions 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 Zurich Insurance in May 2021 and found to be satisfactory. The next assessment will be by May 2026. Independent assurance on the adequacy of risk management is also provided annually by the council’s external auditors as part of their more general annual review.
- 4.6 The audits performed were within the agreed planned days. Audit work covered Governance and Strategy, Pensions Services, Investments and funding 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 2024-25 audit plan:

- The Pension Regulators General Code of Practice. Compliance with the code and its new governance requirements.
- Payables regular payroll benefit payments, lump sums, death in service. (to be audited every 2 years)
- 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 2023/24 but postponed to 2024/25
- NPF Budget setting process and budget monitoring - Assurance that key controls and adequate processes are in place with supporting evidence.

## **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 2023-24 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 2023-24 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 2024.

## **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 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. 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. The latest document for 2022-23 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 2022-23 and (from 31 May 2023) 2023-24 will be included on NCC website. The Annual Governance Statement for NCC, alongside the Funds' Governance Strategy Statement and Governance Compliance Statement, informs the opinion on the governance of the Fund as part of its Annual Accounts.

## **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 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 and Bribery Awareness' training.
- 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. Matches include mortality screening and payroll data. The Pensions Fund Manager confirmed any NFI data matches were followed up effectively.
- 10.9 In addition to the bi-annual NFI data matching exercise, the County Council has also started utilising the NFI Fraud Hub. This new initiative supplements the NFI by enabling more frequent data matching, thereby enhancing the effectiveness of fraud prevention and detection.
- 10.10 While the service is not subject to money laundering regulations, these are nonetheless considered. A pension service money laundering risk assessment is in place and is considered low risk. This ensures that the Pension Fund remains vigilant against potential money laundering activities.
- 10.11 All NPF staff complete mandatory training covering Online and Information Security, and information Governance and Data Protection Essentials.



10.12 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.**



May 2024



Richard Warden  
Partner

Funding and investment strategies are interdependent – how could major economic changes since 2022 affect these as funds start planning for the next round of valuations? And amongst other things, this month we explore responsible investment and the results of the 2020 cost control valuation (please read with a damp cloth applied to your forehead...).

### A new era for funding in the LGPS?

Minds in England & Wales are now turning to the 2025 valuations and the triennial review of funding and investment strategies. Rob Bilton and Iain Campbell [recently considered](#) whether the significant change in economic environment since 2022 heralds the beginning of a new LGPS funding era and what it could mean for your strategies.

### Focus on RI:

#### A guide to natural capital

We all rely on the natural world, which is why the issues of climate change and biodiversity loss are so momentous. As mankind removes and damages natural capital without taking steps to protect or regenerate it, we jeopardise the benefits nature provides. The good news is that, as our collective focus on these issues has increased, so too have ideas – and investments – that aim to preserve nature. We've created this [short guide](#) to showcase examples of natural capital while exploring the return potential, how natural capital assists in risk management and how it can help you to create impact as an investor.

#### Mission statement – our ABC for a better future

We've recently [published](#) an updated Responsible Investment Mission Statement. This defines our three core pillars of activity, each of which reflects an outcome we're working towards.

- **A**chieving net zero: we help our clients understand what net zero means for them and how they can take meaningful action to align with this ambition.
- **B**eing better stewards: we help our clients create approaches to stewardship that reflect the resource they're able to commit. Where necessary, we also help them fill in the gaps. The next section below provides some hints and tips.
- **C**reating positive impact: we help our clients better understand how they can have impact, allocate capital, and exercise stewardship to create positive real-world outcomes, whilst continuing to meet their fiduciary responsibilities.

## Being better stewards

Latest figures show that around 25% of the LGPS are signatories to the UK Stewardship Code. The Code has become recognised as a leading standard against which asset owners can demonstrate their stewardship credentials. In this [article](#), we set out what we've learned from helping our clients become signatories (with a 100% success rate). If you're interested in becoming a signatory, or you're a signatory already and perhaps looking to refine your approach in a few areas, please [get in touch](#).

## So, tell me, how are you getting on with pooling?

And private equity, and levelling up, and investing in the UK. Starting from 2023/24, Fund annual reports will need to report on progress made in each of these areas – as well as their stewardship activity. The requirements are digested in this [60-second summary](#). It's important to reach out to your auditors, asset pool and investment managers as soon as possible to develop a plan and gather all the information that will be needed. Please reach out to your investment consultant about any areas of uncertainty.

## Who wants to live forever?

In addition to providing pension funds with longevity analysis, Club Vita regularly host webinars to explore emerging trends in longevity risk. Their latest webinar series, focused on the "Risk of Living Longer", explores the impact of achieving significantly longer lifespans. How well is the risk of living longer really understood?

The webinar programme is:

- Tuesday 16 April – An introduction to the question of human longevity: how long can we go?
- Tuesday 7 May – The biology of aging
- Thursday 28 May – Cancer research
- Tuesday 18 June – Biological clocks
- Tuesday 9 July – Using AI to improve and advance healthcare

Register for future sessions [here](#). Watch recordings of historic sessions [here](#).

## 2020 cost control valuations – the results are in!

There was a flurry of activity last month around the long-awaited results of the 2020 cost control mechanism.

### McCloud appeal fails

Firstly, the Court of Appeal [rejected](#) requests from the British Medical Association (BMA) and the Fire Brigades Union (FBU) for a second opinion on whether His Majesty's Treasury (HMT) was entitled to factor McCloud Remedy costs into the cost control mechanism. By way of background, HMT had classified the costs of the McCloud Remedy as 'member costs' and not 'employer costs'. This classification meant that BMA and FBU members of their respective public sector pension schemes would not benefit from changes (such as a reduction in their contributions or an improvement to their accrual rate) that would otherwise have arisen following the results of the 2016 cost control valuation. This should give certainty that there will be no benefit changes to public sector pension schemes because of the 2016 cost cap valuations (assuming no more legal challenges are launched...).

### 2020 results published

Perhaps unsurprisingly, the appeal outcome was swiftly followed by the results of the LGPS cost control valuations at 2020 in [England & Wales](#) and in [Scotland](#). In both cases, the 'core' cost cap fell significantly, by 3.2% of pay (from 14.6% to 11.4% of pay) in England & Wales and by 2.8% of pay (from 15.2% to 12.4% of pay) in Scotland, with lower underlying longevity improvement assumptions being the key reason behind the reductions. However, **no changes will be made to the benefit or employee contribution structure of either scheme**, despite the result in England & Wales breaching the 3% cost cap corridor. This is because its 'economic check', which is based on long term economic conditions and relies on the Government's SCAPE discount rate, was assessed to be a whopping 21.9% of pay (and so well above the employer cost cap of 14.6%). Now,

if you're finding all this confusing, you're not alone! An explainer about changes to the cost control mechanism, including the introduction of the economic check, was covered in our [September 2023 Current Issues](#).

### **It's all academic**

The Education & Skills Funding Agency (ESFA) has published best practice [guidance](#) for academies in the LGPS. It includes high-level information about LGPS membership, contributions and how to engage with an LGPS fund. The guidance provides useful signposting and links to more detailed information, to help newer academies grappling with the LGPS. Particularly useful are sections that clarify differences between a fund's triennial valuation and an employer's annual accounting valuation (a common source of misunderstanding for even seasoned academies). Also included is a useful summary of the DFE Academy LGPS guarantee, with focus on outsourcing and "pass-through" arrangements.

### **Breaking (down) the Code**

Exciting news – well over a quarter of LGPS funds are now utilising our LGPS compliance tool for the General Code of Practice! Our user-friendly self-service tool helps funds assess their compliance level easily, with a breakdown of specific actions expected by the Pensions Regulator. Features include self-assessment, instant, editable compliance reports, progress tracking, and allocation of actions for governance teams. We're also seeing many funds take up our offer of support with training for committee, board and officer groups on the General Code. If you'd like to find out more about our compliance tool, please [get in touch](#).

### **Keeping an eye on cashflows**

The current high inflation rate, potential reductions in employer contributions, and an uncertain future inflation outlook all mean that cashflow management has quickly become a key issue for LGPS funds. Our analysis shows last month's annual pension increase of 6.7% means that over 50% of LGPS funds are now in a cashflow negative position (ie require regular income from assets to pay member benefits). Being cashflow negative itself is not unexpected (after all the assets have always been there for the purpose of paying benefits), but it does necessitate more careful cashflow management and monitoring. Our [on-demand webinar](#) provides more detail. Please speak to your Hymans consultant for updated fund-specific analysis and advice.

### **Continued accounting surpluses at March 2024**

Having passed 31 March 2024, many local authorities and public sector bodies are knee-deep in the preparation of their annual accounts. With high corporate bond yields continuing and improved investment performance for many LGPS funds over the first quarter of the year, employers may find themselves in an improved accounting position compared to 31 March 2023. This improved position could lead to a net asset (or surplus) position which employers should consider how to disclose before finalising their accounts. For further information about accounting surpluses, or to speak to one of our accounting specialists, please [get in touch](#).

### **Capital markets**

#### **Q1 brief**

Economic optimism and AI enthusiasm more than offset expectations of fewer rate cuts in 2024 in Q1, as equities recorded their best first quarter in five years and credit spreads fell, despite significant rises in sovereign bond yields. Check out our [review](#) of markets over the first quarter of 2024.

#### **Spring update**

Amid ongoing resilient US growth, and improving activity indicators elsewhere, the fundamental outlook for risk assets has improved, but our concerns are shifting towards valuations, which appear to have baked in a lot of good news. Read more in our Spring 2024 [Capital Markets Update](#).

### **Events, webinars & training**

#### **Managing risk in the LGPS**

When you're managing a pension scheme with over 7 million members, risk is never far from your mind. Whether you're making investment decisions, liaising with employers about contributions, or making sure that member service is good, you're managing risk. Over the last year we delivered a series of LGPS risk management webinars focused on how and why funds should look at risk holistically. From funding risk monitoring to cash flow risk and cyber risk, we've shone a spotlight on how specific risks can be managed. We've developed a [hub page](#) so that you can refer to our risk management content at any time.

### **Together, stepping into the future of the LGPS conference**

We have just one week to go until our conference on 16 May in Edinburgh! The event, which is for LGPS fund officers only, will have a future focus, underpinned by sharing experience, best practice and actionable outputs. You can view the conference agenda [here](#).

### **In brief**

#### **Inflation figures**

The latest [ONS figures](#) recorded annual CPI for the year to March 2024 at 3.2%, down from 3.4% in the prior month. RPI for the same period was 4.3%.

#### **LGPS fund audit**

The FRC has issued [sanctions](#) against Grant Thornton for compliance failings in its audit of a local authority's fund for the year ended 31 March 2021. The failings included two errors that appeared in the LGPS fund's audited financial statements that formed part of the local authority's annual report (although had been corrected in the fund's own financial statements) and insufficient audit evidence to verify that the value of investments was materially accurate.

#### **Dashboards**

The Pensions Dashboards Programme (PDP) has published a [blog](#) about its connection timetable and accompanying guidance, and the DWP has issued [guidance](#) to help funds prepare an annualised version of the accrued pot value for members with certain money purchase benefits.

#### **Climate risk**

The Pensions Regulator (TPR) has published its [findings](#) from a review of climate-related disclosures across a sample of private sector schemes with more than £1 billion in assets. And on fiduciary duties around climate change, the Work and Pension Committee (WPC) has written a [letter](#) to the Pensions Minister, Paul Maynard, ahead of a series of roundtables that the Minister is planning to hold on the subject.

#### **Public service pension increases**

The House of Commons library has published a briefing [paper](#) about arrangements for annual increases of public service pensions in payment.

#### **Public sector exit payments**

A new Private Member's [Bill](#) has been put forward that might lead to HM Treasury looking again at limiting exit payments to employees of public sector bodies. Previous legislation in this area, often referred to as the '£95k exit payment' rules, was repealed.

#### **The Pensions Regulator**

TPR has [published](#) its three-year corporate plan, explaining how it will protect savers' money, help to enhance the pensions system and support innovation. Priorities include raising standards of trusteeship, data quality and admin; Value for Money and decumulation in DC schemes; and the new funding regime and emerging propositions for DB schemes. It mentions development of a framework for oversight of professional trustees and talks about some having become or becoming 'systemically important'.

## Appendix

### A new era for funding in the LGPS?

<https://www.hymans.co.uk/insights/research-and-publications/publication/a-new-funding-era-in-the-lgps/>

### Focus on RI:

#### A guide to natural capital

[https://www.hymans.co.uk/media/uploads/A\\_guide\\_to\\_natural\\_capital.pdf](https://www.hymans.co.uk/media/uploads/A_guide_to_natural_capital.pdf)

#### Mission statement – our ABC for a better future

<https://www.hymans.co.uk/media/uploads/RI-MissionStatement-10042024.pdf>

#### Being better stewards

[https://www.hymans.co.uk/media/uploads/Being\\_better\\_stewards\\_-\\_What\\_you\\_need\\_to\\_know\\_as\\_a\\_Stewardship\\_Code\\_signatory.pdf](https://www.hymans.co.uk/media/uploads/Being_better_stewards_-_What_you_need_to_know_as_a_Stewardship_Code_signatory.pdf)

### So, tell me, how are you getting on with pooling?

[https://www.hymans.co.uk/media/uploads/60-second\\_summary\\_-\\_Preparing\\_LGPS\\_funds%E2%80%99\\_annual\\_reports\\_-\\_new\\_investment\\_disclosures.pdf](https://www.hymans.co.uk/media/uploads/60-second_summary_-_Preparing_LGPS_funds%E2%80%99_annual_reports_-_new_investment_disclosures.pdf)

### Who wants to live forever?

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

<https://www.clubvita.net/uk/events/event-recordings>

### 2020 cost control valuations – the results are in!

#### McCloud appeal fails

<https://www.judiciary.uk/judgments/british-medical-association-v-his-majestys-treasury-and-another/>

#### 2020 results published

[https://assets.publishing.service.gov.uk/media/660fe1989f92ac001a516d45/LGPS\\_England\\_and\\_Wales\\_2020\\_Valuation\\_Valuation\\_Report.pdf](https://assets.publishing.service.gov.uk/media/660fe1989f92ac001a516d45/LGPS_England_and_Wales_2020_Valuation_Valuation_Report.pdf)

[https://assets.publishing.service.gov.uk/media/66226d7811d9f57e3ba7e563/LGPS\\_Scotland\\_2020\\_Valuation\\_Valuation\\_Report.pdf](https://assets.publishing.service.gov.uk/media/66226d7811d9f57e3ba7e563/LGPS_Scotland_2020_Valuation_Valuation_Report.pdf)

<https://www.hymans.co.uk/insights/research-and-publications/publication/current-issues-in-the-lgps-september-2023/>

### It's all academic

<https://www.gov.uk/government/publications/academy-trust-financial-management-good-practice-guides/local-government-pension-scheme-lgps>

### Keeping an eye on cashflows

<https://event.on24.com/wcc/r/4366370/2A1C3FA73A9FAA7EB4E7A03F3C23E599>

### Continued accounting surpluses at March 2024

[LGPSCentralAccountingTeam@hymans.co.uk](mailto:LGPSCentralAccountingTeam@hymans.co.uk)

### Capital markets

#### Q1 brief

<https://www.hymans.co.uk/insights/research-and-publications/publication/market-brief-march-2024/>

## Spring update

<https://www.hymans.co.uk/insights/research-and-publications/publication/capital-markets-update-spring-2024/>

## Events, webinars & training

<https://www.hymans.co.uk/managing-risk-in-the-lgps/>

[https://www.hymans.co.uk/media/uploads/Hymans\\_Robertson\\_LGPS\\_Conference\\_Agenda.pdf](https://www.hymans.co.uk/media/uploads/Hymans_Robertson_LGPS_Conference_Agenda.pdf)

## In brief...

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

<https://www.frc.org.uk/news-and-events/news/2024/04/sanctions-against-grant-thornton-uk-llp/>

<https://www.pensionsdashboardsprogramme.org.uk/2024/04/09/connection-timetable-update/>

<https://www.gov.uk/guidance/annualised-accrued-value-calculations-for-pensions-dashboards>

<https://www.thepensionsregulator.gov.uk/en/media-hub/press-releases/2024-press-releases/review-shows-how-pension-trustees-are-addressing-climate-risks-and-opportunities>

<https://committees.parliament.uk/publications/44325/documents/220225/default/>

<https://commonslibrary.parliament.uk/research-briefings/sn05434/>

<https://publications.parliament.uk/pa/bills/cbill/58-04/0133/230133.pdf>

<https://www.thepensionsregulator.gov.uk/en/document-library/corporate-information/corporate-plans/corporate-plan-2024-27>

## Key Performance Indicators (KPIs)

### 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-23		Mar-23		Apr-23		May-23		Jun-23		Jul-23		Aug-23		Sep-23		Oct-23		Nov-23		Dec-23		Jan-24		Feb-24		Mar-24		Apr-24		Monthly Average	
		Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%
Transfer In Quotes	10	18	94	21	86	3	33	3	100	1	100	23	52	43	86	20	85	22	91	25	80	21	71	18	72	18	78	13	77	22	82	18	79
Transfer Out Quotes	10	29	100	35	94	6	100	4	100	34	97	33	94	26	85	18	100	11	91	4	100	9	56	7	43	41	95	27	89	35	74	21	88
Refund Payments	5	52	100	57	100	39	100	49	100	44	100	55	100	54	100	44	100	64	100	46	100	34	100	45	100	44	100	66	100	43	100	49	100
Estimate of Retirement Benefits	10	123	100	96	98	117	99	98	96	136	100	113	97	121	98	58	100	93	91	194	94	67	96	107	99	157	96	86	98	132	98	113	97
Actual Retirement Benefits	5	108	100	102	95	100	95	123	99	139	100	122	100	147	100	161	99	179	99	162	100	114	100	179	99	145	99	131	98	176	97	139	99
Acknowledge Death of Member	5	96	92	82	94	42	95	76	88	85	100	69	97	72	97	87	95	72	100	63	100	69	97	94	90	97	99	56	100	86	98	76	96
Notify Dependant's Benefits	5	25	56	38	97	27	70	36	86	26	77	37	92	21	95	30	100	32	91	31	100	16	100	29	93	25	92	23	91	24	67	28	87
Notify Deferred Benefits	10	175	99	175	98	79	96	159	99	224	99	149	99	193	99	190	93	247	98	255	99	211	99	226	97	272	99	157	100	129	98	189	98
Altair Housekeeping	5	8	100	9	100	8	100	9	100	9	100	8	50	9	100	9	100	9	100	8	100	9	100	9	100	8	88	8	100	9	100	9	96

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



# Prime Time



Norfolk Pension Fund

Delivering the Local Government  
Pension Scheme

Spring 2024 | Issue 21



Pension fund newsletter  
for retired members

65

## 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 and has been forwarded on to you. 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](http://www.norfolkpensionfund.org)

Other ways you can tell us your new address are:



### Email

[pensions@norfolk.gov.uk](mailto: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



### 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.



### Telephone

01603 495788

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



### Website

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

[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)

# Hello and welcome...

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

In this issue, we are pleased to announce details of the pension increase effective from April 2024, together with pension payment dates and tax news for the financial year 2024-25.

Plus, there's information from Norfolk County Council on Independent Living, the supported housing scheme for older people. We also have an important update on how to protect yourself from scams and details on the valuable services provided by our friends at locally based charity, Hearing for Norfolk.

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.

Just a reminder, that an easy and secure way to view information on your pension, including downloading your P60s and payslips, is by registering with our online Member Self-Service. You can find details on how to use this service on page 10.

Please remember we are always here to help you with any questions you may have about your Norfolk Pension Fund pension. Our full contact details are shown on page 2.

Best wishes,



**Glenn Cossey,**  
Director of the  
Norfolk Pension Fund



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**Norfolk Pension Fund**

# Your pension increase from April 2024

Your Local Government Pension Scheme (LGPS) pension increases in line with the cost of living, based on the date you started taking your pension.

Like other public sector pensions, it goes up in line with the Consumer Price Index (CPI).

- The increase from 8 April 2024 will be 6.7% based on the CPI rate in September 2023.
- If your pension started **before** April 2023, you will get the full increase.
- If it started **after** April 2023 and **before** March 2024 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!**

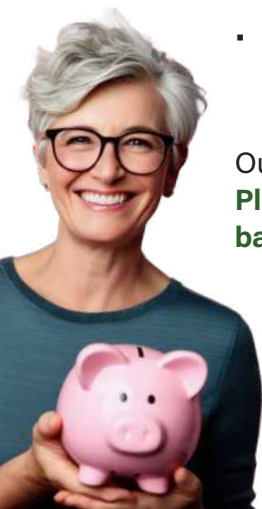
A good way to tell us about your new bank details is using Member Self-Service (please see **page 10** for more information) available on our website at **[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)**. Alternatively, you can:

- 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](http://www.norfolkpensionfund.org)** under the 'Resources' 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 Pension • 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](http://www.gov.uk/income-tax-rates)

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

# Tax News for 2024-25

## Personal Allowance

Most people are allowed to receive a certain amount of income in a tax year without having to pay tax on it. This is called the Personal Allowance. For the tax year 2024-2025, the Personal Allowance remains at £12,570.

Please note the Personal Allowance hasn't increased from the last tax year. However, the pension you get from us has increased by 6.7% and the State Pension (if you receive it) has increased by 8.5%.

This could mean that if you were previously a non-taxpayer, you will now pay tax if your total income is over £12,570 a year. If you were already a taxpayer, you could find that you will now pay more tax.

The value of your State Pension is taken from your total Personal Allowance, the remainder of which we apply against your Norfolk Pension Fund pension.

Because your total pension income has increased, but your Personal Allowance hasn't, you will pay more tax.

Please see the example below which shows how we calculate the tax deductions from a pension payment. **Please note the figures shown are for guide only - the figures on your payslip will probably be different.**

	2024-25	2023-24
<b>Personal Allowance</b>	<b>£12,570</b>	<b>£12,570</b>
<b>Less State Pension</b>	<b>£11,502</b>	<b>£10,600</b>
<b>Remaining Personal Allowance</b>	<b>£1,068</b>	<b>£1,970</b>
<b>Norfolk Pension Fund pension</b>	<b>£2,667</b>	<b>£2,500</b>
<b>Less remaining Personal Allowance</b>	<b>£1,068</b>	<b>£1,970</b>
<b>Taxable Pension</b>	<b>£1,599</b>	<b>£530</b>
<b>Tax due at 20%</b>	<b>£319.80</b>	<b>£106</b>





## Marriage Allowance

To help couples where only one is a taxpayer, 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 2024-25, 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.

If you fill in a Self Assessment tax return each year, claim by completing the Married Couple's Allowance section of the tax return.

To claim the Married Couple's Allowance if you do not fill in a Self Assessment tax return, please contact HM Revenue & Customs (HMRC) by telephone on **0300 200 3300** or visit [www.gov.uk/marriage-allowance](http://www.gov.uk/marriage-allowance)

## New Year Tax codes

If you have recently received a new tax code statement from HMRC, please check to see which tax year it is for.

It is likely to be for 2024-25. If so, we will use the tax code shown for the pension we pay you from April onwards.

You do not have to contact us to tell us your new tax code, but please check the correct one is shown on the April payslip you receive from us.

## 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 on page 8.

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

## England and Northern Ireland

Income Tax payable on income over the £12,570 Personal Allowance

Rate	Tax Year 2024-25	Tax Year 2023-24
Basic Rate: 20%	£37,700	£37,700
Higher Rate: 40%	£37,701 - £150,000	£37,701 - £150,000
Additional Rate: 45%	Over £150,000	Over £150,000

## Scotland

Income Tax rates payable on income over the £12,570 Personal Allowance

Rate	Tax Year 2024-25	Tax Year 2023-24
Starter Rate: 19%	£2,306	£2,162
Basic Rate: 20%	£2,307 - £13,991	£2,163 - £13,118
Intermediate Rate: 21%	£13,992 - £31,092	£13,119 - £31,092
Higher Rate: 42%	£31,093 - £62,430	£31,093 - £137,709
Advanced: 45%	£62,431 - £137,709	N/A
Top Rate: 47%	N/A	Over £137,710
Top Rate: 48%	Over £137,710	N/A

## Wales

Income Tax payable on income over the £12,570 Personal Allowance

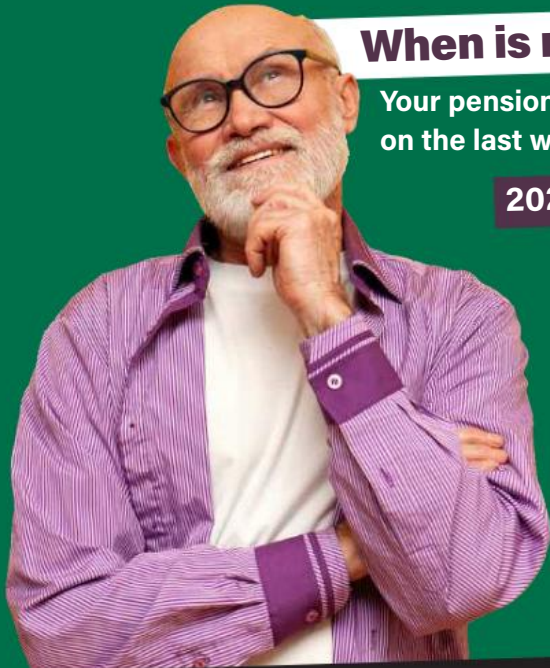
Rate	Tax Year 2024-25	Tax Year 2023-24
Basic Rate: 20%	£37,700	£37,700
Higher Rate: 40%	£37,701 - £150,000	£37,701 - £150,000
Additional Rate: 45%	Over £150,000	Over £150,000

Hopefully you will find this guide useful, but please visit

[www.gov.uk/income-tax-rates](https://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.

### 2024-25 payment dates will be...

May 2024	Friday 31 May
June 2024	Friday 28 June
July 2024	Wednesday 31 July
August 2024	Friday 30 August
September 2024	Monday 30 September
October 2024	Thursday 31 October
November 2024	Friday 29 November
December 2024	Tuesday 31 December
January 2025	Friday 31 January
February 2025	Friday 28 February
March 2025	Monday 31 March
April 2025	Wednesday 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.

Otherwise, we will only send you a payslip 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 address.

If you receive a payslip always look for any messages printed on the front.

For anyone living outside of the UK, you will receive a payslip every month. This is an audit requirement as there are currently no mortality screening services outside of the UK, so is a way of us staying connected.

**REGISTER AT**

[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)

to view your  
**payslip online!**

# Member Self-Service

Check out your pension online...

Member Self-Service is a secure, dedicated area on our website [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) where you can access and view your pension details.

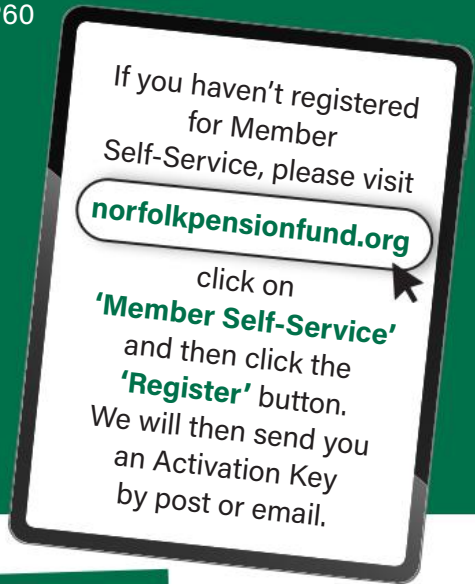


## Member Self-Service allows you to:

- 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](mailto:pensions.mss@norfolk.gov.uk)

For questions about your pension, please call us on **01603 495788** or email us at [pensions@norfolk.gov.uk](mailto: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'**



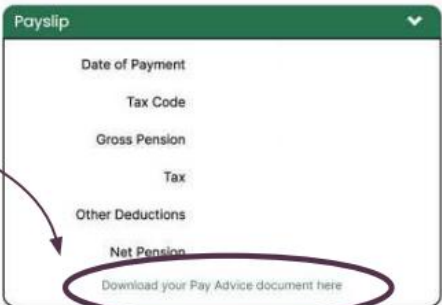
Select the payslip you want to see on the left and the details are displayed on the right.



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'**



To download your P60 click on the words

**'Download your P60 document here'**



## Pensioner Support Team News

A message from Paul Stimpson,  
Pensioner Services Manager

**Last month the Pensioner Support Team bid a fond farewell to our colleague, Sandra Pye, who embarked on her well earned journey into retirement. Here's her goodbye message...**

"I originally joined the Norfolk Pension Fund as a temp after previously working at a bank for 33 years. The assignment was meant to be for three months, but I ended up staying 12 years!

To start with the job was just scanning and dealing with post, but over the years I developed my knowledge and worked my way

up to become a Senior Pensions Administrator. We are a small team, but get on very well together and enjoy the challenge of meeting all the payment deadlines.



I have enjoyed my time at the Pension Fund and all the lovely people I have met along the way, both colleagues and retired members."

Thanks very much Sandra for all your help and hard work and we wish you all the very best for a happy and well deserved retirement.

## Looking after your data

Norfolk County Council (as administrator of the Norfolk Pension Fund) on behalf 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](http://www.norfolkpensionfund.org)

## Some handy reminders!

### Power of Attorney

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 it 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](http://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)

### 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](mailto:pensions@norfolk.gov.uk)



## Independent Living

If you're getting older and feel it's time for a change, but still want to live independently, the friendly community you'll find in Independent Living could be for you.

"My whole world has opened up" said a resident at Swallowtail Place in Acle, "I'm so happy and my family have noticed such a difference in me."

Swallowtail Place is a great example of Independent Living – a new type of housing for people aged 55 and over who are ready to make a positive change to their lives and plan for the future.



### On site management and amenities



The site is managed by Saffron Housing Trust and offers bright, modern living close to amenities like the doctors, library, bus stop and village hall, set in a landscaped garden. There's a café on site (which is also open to the local community), a hairdressing salon, bar and games room. Residents get together to organise games, activities and outings.

### No maintenance worries

There's no need to worry about house and garden maintenance and the icing on the cake for many residents and their families is that care and support is available on site, with an in-house alarm system for peace of mind.



Cllr Alison Thomas, Norfolk County Council Cabinet Member for Adults' Social Services said: "We know people live healthier, happier lives when they can manage their homes more easily, freeing up time to enjoy life in a community-based environment. We're looking forward to working with our housing partners to bring more Independent Living housing to communities across Norfolk in coming years."

## Rent or shared ownership options



Independent Living apartments can be rented or bought via a shared ownership scheme. People who rent their apartment need a care and support assessment from Norfolk Adult Social Care which states they need a minimum of four hours a week care and support with things like washing, getting dressed and making meals.

As long as they meet the eligibility criteria, people who are thinking about buying a shared ownership apartment don't need a care and support assessment. A move to Independent Living can help people to plan ahead when thinking about their future health needs. And pets are welcome, within reason.

## A choice of Independent Living sites

As well as Swallowtail Place, there's also Meadow Walk in Fakenham, another Independent Living site. It's close to the doctors, supermarket and other amenities, with beautiful gardens and a greenhouse where residents can grow their seedlings. Building work will start on sites in Harleston and Hunstanton later this year and planning permission is being sought for several other sites in the county.

To find out more, please visit

[www.norfolk.gov.uk/independentliving](http://www.norfolk.gov.uk/independentliving)

# Don't be a victim of scams

A scam is something designed to illegally con you out of your money.



## Doorstep scams

A scammer may pretend to be a trader offering to do repairs or maintenance work on your property, a charity collector, from a utility supplier offering a free insulation or boiler assessment.

They may seem polite and friendly – but they could be trying to get your money or charge you an excessive amount of money for unnecessary work.

Always ask for ID, but if in doubt never be afraid to say “No” or call the Police on 999.

## Post, email, text and internet

Keep a look out for fraudulent letters, emails and websites offering HMRC tax refunds, high investment returns, claiming that you have won a prize draw or lottery or saying you've inherited a large amount of money from someone you've never heard of.

## Phone scams

Be wary of uninvited or unexpected calls even if they claim to be the police, your local council, broadband supplier, a charity or your bank or insurance company.

If you receive any kind of contact out of the blue, it's best to avoid it.

There's helpful information on scams on the Age UK website at [www.ageuk.org.uk/information-advice/money-legal/scams-fraud/](http://www.ageuk.org.uk/information-advice/money-legal/scams-fraud/)

To report a scam, please contact **Action Fraud** on **0300 123 2040** or at [www.actionfraud.police.uk](http://www.actionfraud.police.uk)



## Please tell us what you think

Our aim is 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 the Norfolk Pension Fund. We would really appreciate it if you could spare a couple of minutes to complete our online survey at [www.smartsurvey.co.uk/s/prime24/](http://www.smartsurvey.co.uk/s/prime24/) or scan the QR code.

It is only a very short survey and your views will help us provide you with the service you need. If you would like us to post you a paper copy of the survey, please call us on **01603 222824**.



## 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 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.

[www.norfolkpensionfund.org](http://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](http://www.norfolk.gov.uk) or by calling **0344 800 8020**.

## Pensions Oversight Board news

The Pensions Oversight Board, which helps Pensions Committee ensure that the Norfolk Pension Fund is well managed, is pleased to announce that Peter Baker (pictured) has been reappointed to serve on the Board for the next four years as the retired member representative.



## Vacancy on the Pensions Oversight Board

We currently have a vacancy on the Pensions Oversight Board for a member representing trade unions.

The new member will receive training from the Norfolk Pension Fund, with support from their union. The role offers a rewarding opportunity to represent the views of trade union members, and report back to the union with an update after each Board meeting.

If you are a trade union member interested in this important and fulfilling role, please contact [kris.holt@unisonnorfolkcounty.co.uk](mailto:kris.holt@unisonnorfolkcounty.co.uk) for more details.

# Hear for Norfolk



Hear for Norfolk is dedicated to improving the emotional wellbeing, communication, and the overall quality of life of people with hearing loss and related conditions.

Supporting people with hearing loss and related conditions

We achieve this through the provision of:

## Aural Care Service

Offers ear wax removal treatment using microsuction, performed by fully trained and experienced nurses. Microsuction is generally accepted to be the safest and most effective method of ear wax removal.

## Adult Audiology Service

Offers NHS funded hearing testing and hearing aids fitting service to people age 50+ with age related hearing loss.

## Hearing Support Service

Giving help to users of NHS hearing aids by providing maintenance of NHS hearing aids, advising on their use, communication methods and assistive listening devices. There is also access to the Ear Otoscopy clinic which provides screening for the presence of ear wax.



All these services are delivered through community-based and mobile clinics, and domiciliary and care home visits for patients that are housebound.

We also provide our **Cuppa Care** mobile outreach service, offering emotional, wellbeing and practical support, information and advice to people of all ages who might experience loneliness or isolation.

Our **Hearing Loss Awareness Training** is available to organisations and individuals, aiming to increase the understanding of challenges faced by people with all degrees of hearing loss in the workplace, education and in social settings.

For more information about all these Hear for Norfolk services, please visit our website at [www.hearfornorfolk.org.uk](http://www.hearfornorfolk.org.uk). Alternatively, please call us on **01603 404440** or email [nda@hearfornorfolk.org.uk](mailto:nda@hearfornorfolk.org.uk)

## 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](http://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](mailto:pensions@norfolk.gov.uk)**

**Website [www.norfolkpensionfund.org](http://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. Printed on paper sourced from sustainable forests using vegetable based inks.



**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](mailto:pensions@norfolk.gov.uk)**



**Norfolk Pension Fund**



## Employer Newsletter April 2024

### Welcome to our Employer Newsletter

At the start of a new financial year, with everyone's focus on various reconciliation and tidying-up tasks, in this issue we ask for your cooperation in providing us with the timely and regular supply of accurate information. This is essential in ensuring our records are up to date and correct, so that we all meet our mutual LGPS responsibilities. Please help us by:

- Providing timely submission of member leaving and opt out forms
- Checking your employees home address and National Insurance number details are correct
- Sending us your March data submission (and any other months outstanding) via i-Connect by 30 April 2024
- Letting us know as soon as possible of any changes to the Norfolk Pension Fund point of contact at your organisation.

Many thanks for your support - it's appreciated by everyone here at the Fund.

Best wishes,

Glenn Cossey  
Director of the Norfolk  
Pension Fund



### In this issue

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- **Data submission deadline**
- **Data quality**
- **Updating your contact details**
- **Additional Pension Contributions - Recalculation**
- **Pensions Increase and Revaluation**
- **Funding level and the approach to the 2025 Valuation**
- **Update to Statement on Divestment/ Exclusion & ESG**
- **Employer's Pension Policy**
- **Employer Forum**
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- **Staff transfers**
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- **New Member Joiner Pack**
- **Norfolk Pension Fund governance**
- **Pensions Committee news**
- **Pensions Oversight Board vacancy**
- **A reminder on scams**
- **Contact details**



## Important - members leaving the LGPS

**Please remember you must complete** the Member Leaving Scheme (L45) form for any of your employees who are leaving the LGPS.

This is a requirement for all scheme employers, as stated in the Pension Administration Strategy. The policy requires you to notify the Norfolk Pension Fund of any leavers, retirements, deaths, opt outs within one month of the event and to also provide all relevant paperwork and certificates.

It's also your responsibility to ensure that you, or your payroll provider, complete and return the form to us as soon as possible. Any delay can hold up the processing of a member's retirement benefits or informing the member of their pension options.

We are currently processing a number of cases requiring leaver forms and will be contacting you soon to request outstanding documentation.

Please also bear in mind that in preparation for approaching 2025 Valuation year and the introduction of Pensions Dashboards, we will be completing an ongoing cleansing exercise of member data. The more of your data we can tidy



now, including the processing of leavers, will prevent us chasing you with last minute queries as we get closer to the delivery deadlines.

It is also a requirement of the Pensions Regulator (tPR) for employers and pension schemes to keep records of opt-outs.

To meet this obligation, please send us the Employer Notification of Employee Opting Out (SR88) and Notice to Opt Out of Pension Saving (SR97) forms for any member opting out of the LGPS. Again, this will save us having to contact you to request these.

## 30 April 2024 data submission deadline

**Now we use i-Connect** to upload data to your member's records on a monthly basis, we do not need to complete the old year-end exercise.

However, we still need to reconcile pensionable pay and the contributions paid over in the year to finalise the accounts and start preparing data for the member Annual Benefit Statement.

In order to do this we will need you to send us any outstanding submissions, along with your March submission, no later than 30 April 2024.

If your payroll provider carries out this function on your behalf, please ensure that they are aware of this deadline so they can meet this responsibility for you.

## Data quality

In accordance with The Pension Regulator we have to review the data we hold for your members and produce an annual report to show our scheme data scores.

Two of the areas we would ask you to check for us are that the member's **home address** and **National Insurance numbers** are correct.

Again, this will be an important aspect of our Member Matching process when we connect to the Pension Dashboards Programme. The earlier this data can be tidied will reduce matching queries in the future.



## Updating your contact details

It's important for us to have up to date contact details for all our employers, so we can send you important information affecting you or your employees.

If you're leaving your organisation, or moving to a new role, and will be passing on your engagement responsibilities with the Norfolk Pension Fund to a colleague, please let us know as soon as possible or ask your replacement to contact us as soon as they can.

Please either confirm the changes to us at [pensions.technical@norfolk.gov.uk](mailto:pensions.technical@norfolk.gov.uk) or complete and return the **Employer Contact Details (MISC91)** form to us at the same email address.

**Please can you review your current contact details with us and let us know any out-of-date contacts or where new contacts are required.**



Likewise, if you are changing your payroll provider at any time, please let us know. The earlier we are involved in the process, the smoother the transition will be for your members.

## Additional Pension Contributions - Recalculation

**As part of the changes** to the Superannuation Contributions Adjusted for Past Experience Discount Rate in March 2023, the Department for Levelling Up, Housing and Communities has completed its review of factors used in LGPS calculations.

One of the changes is to the factors used to purchase Additional Pension Benefits.

The change in factors is effective for existing contracts which commenced before 2 October 2023 and the new factors applied from 1 April 2024.

The change does not affect Additional Service Contracts which commenced before 1 April 2008.

We will shortly be advising you, or your payroll provider, of the revised Additional Pension Contribution (APC) that you need to deduct from 1 April 2024.



Please look out for this notification by email and ensure that you implement the changes in your April 2024 payroll run for any LGPS members you have with APC contracts.

We will also be writing to members shortly to advise them of the change to the amounts that will be deducted from their pay each month.

If you have any questions, please contact us at [pensions.technical@norfolk.gov.uk](mailto:pensions.technical@norfolk.gov.uk)

## Pensions Increase and Revaluation

**The Government has issued** a written ministerial statement concerning the increases to apply to public service pensions in April 2024.

As expected, this confirms that:

- LGPS pensions will increase by 6.7% from 8 April 2024 (a lower, pro-rata increase will apply to pensions that started after 23 April 2023)
- Active LGPS pension accounts will be revalued by 6.7% from 6 April 2024.



The increase is in line with the increase in the Consumer Prices Index (CPI) for the year up to September 2023.



## Funding level and the approach to the 2025 Valuation

**Although the gap between formal** valuations of the Fund is three years, it can sometimes feel shorter!

The next valuation of the Fund is due at 31 March 2025. This will set the employer contributions payable from 1 April 2026 to 31 March 2029.

The purpose of the valuation is to carry out a health check of the funding position and to calculate and certify the next three years of employer contribution requirements.

The year before the valuation date is inevitably filled with work around planning and testing of data and funding policies, while our governing regulations allow twelve months after the valuation date to complete the calculations; prior to the implementation of the new employer contribution rates arising.

The complexity of the Local Government Pension Scheme (LGPS) and the risk management approaches have undoubtedly increased over the last few decades. This has made the work undertaken by the Fund Actuary, the Pensions Committee and Fund officers more important than ever.

Some of you will be aware that funding levels have improved significantly since the last valuation at 31 March 2022.

Although overall investment returns have been positive, this improvement has primarily been driven by the fall in the value of liabilities as real interest rates have increased over the last couple of years and discount rates have moved up with them (an increase in discount rate reduces the future value of a liability).

It should be recognised that we are still just under

twelve months out from the actual valuation date, but this is a positive background as we approach the final run-in to the valuation date.

It is worth noting that few employers are exposed directly to the underlying funding position in the calculation, when their contribution rate is calculated.

Most long term secure employers benefit from the Employer Contribution Rate Stabilisation Mechanism (ECRSM), which limits the increase in employer rates when the pension funding environment is less favourable but equally controls the pace at which rates will fall as that environment improves.

It is designed to reduce the overall volatility of employer contribution rates and acknowledges the regulatory desirability for stability of employer contributions. In addition, the majority of contractors currently in the scheme have the reassurance of pass-through admission arrangements, which fix the employer contribution rate payable for a period of up to seven years.

Between now and the end of the financial year, we will be working with the Fund Actuary to review contribution strategy and carry out checks on the stabilisation provisions for the various groups of employers.

As usual for employers subject to ECRSM, we expect to be able to provide budgetary clarity on the employer contribution stabilisation parameters for April 2026 onwards by 31 March 2025.

**The Fund Actuary will be discussing the outlook and approach to the 2025 Valuation in more detail at our Employer Forum event on Wednesday 10 July.**

## Update to Statement on Divestment / Exclusion & ESG (Environmental, Social & Governance) Aspects of Investment Strategy

In order to assist those considering the ESG (Environmental, Social & Governance) approach taken by the Fund, in March 2022 we published a statement on these aspects of investment strategy. This is intended to provide a clear explanation of our policy approach in this area and assist members, stakeholders and other interested parties.

At the last meeting of the Pensions Committee (March 2024) the Committee members considered and approved an update to this statement.

The updates concentrated on reinforcing the explanation of the fiduciary framework in which decisions relating to investments must be made.



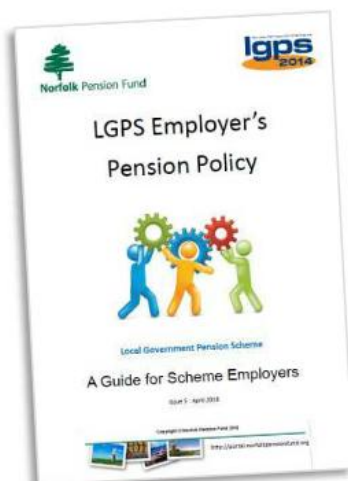
This is in accordance with the sole purpose of the Fund to pay and secure the pension benefits promised to our current and former members.

[You can read a copy of the updated statement on our website.](#)

## 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](mailto:graham.trussell@norfolk.gov.uk) within one month of joining the scheme and as soon as possible after making any update.

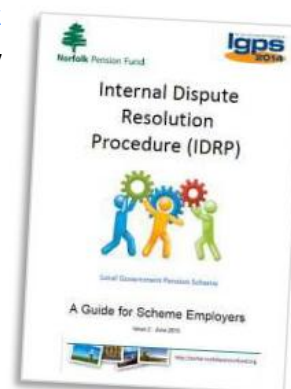
For more information, please see the [Employer Pensions Policy Guide \(G060\)](#) available on the Employers section of our website [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) under 'Forms and documents/Guides'.



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](http://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/](http://www.norfolkpensionfund.org/help/compliments-complaints-and-disputes/)



# Employer Forum

## Wednesday 10 July

Please join us on Wednesday 10 July for our next hybrid Employer Forum which you can attend either:

- In person at **The Space, Roundtree Way, Norwich, NR7 8SQ** or;
- Virtually online via MS Teams.

The Forum offers an excellent opportunity to keep up to date with scheme developments, which is an important part of your responsibility as an LGPS employer.

### AGENDA

The Agenda includes the following items:

- **Update from the Fund Actuary, Hymans Robertson**
- **Overview of the Pensions Dashboard**
- **Administration update with the latest on i-Connect**

- **Session on TUPE and strain costs**
- **Ask the Panel Q&A session** – your chance to put questions to the Fund Actuary and the Norfolk Pension Fund team.

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 aim to finish by 12.30pm, followed by a buffet lunch, giving you the opportunity to speak 1:1 with Hymans Robertson and our team members, and chat to other employer colleagues.

**If you would like to join the Forum  
virtually, or in person,  
please email:**

[pensions@norfolk.gov.uk](mailto:pensions@norfolk.gov.uk)

**or call 01603 222824**



## Employee Contribution Bands 2024-25

**Employee Contribution Bands for 2024-25** 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](http://www.norfolkpensionfund.org) under *Forms and documents/Guides*.

Band	Pensionable pay	Main Section	50/50 Section
1	Up to £17,600	5.50%	2.75%
2	£17,601 to £27,600	5.80%	2.90%
3	£27,601 to £44,900	6.50%	3.25%
4	£44,901 to £56,800	6.80%	3.40%
5	£56,801 to £79,700	8.50%	4.25%
6	£79,701 to £112,900	9.90%	4.95%
7	£112,901 to £133,100	10.50%	5.25%
8	£133,101 to £199,700	11.40%	5.70%
9	£199,701 or more	12.50%	6.25%

## 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](mailto:alexander.younger@norfolk.gov.uk)





## Member Self-Service

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

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 the Annual Benefit Statement
- Upload documents and queries
- Contact us securely

The service can be accessed from the homepage of our website at [www.norfolkpensionfund.org](http://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](mailto: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.

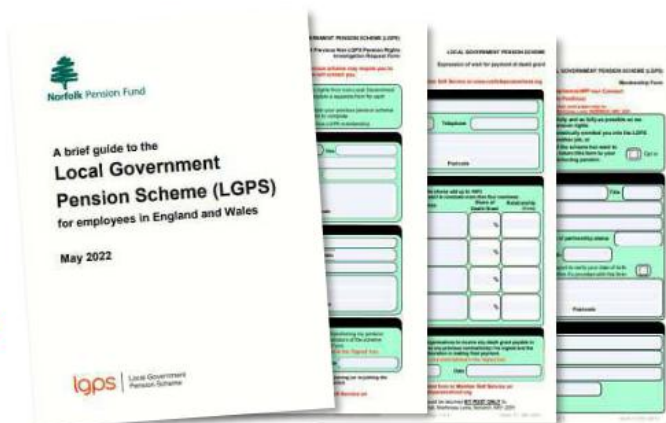
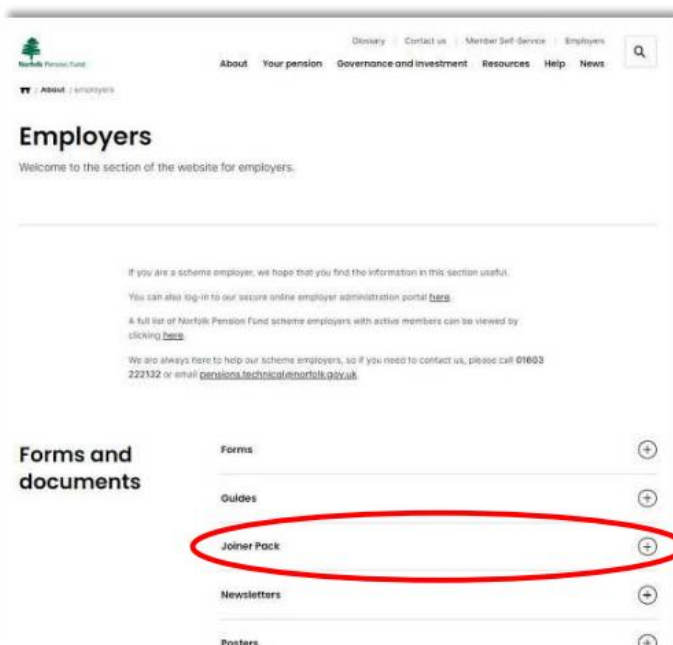
## New Member Joiner Pack

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](http://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.



## Norfolk Pension Fund governance

**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. All public sector pension schemes are also required to have a Local Pension Board (known in Norfolk as the **Pensions Oversight Board**), to assist the

Administering Authority in ensuring the effective and efficient governance and administration of the scheme.

The Governance Strategy Statement details our governance arrangements. It can be viewed on our website [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org) under the 'Resources' section.

## Pensions Committee news

**The Pensions Committee met** on 12 March 2024 and 5 December 2023 with the usual contributions from Norfolk Pension Fund officers and advisors.

Items reviewed by Committee included an administration and operational update, an update from the Pensions Oversight Board, the Risk Register Report and an ACCESS (A Collaboration of Central, Eastern and Southern Shires) investment pooling update.

Pensions Committee also approved the 2024-25

Norfolk Pension Fund budget as well as updates to the Investment Strategy Statement (ISS)

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

Pensions Committee papers can be viewed on the Norfolk County Council website [here](#).

Pensions Committee next meets on 11 June 2024.

### Norfolk County Councillors

Judy Oliver (Chairman)

Alison Birmingham

William Richmond

Martin Storey

Brian Watkins



### District Councillors

John Fuller

Paul Hewett



### Staff representative

Steve Aspin

## Pensions Oversight Board employer vacancy

**A reminder that** there is an opportunity to join our Pensions Oversight Board (POB) as a non-precepting (non-tax raising) Employer Representative.

We would very much welcome expressions of interest for this important and interesting role from our employer colleagues.

There is information below about the Board and the role, and on our [website](#), but of course please contact us directly if you have any questions.

Terms of appointment are typically for four years.

### What is the Pensions Oversight Board?

The Norfolk Pension Fund Pensions Oversight Board is a regulatory body established in 2015 under the Public Services Act 2013.

It is an important part of the governance of the Norfolk Pension Fund, sitting alongside Pensions Committee.

Its role is to assist Norfolk County Council as the Administering Authority of Norfolk Pension Fund to secure compliance with regulations and the requirements of The Pensions Regulator, and to ensure the scheme is effectively and efficiently governed and managed.

Pension Boards are required to have an equal number of Scheme Employer and Scheme Member representatives.

The Norfolk Pension Fund Pensions Oversight Board has three Employer Representatives (one from Norfolk County Council, two from other employers) and three Scheme Member representatives (one nominated by the trade unions and the rest drawn from the total Norfolk Pension Fund membership). An independent chair oversees the smooth running of the Board.

The Board usually meets four times a year

# EMPLOYERS



(currently it meets once a year in person and the rest of the meetings are virtual). Meetings typically last for approximately 2.5 hours.

You can find more information about the Board on our [website here](#), and view the Board's [Terms of Reference here](#), and also in the [Pensions Oversight Board Role Description](#).

New Board members have access to full training and support for the role, including on the LGPS scheme, the law relating to pensions and other relevant regulations to give them the appropriate knowledge and understanding to fulfil the role.

**If you would like to know more, to propose someone or nominate yourself for the vacant position, please contact Jo Quarterman, Head of Governance at [jo.quartermen@norfolk.gov.uk](mailto:jo.quartermen@norfolk.gov.uk)**

## A reminder on scams

**Criminals are working harder** than ever to target public sector organisations, businesses and individuals, particularly with flexible working and more people working from home.

The Norfolk Pension Fund never shares personal information in emails and requires employers to use i-Connect to send us data and submit forms.

We also encourage scheme members to use Member Self-Service to notify us of any changes to their personal details or circumstances.

National Trading Standards have a Friends Against Scams scheme which provides the following key messages, which you might find helpful when reminding employees on identifying and preventing criminal activity.

### **STOP - Be aware of suspicious communications such as:**

- Email or text messages claiming to be from a senior person in your organisation asking for business information or to make a payment
- Emails claiming to be from a regular or new supplier asking for Direct Debit instructions to be changed
- Phone calls offering technical support for home IT network or equipment
- Government offering to help you claim for grants or tax relief



### **CHALLENGE - Encourage your employees to question communications**

- Take time to think about what people are asking of you
- Understand that emails and texts can be spoofed to make them look genuine
- If you are in doubt speak to a colleague or line manager to get a second opinion
- Report all suspicious activity to Action Fraud
- Check requests have come from a genuine source by using contact information you know to be correct
- Only use your trusted IT support desk

### **PROTECT - Report all suspicious activity**

- To report a scam, call **Action Fraud** on **0300 123 2040**.

For more information on

Friends Against Scams,

please visit:

[www.friendsagainstscams.org.uk](http://www.friendsagainstscams.org.uk)





## Contact details

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

**Pensions Administration  
[pensions@norfolk.gov.uk](mailto:pensions@norfolk.gov.uk)  
01603 495923**

**Investment, Accountancy and Actuarial Services  
[pensions.finance@norfolk.gov.uk](mailto:pensions.finance@norfolk.gov.uk)  
01603 222139**

**Online, Technical and i-Connect Queries  
[pensions.technical@norfolk.gov.uk](mailto:pensions.technical@norfolk.gov.uk)  
01603 222132**

**[www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)**



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### Update on Bulk Transfer Values in Progress

Name	Transfer Date	Estimated Completion Date	Current Status
Suffolk Coastal Services (Norse) to East Suffolk Council	June 2023	By 31 March 2025 (Triennial Valuation Data)	Circa 50 staff have transferred back to East Suffolk Council following the end of the joint venture with the council. The Pension Services team have finalised data with the exiting employer and the actuary is working on the transfer proposal with the Suffolk Fund. The Suffolk Fund is conducting an options exercise with the members to establish if they wish to be included in the transfer or retain a benefit in the Norfolk Fund. The final exit deficit or credit will be calculated as part of the transfer settlement with the Suffolk Fund. We are targeting agreement on financial settlement by 31 March 2025 (the next triennial valuation).

In addition to this transfer, we are also working on a number of outsourcing agreements that potentially involve the transfer of staff under TUPE with both employers being members of the Norfolk Pension Fund.

## 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’: **GC:** Glenn Cossey, **AY:** Alex Younger, **JQ:** Jo Quarterman, **EW:** Eunice Walcott, **DK:** Debra Keeling, **LT:** Leon Thorpe, **CA:** Charlotte Alexander, **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 (LSG) (monthly)  
 GC/AY attend quarterly Joint Committee meetings.  
 AY attends ACCESS Practitioner Group 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  
 Hymans webinars

### Other meetings and events

Date	What	Who
<b>March 13/15</b>	LGC Investment Seminar	AY/SA
<b>21</b>	Aviva Infrastructure Update	AY
<b>21</b>	HarbourVest Direct Lending Update	AY
<b>April 10</b>	M&G Real Estate Debt Update	AY
<b>16</b>	Mallow Street LGPS Indaba	AY
<b>17</b>	Equitix Fund V Semi-annual Webinar	CA
<b>17</b>	Equitix Fund VI Semi-annual Webinar	CA
<b>18</b>	Equitix Fund VII Semi-annual Webinar	CA
<b>19</b>	Insight Currency Management Call	CA
<b>22</b>	Infracapital Quarterly call	AY
<b>23/24</b>	LGPS Pooling Symposium	GC
<b>26</b>	PLSA LGPS Pooling Project working group	AY
<b>May 7</b>	Baillie Gifford Climate Alignment Call	CA
<b>8</b>	Heywood Service Review	GC/JQ/DK
<b>13/15</b>	Various HarbourVest Advisory Boards	AY
<b>15</b>	CIPFA Conference for Board members	EW/SA/FC
<b>16</b>	Hymans Conference	JQ
<b>28</b>	LGPS Developments update for Tom FitzPatrick	GC/AY/JQ/DK
<b>June 4</b>	LA Committee	JQ
<b>6</b>	PLSA's LGPS Retirement Living Standards project meeting	JQ
<b>10</b>	ACCESS JC	GC/AY/TF

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 forward programme – as at June 2024

Pensions Committee	Pensions Committee	Pensions Committee	Pensions Committee	Committee Training
10 September 2024	3 December 2024	11 March 2025	tbc June 2025	
Administration Report	Administration Report	Administration Report including: <ul style="list-style-type: none"> <li>• Cash Management Strategy</li> <li>• Internal Audit Plan</li> <li>• Data Quality Report</li> </ul>	Administration Report Including: <ul style="list-style-type: none"> <li>• Internal Audit Annual Report</li> </ul>	LGPS Good Governance  tPR's General Code  Pensions Dashboard
Update from Pensions Oversight Board	Update from Pensions Oversight Board	Update from Pensions Oversight Board	Update from Pensions Oversight Board	2025 Valuation Planning
ACCESS Pooling Update	ACCESS Pooling Update	ACCESS Pooling Update	ACCESS Pooling Update	TCFD
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	
Valuation: <ul style="list-style-type: none"> <li>• Club Vita Analysis</li> </ul>	Valuation: <ul style="list-style-type: none"> <li>• Precepting Employer ALM Result</li> </ul>	Service Plan & Budget	Draft Accounts	
Investment Update	Investment Update	Valuation: <ul style="list-style-type: none"> <li>• Outcome of precepting employer discussions</li> </ul>	Valuation: <ul style="list-style-type: none"> <li>• Actuarial Assumptions Review</li> </ul>	
		Investment Update	Investment Update	
Investment Managers: <ul style="list-style-type: none"> <li>• CBRE</li> </ul>	Investment Managers: (tbc)	Investment Managers: (tbc)	Investment Managers: (tbc)	

# Pensions Committee

Item No: 6

<b>Report title:</b>	<b>Update from the Pensions Oversight Board</b>
<b>Date of meeting:</b>	<b>11 June 2024</b>
<b>Responsible Director:</b>	<b>Harvey Bullen, Director of Strategic Finance Glenn Cossey, Director of Norfolk Pension Fund</b>
<b>Executive Summary</b> This report updates the Pensions Committee on the work of the Pensions Oversight Board.	
<b>Recommendations</b> 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 12 March 2024 Pensions Committee Meeting.

## 2. Board membership

2.2 The Board currently has 2 vacancies: non precepting employers; and the Trade union seat representing scheme members.

2.3 We continue to engage with Employers and to support the trade unions to fill these vacancies.

## 3. Pensions Oversight Board meetings

3.1 The Board last met on the 14 May 2024. The agenda for this meeting is at Appendix A.

3.2 The Board formally recorded their thanks and appreciation to Cllr Oliver for her service to the Norfolk Pension Fund, ACCESS and the LGPS during her tenure as Chair of Pensions Committee.

3.3 The Board received updates on LGPS reforms, strategic and operational performance, risks, and issues, including an ACCESS update.

3.4 Peter Baker (retired member representative) attended the ACCESS Joint Committee meeting on 4 March 2024 as an observer. Brian Wigg (Chairman) and Peter Baker contributed to the review by ACCESS of the arrangements for Board member observation of ACCESS Joint Committee meetings.

3.5 The main focus of the agenda was a detailed overview of the Pensions Regulator's new General Code, including the 'journey' and details on TPR's role within the LGPS; an introduction to each of the 5 themes of the General Code; identification of the applicable modules to the LGPS; and understanding the Statutory requirement, TPR expectation and Best Practice requirements for an LGPS fund.

3.6 The session, presented virtually by Hymans Robertson, was recorded and the recording has been made available to Pensions Committee, the Pensions Board and Officers.

3.7 The Board will receive regular updates on progress towards complying with the General Code, including the initial compliance assessment and gap analysis.

3.8 The notes of the Board meeting of the 27 February 2024 are at Appendix B.

3.9 The Board next meets on 3 September 2024.

#### **4. Knowledge and Skills**

4.1 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.

4.2 Members of the Board attended the CIPFA training for Local Pension Board members.

#### **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 Any 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 in the report (above), there are no other implications to consider.

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

#### **10. Background Papers**

10.1 Appendix A: POB Agenda 14 May 2024

Appendix B: POB Minutes 27 February 2024

### **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](mailto: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.



Date: **Tuesday 14 May 2024**  
Time: **10:00am**  
Venue: **Virtual meeting via Teams**

**Membership**

Chairman  
Brian Wigg

Employer Representatives

Cllr Liz Marsham	Loddon 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**

1. Welcome and Introduction
2. Apologies  
To receive apologies
3. Minutes and matters arising  
To agree the minutes of the meeting on the 27 February 2024.

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.

5. Board Membership update  
To note latest updates on Board membership and recruitment.
6. Items of urgent business  
To receive any items of business which the Chairman decides should be considered as a matter of urgency.
7. Pensions Committee  
Feedback from the Pensions Committee meeting on 12 March 2024 and items to be raised at the 11<sup>th</sup> June 2024 meeting.
8. Risk Management  
An update on the Norfolk Pension Fund's risk management framework, to include the latest risk update and heat map.
9. Internal Audit reports  
To receive the latest internal audit reports
10. The Pension Regulator's (TPR) new General Code  
  
An overview of the General Code 'journey' and details on TPR's role within the LGPS; an introduction to each of the 5 themes of the General Code; identification of the applicable modules to the LGPS; and understanding the Statutory requirement, TPR expectation and Best Practice requirements for an LGPS fund. Presented by Hymans Robertson.
11. Knowledge, skills and training
12. Forward work programme for the Pensions Oversight Board
13. Date of next meeting: to confirm the dates of the next meetings

Contact for questions about this agenda: Jo Quarterman, Head of Governance, Norfolk Pension Fund [jo.quarterman@norfolk.gov.uk](mailto:jo.quarterman@norfolk.gov.uk) Tel.: 01603 223950 Date agenda published: 7 May 2024





## Minutes of the Norfolk Pension Fund Pensions Oversight Board meeting held via Teams on Tuesday 27 February 2024

### Present:

#### Independent Chair

Brian Wigg

#### Employer Representatives

Sally Albrow

Norfolk County Council

Cllr Liz Marsham

Levying/precepting employers

#### Scheme Member Representatives

Frances Crum

Active / Deferred member

Peter Baker

Pensioner member

#### Also Present

Jo Quarterman

Head of Governance, Norfolk Pension Fund

Glenn Cossey

Director of the Norfolk Pension Fund

Eunice Walcott

Governance Manager

Elaine Otway

Business Support Officer

### 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 and matters arising

- 3.1 POB agreed the minutes of the meeting on the 5 September and the informal notes of the meeting held on the 7 November 2023.

### 4. Declarations of Interest

- 4.1 There were no declarations of interest.

### 5 Board Membership Update

- 5.1 The Board confirmed ratification of Pensions Committee's appointment of Brian Wigg for a second 4-year term as Independent Chair of POB
- 5.2 Following advertising via Prime Time, Peter Baker has been confirmed as the Retired Member representative on the Board for a second 4-year term.
- 5.3 The POB noted there are still two outstanding vacancies on the Board. Officers continue to engage with Employers to fill the non-precepting vacancy, including via the newsletter at the beginning of March. We continue to work with Unison to support them in advertising and filling the trade union seat also.

5.4 In answer to a question about risk associated with vacancies, GC explained that this situation is not unique to Norfolk – it is a voluntary role with a time commitment so can be hard to fill. However, as long as the Board is quorate it can meet its responsibilities. Any suggestions from board members for promotion will be welcome.

## 6 **Items of Urgent Business**

6.1 There were no items of urgent business.

## 7 **Pensions Committee**

7.1 The POB noted that today's meeting would be the subject of a report to the Pensions Committee on 12 March 2024. POB Chair attends to update the Committee.

7.2 GC updated POB on the Pensions Committee agenda items discussed on 5 December 2023, which included:

- a presentation from a benchmarking organisation called Clearglass - ACCESS appointed them to check investment management fees for the pool and the results were presented to Committee.
- a presentation from the Fund Actuary
- the outlook planning for the next valuation commencing 31 March 2025, with a focus on data gathering, and valuations of the liabilities and assets.
- a scoping paper for the review of protection assets from J P Morgan.

7.3 Councillor Brian Watkins has rejoined Pensions Committee as a Liberal Democrat member.

7.4 Ben Farmer, Hymans Robertson, has replaced David Walker as the Investment Consultant to Pensions Committee.

7.5 GC ran through the planned agenda for 12 March Pensions Committee meeting. In addition to the regular items this included:

- NPF's budget and the Board's budget,
- the final step in the review of protection assets
- an investment manager presentation from Insight who operate secured finance mandate for the Fund and a dynamic hedging program for all our overseas assets.

## 8 **LGPS Reform**

8.1 The Board received updates on the latest LGPS reforms, including:

- 8.3
- TPR governance survey results - circulated with papers.
  - TPR General Code – covered later on the agenda.
  - Pooling and levelling up: what next?
  - SAB surplus statement
  - Climate reporting (TCFD: guidance for reporting; TNFD...?)
  - Updated annual report guidance – imminent?
  - Good Governance: consultation – later in the year?
  - McCloud: in progress
  - Pensions Dashboard

- 8.4 In response to a question about what the implications may be for an LGPS Fund if its Administering Authority gets into financial difficulties (e.g. issues a S114 notice), GC explained that the assets of the Pension Fund are ringfenced from the Administering Authority. There have been examples of this happening already (e.g. Northamptonshire), as a result the Administering Authority responsibilities were transferred to West Northamptonshire.
- 8.5 GC also reminded POB that the Fund is currently looking at the Pensions Services structure and resilience.

## 9 **Norfolk Pension Fund Operational Update**

### 9.1 Operational performance

- 9.2 POB received the latest Key Performance Indicators. The data shows a small dip in transfer in and out calculations, where activity had been suspended awaiting updated guidance.

### 9.3 ACCESS update

The ACCESS Joint Committee last met on 4 December. Cllr Judy Oliver (Chair of the Norfolk Pensions Committee) represents the Norfolk Pension Fund at the Joint Committee. The items discussed included:

- finalisation of the sale of Link to Waystone, approved by the FCA. This means that the Operator agreement is anticipated to run to the end of its term.
- procurement will commence from April 2025 to secure a new operator.
- the pooling consultation and ACCESS response

- 9.4 Papers for the Joint Committee meeting on 4 March (public and private) were circulated to POB members and Pensions Committee. It was noted:

- there is a workshop in the morning for Joint Committee
- alternative assets (illiquid) are progressing.
- Norfolk POB will be observing the meeting (Brian Wigg and Peter Baker).

## 10 **Operational Review: Service Planning**

- 10.1 JQ updated the meeting on progress with the new service planning process, following the confirmation of the Fund's Mission and strategic objectives by Pensions Committee during June last year. All teams had been invited to contribute to the development of the Plan.
- 10.2 The final sign off by Committee will be at the Committee meeting in March alongside the budget.
- 10.3 The new mission and strategic objectives were discussed and the way the Fund is bringing these to life. There is a clear golden thread from the strategic objectives through the service plan, which also identifies resources and success criteria.
- 10.4 The summary of projects, timescales and resource from the draft Service Plan were included in the slides.
- 10.5 The Service Plan will be used to support both individual and team development plans.
- 10.6 In answer to questions, GC confirmed that we take part in the annual CIPFA benchmarking exercise, with results reported to POB and Pensions Committee. We are consistently performing well with below average cost per member; and that there is no proposal for savings from the pensions team costs; and the budget proposed is aligned with the Service Plan.

10.6 GC commended the team on all the work carried out to pull the service plan together and on behalf of POB, the Chair endorsed GC's comments and extended thanks.

## 11 **Operational Review: The Pensions Regulators General Code**

11.1 Eunice Walcott, the Norfolk Pension Fund's Governance Manager, joined the meeting to give an overview of The Pensions Regulators new General Code, which has been laid in Parliament and is expected to come into force at the end of March.

11.2 EW explained the intention of the new combined Code and explained how it is structured into 5 key areas, containing 51 modules.

The 5 key areas are:

- The Governing Body
- Funding and Investment
- Administration
- Communication and disclosure
- Reporting to TPR

11.3 Within this there are modules that apply to the LGPS due to regulations, some that are considered good practice and some which don't apply.

11.4 We have reviewed our policies and procedures against the draft Code and will now review compliance against the published Code. We have purchased a Compliance Checker tool to assist with this exercise.

11.5 Our next steps will include:

- assessing and recording compliance and establishing any 'gaps' in compliance
- developing an action plan with timescales and priorities.
- ongoing monitoring and review to ensure we maintain good governance.

11.6 POB thanked EW for the presentation.

## 12 **Budget**

12.1 JQ presented the proposed budget for POB for 2024/25.

12.2 The proposed budget included a small overall increase of £1000. It was noted that Democratic Services are no longer able to support POB meetings so provision for these costs has been removed. Provision is maintained in Recruitment and Establishment in case we need to undertake mailings in support of Board membership, although wherever possible we would incorporate this within an existing mailing. The training budget has been increased in line with Pensions Committee's training budget.

12.3 In response to questions JQ confirmed that we do not have final costs for 2023/24. Trustee training costs are usually split between Committee and POB where appropriate (for example for the November Trustee Training days). Costs also relate to advisors presenting to POB meetings (e.g. the Fund Actuary).

## 13 **Risk Management**

13.1 JQ presented the latest risk heat map as reported to Pensions Committee in December 2023. This identified that four risks had reduced. Cyber and Data security remains as the highest risk area identified. Risks are reviewed regularly as a management team. The new TPR General Code now covers cyber and scams.

13.2 In response to a question, JQ explained that this risk covered all aspects of cyber and data risks. The Norfolk Pension Fund are signatories to the TPR cyber pledge. All Fund publications to scheme member and employers include information about cyber risks and scams. All officers must complete regular mandatory training. We have established processes with providers, starting from procurement and including annual updates from third party service providers to ensure they are keeping up-to-date, and to help reduce risks to service delivery and data. Cyber and Data Security was an agenda item at the Trustee training days last November, and included presentations from Eunice Walcott, a Business Systems Architect from NCC digital services and a cyber and data security lead from a 3rd party service provider.

13.3 POB discussed Cyber security relating to AI and the challenges and risks and required controls.

#### 14 **Internal audit reports**

14.1 POB noted the latest internal audit report, relating to contributions and transfers in, and the 'acceptable' audit opinion.

#### 15 **Knowledge, Skills, and Training**

15.1 POB was reminded to:

- notify Elaine of any training completed.
- note the dates for 2-day training 7 and 8 November 2024
- make use of the LGPS Online Learning Academy (LOLA) which has new resources added regularly (contact Elaine if you have difficulty accessing) note webinars and conferences circulated by Elaine.
- consider the TPR toolkit as a useful resource (although not recently updated)
- consider attending the 'Fundamentals' training for new members.
- note the CIPFA Local Pension Board conference on 15 May in London

#### 16 **Forward Work Programme for the Pensions Oversight Board**

16.1 The forward work Programme for the next 12 months was discussed. POB are invited to advise JQ of any other areas for consideration.

#### 17 **Future Meeting dates**

17.1 The next meeting date is 14 May 2024 (this meeting will be virtual).

17.2 Further meeting dates were confirmed, noting the in-person date on 5 November is the same week as the 2-day training.

**The meeting closed at 12.30**

# Pensions Committee

Item No: 7

<b>Report title:</b>	<b>Draft Pension Fund Accounts 2023-24</b>
<b>Date of meeting:</b>	<b>11 June 2024</b>
<b>Responsible Director:</b>	<b>Harvey Bullen, Director of Strategic Finance Glenn Cossey, Director of Pensions</b>
<p><b>Executive Summary</b> This report presents the draft annual accounts of the Norfolk Pension Fund for the year ended 31 March 2024, for consideration by the Committee.</p> <p><b>Recommendations</b> It is recommended that the Committee notes the draft 2023-24 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 2023-24 governing the preparation of the 2023-24 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 2023-24 is below.
- 2.2

	<b>Timetable</b>
NPF Draft Annual Accounts Prepared by NPF	31/05/2024
Draft Accounts available for public inspection	31/05/2024
External Audit	10/06/2024 followed by a week for final valuations in the autumn (final March valuations for certain private market investments are not typically available until August).
Pensions Committee receives draft Annual Report & Accounts	10/09/2024
Audit Committee	08/10/2024
Audit Opinion planned to be issued by	Autumn 2024
Publication Date	01/12/2024

- 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 2024, 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 It is planned that the Pension Fund financial statements will be presented to the Audit Committee on 8 October 2024 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 2024 as required by LGPS regulations. As per experience the 2022-23 accounts, if Audit certification is delayed beyond 1 December, a draft Annual Report and Accounts will be published online to comply with our own regulations.
- 2.8 The 2022-23 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. The associated draft annual report was published as described in 2.7. The audit results report for the Pension Fund accounts was presented to Audit Committee in March following the completion of the Pension Fund audit testing. Following consultation with DLUHC on local audit delays, there is a backstop date of 30 September 2024 for the completion or issuance of an incomplete audit opinion for 2022/23 accounts.

### **3. Accounting and Audit process**

- 3.1 Our 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 2024 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 2024 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 August 2024. Generally, the Fund will take the opportunity to adjust for these valuations and incorporate any other information that was not available at the draft accounts stage.
- 3.3 The Fund is subject to a separate external audit appointment. This is the twelfth year EY will have audited the Fund.
- 3.4 The Terms of Reference of the Pensions Committee provide that the Committee receives and considers the Draft Financial Statements for the Norfolk Pension Fund.
- 3.5 **Employer Financial Reporting Requirements**
- 3.6 The Fund has also worked with the Actuary to prepare, check, and review financial reporting (IAS19/FRS102) of pension obligations and costs for the 30 Fund employers with a financial year-end of 31 March 2024. The checks undertaken by the Fund form part of the assurance regime for EY where they are the appointed auditor to the employer. It has been a feature of the 2024 reporting that, as more employers have moved into accounting surplus, the actuary is providing additional reporting to support asset ceiling calculations. This is a complicated area, which may be interpreted differently by different audit firms and has added to the workload of the financial reporting exercise.

3.7 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.

### 3.8 **Annual Report Guidance Update**

3.8 The Scheme Advisory Board published new guidance for preparing LGPS funds' annual reports in April 2024. The new guidance applies to 2023-24 annual reports that are due for publication by 1 December 2024, and funds should use their best endeavours to comply fully with the requirements for 2023-24.

3.10 Changes to the guidance include an expanded list of Administration Key Performance Indicators, new reporting on strategic asset allocation, pooling and UK Levelling Up, additional commentary on the Governance Compliance Statement and new areas of governance reporting covering representation and training.

## 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 2023-24 Accounts of the Norfolk Pension Fund (Appendix A).

## 8. **Background Papers**

8.1 Appendix A – Norfolk Pension Fund Draft Accounts 2023-24

### **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

## Statement of Accounts 2023-24

# Statement of Responsibilities

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## 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 2024.

Signed: .....

Harvey Bullen  
Director of Strategic Finance

Date: **XX XXXXXXXX** 2024 .....

# Independent Auditor's Report

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

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# Revenue and Fund Account

For the Year Ended 31 March 2024

2022-23 £000		Notes	2023-24 £000
	<b>Dealings with members, employers and others directly involved in the Fund</b>		
184,958	Contributions	7	197,837
11,626	Transfers in from other pension funds	8	10,118
<b>196,584</b>			<b>207,955</b>
-160,774	Benefits	9	-180,814
-6,883	Payments to and on account of leavers	10	-21,056
<b>-167,657</b>			<b>-201,870</b>
<b>28,927</b>	<b>Net additions/withdrawals from dealings with members</b>		<b>6,085</b>
-31,433	Management Expenses	11	-37,607
<b>-2,506</b>	<b>Net additions/withdrawals from dealings with members Including Fund Management Expenses</b>		<b>-31,522</b>
	<b>Returns on investments</b>		
76,068	Investment income	12	100,669
-1	Taxes on income	13a	0
-106,120	Profit and losses on disposal of investments and changes in the market value of investments	14a	369,824
<b>-30,053</b>	<b>Net return on investments</b>		<b>470,493</b>
<b>-32,559</b>	<b>Net increase/decrease in the net assets available for benefits during the year</b>		<b>438,971</b>
<b>4,912,180</b>	<b>Opening net assets of the scheme</b>		<b>4,879,621</b>
<b>4,879,621</b>	<b>Closing net assets of the scheme</b>		<b>5,318,592</b>



# Net Assets Statement

As at 31 March 2024

2022-23 £000		Notes	2023-24 £000
4,862,783	Investment assets	14	5,328,733
-846	Investment liabilities	14	-5,944
<b>4,861,937</b>	<b>Total Net Investments</b>		<b>5,322,789</b>
509	Long term debtors	21	412
<b>509</b>			<b>412</b>
	<b>Current Assets</b>		
16,110	Debtors	21	17,602
8,177	Cash in hand	21	13,617
<b>24,287</b>			<b>31,219</b>
	<b>Current Liabilities</b>		
-7,112	Creditors	22	-35,828
<b>-7,112</b>			<b>-35,828</b>
<b>17,175</b>	<b>Net current assets</b>		<b>-4,096</b>
<b>4,879,621</b>	<b>Net assets of the Fund available to fund benefits at the period end</b>		<b>5,318,592</b>

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** 2024  
.....

# Notes to the Accounts

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## 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 2023-24 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

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There are currently 434 employer organisations with active members in the Norfolk Pension Fund including Norfolk County Council as detailed below. This is a net increase of five employers since 31 March 2023.

	31 March 2023	31 March 2024
<b>Number of Employers with Active Members</b>	<b>429</b>	<b>434</b>
<b>Full membership including employers with deferred and legacy pension commitments</b>		
<b>Number of Employees in Scheme</b>		
Norfolk County Council	13,990	14,656
Other Employers	18,073	18,645
<b>Total</b>	<b>32,063</b>	<b>33,301</b>
<b>Number of Pensioners</b>		
Norfolk County Council	14,964	15,437
Other Employers	14,798	15,412
<b>Total</b>	<b>29,762</b>	<b>30,849</b>
<b>Deferred Pensioners</b>		
Norfolk County Council	20,244	21,095
Other Employers	20,135	31,838
<b>Total</b>	<b>40,379</b>	<b>42,933</b>
<b>Total Members membership including employers with deferred and legacy pension commitments</b>	<b>102,204</b>	<b>107,083</b>

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:
Chartwells (All Angels Federation) Aspens Services (Evolution Trust) Aspens Services (Wroughton Infants) Chartwells (Eastern MAT) Docking Parish Council Reedham Parish Council Barford & Wrampingham Parish Council Snettisham Parish Council Bradwell Parish Council South Walsham Parish Council Clarion Housing Group Anglia Maintenance Services GYB Services Ltd Suffolk Coastal Services Great Witchingham Parish Council	UET Compass (Short Stay School) Wimbotsham Parish Council Dereham Church of England Infant And Nursery School Tivetshall Parish Council Earsham Primary School Acle St Edmund Primary School Little Plumstead Primary School Great Moulton Parish Council Edwards & Blake (Southtown Primary) Turn It On (Eastern MAT) Medequip Assistive Technology (ICES) Yaxham Primary School Robert Kett Primary Sporle With Palgrave Parish Council Great Yarmouth Services West Dereham Parish Council Aspens Services (Diss Junior) Millfield Primary Garvestone, Reymerston & Thuxton Parish Council 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 2023-24 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 2022 triennial valuation set the rates payable by employers for the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024. Excluding lump sum deficit recovery payments these rates range from 0% to 70.4% of actual pensionable pay.

Actual Pensionable Pay 2023-24	Contribution rate per year	Actual Pensionable Pay 2024-25	Contribution rate per year
Up to £16,500	5.5%	Up to £17,600	5.5%
£16,501 to £25,900	5.8%	£17,601 to £27,600	5.8%
£25,901 to £42,100	6.5%	£27,601 to £44,900	6.5%
£42,101 to £53,300	6.8%	£44,901 to £56,800	6.8%
£53,301 to £74,700	8.5%	£58,801 to £79,700	8.5%
£74,701 to £105,900	9.9%	£79,701 to £112,900	9.9%
£105,901 to £124,800	10.5%	£112,901 to £133,100	10.5%
£124,801 to £187,200	11.4%	£133,101 to £199,700	11.4%
£187,201 or more	12.5%	£199,701 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 1<sup>st</sup> 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 1/49<sup>th</sup>.

	Membership before April 2008	Membership April 2008 to March 2014	Membership from April 2014
<b>Pension</b>	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
<b>Lump Sum</b>	Automatic lump sum of 3 x salary	No automatic lump sum	No automatic lump sum
<b>Additional Lump sum</b>	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 2024 is 6.7% (10.1% April 2023).

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.

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## 2. Basis of Preparation

The Statement of Accounts summarises the Fund's transactions for the 2023-24 financial year and its position at year-end as at 31 March 2024. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24 (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 31<sup>st</sup> March 2025, 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 2023-24 financial year, or within 2024-25 to date;
- The Fund is cashflow positive meaning that the contributions received from the employers and members of the scheme exceed the benefits amount paid out.
- In line with Regulation 62 of the Local Government Pension Scheme Regulations 2013, the Fund's actuary carried out a valuation during 2022-23. The Fund's assets were valued at £4,901 million, with liabilities of £4,613 million resulting in a funding level of 106%.
- The Results of the 2022 Valuation have been considered within Cash Flow Modelling and in spite of contribution rates remaining equal or marginally reducing, we expect Cash Flow to remain positive for the contribution period certified within the Valuation (1 April 2023 to 31 March 2026).
- The fund does not have any external borrowing; and as at 31 March 2024 the fund has an allocation of 42% to public equities, 13% to liquid fixed income and holds around 2% 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.

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### 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	
J.P. Morgan Asset Management	Infrastructure	
	2022-23 £000	2023-24 £000
Performance-related fees	1,034	1,139

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.

	2022-23 £000	2023-24 £000
Value of invoiced fees based on estimates (excluding performance fees and fee rebates)	458	8,690

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.

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).

**q) 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).

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)

**r) Accounting Standards issued but not yet adopted**

The Code of Practice on Local Authority Accounting in the United Kingdom 2023-24 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 and applies to the adoption of the following disclosures as amended in the 2024-25 code:

- i) IFRS 16 Leases issued in January 2016 (but only for those local authorities that have not decided to voluntarily implement IFRS 16 in the 2023/24 year).
- ii) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020. The amendments:
  - specify that an entity's right to defer settlement must exist at the end of the reporting period
  - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
  - clarify how lending conditions affect classification, and
  - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- iii) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- iv) Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.
- v) International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12)
- vi) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
  - a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, and
  - targeted disclosure requirements for affected entities.
- vii) Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:

- assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
- understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

The code requires implementation of the above disclosure from 1 April 2024. These changes are not considered to have a material effect on the Pension Fund accounts of 2023-24.

#### s) **Contingent Assets and contingent liabilities**

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. Patria Investment funds are valued at 31 December and rolled forward for cash flows to 31 March.



	2022-23 £000	2023-24 £000
Value of unquoted private equity	450,516	475,833

### 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).

	2022-23 £000	2023-24 £000
Value of Pooled Investment Vehicle – Property/Freehold Property	464,041	447,155

### 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.

	2022-23 £000	2023-24 £000
Value of Infrastructure Equity Pooled Fund	472,264	502,725

### 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.

	2022-23 £000	2023-24 £000
Value of Timberland Equity Pooled Fund	56,698	83,140

### 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.

	2022-23 £000	2023-24 £000
Value of Pooled Illiquid Closed-Ended Debt Funds	167,064	174,776

### 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>£90m</td> </tr> <tr> <td>1 year increase in member life expectancy</td> <td>4%</td> <td>£197m</td> </tr> <tr> <td>0.1% p.a. increase in the Salary Increase Rate</td> <td>0%</td> <td>£4m</td> </tr> <tr> <td>0.1% p.a. decrease in the Real Discount Rate</td> <td>2%</td> <td>£87m</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%	£90m	1 year increase in member life expectancy	4%	£197m	0.1% p.a. increase in the Salary Increase Rate	0%	£4m	0.1% p.a. decrease in the Real Discount Rate	2%	£87m
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%	£90m															
1 year increase in member life expectancy	4%	£197m															
0.1% p.a. increase in the Salary Increase Rate	0%	£4m															
0.1% p.a. decrease in the Real Discount Rate	2%	£87m															

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 £475.8m. 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. Estimated valuations (valued at 31 December 2023) for all HarbourVest private equity investments have been used in the accounts.</p> <p>Estimated valuations (valued at 31 December 23 and rolled forward for cash flows to 31 March 24) for Patria Investments 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 £447.2m. 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 £502.7m. 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 £83.1m. 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 £174.8m. There is a risk that this investment may be under or overstated in the accounts.</p>

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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 2024, and up to the date when these accounts were authorised, which require any adjustments to these accounts.

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## 7. Contributions Receivable

### By Category

2022-23 £000		2023-24 £000
145,201	Employers – normal	153,653
0	Employers – special	0
1,564	Employers – strain	2,506
37,797	Members – normal	41,303
396	Members – purchase of additional scheme benefits	375
<b>184,958</b>		<b>197,837</b>

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.

2022-23 £000	2023-24 £000
38,730	Deficit recovery (Secondary) contribution included in employer normal contributions
<b>38,730</b>	<b>46,826</b>

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

2022-23 £000		2023-24 £000
79,513	Administering authority	86,965
87,659	Other scheduled bodies	95,651
4,495	Community admission bodies	3,080
2,652	Transferee admission bodies	2,857
10,639	Resolution bodies	9,284
<b>184,958</b>		<b>197,837</b>

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:

2022-23 £000		2023-24 £000
68	Strain instalments due after the Net Asset Statement date	39
<b>68</b>		<b>39</b>

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 2024.

## 8. Transfers In From Other Pension Funds

2022-23 £000		2023-24 £000
0	Group transfers	0
11,626	Individual transfers	10,118
<b>11,626</b>		<b>10,118</b>

There were no group transfers in 2023-24 (none 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

2022-23 £000		2023-24 £000
137,276	Pensions	153,087
20,599	Commutation and lump sum retirement benefits	23,418
2,899	Lump sum death benefits	4,309
<b>160,774</b>		<b>180,814</b>

### By Authority

2022-23 £000		2023-24 £000
72,099	Administering authority	82,193
60,674	Other scheduled bodies	67,659
7,397	Community admission bodies	7,844
4,840	Transferee admission bodies	5,356
15,764	Resolution bodies	17,762
<b>160,774</b>		<b>180,814</b>

## 10. Payments To and On Account of Leavers

2022-23 £000		2023-24 £000
0	Group transfers	0
441	Refunds to members leaving service	410
6,442	Individual transfers	6,746
0	Payment made under Regulations 74, 75 and 15(3) and 64 of the Local Government Pension Scheme (Administration) Regulations 2008/2018.	13,900
<b>6,883</b>		<b>21,056</b>

There were no Group Transfers in 2023-24 (none in 2022-23).

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## 11. Management Expenses

Pension Fund management expenses for 2023-24 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).

2022-23 £000		2023-24 £000
2,163	Administrative costs	2,145
28,248	Investment management expenses	34,830
1,022	Oversight and governance costs	632
<b>31,433</b>		<b>37,607</b>

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

## 11a. Investment Expenses

	31 March 2024 Total £000	Management Fees £000	Performance Related Fees £000	Transaction Costs £000
Fixed Interest Securities	0	0	0	0
Pooled Investments	13,883	13,127	0	756
Private equity	9,745	9,745	0	0
Infrastructure (Incl. Timberland)	7,280	6,142	1,139	0
Direct Freehold Property	47	47	0	0
Derivatives forward Currency	856	856	0	0
	<b>31,811</b>	<b>29,917</b>	<b>1,139</b>	<b>756</b>
Fees and Other expenses	2,987			
Custody fees	32			
<b>Total</b>	<b>34,830</b>			

	<b>31 March 2023 Total £000</b>	<b>Management Fees £000</b>	<b>Performance Related Fees £000</b>	<b>Transaction Costs £000</b>
Fixed Interest Securities	<b>0</b>	0	0	0
Pooled Investments	<b>9,681</b>	9,625	-117	173
Private equity	<b>8,552</b>	8,552	0	0
Infrastructure (Incl. Timberland)	<b>5,983</b>	4,832	1,151	0
Direct Freehold Property	<b>37</b>	37	0	0
Derivatives forward Currency	<b>987</b>	987	0	0
	<b>25,240</b>	<b>24,033</b>	<b>1,034</b>	<b>173</b>
Fees and Other expenses	<b>2,987</b>			
Custody fees	<b>21</b>			
<b>Total</b>	<b>28,248</b>			

## 12. Investment Income

2022-23 £000		2023-24 £000
185	Income from fixed interest securities	670
140	Income from index linked securities	0
19,277	Pooled Property investments	17,621
50,400	Pooled fund income - unit trusts and other managed funds	76,249
1,845	Private equity income	856
2,363	Pooled funds rebate	1,247
1,413	Interest on cash deposits	3,812
57	Rents from Property (note 12a)	41
388	Other	173
<b>76,068</b>		<b>100,669</b>

### 12a. Property Income

2022-23 £000		2023-24 £000
57	Rental income	41
-37	Direct operating expenses	-47
<b>20</b>	<b>Net income or expenditure</b>	<b>-6</b>



## 13. Other Fund Disclosures

### 13a. Taxes on Income

2022-23 £000		2023-24 £000
1	Withholding tax – pooled investments	0
<b>1</b>		<b>0</b>

### 13b. External Audit costs

2022-23 £000		2023-24 £000
86	Payable in respect of external Audit	103
<b>86</b>		<b>103</b>

## 14. Investments

Market Value 31 March 2023 £000		Market Value 31 March 2024 £000
<b>Investment assets</b>		
59,970	Fixed Interest Securities	235,302
3,831,834	Pooled Investments	4,064,762
462,996	Pooled property investments	446,109
450,516	Private equity Partnerships	475,833
1,046	Direct Freehold Property	1,046
0	Derivatives – futures	314
7,875	Derivatives – forward currency	5,276
48,546	Cash deposits	100,091
0	Amounts receivable for sales	0
<b>4,862,783</b>	<b>Total investment assets</b>	<b>5,328,733</b>
<b>Investment liabilities</b>		
0	Derivatives – futures	0
-846	Derivatives - forward currency	-244
0	Amounts payable for purchases	-5,700
<b>-846</b>	<b>Total investment liabilities</b>	<b>-5,944</b>
<b>4,861,937</b>	<b>Net investment assets</b>	<b>5,322,789</b>

## 14a. Reconciliation of Movements in Investments and Derivatives 2023-24

	Market value 31 March 2023 £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 2024 £000
Fixed Interest Securities	59,970	476,718	-304,385	2,999	235,302
Pooled property investments	462,996	20,563	-12,488	-24,962	446,109
Pooled investments	3,831,834	859,763	-983,186	356,351	4,064,762
Private equity	450,516	82,212	-53,916	-2,979	475,833
Direct Freehold Property	1,046	0	0	0	1,046
	<b>4,806,362</b>	<b>1,439,256</b>	<b>-1,353,975</b>	<b>331,409</b>	<b>5,223,052</b>
<b>Derivative contracts:</b>					
Futures	0	166	-884	1,032	314
Forward currency contracts	7,029	21,101	-60,606	37,508	5,032
	<b>7,029</b>	<b>21,267</b>	<b>-61,490</b>	<b>38,540</b>	<b>5,346</b>
<b>Other investment balances:</b>					
Cash deposits	48,546			0	100,091
Amount receivable for sales of investments	0			-125	0
Amount payable for purchases of investments	0			0	-5,700
<b>Net investment assets</b>	<b>4,861,937</b>			<b>369,824</b>	<b>5,322,789</b>

## 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	-64,780	462,996
Pooled investments	3,853,238	412,559	-380,074	-53,889	3,831,834
Private equity	414,125	83,097	-67,603	20,897	450,516
Direct Freehold Property	1,046	0	0	0	1,046
	<b>4,855,289</b>	<b>537,807</b>	<b>-473,220</b>	<b>-113,514</b>	<b>4,806,362</b>
<b>Derivative contracts:</b>					
- Forward currency contracts	-5,295	92,610	-85,523	5,237	7,029
	<b>-5,295</b>	<b>92,610</b>	<b>-85,523</b>	<b>5,237</b>	<b>7,029</b>
<b>Other investment balances:</b>					
- Cash deposits	36,160			0	48,546
- Amount receivable for sales of investments	5,016			2,157	0
- Amount payable for purchases of investments	0			0	0
<b>Net investment assets</b>	<b>4,891,170</b>			<b>-106,120</b>	<b>4,861,937</b>

## 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.

	£000s
Transaction costs incurred during 2023-24	756
Transaction costs incurred during 2022-23	173

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## 14b. Investments Analysed by Fund Manager

Market Value 31 March 2023			Market Value 31 March 2024	
£000	%		£000	%
<b>Investments Managed by the ACCESS Pool (Link Fund Solutions)</b>				
709,657	14.60%	LF ACCESS Global Equity (ex UK) Fund	786,651	14.78%
414,417	8.52%	LF ACCESS Globe Equity Capital Fund	464,143	8.72%
299,388	6.16%	LF ACCESS Globe Equity Mondrian Fund	340,212	6.39%
290,236	5.97%	LF ACCESS UK Equity Core Fund	283,480	5.33%
291,517	6.00%	LF ACCESS Janus Henderson MAC	232,639	4.37%
191,941	3.95%	LF ACCESS Global Alpha Paris Aligned	213,276	4.01%
		WS ACCESS Emerging Markets Equity	140,817	2.65%
		WS ACCESS Global Income Opportunities Fund	199,090	3.74%
		WS ACCESS Sterling Corporate Bonds	121,311	2.28%
		WS ACCESS Sterling Investment Grade Credit	115,492	2.16%
<b>2,197,156</b>	<b>45.20%</b>		<b>2,897,111</b>	<b>54.43%</b>

### Investments Managed outside of the ACCESS Pool

235,067	4.83%	Janus Henderson Global Investors	186,103	3.50%
475,617	9.77%	LaSalle Investment Management	466,761	8.77%
457,809	9.42%	M&G – (Incl. Infracapital)	391,767	7.36%
451,229	9.28%	HarbourVest Partners	485,741	9.13%
116,251	2.39%	UBS	0	0.00%
179,060	3.68%	Insight Investment **	230,931	4.34%

179,769	3.70%	Capital International Limited	0	0.00%
219,353	4.51%	J.P. Morgan Asset Management	220,312	4.14%
126,770	2.61%	Equitix	137,037	2.57%
44,991	0.93%	AVIVA Investors	35,994	0.68%
35,565	0.73%	Global Custodian*	76,109	1.43%
54,244	1.12%	Pantheon	85,377	1.60%
32,358	0.67%	Patria Investments (formerly abrdrn Capital Partners)	26,402	0.50%
56,698	1.16%	Stafford Capital Partners	83,144	1.55%
<b>2,664,781</b>	<b>54.80%</b>		<b>2,425,676</b>	<b>45.57%</b>
<b>4,861,937</b>	<b>100%</b>		<b>5,322,789</b>	<b>100.00%</b>

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 holding. The market value of the contracts could represent a payable or receivable.

**The following Investments Representing More Than 5% of the Net Assets of the Scheme as at 31 March 2024**

Security	Market Value 31 March 2023 £000	Percentage of total fund %	Market Value 31 March 2024 £000	Percentage of total fund %
LF ACCESS Global Equity (ex UK) Fund	709,657	14.5	786,651	14.8
LF ACCESS Globe Equity Capital Fund	414,417	8.5	464,143	8.7
LF ACCESS Globe Equity Mondrian Fund	299,388	6.1	340,212	6.4
LF ACCESS UK Equity Core Fund	290,236	5.9	283,480	5.3

**More Than 5% of the Net Assets of the Scheme as at 31 March 2023**

LF ACCESS Janus Henderson MAC	291,517	6.0	262,639	4.4
M&G Sustainable Alpha Opportunities Fund	293,505	6.0	227,818	4.3

During the year there were no individual investment (a single security) exceeding 5% of the total value of the net assets. Four pooled holdings (six in 2022-23) 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 2024 the LF ACCESS Global Equity ex UK A INC fund held 187 (2023 - 203) stocks.
- As at 31 March 2024 the Link Fund Sol Ltd Access UK Equity Core A Inc fund held 56 (2023 - 57) stocks.
- As at 31 March 2024 the Link Fund Sol Ltd Access Globe Eq Mondrian A Inc fund held 49 (2023 - 47).
- As at 31 March 2024 the Link Fund Sol Ltd Access Globe Equity Cap A Inc fund held 285 (2023 - 295).



#### 14d. Property Holdings

Details of the Funds directly owned freehold properties are as follows:

<b>Year Ending 31 March 2023 £000</b>		<b>Year Ending 31 March 2024 £000</b>
1,046	Opening balance	1,046
0	Additions	0
0	Disposals	0
0	Net increase in market value	0
0	Other changes in fair value	0
<b>1,046</b>	<b>Closing balance</b>	<b>1,046</b>

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 held net futures of £314,000 in its portfolio at 31 March 2024 (2023 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. Analysis of Derivative Contracts

Type	Expires	Economic Exposure £000	Market Value 31 March 2023 £000	Economic Exposure £000	Market Value 31 March 2023 £000
<b>Assets</b>					
UK Equity	Less than one year	0	0	21,887	251
Overseas Equity	Less than one year	0	0	13,665	63
<b>Total Assets</b>			<b>0</b>		<b>314</b>
<b>Liabilities</b>					
UK Equity	Less than one year	0	0	0	0
Overseas Equity	Less than one year	0	0	2,528	0
<b>Total Liabilities</b>			<b>0</b>		<b>0</b>
<b>Net Futures</b>			<b>0</b>		<b>314</b>

## 15b. 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	28,215	AUD	-54,257	86	0
Up to one month	GBP	19,863	EUR	-23,175	30	0
Up to one month	GBP	442	JPY	-82,007	11	0
Up to one month	GBP	6,790	USD	-8,668	0	-71
Up to one month	EUR	52	GBP	-44	0	0
Between one & three months	GBP	108,694	EUR	-126,690	199	0
Between one & three months	GBP	232,223	JPY	-43,216,500	4,514	0
Between one & three months	GBP	72,272	USD	-90,770	437	0
Between one & three months	EUR	75,680	GBP	-64,959	0	-148
Between one & three months	JPY	11,939,000	GBP	-62,932	0	-25
Open forward currency contracts at 31 March 2024					<b>5,277</b>	<b>-244</b>
Net forward currency contracts at 31 March 2024						<b>5,033</b>
<b>Prior year Comparative</b>						
Open forward currency contracts at 31 March 2023					<b>7,875</b>	<b>-846</b>
Net forward currency contracts at 31 March 2023						<b>7,029</b>

## 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>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>
	<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>		

Infrastructure Equity Pooled Fund Level 3	<p>Investments in Pooled Infrastructure Funds are valued using the fair value of the underlying investments. Assets are valued using income or discounted cash flows. 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>
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controlling the partnership.

Timberland Equity Pooled Fund

Level 3

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.

Observable inputs are subject to judgment by the respective manager but are applied in accordance with the appropriate industry guidelines.

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.

Audited valuations are carried out annually and based on the Fair value of the fund.

Pooled Debt Funds – Credit

Level 3

The fund is valued monthly on a Net Asset Value basis.

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").

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.

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.

Pooled Debt Funds – Special Situations

Level 3

The funds are valued quarterly on a Net Asset Value basis.

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.

Valuations could be affected by Material events occurring between the date of the financial statements



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.

provided and the Pension fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts.

Pooled Debt Funds – Real Estate Debt

Level 3

The funds are valued quarterly on a Net Asset Value basis.

The fund primarily invests in private junior loans that are secured against real estate assets.

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.

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.

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### 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 2024.

Description of Asset	Assessed Valuation Range (+/-)	Value at 31 March 2024 £'000	Value on Increase £'000	Value on Decrease £'000
Pooled Property/Direct Freehold Property	10.00%	447,155	491,870	402,439
Private Equity	15.00%	475,833	547,208	404,458
Pooled Infrastructure Equity	10.00%	502,725	552,998	452,453
Pooled Timberland Equity	10.00%	83,140	91,454	74,826
Pooled Private Debt/Credit Funds	10.00%	145,528	160,080	130,975
Pooled Real Estate Debt Fund	12.00%	29,248	32,758	25,738
<b>Net Investment Assets</b>		<b>1,683,629</b>	<b>1,876,368</b>	<b>1,490,889</b>

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 2023 £'000	Value on Increase £'000	Value on Decrease £'000
Pooled Property/Direct Freehold Property	10.00%	464,042	510,446	417,637
Private Equity	15.00%	450,516	518,093	382,938
Pooled Infrastructure Equity	10.00%	472,264	519,490	425,037
Pooled Timberland Equity	10.00%	56,698	62,368	51,028
Pooled Private Debt/Credit Funds	10.00%	130,549	143,604	117,494
Pooled Real Estate Debt Fund	12.00%	36,514	40,896	32,133
<b>Net Investment Assets</b>		<b>1,610,583</b>	<b>1,794,897</b>	<b>1,426,267</b>

### 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 2024	Quoted market price Level 1 £000	Using observable inputs Level 2 £000	With significant unobservable inputs Level 3 £000	Total £000
<b>Investment assets</b>				
Fixed interest securities	235,302	0	0	235,302
Pooled investments	0	3,304,121	760,641	4,064,762
Pooled property investments	0	0	446,109	446,109
Private equity partnerships	0	0	475,833	475,833
Derivatives - forward currency	5,276	0	0	5,276
Derivatives - futures	313	0	0	313
Cash deposits	100,091	0	0	100,091
<b>Total Investment Assets</b>	<b>340,982</b>	<b>3,304,121</b>	<b>1,682,583</b>	<b>5,327,686</b>
<b>Non-Financial assets at fair value through profit and loss</b>				
Direct Freehold Property	0	0	1,046	1,046
<b>Financial liabilities at fair value through profit and loss</b>				
Derivatives - forward currency	-244	0	0	-244
Payable for Investment Purchases	-5,700	0	0	-5,700
<b>Net Investment Assets</b>	<b>335,038</b>	<b>3,304,121</b>	<b>1,683,629</b>	<b>5,322,788</b>

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
<b>Investment assets</b>				
Fixed interest securities	59,970	0	0	59,970
Pooled investments	0	3,135,809	696,025	3,831,834
Pooled property investments	0	0	462,996	462,996
Private equity partnerships	0	0	450,516	450,516
Derivatives - forward currency	7,875	0	0	7,875
Cash deposits	48,546	0	0	48,546
<b>Total Investment Assets</b>	<b>116,391</b>	<b>3,135,809</b>	<b>1,609,537</b>	<b>4,861,737</b>
<b>Non-Financial assets at fair value through profit and loss</b>				
Direct Freehold Property	0	0	1,046	1,046
<b>Financial liabilities at fair value through profit and loss</b>				
Derivatives - forward currency	-846	0	0	-846
<b>Net Investment Assets</b>	<b>115,545</b>	<b>3,135,809</b>	<b>1,610,583</b>	<b>4,861,937</b>

### 16b. Transfers between Levels 1 and 2

There were no transfers between Level 1 and 2 in 2023-24 (no transfers during 2022-23).

During the year three 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 2023	<b>464,042</b>	<b>450,516</b>	<b>472,264</b>	<b>56,698</b>	<b>167,064</b>	<b>1,610,584</b>
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	20,563	82,212	57,624	50,995	26,125	237,519
Sales during the year and derivative receipts	-12,488	-53,916	-29,751	-29,664	-26,108	-151,927
Unrealised gains/losses	-7,545	23,332	214	-274	6	15,733
Realised gains/losses	-17,416	-26,311	2,374	5,384	7,690	-28,279
<b>Market value 31 March 2024</b>	<b>447,156</b>	<b>475,833</b>	<b>502,725</b>	<b>83,139</b>	<b>174,777</b>	<b>1,683,630</b>

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 2022	<b>522,879</b>	<b>414,125</b>	<b>372,010</b>	<b>20,502</b>	<b>167,100</b>	<b>1,496,616</b>
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	83,097	89,008	31,288	25,875	255,681
Sales during the year and derivative receipts	-20,470	-67,603	-40,532	-275	-17,850	-146,730
Unrealised gains/losses	4,713	42,135	2,986	0	451	50,285
Realised gains/losses	-69,493	-21,238	48,792	5,183	-8,512	-42,268
<b>Market value 31 March 2023</b>	<b>464,042</b>	<b>450,516</b>	<b>472,264</b>	<b>56,698</b>	<b>167,064</b>	<b>1,610,584</b>

## 17. Financial Instruments

### 17a. Financial Instruments – Classification

Fair value through profit and loss £000	31-Mar-23	Liabilities at amortised cost £000		Fair value through profit and loss £000	31-Mar-24	Liabilities at amortised cost £000
	Assets amortised at cost £000				Assets amortised at cost £000	
<b>Financial assets</b>						
59,970			Fixed Interest Securities	235,302		
3,831,834			Pooled Investments	4,064,763		
462,996			Pooled Property	446,109		
450,516			Private equity	475,833		
7,875			Derivative contracts	5,590		
	56,723		Cash		113,707	
855			Other investment balances	1,675		
	111		Debtors		79	
<b>4,814,046</b>	<b>56,834</b>	<b>0</b>		<b>5,229,272</b>	<b>113,786</b>	<b>0</b>
<b>Financial liabilities</b>						
-846			Derivative contracts	-244		
		-3,361	Creditors			-17,852
0			Other Investment Balances	-5,700		
<b>-846</b>	<b>0</b>	<b>-3,361</b>		<b>-5,944</b>	<b>0</b>	<b>-17,852</b>
<b>4,813,200</b>	<b>56,834</b>	<b>-3,361</b>		<b>5,223,328</b>	<b>113,786</b>	<b>-17,852</b>



## 17b. Net Gains and Losses on Financial Instruments

31 March 2023 £000		31 March 2024 £000
<b>Financial assets</b>		
-25,834	Fair value through profit and loss	398,120
0	Assets amortised at cost	0
<b>Financial liabilities</b>		
-80,286	Fair value through profit and loss	-28,297
0	Liabilities at amortised cost	0
<u>-106,120</u>	<b>Total</b>	<u>369,823</u>
	Reconciliation to Revenue and Fund Account - Profit and losses on disposal of investments and changes in the market value of investments	
0	Direct Freehold Property Holding - Not classified as a financial Instrument	0
<u>-106,120</u>		<u>369,823</u>

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 2023-24 reporting period:

Asset Type	Potential Market Movements (+/-) %
Short Index-Linked Gilts	4.10%
Long Index-Linked Gilts	8.40%
UK Equities including pooled	16.00%
Overseas Equities including pooled	16.70%
Infrastructure Equity	13.60%
UK Bonds including pooled	5.80%
Index Linked Gilts including pooled	8.40%
Bonds including pooled	7.10%
Cash and Cash Equivalents (Including Payables and Receivables)	0.30%
Pooled Property Investments/Direct Freehold Property	15.60%
Private Equity	31.20%
Private Debt	8.80%
Timberland Equity	13.60%
<b>Total*</b>	<b>10.70%</b>

\* 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 2024 £000	Percentage Change %	Value on Increase £000	Value on Decrease £000
Cash and Cash Equivalents including payables and receivables	99,737	0.30%	100,036	99,438
<b>Investment Portfolio Assets:</b>				
Short Index-Linked Gilts	32,817	4.10%	34,162	31,472
Long Index-Linked Gilts	97,895	8.40%	106,118	89,672
UK Equities including pooled	283,480	16.00%	328,837	238,123
Overseas Equities including pooled	1,945,100	16.70%	2,269,932	1,620,268
Infrastructure Equity	502,725	13.60%	571,096	434,354
UK Bonds including pooled	500,296	5.80%	529,313	471,279
Index Linked Gilts including pooled	104,590	8.40%	113,376	95,804
Bonds including pooled	659,547	7.10%	706,375	612,719
Pooled Property Investments/ Direct Freehold Property	447,156	15.60%	516,912	377,400
Private Equity	475,833	31.20%	624,293	327,373
Private Debt	90,473	8.80%	98,435	82,511
Timberland	83,140	13.60%	94,447	71,833
<b>Total Assets Available to Pay Benefits</b>	<b>5,322,789</b>	<b>10.70%</b>	<b>5,892,327*</b>	<b>4,753,251*</b>

\* 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 2023 £000	Percentage Change %	Value on Increase £000	Value on Decrease £000
Cash and Cash Equivalents including payables and receivables	55,575	0.3	55,742	55,408
<b>Investment Portfolio Assets:</b>				
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	472,264	16.0	547,826	396,702
UK Bonds including pooled	611,029	6.0	647,691	574,367
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	464,042	15.5	535,969	392,115
Private Equity	450,516	31.2	591,077	309,955
Private Debt	84,931	9.6	93,084	76,778
Timberland	56,698	16.0	65,770	47,626
<b>Total Assets Available to Pay Benefits</b>	<b>4,861,937</b>	<b>12.0</b>	<b>5,445,369*</b>	<b>4,278,505*</b>

\* 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 2023 and 31 March 2024 is set out below. These disclosures present interest rate risk based on the underlying financial assets:

Asset Type	Value as at 31 March 2023 £000	Value as at 31 March 2024 £000
Investment Cash Balances	48,546	100,091
Cash in hand	8,177	13,617
Fixed Interest Securities	59,970	235,302
<b>Total</b>	<b>116,693</b>	<b>349,010</b>

Asset Type	Interest Receivable 31 March 2023 £000	Interest Receivable 31 March 2024 £000
Investment Cash Balances	1,053	3,098
Cash in hand	360	713
Fixed Interest Securities	325	670
<b>Total</b>	<b>1,738</b>	<b>4,481</b>

### 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 2024 £000	Impact of +1% £000	Impact of -1% £000
Investment Cash Balances	100,091	101,092	99,090
Cash in hand	13,617	13,753	13,481
Fixed Interest Bonds	235,302	237,655	232,949
	<b>349,010</b>	<b>352,500</b>	<b>345,520</b>

Asset Type	Asset values at 31		
	March 2023 £000	Impact of +1% £000	Impact of -1% £000
Investment Cash Balances	48,546	49,031	48,061
Cash in hand	8,177	8,259	8,095
Fixed Interest Bonds	59,970	60,570	59,370
	<b>116,693</b>	<b>117,860</b>	<b>115,526</b>

Asset Type	Interest Receivable 31		
	March 2024 £000	Impact of +1% £000	Impact of -1% £000
Investment Cash Balances	3,098	3,129	3,067
Cash in hand	713	720	706
Fixed Interest Bonds	670	677	663
	<b>4,481</b>	<b>4,526</b>	<b>4,436</b>

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
	<b>1,738</b>	<b>1,756</b>	<b>1,720</b>

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.

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### 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 9.30% 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 9.30% 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 2024 £000	+9.30% £000	-9.30% £000
Overseas Equities (including pooled equity funds where underlying assets are non-Sterling denominated)	1,945,100	180,894	-180,894
Infrastructure	502,725	46,753	-46,753
Timberland	83,140	7,732	-7,732
Private Equity	475,833	44,252	-44,252
Change in net assets available to pay benefits		<b>279,631</b>	<b>-279,631</b>

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	56,698	5,613	-5,613
Private Equity	450,516	44,601	-44,601
Change in net assets available to pay benefits		<b>210,139</b>	<b>-210,139</b>

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### **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 <sup>st</sup> March 2023	Balances at 31 March 2023 £000	Short term Rating (S&P) 31 <sup>st</sup> March 2024	Balances at 31 March 2024 £000
<b>Bank Deposit Accounts</b>				
Aviva Money Market Fund			AAA	6,796
Federated Money Market Fund	AAA	3,990	AAA	6,797
Aberdeen Money Market Fund	AAA	3,991		
<b>Bank Current Accounts</b>				
Barclays Bank	A-1	196	A-1	0
<b>Total</b>		<b>8,177</b>		<b>13,593</b>

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 2024 comprise £83.6 million (31 March 2023, £44.5m) deposited with AAA rated money market funds, £10.8 million (31 March 2023 £4.0m) 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 2024 (2023 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 2023 £000	Percentage of Total Fund Assets %	Balances at 31 March 2024 £000	Percentage of Total Fund Assets %
3,296,492	67.8%	3,639,159	68.4%

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 2024 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

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 were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. High levels of inflation in the UK (compared to recent experience), have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, asset performance has improved towards the end of 2023 and into 2024 and inflation has begun to return towards historical levels and the Bank of England's target (2% pa). There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction

in the value placed on the Fund’s liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025. The Funding Strategy Statement will also be reviewed at that time.

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## 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 2023 £M	31 March 2024 £M
Actuarial present value of promised retirement benefits	-4,866	-4,925
Fair Value of scheme assets (bid value)	4,880	3,315
<b>Net Liability</b>	<b>14</b>	<b>390</b>

The promised retirement benefits at 31 March 2024 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).

### Assumptions

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2024 and 31 March 2023. I estimate that the impact of the change in financial assumptions to 31 March 2024 is to decrease the actuarial present value by £274m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £30m.

### Financial assumptions

Year ended	31 March 2024	31 March 2023
	% p.a.	% p.a.
Pension Increase Rate (CPI)	2.75%	2.95%
Salary Increase Rate	3.45%	3.65%
Discount Rate	4.85%	4.75%

### Demographic assumptions

The longevity assumptions have changed since the previous IAS26 disclosure for the Fund.

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, 0% weighting of 2021 (and 2020) 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	21.4 years	24.1 years
Future pensioners (assumed to be aged 45 at the latest valuation date)	22.3 years	25.7 years

All other demographic assumptions are unchanged from last year and are as per the latest funding valuation of the Fund.

### 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 obligations are set out below:

Change in assumption at 31 March 2024	Approximate % increase to promised retirement benefits	Approximate monetary amount (£m)
0.1% p.a. decrease in the Discount Rate	2%	90

1 year increase in member life expectancy	4%	197
0.1% p.a. increase in the Salary Increase Rate	0%	4
0.1% p.a. increase in the Rate of CPI Inflation	2%	87

The liabilities above are calculated on an IAS 19 basis and therefore will differ from the results of the 2022 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.

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## 21. Current Assets

31 March 2023 £000		31 March 2024 £000
	<b>Cash In Hand</b>	
8,177	Cash In Hand**	13,617
	<b>Debtors:</b>	
2,955	Contributions due - employees*	3,537
10,820	Contributions due - employers*	9,342
1	Employers special contributions	1,400
465	Augmentation & strain due	773
454	Dividends receivable**	1,250
243	Pooled funds rebate due**	209
0	UK tax receivable	0
740	Overseas tax receivable	610
157	VAT refund due	180
158	Interest due**	217
53	Recharge of fees**	54
6	Prepayments	5
58	Sundry **	25
<b>16,110</b>	<b>Debtors</b>	<b>17,602</b>
<b>24,287</b>	<b>Current Assets</b>	<b>31,219</b>

\*Principally represents amounts due in respect of March payrolls but payable the following month. \*\*Cash and Debtors classed as financial instruments (assets) note 17a.

<b>31 March 2023 £000</b>		<b>31 March 2024 £000</b>
<b>Long term debtors:</b>		
441	Employer contributions	374
68	Augmentation & strain due	38
<b>509</b>		<b>412</b>

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)

<b>31 March 2023 £000</b>		<b>31 March 2024 £000</b>
<b>Debtors:</b>		
899	Central government bodies	781
9,889	Other local authorities	10,615
5,831	Other entities and individuals	6,618
<b>16,619</b>		<b>18,014</b>

## 22. Current Liabilities

31 March 2023 £000		31 March 2024 £000
<b>Creditors:</b>		
940	Transfer values payable (leavers)	162
0	Exit Credit Payable	13,850
1,339	Benefits payable	2,069
531	Investment Management Fees**	367
14	Receipt in Advance**	14,684
2,816	Other Fees & Charges**	2,801
1,472	UK Taxation payable	1,895
0	Sundry creditors	0
<u>7,112</u>		<u>35,828</u>

\*\*Creditors classed as financial instruments (liabilities) note 17a.

### Analysis of Creditors

31 March 2023 £000		31 March 2024 £000
<b>Creditors:</b>		
1,472	Central government bodies	1,895
2,715	Other local authorities	31,251
2,925	Other entities and individuals	2,682
<u>7,112</u>		<u>35,828</u>

### 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 2023 £000		Market Value 31 March 2024 £000
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8,103	Separately Invested AVC Funds	9,434
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2022-23 £000		2023-24 £000
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1,710	AVC contributions paid directly during the year	2,032
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## 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:

<b>31 March 2023 £000</b>		<b>31 March 2024 £000</b>
1,132	Norwich City Council	1,199
1,065	Norfolk County Council	1,103
249	North Norfolk District Council	263
211	Borough Council of Kings Lynn & West Norfolk	222
155	Great Yarmouth Borough Council	161
105	Breckland District Council	100
83	Broadland District Council	83
47	South Norfolk District Council	50
139	Other	149
<b>3,186</b>		<b>3,330</b>



## 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.

	2022-23 £000	2023-24 £000
Norfolk County Council incurred administration and Investments costs reimbursed by the Fund	2,715	2,726
All monies owing to and due from the Fund were paid within statutory timescales.		
Norfolk County Council Employer Contributions	61,952	66,505

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.

	2022-23 £000	2023-24 £000
Average investment balance held by NCC Treasury Management Operation	15,256	14,360
Interest earned on balances invested by NCC Treasury Management Operation	360	713

### 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](http://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 2023-24 the remuneration amount incurred by the Fund was £9,560 (£9,000 2022-23).

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

<b>Outstanding Capital Commitments</b>	<b>31 March 2023</b>	<b>31 March 2024</b>
	<b>£000</b>	<b>£000</b>
Private equity partnerships	366,958	337,265
Property investment vehicles	9,829	6,536
Pooled Illiquid Closed-Ended Debt Funds	16,610	26,198
Pooled Infrastructure	105,107	64,623
Pooled Timberland	214	33,801
<b>Total</b>	<b>498,718</b>	<b>468,423</b>

At 31 March 2024 the Fund had made contractual commitments to private equity funds managed by Patria Investments (previously Aberdeen Standard Investments/ abrdn Capital Partners LLP) 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 2024. 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 2024. 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**

During the 2023-24 year, Norfolk County Council as Administering Authority of the Norfolk Pension Fund acted as Lead Plaintiff in the US Class Action case against Apple. As at 31 March 2024 an agreed settlement of \$490 million was reached gross of legal fees and subject to court approval. It is not possible to reliably estimate the Norfolk Pension Fund's share of the settlement until claims have been processed on behalf of investors who identify themselves as having eligible trading activity during the class period.

There were no contingent assets as at 31 March 2023.

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# APPENDICES

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## Appendix I – Participating Employers (Employers with active members during the year)

### Employer

### Type

Access Community Trust	Admitted Body
Acle Academy	Scheduled/Resolution Body
Acle Parish Council	Scheduled/Resolution Body
Acle St Edmund Primary School	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
Anthony Curton CofE Primary School Academy	Scheduled/Resolution Body
Antingham & Southrepps Community Primary School	Scheduled/Resolution Body
Arden Grove Infant and Nursery School	Scheduled/Resolution Body
Aslacton Primary School	Scheduled/Resolution Body
Aspens Services (Diss High)	Admitted Body
Aspens Services (Diss Junior)	Admitted Body
Aspens Services (St John the Baptist MAT)	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
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
Bigold 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
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
Broad Horizons Education Trust	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 Church of England Primary Academy	Scheduled/Resolution Body
Cawston Parish Council	Scheduled/Resolution Body
Change Grow Live	Admitted Body
Charles Darwin Primary	Scheduled/Resolution 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
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 C of E Infant and Nursery School	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
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
Earsham Primary School	Scheduled/Resolution Body
East Coast College	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 (Ormiston Trust)	Admitted Body
Edwards & Blake (Southtown Primary)	Admitted Body
Edwards & Blake (Unity Education Trust)	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
Garvestone, Reymerston & Thuxton Parish Council	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 Moulton Parish Council	Scheduled/Resolution Body
Great Snoring Parish Council	Scheduled/Resolution Body
Great Witchingham Church of England Primary Academy	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



Great Yarmouth Services	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
Halvergate Parish Council	Scheduled/Resolution Body
Happisburgh Parish Council	Scheduled/Resolution Body
Hardingham Parish Council	Scheduled/Resolution Body
Harleston Sancroft Academy	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 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 Internal Drainage Board	Scheduled/Resolution Body
King's Oak Academy	Scheduled/Resolution Body
King's Park Infant School	Scheduled/Resolution Body

King's Lynn Academy	Scheduled/Resolution Body
King's Lynn Water Management Alliance	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 Plumstead Primary 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
Lyng C of E Primary	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
Medequip Assistive Technology (ICES)	Admitted Body
Middleton Church of England Primary Academy	Scheduled/Resolution Body
Millfield Primary	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 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	Scheduled/Resolution 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
Robert Kett Primary	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
Scole Church of England Primary	Scheduled/Resolution Body
Sculpton 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
Sir Isaac Newton Sixth Form Free School	Scheduled/Resolution Body
Smithdon High School	Scheduled/Resolution Body
Snettisham Primary School	Scheduled/Resolution Body
South Norfolk District 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
Spire Cleaning (Fred Nicholson 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
Sporle with Palgrave Parish Council	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 Clements Hill Primary Academy	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 Family Centre	Admitted Body
St Michael's Church of England Academy (King's Lynn)	Scheduled/Resolution Body
St Peter & St Paul Carbrooke Church of England Primary Academy	Scheduled/Resolution Body
St Peters Church of England Primary Academy	Scheduled/Resolution Body
Stalham High School	Scheduled/Resolution Body
Stalham Infant School and Nursery	Scheduled/Resolution Body
Stalham Junior Academy	Scheduled/Resolution Body
Stradbroke Primary Academy	Scheduled/Resolution Body
Strumpshaw Parish Council	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
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 Parish Council	Scheduled/Resolution Body
Tivetshall Primary School	Scheduled/Resolution Body
Trowse with Newton Parish Council	Scheduled/Resolution Body
Tuckswood Academy and Nursery	Scheduled/Resolution Body
Turn IT On (Eastern MAT)	Admitted Body
UET Compass (Short Stay)	Scheduled/Resolution Body
UET Pathfinder (Short Stay)	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 Junior School (Wayland Junior)	Scheduled/Resolution Body
Watton Town Council	Scheduled/Resolution Body
Watton Westfield Infant & Nursery School	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 Dereham Parish Council	Scheduled/Resolution Body
West Lynn Primary School	Scheduled/Resolution Body
White House Farm Primary School	Scheduled/Resolution Body
Whitefriars Church of England Primary Academy	Scheduled/Resolution Body
Wimbotsham and Stow Academy	Scheduled/Resolution Body
Wimbotsham Parish Council	Scheduled/Resolution Body
Winterton Primary School and Nursery	Scheduled/Resolution Body
Winterton-on-Sea Parish Council	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 Academy	Scheduled/Resolution Body
Wymondham College Prep School	Scheduled/Resolution Body
Wymondham High School	Scheduled/Resolution Body
Wymondham Town Council	Scheduled/Resolution Body
Yaxham Primary School	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 1<sup>st</sup> 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](http://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.

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*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](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](http://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 2023-24 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 were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. High levels of inflation in the UK (compared to recent experience), have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, asset performance has improved towards the end of 2023 and into 2024 and inflation has begun to return towards historical levels and the Bank of England's target (2% pa). There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.



The next actuarial valuation will be carried out as at 31 March 2025. The Funding Strategy Statement will also be reviewed at that time.

Julie Baillie FFA

14 May 2024

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.

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# Report to Pensions Committee

Item No. 8

<b>Report title:</b>	<b>Risk Register Report and Compliance with Breaches Policy</b>
<b>Date of meeting:</b>	<b>11 June 2024</b>
<b>Responsible Director:</b>	<b>Harvey Bullen, Director of Strategic Finance Glenn Cossey, Director of Norfolk Pension Fund</b>
<b>Executive Summary</b> 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 2024, and the last full report to Pensions Committee was in December 2023.	
<b>Recommendations</b> 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 2024. 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 March 2024.
- 2.2 We have seen one risk reduced since February 2024; all other risks remain stable.
- 2.3 **Member Services (Administration)**
- 2.4 NPFA6 Employer Operational Issues (administration)

This risk was increased last quarter, reflecting operational issues with 2 employers. Since then, these have been successfully mitigated and therefore the risk has been reduced. Remains AMBER.

2.5 All other risks remain stable.

### **3. Areas of High Risk**

3.1 We have one area identified as High Risk, across Governance, Funding and Investment, and Benefits Administration.

#### **3.2 Cyber and Financial Crime (ref. NCFG11)**

3.3 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.

3.4 The Pensions Regulator's new General Code introduces new requirements around IT and Cyber Security, 'The Administering Authority needs to have safe and secure methods of transferring information and data, with the appropriate IT systems in place. They should also take steps to reduce the risk of cyber incidents occurring and effectively manage any incidents which do arise'.

3.5 The Norfolk Pension Fund uses the Regulator's cyber security principles to assess and understand risks and establish appropriate controls and mitigation.

3.6 The Norfolk Pension Fund's Cyber Security, Information Governance and Confidentiality Guidelines have been updated and circulated to Pensions Committee, the Pensions Oversight Board and Fund Officers (Appendix C).

3.7 These guidelines set out the internal and external controls we have in place to manage data securely, to reduce the risk of a cyber incident occurring and to manage any incidents which may arise.

3.8 An update on compliance, internal and external controls and other related activity is provided at Appendix D.

### **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 Norfolk Pension Fund's 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	Month	Summary Description of Breaches
	October 2023	38 employers were late paying over their October contributions. The latest payment was 37 days late through to 1 day late.
	November 2023	13 employers were late paying over their November contributions. The latest payment was 38 days late through to 4 days late.
	December 2023	19 employers were late paying over their December contributions. The latest payment was 28 days late through to 1 day late.
	January 2024	20 employers were late paying over their January contributions. The latest payment was 13 days late through to 1 day late.
	February 2024	13 employers were late paying over their February contributions. The latest payment was 34 days late through to 3 days late.
	March 2024	10 employers were late paying over their March contributions. The latest payment was 8 days late through to 1 day late.

4.8 All the above late payments were identified by the Fund's contribution monitoring process; all late payments are followed up to identify any issues and secure payment as swiftly as possible.

## 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 2024

Appendix C - Cyber Security, Information Governance and Confidentiality Guidelines

Appendix D – Monitoring compliance with Cyber Security, Information Governance and Confidentiality Guidelines

## 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](mailto:glenn.cossey@norfolk.gov.uk)



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# Methodology

## Methodology - APPENDIX A

<b>Project Name</b>	Project XYZ
<b>Prepared by</b>	Project / Programme Manager
<b>Date RAIDD Log opened</b>	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						
		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

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

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

### Cost / Benefit Analysis

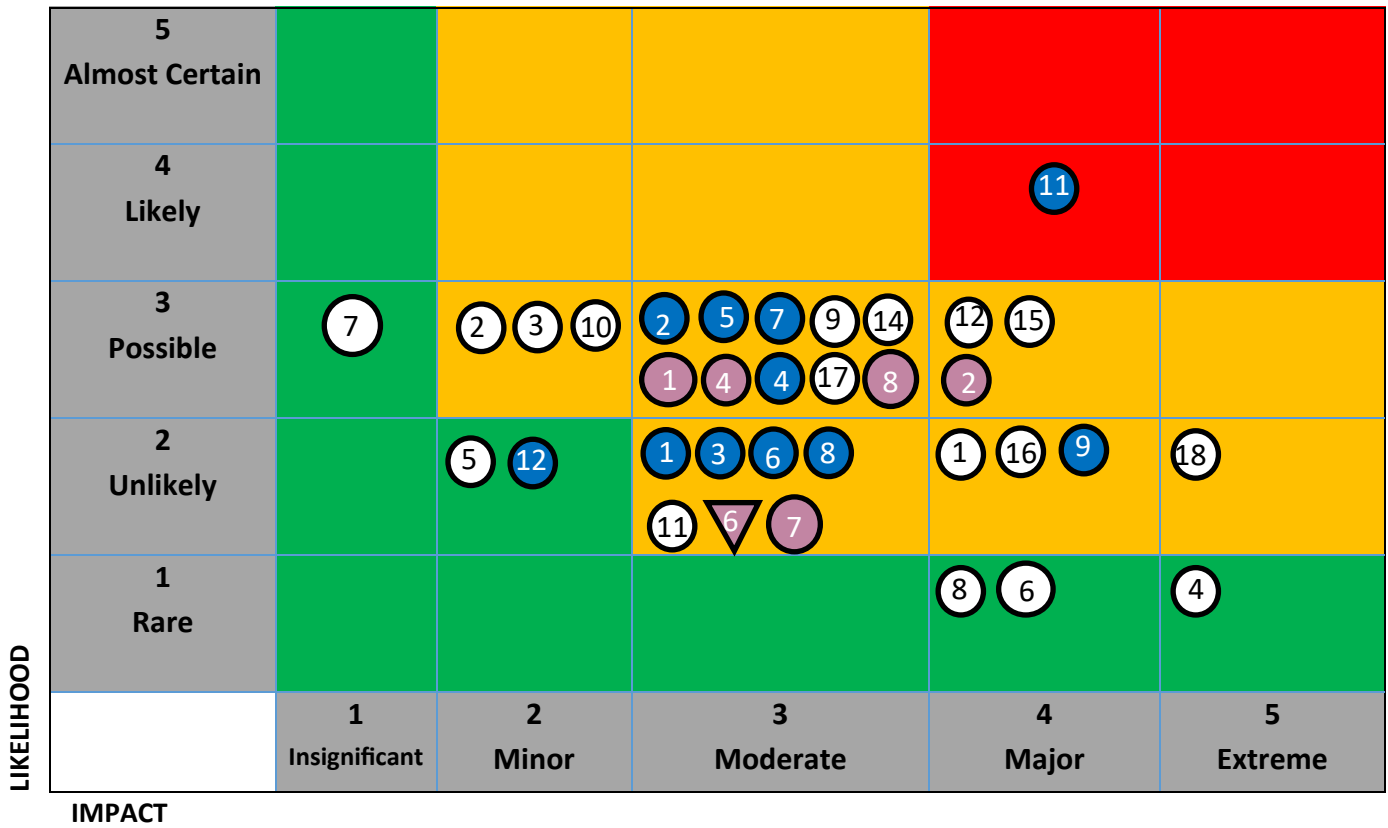
Cost		
	Cost Definition	Value
Savings Made	Outlay for new controls will be less than anticipated savings across the organisation	1
Nil Cost	Cost neutral	2
Minimal Costs Incurred	Minimal costs, including an appreciation of resource time and provision of facilities. Not exceeding £25,000	3
Significant Costs Incurred	Significant costs, in terms of resources, finance, provision of facilities etc. Above £25,000 but not exceeding £100,000	4
Major Costs Incurred	Costs would be a serious concern to the recommendation's viability. Above £100,000 but not exceeding £500,000	5
Substantial Costs Incurred	Costs would be very heavy so very clear tangible benefits would need to be apparent. A further examination of benefits may be required. Exceeding £500,000	6

Benefit				
		1	2	3
Cost	1	1	2	3
	2	2	4	6
	3	3	6	9
	4	4	8	12
	5	5	10	15
	6	6	12	18

Benefit	
Score	Benefit Definition
1	<b>Must Do</b> : There is a legal requirement for this control action to be done, or the control action will assist the Council in the delivery of all its corporate objective/s in a clear and tangible way, which can be easily demonstrated
2	<b>Should Do</b> : The control action is not legally required but it does constitute best practice, or the control action will assist the Council in the delivery of one or more of its objective/s in a clear and tangible way, which can be easily demonstrated
3	<b>Could Do</b> : The control action is good practice, or the control action is not vital but may assist with the delivery of one or more of the Council's objectives

Risk Level Tolerances	
Band	Risk Treatment
<b>Green 1-4</b>	Controls cost little and benefits are high, control should be pursued.
<b>Amber 5-10</b>	Control costs are significant and have some benefits. A decision should be made as to whether to proceed or not based on local factors.
<b>Red 12-18</b>	Control costs outweigh the benefits and should not be pursued.

# Norfolk Pension Fund Risk Heat Map May 2024 showing movement since February 2024



	Governance (NPFQ)	Funding & Investment (NPFQ)	Benefits Administration (NPFQ)
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	Dashboard readiness and implementation
8	Lack of skilled resource (gov)	Poor advice	New operational delivery model
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

# Norfolk Pension Fund Cyber Security, Information Governance and Confidentiality Guidelines

## 1 Introduction

Information is anything collected or obtained as part of undertaking your duties with Norfolk Pension Fund. This includes data held on systems, emails and paper files. It covers both personal and non-personal information.

- 2 Norfolk Pension Fund (NPF) operates in accordance with the system of governance and controls established under the Cyber Security and Information Governance Framework set by Norfolk County Council. You can find detailed information, policies and procedures by following the links below:

<https://intranet.norfolk.gov.uk/tasks/technology/cyber-awareness>

<https://intranet.norfolk.gov.uk/tasks/information-governance/information-governance-framework>.

## 3 Key Norfolk Pension Fund Processes

### (i) Mandatory Training

The Norfolk Pension Fund requires all Pension Committee, Pensions Oversight Board (POB) and staff to complete cyber security and information governance training so everyone is aware of their responsibilities. The following mandatory courses (or equivalent) must be completed every 2 years:

- Information Governance (Data Protection Essentials)
- Online and Information Security

For POB and committee members who do not have access to MyOracle or an equivalent training run by their own organisation, this is covered by the GDPR workbook which will be distributed by the Governance Manager.

### (ii) Register of Processing Activities

We maintain a Register Of Processing Activities (ROPA) and update Information Governance whenever there is a change in processing activities. The Pensions Services Manager is responsible for the ROPA.

Any change to the ROPA is sent to the Corporate Information Governance team.

### (iii) Privacy Notice, Data Retention Policy and Data Sharing

We complete and publish on our website a Privacy Notice which explains how we use personal information; maintain a personal data retention policy detailing how

long we retain personal information; and ensure the sharing of personal and confidential information is governed by clear procedures that satisfy legal and confidentiality requirements. These are reviewed annually by our governance team.

Updated template privacy notice, data retention policy and data sharing arrangements are available on <https://www.lgpsregs.org/resources/guidesetc.php>

#### **(iv) Data Protection Impact Assessment (DPIA)**

A Data Protection Impact Assessment (DPIA) is required before undertaking any project where there is potential of a high-risk impact on individuals as a result of processing their data. Further information can be found by following the link below: <https://intranet.norfolk.gov.uk/tasks/information-governance/data-protection-impact-assessments-dpias>

#### **(v) Third Party Access to our data**

If we wish to request access to our systems on behalf of a third-party, for security reasons, IMT manage these third-party connections and only provide access to organisations who have signed up to a Code of Connection.

#### **(vi) Audit of Third parties**

We send an annual cyber security and information governance questionnaire to all our suppliers asking them to provide assurances that they have identified cyber security risks; have in place arrangements to control and mitigate risks and have arrangements to report cyber security events to us in a timely way.

#### **(vii) TPR Scam Pledge**

We have signed up to The Pension Regulator's (TPR) Pledge to combat pensions scams. As part of this pledge, we will regularly warn members about pension scams, report concerns about scams and comply with guidance issued by TPR from time to time to continue to be able to fulfil its pledge.

#### **(viii) Risk Register**

The Pension Fund risk register will have regard to cyber security risk and it will be regularly discussed by management team; reported to and monitored by Pensions Committee and POB.

#### **(ix) Cyber Incident**

Cyber incidents will be dealt with in accordance with the Norfolk Cyber Security Incident Plan maintained by IMT.

## **(x) Data Breach**

Data breaches are reported in accordance with the Norfolk County Council's Information Governance Framework. Further information is available by following the link below:

<https://intranet.norfolk.gov.uk/article/50828/What-to-do-in-the-event-of-a-data-breach>

## **4 Responsibility of Norfolk Pension Fund Employees**

Please refer to the following for guidance:

<https://intranet.norfolk.gov.uk/article/51767/Working-anywhere>

### **In summary:**

- (i) Please be aware of your surroundings when discussing confidential personal information.
- (ii) Follow clear desk, clear screen procedure and lock your screen and paper files when leaving your desk.
- (iii) Ensure confidential documents are locked away or scanned and stored securely electronically.
- (iv) Only remove documents from the office that are genuinely required.
- (v) When working from home, lock hard-copy information and IT equipment securely out of sight when it is not in use
- (vi) When transporting and using documents in other venues give active attention to their security - never leave them unattended, never leave them exposed so as to be able to be read by unauthorised persons.
- (vii) Do not leave the documents and IT equipment in the car overnight under any circumstances
- (viii) Remember that only people who should have access to the information should be able to access it.
- (ix) We should only be holding onto information for as long as we need to. (Information includes emails and files that we have saved on our laptops.) On the expiry date, the information must be deleted/destroyed. This is made much easier if we ensure that information is stored in one place.
- (x) Start a DPIA as soon as you are aware that a change that you are making will involve personal information. This will ensure that we are able to demonstrate that we have considered all the privacy risks and will be using that personal information in a lawful way.

- (xi) Report any information incident/ cyber scams to your manager as soon as you are aware of it.
- (xii) Ensure you complete the cyber and information governance mandatory learning every 2 years.
- (xiii) If you are uncertain about any aspect of cyber or information governance, please speak to your line manager.

## Version Control

<b>Version 1</b>	21.03.2024

## Cyber and Financial Crime: Monitoring compliance and risk mitigation

### May 2024 update

The Norfolk Pension Fund sets out its control framework for Cyber Security and Information Governance in the Norfolk Pension Fund Cyber Security, Information Governance and Confidentiality Guidelines (See Appendix C).

- This document monitors compliance with the key processes as set out in the Guidelines and summarises the latest operational activity in each area.
- The Guidelines are backed up by a Cyber and Data Security Action Plan (working document).
- The Guidelines are being reviewed in light of the latest requirements of the Pensions Regulator's new General Code of Practice

Key Processes	Note	RAG rating
Mandatory training	Officer training up to date	
Register of Processing Activities	Updated May 2024	
Privacy Notice, Data Retention Policy and Data Sharing	Updated May 2024	
Data Protection Impact Assessment (DPIA)	On going as required	
Audit of Third parties	Annual	
TPR Scam Pledge	On going	
Risk register	Quarterly report	
Cyber incident	None reported	
Data Breach	None reported	

### Mandatory Training

All Pension Committee, Pensions Oversight Board (POB) and staff are required to complete cyber security and information governance training.

The following mandatory courses (or equivalent) must be completed every 2 years:

- Information Governance (Data Protection Essentials)
- Online and Information Security

As at April 2024, 100% of the Norfolk Pension Fund team were up to date with their mandatory training.



For POB and committee members who do not have access to MyOracle or an equivalent training run by their own organisation, this is covered by the GDPR workbook which has been distributed.

Committee and Board received cyber and data training in November 2023.

## **Register of Processing Activities**

We maintain a Register of Processing Activities (ROPA) and update Information Governance whenever there is a change in processing activities. The Pensions Services Manager is responsible for the ROPA. Any change to the ROPA is sent to the Corporate Information Governance team.

## **Privacy Notice, Data Retention Policy, and Data Sharing**

Our Privacy Notice is published on our website. It is reviewed annually by our governance team. We base our data retention policy on Norfolk County Council's schedule. This has been further tailored to take into account specialist documentation relating to Pensions.

## **Data Protection Impact Assessment (DPIA)**

A Data Protection Impact Assessment (DPIA) is required before undertaking any project where there is potential of a high-risk impact on individuals as a result of processing their data.

A DPIA was completed as part of the procurement exercise for the production and mailing of the Annual Benefit Statements.

## **Audit of Third Parties / Managing Third-party Risks**

We maintain an up-to-date list of all third-party providers.

With the support of Norfolk County Council's IT specialists, we send out a comprehensive annual Cyber Security and Information Governance questionnaire to all suppliers each year asking them to provide assurances that they have:

- identified cyber security risks;
- have in place arrangements to control and mitigate risks; and
- have arrangements to report cyber security events to us in a timely way.

In the first week of February 2024 our Cyber Security Assurance Questionnaire was sent to 34 key suppliers.

- 26 (76.5%) returns have been assessed by a panel of 2 colleagues from Digital Services and 2 members of our Governance team.
  - none of the 26 give any cause for concern.
  - supplementary / clarification information has been sought from 5 suppliers
- 8 have not yet submitted a full return for assessment – these are being followed up.

## **TPR Pledge to Combat Pension Scams**

In 2023 we signed up to The Pension Regulator's (TPR) Pledge to combat pensions scams. As part of this pledge, we commit to:

- regularly warn members about pension scams
- report concerns about scams
- comply with guidance issued by TPR from time to time

All regular publications include information on scams, including each Employers Newsletter, each edition of Prime Time for retired members, and the annual Benefit Statement and booklet to active and deferred members.

A new 'Reporting a Scam' button is available on our website.

We encourage all colleagues to 'get to know the warning signs of a scam and best practice for transfers' by completing the scams module in the TPR Trustee Toolkit.

## **Staff Awareness**

In addition to mandatory training, we aim to use plain language in regular communications with colleagues relating to Cyber Security, Information Governance, Scams, Business Continuity Planning / Resilience and all day-to-day business activities.

We include regular articles in our internal weekly Pension Fund Team News and monitor communications on these subjects. In 2023, 14 articles on the above subject areas were included in our Pension Fund Team News.

## **Protection and Detection**

Norfolk Pension Fund relies on Norfolk County Council's systems, controls and detection capabilities and operates in accordance with the system of governance and controls established under the Cyber Security and Information Governance Framework set by Norfolk County Council.

We work closely with Digital Services at all times.

As part of Data Security and increasing resilience we will transfer data from Shared Drives into the Cloud. This project is planned to be completed by October 2024, when all files will have transferred across to a bespoke SharePoint site with the help of NCC Digital Services Migration team.

We monitor the National Cyber Security Centre (NCSC) website for notifications of latest cyber risks and latest help and guidance on cyber issues on a weekly basis.

## **Reporting incidents**

Any data and security breaches are reported in accordance with the Norfolk County Council's procedure.

This is regularly reviewed to ensure key information is to hand and contact with Digital Services is made as needed.

## **Resilience Testing, Response and Recovery**

The Norfolk Pension Fund maintains a comprehensive Business Continuity Plan that is formally updated once a year and at other times as required.

- Annual full review and update of the Business Continuity Plan
- 6 monthly updates of Emergency Contact Call Trees for staff and contact details for Employers, Key Stakeholders and Suppliers
- Annual exercise of the Business Continuity Plan (using scenarios supplied by Digital Services / NCSC)
  - In October 2023 the exercise we undertook was in relation to a 'cyber breach'.
- We complete a Business Impact Analysis (BIA) every other year, establishing Recovery Timescale requirements to inform the Business Continuity Plan
  - We are currently reviewing the BIA in line with the corporate timetable (13 May to 7 June 2024).
- We complete a Disaster Recovery Test on an annual basis with our pensions administration software provider. This includes testing in their Data Recovery environment. We run a payroll, benefit calculations etc. and the supplier confirms outcomes with a 'certificate'.

# Pensions Committee

Item No: 9

<b>Report title:</b>	<b>ACCESS Update Unrestricted Items</b>
<b>Date of meeting:</b>	<b>11 June 2024</b>
<b>Responsible Director:</b>	<b>Harvey Bullen, Director of Strategic Finance Glenn Cossey, Director of Norfolk Pension Fund</b>
<b>Executive Summary</b> <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> <b>Recommendations</b> <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 10 June 2024. 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 10 June 2024. The restricted items discussed by the JC are considered elsewhere on this agenda. The JC is due to meet again on 9 September 2024.

## 2. 2023/24 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 2023/24 was originally agreed by the JC in December 2022. 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 the 2023/24 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	2023/24 activity	Year-end status
<b>Actively managed listed assets</b> Launch of Tranche 5b Launch of Tranche 6 Launch of Tranche 7a Launch of Tranche 7b Launch of Tranche 8	2 Fixed income sub-funds 2 Emerging Market sub-funds 2 Fixed income sub-funds 1 Fixed income sub-fund; 1 global equity sub-fund 1 sustainable Global equity sub-fund	Partially complete Complete Complete In progress In progress
<b>Scheduled BAU evaluation</b>	Preparation for, and the commencement of, the re-procurement of operator services.	In progress
<b>Alternative / non-listed assets</b> Implementation of approach	Commencement of property mandates Pool Alignment of Infrastructure funds Procurement of Long Lease mandate Procurement of Timber mandate Procurement of Social/Affordable Housing mandate	In progress Complete Complete In progress In progress
<b>Passively managed assets</b> Ongoing monitoring of passive assets	Ongoing dialogue with UBS	Complete
<b>Governance</b> Meetings and oversight  Operational protocols  Engagement with HM Government  Joint Policies & guidelines ESG / RI  Communications	4 Joint Committees held; 2 Member briefings held 5 s151 Officer meetings; 1 briefing held  Implementation of outcome of Third-party Review  ACCESS response submitted to Govt pooling consultation Annual Return to DLUHC submitted Autumn 2023  The commencement of RI reporting support for the Pool. An annual review will be conducted of the Pool's RI Guidelines.  The Pool's second Communications support contract will commence. Continued activity will take place on implementing the Communications plan.	Complete Complete  In progress  Complete Complete  Complete In progress  Commence In progress
<b>ASU</b> ACCESS Support Unit	Third Party Review to be undertaken Internal Audit undertaken	Complete In progress

2.4 The approved budget for the delivery of the 2023/24 Business Plan was £1,559m (£142k per ACCESS Authority). Details of the agreed budget and final outturn position are shown in the table below.

	Budget 2023/2024 £	Actual Costs 31-Mar-24 2023/2024 £	Overspend / (Underspend) 31-Mar-24 2023/2024 £
<b>ASU</b>			
ASU Salaries (incl. on cost)	499,833	519,290	19,457
ASU Operational	23,000	20,003	(2,997)
ASU Host Authority Recharge	35,700	35,700	0
Technical Lead Recharge Costs	40,000	52,191	12,191
<b>ASU Total</b>	<b>598,533</b>	<b>627,184</b>	<b>28,651</b>
<b>Professional Costs</b>			
<i>Internal Professional Costs</i>			
JC Secretariat	23,100	22,478	(622)
Procurement	145,000	41,000	(104,000)
<i>Internal Professional Costs</i>	<b>168,100</b>	<b>63,478</b>	<b>(104,622)</b>
<i>External Professional Costs</i>			
Strategic & Technical	602,000	546,614	(55,386)
Legal & Governance	190,400	370,802	180,402
<i>External Professional Costs</i>	<b>792,400</b>	<b>917,416</b>	<b>125,016</b>
<b>Professional Costs Total</b>	<b>960,500</b>	<b>980,894</b>	<b>20,394</b>
<b>Total Costs for the Financial Year</b>	<b>1,559,033</b>	<b>1,608,078</b>	<b>49,045</b>
<b>Cost Per Authority</b>	<b>141,730</b>	<b>146,189</b>	<b>4,459</b>

- 2.5 The final expenditure for financial year 2023/24 was £1.608m (£146k per ACCESS Authority) giving rise to a small net overspend of £0.049m. The areas of over and underspend include: a small overspend on ACCESS Support Unit (ASU) salary costs (£19k) and technical lead recharge costs (£12k); procurements originally planned to conclude in 2023/24 will now conclude in 2024/25, resulting in an underspend (£104k); an underspending on external strategic and technical costs (£55), and an overspend (£180k) in relation to legal advice required to support business plan activities.

### 3. 2024/25 Business Plan and Budget

- 3.1 Key deliverables within the current year's 2024/25 Business Plan, include:
- **Actively managed listed assets:** on-boarding remaining tranches to the Authorised Contractual Scheme (ACS).
  - **Alternative / non-listed assets:** implementation of pooled solutions for illiquid assets.
  - **Operator services:** re-procurement of pool operator and commencement of new contractual arrangements.
  - **Third party review:** implementation of outcomes following the external review of the ACCESS Support Unit and pool governance.
- 3.2 The budget to support the 2024/25 Business Plan is estimated to be £1.707m, which equates to £155k per ACCESS Authority.

#### **4. Local Pension Board Observer Status**

- 4.1 Since March 2023 the JC have formally invited two Local Pension Board (LPB) observers from each Authority to attend JC meetings in person once a year on a rotational basis. It was agreed to review LPB observer arrangements after a year.
- 4.2 Authorities have completed a questionnaire providing opinion and feedback on LPB arrangements. The feedback is currently being reviewed by the ASU and a report will be brought back to the September JC.

#### **5. Internal Audit of ASU**

- 5.1 Essex County Council (ECC) acts as Host Authority for the ACCESS Pool. An element of ECC's Internal Audit programme includes an investigation to assess whether the ACCESS Support Unit (ASU) is effectively fulfilling its responsibilities to the ACCESS pool and, by extension, give assurance that the Authority is fulfilling its responsibilities as Accountable Body for the ASU. Previous initial audits conducted in 2020/21 2021/22 and 2022/23 were reported to the JC and resulted in an opinion of 'Good Assurance', the highest rating available.
- 5.2 ACCESS Authorities' Internal Auditors (including Norfolk's) were invited to contribute to the Terms of Reference for the 2023/24 audit. The audit commenced in Autumn 2023 and the ASU provided the evidence and explanations sought in the audit work programme.
- 5.3 The final report was published in May 2024. The opinion given by the auditor was again one of 'Good Assurance'.

#### **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 10 June 2024 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](mailto:glenn.cossey@norfolk.gov.uk)



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