

North Yorkshire Pension Fund

# Annual Report and Accounts 2024/25

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# Part 1 - Fund Management

## 1.1 Introduction

North Yorkshire Council (NYC, the Council) is the statutory administering authority for the North Yorkshire Pension Fund (NYPF, the Fund), which is part of the Local Government Pension Scheme (LGPS, the Scheme). All aspects of the Fund's management, administration, and investment arrangements are delegated to the Pension Fund Committee (PFC, the Committee), which is a committee of the Council. The Pension Board (the Board) is also a committee of the Council and supports the PFC on governance and administration matters.

The day to day running of the Fund is delegated to the Treasurer who is the Corporate Director - Resources of the Council and is responsible for implementing the decisions made by the PFC. Supporting him is a team of staff split into two sections.

The pension administration team administers all aspects of member records and pension benefits. The finance team looks after the accounting and management information requirements of the Fund. All aspects of the day-to-day management of investment funds are undertaken by external fund managers, with the finance team providing oversight.

## 1.2 Pension Fund Committee

PFC membership during the year to 31 March 2025 was as follows:

Members	Position	Voting Rights	Movements in Year
Angus Thompson (Chair)	Councillor, NYC	Yes	
George Jabbour (Vice Chair)	Councillor, NYC	Yes	
John Cattanach	Councillor, NYC	Yes	Left on 24 October 2024
Mark Crane	Councillor, NYC	Yes	
Sam Gibbs	Councillor, NYC	Yes	
Mike Jordan	Councillor, NYC	Yes	Joined on 13 November 2024
Clifford Lunn	Councillor, NYC	Yes	
David Noland	Councillor, NYC	Yes	
Neil Swannick	Councillor, NYC	Yes	
Matt Walker	Councillor, NYC	Yes	Left on 15 May 2024
Andrew Williams	Councillor, NYC	Yes	Left on 15 May 2024
Peter Wilkinson	Councillor, NYC	Yes	Joined on 15 May 2024
Jonny Crawshaw	Councillor, City of York Council	Yes	Left on 10 May 2024
Peter Kilbane	Councillor, City of York Council	Yes	Joined 10 May 2024
David Portlock	Chairman of the Pension Board	No	
3 Unison representatives	Union Officials	No	
John Fletcher	Unison Official	No	Joined on 13 November 2024



The powers delegated to the PFC are detailed in the [Governance Compliance Statement](#). This document also sets out the governance arrangements for the Board, functions delegated to officers and other arrangements. It also describes meeting arrangements, operational procedures, and the Fund’s policy and strategy documents.

During the year the PFC formally met on five occasions supported by its Investment Consultant and the Independent Adviser, as well as the Treasurer. The Committee meetings provide a forum for discussion about economic and market trends, monitoring the performance of the investment managers and considering their individual investment strategies. The Committee also approves the operating budget and the Fund’s governance documents each year, and reviews the various arrangements and activities related to the Fund’s members and employers. Meeting details including attendance are available on the [Council’s website](#).

Pension Board membership during the year to 31 March 2025 was as follows:

Members	Position	Voting Rights	Movements in Year
David Portlock	Independent Chair	No	
Emma Barbery	Employer Representative	Yes	
Cllr Martin Rowley BEM	Employer Representative	Yes	
Cllr Steve Watson	Employer Representative	Yes	
Vacancy	Employer Representative	Yes	
Eddie Brass	Scheme Member Representative – Deferred Members	Yes	Joined 13 November 2024
David Houlgate (Unison)	Scheme Member Representative	Yes	
Sam Thompson	Scheme Member Representative	Yes	
Simon Purcell	Pensioner Member Representative	Yes	

Declarations of interest are recorded at each PFC and Board meeting in accordance with the requirements of [NYC’s Constitution](#).

### 1.3 Pension Board

NYPF’s Pension Board is responsible for assisting the Fund in securing compliance with the regulations, and to ensure the efficient and effective governance and administration of the LGPS. Meeting details including attendance are available on the [Council’s website](#).

The Board produces its own Annual Report each year that details its roles and responsibilities and activities over the year. This is available on the [Fund’s website](#).

### 1.4 Training

The PFC and the Board acknowledge the importance of ensuring that all Members and officers involved in the running of the pension scheme possess the necessary knowledge and skills to fulfil their roles effectively. The PFC is therefore committed to ensuring the required training is delivered to help these individuals develop and maintain the appropriate level of expertise.

The PFC and the Board are provided with a variety of means to acquire the Chartered Institute of Public Finance and Accountancy (CIPFA) recommended knowledge and skills, as outlined below.

- Internally provided

Six investment strategy workshops were held throughout the year, all of which were well attended by PFC Members and officers of the Fund.

During the year Members and officers also made use of the CIPFA Knowledge & Skills resource library, the Hymans Robertson LGPS Online Learning Academy and accessed the Trustee Needs Analysis (TNA) where appropriate, which is aimed at identifying gaps in knowledge and skills, as a complement to alternative training resources.

- Externally provided

In addition to the training provided through workshops as described previously, Members and officers are encouraged to attend courses, conferences and other events supplied by organisations other than the Council. These events provide a useful source of knowledge and guidance from speakers who are experts in their field.

Attendance at these events is recorded and reported to the PFC each quarter. Details are included in an appendix to each quarterly Pensions Administration report.

## 1.5 Scheme Management and Advisers

The key officers involved in the management of the Fund and the main contractual relationships are set out in the table below.

Treasurer	Gary Fielding, Director of Resources
Deputy Treasurer	Tom Morrison
Head of Pension Administration	Phillippa Cockerill
Investment Consultant	Aon
Independent Professional Observer	Vacant
Actuary	Aon
Investment Adviser	Leslie Robb
Legal Services	Ward Hadaway
	Head of Legal Services, NYC
Auditor	Forvis Mazars
Banker	Barclays Bank
Custodian	Northern Trust
Performance Measurement	Northern Trust
Asset Pool & Operator	Border to Coast Pensions Partnership (BCPP)
Other Fund Managers	Arcmont
	Baillie Gifford
	Columbia Threadneedle
	Legal & General Investment Management
	Permira
AVC Provider	Prudential

## 1.6 Risk Management

Risk management is the process by which the Fund identifies and addresses the risks associated with its activities. Risk management is a key part of the NYPF's governance arrangements, and the Fund has its own dedicated risk management policy and risk register with key risks also appearing on the Administering Authority's corporate risk register. Risks are identified and assessed, and controls are in place to mitigate risks. The Fund's risk register is reviewed every year by the PFC and Pension Board and is monitored during the year by officers. The latest review highlighted:

- a. Fund resourcing and staffing was identified as the primary risk with the loss of key personnel being the number one risk in this area. The potential consequences of this risk occurring is a delay in responding to customers, reduced performance and increased complaints.
- b. Despite an improved funding position, fund solvency continues to pose a significant risk due to the inherent unpredictability and volatility of global financial markets. These markets influence both investment returns and key market-based actuarial assumptions used in valuing liabilities. If this risk materialises, it could lead to a significant rise in contribution rates for the Fund's participating employers.

In addition, the approach to managing third party risk such as late payment of contributions is contained in the Pensions Administration Strategy (see Part 5). Contributions received from employers are monitored, the date of receipt is recorded, and appropriate action is taken for late payments. For persistent material breaches, the employer may be reported to the Pensions Regulator.

The Council's internal audit team regularly undertake audits across different aspects of the Fund's management and administration. These findings are reported to the PFC and Pension Board as appropriate. Assurance from the appointed Fund managers is obtained through the receipt of control reports.

Further detail about how the Fund manages other risks can be found in Note 18 Nature and Extent of Risks Arising from Financial Instruments in the Statement of Accounts in Part 3.

# Part 2 - Financial Performance

## 2.1 Overview of Financial Performance

Prior to the start of the 2024/25 financial year, a budget was prepared for NYPF which detailed the annual cost of running the Fund. A cashflow forecast was also produced which detailed the main inflows and outflows of the Fund in the

year, for example, contribution income, benefits payable, transfers in and transfers out. The budget was monitored at each subsequent quarterly PFC meeting, and revised as necessary to take into account the latest projections.

The total running costs of the Fund in 2024/25 were £40.3m against a budget of £38.8m, resulting in an under/overspend of £1.5m, as shown in the table below:

EXPENDITURE	Budget 2024/2025 £000	Actuals 2024/2025 £000	Variance £000
Admin Expenses			
Finance and Central Services	490	487	-3
Provision of Pensioner Payroll (ESS)	76	78	2
Pensions Administration Team	1,570	1,582	12
McCloud	30	26	-4
Other Admin Expenses	662	586	-76
	2,828	2,759	-69
Oversight and Governance			
Actuarial Fees	65	63	-2
Custodian Fees	75	61	-14
Consultants Fees	160	208	48
Pooling Operational Charge and Project Costs	540	750	210
Other O & G Expenses	196	192	-4
	1,036	1,274	238
Investment Fees			
Performance Fees	2,540	2,455	-85
Investment Base Fees	32,400	33,788	1,388
	34,940	36,243	1,303
<b>TOTAL</b>	<b>38,804</b>	<b>40,276</b>	<b>1,472</b>

The main reasons for the variances were:

- The initial capitalisation of Pooled Alternatives combined with better than anticipated investment performance and resulted in a net £1.3m overspend across Investment Fees.
- Other variances were more minor but consisted of a £210k overspend on Asset Pooling charges as a result of NYPF contributions to project costs; a £48k overspend on Consultant Fees following the commissioning of an Investment Strategy Review. Other Admin Expenses saw a £76k underspend following reduced ancillary costs in 2024/25.

## 2.2 Cashflow of the Fund

This analysis of expenditure that was reported to the PFC as part of the quarterly Fund management arrangements has been analysed differently in the Statement of Accounts to comply with accounting requirements and guidance.

The table below shows the 2024/25 cashflow statement for the Fund:

	Actual Cashflow 2024/2025 £000
<b>SCHEME PAYMENTS</b>	
Benefits	
Pensions	131,463
Lump Sums	41,215
	172,678
Payments to and on account of leavers	
Transfers out	34,398
Refunds to leavers	663
	35,061
Operational Expenses	
Admin Expenses	1,929
Oversight and Governance	413
	2,342
<b>TOTAL PAYMENTS</b>	<b>210,081</b>
<b>SCHEME RECEIPTS</b>	
Employer and Employee Contributions	152,838
Transfers in (from other schemes)	30,065
<b>TOTAL RECEIPTS</b>	<b>182,903</b>
<b>SCHEME SURPLUS/ (DEFICIT)</b>	<b>-27,178</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>40,112</b>
<b>SURPLUS/ (DEFICIT) AFTER INVESTMENT ACTIVITIES</b>	<b>12,934</b>
<b>CASH BALANCE B/F</b>	<b>2,083</b>
<b>CASH BALANCE C/F</b>	<b>15,017</b>

The operational cashflow for the Fund in 2024/25 was a deficit of £27.2m.

The Fund is financed by contributions from both members and employers, together with income earned from investments. The surplus of income received from these sources, net of benefits and other expenses payable, is invested as described in the Investment Strategy Statement, available via the following link: [About the Fund > Governance Documents](#). The total contributions received for 2024/25 on an accruals basis were £155m, and the Council being the main employer in the Fund contributed £86m. Employer contributions are set every three years by the Actuary as part of the Triennial Valuation. The last Triennial Valuation took place as at 31 March 2022, at which the funding level of the Fund was reported as 116% (114% as at 31 March 2019) by the actuary. Details of the employer contribution rates can be seen in the latest Valuation Report by following this link: [About the Fund > Valuation Reports](#).

The Fund operates reconciliation and monitoring processes around employer and employee contributions, which records instances of late and overdue payments. The majority of late and overdue payments ultimately resolve themselves within a few days and require no further action. Where this is not the case, the Fund liaises with the counterparty in question to investigate and resolve the issue.

The Fund has the right to charge a fixed fee for each full month a contribution payment is delayed beyond its due date, plus an interest charge of 1% above the Bank of England Base rate for each day a payment is overdue. Full details of the Fund's Charging Policy are described in the Administration Strategy, available via the following link: [Employers > Policies](#).

The Fund is a participant in the National Fraud initiative, with outputs being received by the Fund's internal auditor, Veritau, who pursue any cases of concern. Veritau are further engaged to perform annual audits of the Funds' key areas of operation, with Income, Expenditure and Investments serving as key areas of oversight and review. The Fund Financial Accounts are subject to statutory annual external audits, through which checks for potential fraud are performed as part of routine testing. Both processes provide the Fund with recommendations for improvements, with appropriate recommendations applied. The risk of fraud is further kept under ongoing review via the Fund's Risk Register, which is reviewed bi-annually and reported to both the PFC and the Board.

The total assets and liabilities of the Fund are outlined in the Net Asset Statement in Part 3 of the Annual Report. For the 2024/25 financial year there have been no material changes to non-investment assets and liabilities held by the Fund. Details of in-year changes to investment assets and liabilities are analysed in the corresponding notes to the Net Asset Statement.

## Part 3 - Fund Account, Net Assets Statement and Notes

### Fund Account for the year ended 31st March 2025

2023/24		2024/25	
£000		£000	£000
	<b>CONTRIBUTIONS AND BENEFITS</b>		
	Contributions		
106,048	Employers - Normal	109,388	
1,738	- Deficit	1,459	
2,313	- Early Retirement Costs Recharged	4,053	
38,351	Employees - Normal	40,021	
42	- Additional Voluntary	84	
148,492	Total Contributions Receivable (note 7)		155,005
22,878	Transfers in from other Pension Funds (note 8)		31,049
	Benefits		
(120,158)	Pensions	(133,689)	
(32,718)	Commutation and Lump Sum Retirement Benefits	(37,205)	
(5,136)	Lump Sum Death Benefits	(4,010)	
(158,012)	Total Benefits Payable (note 9)		(174,904)
	Payments to and on Account of Leavers		
(769)	Refunds to Members Leaving Service	(692)	
(22,696)	Transfers Out	(34,399)	
(23,465)	Total Payments on Account of Leavers (note 10)		(35,091)
(10,107)	Net additions/(withdrawals) from dealings with Members		(23,941)
(35,711)	Management Expenses (note 11)		(39,810)
(45,818)	Net additions/(withdrawals) including Fund Management expenses		(63,751)
	<b>RETURNS ON INVESTMENTS</b>		
20,383	Investment income (note 12)		33,874
464,808	Profit and losses on disposal and changes in value of investments (note 14a)		123,278
485,191	Net returns on investments		157,152
439,373	Surplus/(deficit) on the pension fund for the year		93,401
4,220,724	Opening Net Assets of the Fund		4,660,097
4,660,097	Closing Net Assets of the Fund		4,753,498

### The Net Asset Statement for the year ended 31 March 2025

31st March 2024		31st March 2025
£000	INVESTMENT ASSETS	£000
1,182	Equities	1,182
3,815,246	Pooled Investments	3,705,532
260,850	Pooled Property Investments	291,592
548,723	Private Markets	713,823
4,626,001		4,712,129
4,637	Cash Deposits	949
16,327	Investment Debtors	13,898
4,646,966	TOTAL INVESTMENT ASSETS	4,726,976
	CURRENT ASSETS	
12,071	Contributions due from employers	12,964
1,381	Other Non-Investment Debtors	1,078
2,083	Cash	15,017
15,535	TOTAL CURRENT ASSETS	29,059
	CURRENT LIABILITIES	
(2,404)	Non-Investment Creditors	(2,537)
(2,404)	TOTAL CURRENT LIABILITIES	(2,537)
4,660,097	TOTAL NET ASSETS	4,753,498

The accounts summarise the transactions of the Fund and deal with the net assets. They do not take account of the obligations to pay pensions and benefits which fall after the end of the financial year.

### NOTES TO THE NORTH YORKSHIRE PENSION FUND ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2025

#### 1. Description of the Fund

The NYPF is part of the LGPS and is administered by North Yorkshire Council (NYC). The Council is the reporting entity for the Fund.

The following description of the Fund is a summary only. For more detail, refer to the NYPF Annual Report 2024/25 and the statutory powers underpinning the Scheme, namely the Public Service Pensions Act 2013 and the LGPS Regulations.

#### (a) General

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

- the LGPS Regulations 2013 (as amended)
- the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- the LGPS (Management and Investment of Funds) Regulations 2016 (as amended)

It is a contributory defined benefit pension scheme administered by NYC to provide pensions and other benefits for pensionable employees of NYC and a range of other scheduled and admitted bodies within the county area. Teachers, police officers and fire fighters are not included as they are included in other national pension schemes.

The Fund is overseen by the Pension Fund Committee, which is a committee of NYC.

#### (b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the Fund, remain in the Fund or make their own personal arrangements outside the Scheme. New joiners are auto-enrolled into the Fund but may subsequently opt-out.

Organisations participating in NYPF include:

- scheduled bodies, which are local authorities, academy trusts 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.

On 31 March 2025 there were 113 contributing employer organisations within NYPF including the Council itself, and approximately 103,000 individual members.

Active, pensioner and deferred pensioner numbers, split between NYC as the Administering Authority and all other employers were as follows:

	31st March	31st March
	2024	2025
	No.	No.
Number of Employers with Active Members	118	113
Employees in the Fund		
NYC	15,371	15,204
Other employers	15,128	15,489
Total	30,499	30,693
Pensioners		
NYC	20,952	22,346
Other employers	9,824	10,638
Total	30,776	32,984
Deferred Pensioners		
NYC	26,917	25,865
Other employers	12,948	13,172
Total	39,865	39,037

### (c) Funding

Benefits are funded by contributions and investment earnings. 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 pensionable pay for the financial year ended 31 March 2025. Employee contributions are supplemented by employers' contributions which are primarily determined as part of each triennial valuation. The last such valuation was on 31 March 2022 and that set the contribution rates for 2023/24, 2024/25, 2025/26; details of the rates for individual employers are available on the Fund's website.

### (d) Benefits

Prior to 1 April 2014 pension benefits under the LGPS up to 31 March 2014 are based on final pensionable pay and length of pensionable service.

For service up to 31 March 2008 each year worked is worth 1/80th of final pensionable salary. An automatic lump sum of three times salary is also payable.

For service from 1 April 2008, each year worked is worth 1/60th of final pensionable salary, but there is no automatic lump sum.

From 1 April 2014 the scheme became a career average revalued earnings (CARE) scheme whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is adjusted annually in line with the Consumer Price Index (CPI).

At retirement, all members can exchange part of their annual pension for a one-off tax free cash payment at the rate of £12 lump sum for every £1 pension given up.

The Scheme provides a range of other benefits including early retirement, ill health retirement and death benefits. For more information please visit the Fund's website at <https://nypf.org.uk/>.

## 2. Basis of Preparation

The Statement of Accounts summarises the Fund's transactions for the 2024/25 financial year and its year end position on 31 March 2025. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on a going concern basis that the functions of the Pension Fund will continue in operational existence for the foreseeable future.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year.

## 3. Summary of Significant Accounting Policies

### Fund Account – Revenue Recognition

#### (a) Contribution Income

Normal contributions, both from the members and from the employers, are accounted for on an accruals basis at the percentage rate recommended by the fund actuary for employer contributions and the rates set by statute for employee contributions.

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

Employers' augmentation contributions (pension strain due to early retirement and compensatory added years) are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current asset. Amounts due in future years are classed as long-term 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 LGPS Regulations (see notes 8 and 10).

Individual Transfers in/out are accounted for when received or paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions or other defined contribution arrangements 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

Interest income is recognised in the Fund as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial cost of the instrument and its value at maturity calculated on an effective interest rate basis.

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 asset.

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 asset.

Changes in the net market value of investments are recognised as income/expenditure 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 financial year end. Any amounts due but not paid 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), as shown below. All items of expenditure are charged to the fund on an accruals basis as follows:

#### Administrative expenses

All staff costs of the pensions administration team are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

#### Oversight and governance

All staff costs associated with governance and oversight are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

#### Investment management expenses

Fees of the external investment managers are set out in the respective mandates governing their appointments.

Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

In addition, the Fund has negotiated with the following managers that an element of their fee will be performance related:

- Baillie Gifford & Co - Global Equities
- Arcmont – Private Debt
- Permira – Private Debt
- BCPP – Infrastructure, Private Debt, Climate Opportunities, UK Opportunities

Where an investment manager's fee note has not been received by the year-end date, an estimate based upon the market value of their mandate as at the end of the year is used for inclusion in the Fund Account.

#### Net Assets Statement

##### (g) Annual and Lump Sum Allowances

Fund members are entitled to request the Fund pays their tax liabilities due in respect of the annual and lump sum allowances in exchange for a reduction in pension. Where the Fund pays member tax liabilities direct to HMRC it is treated as an expense in the year in which the payment occurs.

##### (h) Financial Assets

Equity shares in the LGPS asset pool, BCPP, are valued at transaction price, i.e. cost, as an appropriate estimate of fair value. An 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 the asset are recognised in the Fund Account.

If valuations at the reporting date are not yet available, as may be the case for private debt and infrastructure investments, the latest available valuation is adjusted for cashflows in the intervening period.

The values of investments as shown on the Net Assets Statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13 (see Note 16). For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG / Investment Association, 2016).

##### (i) 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 the transaction. Any differences between this rate and the rate at settlement are accounted for in Investment management costs. End of year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investment and purchases and sales outstanding at the end of the reporting period.

##### (j) Cash and Cash Equivalents

Cash comprises cash in hand and demand deposits, and includes amounts held by the Fund's external managers and custodian.

Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and that are subject to minimal risk of changes in value.

##### (k) Liabilities

The Fund holds liabilities at amortised cost as at the reporting date. A 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 in the Fund Account as part of the change in market value of investments.

##### (l) Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the Fund's Actuary in accordance with the requirements of International Accounting Standard (IAS) 26 and relevant actuarial standards.

As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of an Appendix to these statements.

##### (m) Additional Voluntary Contributions

The Fund provides an Additional Voluntary Contribution (AVC) scheme for its members, the assets of which are invested separately from those of the Fund. The Fund has appointed Prudential as its AVC provider. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the accounts in accordance with Section 4(1)(b) of the LGPS (Management and Investment of Funds) Regulations 2016 but are disclosed for information only (see note 23).

##### (n) Contingent assets and contingent liabilities

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.

A 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.

Contingent assets and liabilities are not recognised in the Net Assets Statement but are disclosed by way of narrative in the notes.

#### 4. Critical Judgement in Applying Accounting Policies

There were no material instances of critical judgements in relation to the application of the accounting policies of the Fund resulting in significant impact to the presentation of the 2024/25 Financial Statements.

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

These accounts require management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and for revenue and expenses during the year. Estimates are made taking into account historical experience, current trends, and other relevant factors. However, the nature of estimation means that the actual outcomes could differ from those based on these assumptions and estimates.

Investments, where at least one input with a material effect on the instrument's fair value is not based on observable market data, are classified as Level 3 assets within the Fair Value Hierarchy. The Fund held £713.8m of financial assets under this valuation basis on 31 March 2025 (31 March 2024, £548.7m). A description of the valuation basis for each Level 3 asset along with an associated sensitivity analysis can be found at Note 16.

#### 6. Events After the End of the Reporting Period

The Treasurer has evaluated all subsequent events or transactions for potential recognition or disclosure through to the date on which these Financial Statements were signed and has determined that there were no subsequent events requiring adjustment or disclosure in the 2024/25 Financial Statements.



## 7. Contributions Receivable

	2023/24	2024/25
	£000	£000
<b>By category</b>		
Employees' Contributions	38,393	40,105
Employers' Contributions		
Normal contributions	106,048	109,388
Deficit recovery contributions	1,738	1,459
Augmented contributions	2,313	4,053
Total Contributions	148,492	155,005
<b>By authority</b>		
Contributions Receivable		
North Yorkshire Council	81,869	86,295
Other Scheduled Bodies	58,855	62,395
Admitted Bodies	7,768	6,315
	148,492	155,005

## 8. Transfers In from Other Pension Funds

Three transfers during 2024/25 were group/bulk transfers (there were none in 2023/24). An amount of £158.8k was received from Teesside Pension Fund during October 2024 in relation to a group transfer into NYPF. Group transfers out of NYPF saw payments of £252.3k made to East Riding Pension Fund in May 2024 and £16.28m to West Yorkshire Pension Fund in December 2024

## 9. Benefits Payable

	2023/24	2024/25
	£000	£000
<b>Benefits Payable</b>		
North Yorkshire Council	99,749	108,819
Other Scheduled Bodies	46,385	54,920
Admitted Bodies	11,878	11,166
	158,012	174,905

## 10. Payments To and On Account of Leavers

	2023/24	2024/25
	£000	£000
<b>Leavers</b>		
Refunds to Members Leaving Service	769	692
Individual Transfers	22,696	17,870
Group Transfers	0	16,529
	23,465	35,091

## 11. Management Expenses

	2023/24	2024/25
	£000	£000
Administrative Costs	2,546	2,294
Investment Management Costs	31,035	36,243
Oversight and Governance Costs	2,131	1,274
	35,712	39,811

Investment Management Costs includes £4,282k (2023/24: £4,136k) in respect of performance related fees payable to the Fund's investment managers and £5,594k in respect of transaction costs (2023/24: £7,072k).

In addition to these costs, indirect costs are incurred through the bid-offer spread on investments sales and purchases. These are reflected in the cost of acquisitions and in the proceeds from the sales of investments (see Note 14a).

## 12. Investment Income

	2023/24	2024/25
	£000	£000
Income from Bonds	0	72
Income from Equities	(232)	0
Pooled Property Investments	4,178	5,993
Pooled Investments - Other Managed Funds	16,157	27,065
Interest on Cash Deposits	280	744
	20,383	33,874

## 13. Other Fund Account Disclosures

	2023/24	2024/25
	£000	£000
Payable in respect of external audit	92	107

## 14. Investments

### a) Reconciliation of Movements in Investments

	Value as at 1st April 2024	Change in market value	Sale proceeds receipts	Purchases as at cost payments	Value as at 31st March 2025
	£000	£000	£000	£000	£000
Equities	1,182	0	0	0	1,182
Pooled Investments	3,815,246	64,519	(742,049)	567,815	3,705,531
Pooled Property	260,850	19,403	(18,660)	30,000	291,593
Private Markets	548,723	39,357	(84,997)	210,720	713,823
Total Invested	4,626,001	123,279	(845,686)	808,535	4,712,129
Spot FX					
Amount receivable for sales	15,000				13,898
Cash Deposits	4,637				949
Net Investment Assets	4,645,638	123,279			4,726,976

	Value as at 1st April 2023	Change in market value	Sale proceeds receipts	Purchases as at cost payments	Value as at 31st March 2024
	£000	£000	£000	£000	£000
Equities	1,182	0	0	0	1,182
Pooled Investments	3,545,213	427,829	(793,340)	635,544	3,815,246
Pooled Property	266,225	3,206	(18,581)	10,000	260,850
Private Markets	392,532	33,977	(54,556)	176,770	548,723
Total Invested	4,205,152	465,012	(866,477)	822,314	4,626,001
Spot FX		(204)			
Amount receivable for sales					15,000
Cash Deposits	1,902				4,637
Net Investment Assets	4,207,054	464,808			4,645,638

### b) Analysis of Investments

	2023/24 £000	2024/25 £000
Equities		
UK Unquoted	1,182	1,182
	1,182	1,182
Pooled Investments		
UK Cash Funds	161,157	43,906
Overseas Cash Funds	11,679	7,831
UK Equity	424,473	366,762
UK Property	260,850	291,592
UK Government Bonds	576,649	696,122
UK Corporate Bonds	338,075	367,304
Multi Asset Credit	241,000	258,777
Overseas Equity	2,055,793	1,964,830
Private Markets - Private Debt	212,645	261,256
Insurance Linked Securities	6,419	0
Private Markets - Infrastructure	336,079	452,567
	4,624,819	4,710,947
Total Investments	4,626,001	4,712,129
Cash Deposits	4,637	949
Investment Debtors	16,327	13,898
Net Investment Assets	4,646,965	4,726,976

### (c) Investments analysed by Fund Manager

Investments managed by Border to Coast Pension Partnership:	31st March 2024		31st March 2025	
	£000	%	£000	%
BCPP - Global Equity Alpha	1,372,719	29.5	1,394,941	29.5
BCPP - Index Linked Bonds	576,649	12.4	696,122	14.7
BCPP - Investment Grade Credit	338,075	7.3	367,304	7.8
BCPP - Listed Alternatives	266,380	5.7	286,813	6.1
BCPP - Infrastructure 1A	256,792	5.5	282,234	6.0
BCPP - Multi Asset Credit	241,000	5.2	258,777	5.5
BCPP - Private Debt	135,241	2.8	144,945	3.1
BCPP - Infrastructure Series 2A	58,405	1.3	129,671	2.7
BCPP - UK Equities	180,383	3.8	112,255	2.4
BCPP - Climate Opportunities Fund	41,277	0.9	64,511	1.4
BCPP - Private Credit Series 2	20,782	0.4	49,445	1.0
BCPP - Climate Opportunities Fund 2	0	0.0	13,094	0.3
BCPP - UK Opportunities	0	0.0	3,721	0.1
	3,487,703	74.8	3,803,833	80.6

Investments managed outside of Border to Coast Pensions Partnership:	31st March 2024		31st March 2025	
	£000	%	£000	%
Baillie Gifford & Co. - LTGG	660,785	14.2	537,582	11.4
Threadneedle	199,636	4.3	243,833	5.2
Northern Trust - STIF - UK	161,157	3.5	43,906	0.9
Legal & General	44,487	1.0	47,759	1.0
Blue Bay	26,800	0.6	19,437	0.4
Hermes	16,726	0.4	0	0.0
Northern Trust - STIF - Overseas	11,679	0.3	7,831	0.2
Permira	9,428	0.2	6,766	0.1
Leadenhall Remote Fund	2,877	0.1	0	0.0
Leadenhall Diversified Fund	2,543	0.1	0	0.0
BCPP - UK Unquoted	1,182	0.0	1,182	0.0
Leadenhall NAT CAT Fund	999	0.0	0	0.0
	1,138,299	24.7	908,296	19.2
Cash Deposits	4,637	0.1	949	0.0
Investment Debtors	16,327	0.4	13,898	0.2
Total	4,646,966	100.0	4,726,976	100.0

The investments BCPP Global Equity Alpha, BCPP Listed Alternatives, BCPP Multi Asset Credit, BCPP Index Linked Bonds, BCPP Investment Grade Credit, BCPP Infrastructure 1A, Baillie Gifford & Co and Threadneedle each represent more than 5% of net assets (2023/24: BCPP Global Equity Alpha, BCPP Listed Alternatives, BCPP Multi Asset Credit, BCPP Index Linked Gilts, BCPP Investment Grade Credit, BCPP Infrastructure 1A and Baillie Gifford & Co). These investments are in pooled funds.

## 15. Analysis of Derivatives

The Fund does not hold derivatives (Nil in 2023/24).

## 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
<b>Pooled investments – overseas unit trusts and property funds</b>	Level 2	Closing bid price where bid and offer prices are published Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required
<b>Other unquoted and private equities</b>	Level 3	Investments in unquoted private equity, infrastructure funds and private credit funds are valued based on the Fund's share of the net assets in the fund using the latest financial statements published by the respective fund managers in accordance with the guidelines set out by the British Venture Capital Association.	Earnings before interest, tax, depreciation and amortisation; revenue multiple; discount for lack of marketability; and control premium.	Valuations could be affected by changes to expected cashflows, and by any differences between audited and unaudited accounts

### 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 consequent potential impact on the closing value of investments held at 31 March 2025.

Assessed valuation range (+/-)	Value at 31 March 2025	Value on Increase	Value on decrease
	£000	£000	£000
Private Markets - Private Debt	261,256	281,896	240,617
Private Markets - Infrastructure	452,567	495,108	410,025
Total	713,823	777,004	650,642

Assessed valuation range (+/-)	Value at 31 March 2024	Value on Increase	Value on decrease
	£000	£000	£000
Private Markets - Private Debt	212,645	221,570	188,365
Private Markets - Infrastructure	336,079	362,293	309,865
Total	548,723	583,863	498,230

#### a) Fair Value Hierarchy

Asset and liability valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

##### Level 1

Assets and liabilities 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.

##### Level 2

Assets and liabilities 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.

##### Level 3

Assets and liabilities 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. 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.

	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
Values at 31 March 2025	£000	£000	£000	£000
Financial assets at fair value through profit and loss	13,898	3,997,124	713,823	4,724,845
Net investment assets	13,898	3,997,124	713,823	4,724,845

	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
Values at 31 March 2024	£000	£000	£000	£000
Financial assets at fair value through profit and loss	15,000	4,077,424	548,723	4,641,147
Net investment assets	15,000	4,077,424	548,723	4,641,147

#### b. Reconciliation of Fair Value Measurements Within Level 3

	Market Value at 31 March 2024	Transfers into Level 3	Transfers out of Level 3	Purchases During the Year	Sales During the Year	Unrealised Gains and Losses	Realised Gains and Losses	Market Value at 31 March 2025
	£000	£000	£000	£000	£000	£000	£000	£000
Private Debt	212,888	0	0	86,612	(47,585)	9,982	(640)	261,258
Infrastructure	335,836	0	0	124,108	(37,218)	29,374	465	452,565
	548,724	0	0	210,720	(84,803)	39,356	(175)	713,823

	Market Value at 31 March 2023	Transfers into Level 3	Transfers out of Level 3	Purchases During the Year	Sales During the Year	Unrealised Gains and Losses	Realised Gains and Losses	Market Value at 31 March 2024
	£000	£000	£000	£000	£000	£000	£000	£000
Private Debt	163,560	0	0	69,577	(28,794)	6,992	1,553	212,888
Infrastructure	228,972	0	0	107,193	(16,528)	15,749	450	335,836
	392,532	0	0	176,770	(45,322)	22,741	2,003	548,724

## 17. Financial Instruments

### (a) Classification of Financial Instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table summarises the carrying amounts of financial assets and liabilities by category.

31st March 2024				31st March 2025		
Fair Value through profit and loss £000	Assets amortised cost £000	Financial Liabilities amortised at cost £000		Fair Value through profit and loss £000	Assets amortised cost £000	Financial Liabilities amortised at cost £000
			<b>Assets</b>			
0	1,182	0	Equities	0	1,182	0
3,815,246	0	0	Pooled Investments	3,705,532	0	0
260,850	0	0	Pooled Property	291,592	0	0
548,723	0	0	Private Markets	713,823	0	0
0	6,720	0	Cash	0	15,967	0
16,327	0	0	Investment Debtors	13,898	0	0
0	13,452	0	Non Investment Debtors	0	14,042	0
4,641,147	21,354	0		4,724,846	31,191	0
			<b>Liabilities</b>			
0	0	(2,404)	Non Investment Creditors	0	0	(2,537)
0	0	(2,404)		0	0	(2,537)
4,641,147	21,354	(2,404)		4,724,846	31,191	(2,537)

### b) Net Gains and Losses on Financial Instruments

	2023/24 (Restated) £000	2024/25 £000
Fair Value Through Profit & Loss	464,808	123,278
	464,808	123,278

A prior period error was identified in the 2023/24 comparative figures presented in Note 17 (Net Gains and Losses on Financial Instruments). The net gains on Private Market Funds (Fair Value Through Profit & Loss) were understated because associated revaluation adjustments were not reflected in this note.

In accordance with IAS 8, the comparative figures in Note 17 have been restated retrospectively as follows: Net gains and losses on financial instruments (Fair Value Through Profit & Loss) for 2023/24 increased by £15,382k (from £449,426k to £464,808k). The error arose during the 2023/24 period and had no effect on the opening net assets as at 1 April 2023 (correction at the beginning of the earliest prior period presented: £0) or 1 April 2024. No other financial statement line items were affected by this restatement.

## 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. 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. NYC manages these investment risks as part of its overall approach to Pension Fund risk.

Responsibility for the Fund's risk management strategy rests with the PFC. A Risk Register has been established to identify and analyse the risks faced by NYC's pensions operations. This document is reviewed regularly to reflect changes in activity and in market conditions.

### (a) Market Risk

Market risk is the risk of loss from fluctuations in equity 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 objective of the Fund's Risk Register includes identifying, managing and controlling market risk exposure within acceptable parameters, whilst optimising the risk-adjusted return.

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.

To mitigate market risk, the PFC and its investment advisers undertake appropriate monitoring of market conditions and benchmark analysis.

The Fund manages these risks in two ways:

- the exposure of the Fund to market risk is monitored through advice from the investment advisers to ensure that risk remains within tolerable levels
- specific risk exposure is limited by applying risk weighted maximum exposures to individual investments through Investment Management Agreements

### 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 investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored 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 investment consultants, the Fund has determined that the following movements in market price risk are reasonably possible for the 2024/25 reporting period.

Asset Type	Potential Market Movements as at 31st March 2025 (+/-)	Potential Market Movements as at 31st March 2024 (+/-)
	%	%
Equities	7.1	6.9
Property	6.4	6.6
Infrastructure	9.4	7.8
Listed alternatives	7.1	6.9
Private Debt	7.9	8.1
UK Corporate Bonds	6.0	5.1
Multi-Asset Credit	6.7	6.1
Absolute Return	7.8	8.0
UK Government Bonds	4.8	3.4
Cash	4.1	3.8

The potential price changes disclosed above are broadly consistent with a one-standard deviation movement in the value of the assets. The sensitivities are consistent with the assumptions contained in the investment advisors' most recent review. 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 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 shown below).

Asset Type	Value as at 31st March 2025	Potential Market Movement	Value on Increase	Value on Decrease
	£000	£000	£000	£000
Equities	2,331,592	165,543	2,497,135	2,166,049
UK Government Bonds	696,122	33,414	729,536	662,708
UK Corporate Bonds	367,304	22,038	389,342	345,266
Multi-Asset Credit	258,777	17,338	276,115	241,439
Other Pooled Investments	0	0	0	0
Property	291,592	18,662	310,254	272,930
Infrastructure	452,567	42,541	495,108	410,025
Private Debt	261,256	20,639	281,896	240,617
Total Assets	4,659,210		4,979,386	4,339,034

Asset Type	Value as at 31st March 2024	Potential Market Movement	Value on Increase	Value on Decrease
	£000	£000	£000	£000
Equities	2,480,268	171,138	2,651,406	2,309,129
UK Government Bonds	576,649	19,606	596,255	557,043
UK Corporate Bonds	338,075	17,242	355,316	320,833
Multi-Asset Credit	248,677	15,169	263,847	233,508
Other Pooled Investments	6,419	0	6,419	6,419
Property	260,850	17,216	278,066	243,634
Infrastructure	336,079	26,214	362,293	309,865
Private Debt	204,968	16,602	221,570	188,365
Total Assets	4,451,984		4,735,172	4,168,796

### 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 interest rate risk is monitored by the Fund and its investment advisers through the risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the strategic benchmark.

The Fund's direct exposure to interest rate movements as at 31 March 2025 and 31 March 2024 is set out in the tables below. These disclosures present interest rate risk based on the underlying financial assets at fair value.

	2023/24	2024/25
	£000	£000
Cash and Cash Equivalents	6,720	15,967
Pooled Investments	1,135,093	1,373,939
	1,141,813	1,389,906

The Fund 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. For illustrative purposes if it were to change by +/- 1% the values in the table above would change by £210m for 2024/25 and £173m for 2023/24.

### Currency Risk

Currency risk is 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 (GBP). The Fund holds both monetary and non-monetary assets denominated in currencies other than GBP.

The Fund's currency rate risk is monitored in accordance with the Fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

After receiving advice it is considered that the likely volatility associated with foreign exchange movements to be +/-7.0%. A fluctuation of this size is considered reasonable based on an analysis of the implied volatility of the 1-year options contracts for the exchange rates in the financial market.

Assuming all other variables, in particular, interest rates remain constant, a 7.0% strengthening/weakening of the pound (2023/24 6.6%) against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows:

Asset Type	Value as at 31st March 2025	Value on 7.0%	Value on 7.0%
	£000	Increase £000	Decrease £000
Overseas Cash Fund	7,831	8,381	7,281
Overseas Bonds	241,439	258,388	224,490
Overseas Equity	1,969,172	2,107,408	1,830,936
Overseas Pooled Funds	559,542	598,822	520,262
	2,777,984	2,972,999	2,582,969

Asset Type	Value as at 31st March 2024	Value on 6.6%	Value on 6.6%
	£000	Increase £000	Decrease £000
Overseas Cash Fund	11,679	12,453	10,904
Overseas Bonds	224,853	239,761	209,946
Overseas Equity	2,057,081	2,193,465	1,920,696
Overseas Pooled Funds	417,171	444,830	389,513
	2,710,784	2,890,509	2,531,059

### (b) Credit Risk

Credit risk is 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 assets and liabilities.

In essence the Fund's entire investment portfolio is exposed to some form of credit risk, 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 outstanding, and the cost of replacing the derivative position in the event of 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 recognised rating agencies.

Deposits are not made with banks and financial institutions unless they are rated independently and meet NYC's credit criteria. NYC has also set limits as to the maximum amount of deposits placed with any one financial institution. The banks and institutions chosen all have at least the minimum credit rating as described in NYC's Treasury Management Strategy.

NYC believes it has managed its exposure to credit risk and has had no experience of default or uncollectible deposits over the past five financial years. The Fund's cash holding under its treasury management arrangements with NYC at 31 March 2025 was £15m (31 March 2024, £2.1m) and was held with the following institutions:

	Credit Rating	31 March	31 March
		2024	2025
		£000	£000
<b>Call Accounts</b>			
Barclays Bank Plc (NRFB)	A+ / F1	200	15,017
Handelsbanken	AA / F1+	94	0
<b>Fixed Term Deposit Notice Accounts</b>			
Santander UK	A+ / F1	290	0
National Westminster Bank PLC	A+ / F1	26	0
DBS Bank Ltd	AA- / F1+	94	0
Goldman Sachs	A+ / F1	187	0
Standard Chartered	A+ / F1	94	0
Helaba	A+ / F1+	23	0
Local Authorities	-	1,075	0
		2,083	15,017

The Fund held liquid cash in a UK and an Overseas Short Term Investment Fund during 2024/25, the average investment balances for these funds were £22m and £5m respectively (£38m and £7m in 2023/4). The Fund received interest of £726k on these funds in 2024/25 (£852k in 2023/24).

### (c) Liquidity Risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund therefore takes steps to ensure that it has adequate cash resources to meet its commitments.

The Fund has immediate access to its cash holdings, subject to the fixed periods determined when deposits are placed. These deposits are scheduled to ensure cash is available when required.

The Fund also has access to an overdraft facility for short term (up to three months) cash needs. This facility is only used to address changes in the strategic benchmark and is met by either surplus cash from contributions received exceeding pensions paid or if necessary, disinvesting.

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 to cash. On 31 March 2025 the value of illiquid assets was £687m (31 March 2024, £533m).

All liabilities on 31 March 2025 are due within one year. The Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

## 19. Funding Arrangements

In line with the LGPS Regulations 2013 the Fund's Actuary, Aon, undertakes a funding Valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such Valuation took place at 31 March 2022.

The key elements of NYPF's funding policy are:

- to ensure the long-term solvency of the Fund, i.e. that sufficient funds are available to meet all pension liabilities as they fall due for payment
- to ensure that employer contribution rates are as stable as possible
- to minimise the long-term cost of the scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return
- to reflect the different characteristics of employing bodies in determining contribution rates where the Administering Authority considers it reasonable to do so
- to use reasonable measures to reduce the risk to other employers and ultimately to the council taxpayer from an employer defaulting on its pension obligations

At the 2022 Valuation the aim was to achieve 100% solvency over a period of 18 years from April 2023 and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions are sufficient to meet expected future pension benefits payable.

At the 2022 Triennial Valuation the Fund was assessed as 116% funded (114% at the 2019 Valuation). This reflected a surplus of £640m (surplus of £450m at the 2019 Valuation).

The common rate of employers' contributions is the average rate required from all employers calculated as being sufficient, together with contributions paid by employees, to meet all liabilities arising in respect

of service after the Valuation date. For 2024/25 the common rate (determined at the 2022 Valuation) is 16.7% of pensionable pay. In addition, certain employers paid additional contributions, amounting to £1.9m in aggregate. Individual employers' rates will vary from the common contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2022 Triennial Valuation Report and the Funding Strategy Statement on the Fund's website.

The valuation of the Fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The principal assumptions were:

	For Future Service Liabilities	
Investment Return	4.20%	per annum
Inflation	2.30%	per annum
Salary Increases	3.55%	per annum
Pensions Increases	2.30%	per annum

Future life expectancy (from age 65) based on the Actuary's Fund specific mortality review was:

	Male	Female
Future Pensioners (assumed current age 45)	23.4	26.0
Current Pensioners	22.5	24.9

### Commutation Assumption

It is assumed that future retirees will take 75% of the maximum additional tax-free lump sum up to HMRC limits for pre-April 2008 service and for post-April 2008 service.

### 50:50 Option

It is assumed that no active members (evenly distributed across the age, service and salary range) will take up the 50:50 option in the LGPS 2014 scheme.

## 20. Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits based on projected salaries is disclosed via an IAS26 based triennial funding valuation for the Fund. In addition to this, the actuary also undertakes a valuation of pension fund liabilities on an IAS19 basis each year on behalf of employers, using the same base data as the valuation, taking account of changes in membership numbers, and utilising updated assumptions. A statement prepared by the actuary is attached as an Appendix A. In June 2023 the High Court ruled in the case of Virgin Media Limited v NTL Pension Trustees. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by section 37 actuarial confirmations. The High Court ruling was subsequently appealed. In a judgement delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court.

The Government Actuary's Department is the actuary for the Local Government Pension Scheme and has so far failed to evidence that section 37 certificates are in place for all amendments. Work is ongoing to discover whether the evidence exists. On 5 June 2025, the Government announced that it will 'introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards'. Once the legislation has been passed, affected pension schemes will be able to obtain written confirmation from an actuary about the benefit changes that were previously made and apply that confirmation retrospectively without making the plan amendments void, if the changes met the necessary standards. Given this announcement, it is unlikely that there will be an impact on the LGPS liabilities, however management will continue to monitor developments.

## 21. Current Assets

	31st March 2024 £000	31st March 2025 £000
<b>Debtors</b>		
<b>Investment Debtors</b>		
Withholding Taxes Recoverable	1,327	4,009
Amount receivable for sales of investments	15,000	9,889
	16,327	13,898
<b>Other Debtors</b>		
Contributions due from Scheduled (Government) Bodies	12,071	12,337
Contributions due from Admitted Bodies	0	627
Pensions Rechargeable	994	491
Other	387	588
	13,452	14,043
<b>Cash</b>		
Cash	2,083	15,017
	31,862	42,958

## 22. Current Liabilities

	31st March 2024 £000	31st March 2025 £000
<b>Creditors</b>		
Sundry Other Creditors	2,404	2,537
	2,404	2,537

## 23. Additional Voluntary Contributions (AVCs)

The AVC provider for the Fund is Prudential. The market value of the AVCs on 31 March 2025 was £18.3m (£17.5m as at 31 March 2024). Contributions paid directly to Prudential during the year 2024/25 were £3.9m (£3.6m in 2023/24).

## 24. Related Party Transactions

### North Yorkshire Council

The Fund is administered by NYC. Consequently, there is a strong relationship between the Council and the Fund.

The Council incurred costs of £2.2m (£2.1m in 2023/24) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also the single largest employer of members of the Fund and contributed £86.3m to the Fund in 2024/25 (£81.9m in 2023/24).

The Fund's cash holdings for cashflow purposes are invested with banks and other institutions by the treasury management operations of the Council, through a service level agreement. During the year to 31 March 2025 the Fund had an average investment balance of £5.2m (£3.6m during 2023/24) and received interest of £227k (£194k received in 2023/24) on these funds.

### Governance

On 31 March 2025 there were no Pension Fund Committee members who were also active members of the Fund (2023/24: 0). The Corporate Director - Resources, who was also the Treasurer of the Fund, was an active member as at 31 March 2024 and 2025. Benefits for the Treasurer were accrued on the same basis as for all other members of the Fund.

### Key Management Personnel

The Section 151 Officer linked to the Fund is directly employed by the Council and the costs to the Fund are included within recharges to the Fund. The remuneration disclosure required by the Accounts and Audit (England) Regulations

can be found in the main accounts of NYC.

### Members

North Yorkshire Council appoint a number of elected members to the Pension Fund Committee and Audit Committee. Two of these members are in receipt of pension benefits from the Fund (2023/24: 2). There have been no material transactions between any Member or their families and the Pension Fund in the year ending 31 March 2025 or 31 March 202

### Employers

Employers are related parties in so far as they pay contributions to the fund in accordance with the appropriate Local Government Pension Scheme (LGPS) Regulations. Contributions owed by employers in respect of March 2025 payroll total £12.96m (2023/24: £12.07m) and are included within the non-investment debtors figures in Note 17.

## 25. Contractual Commitments

Outstanding capital commitments (investments) on 31 March 2025 were £1,056m (31 March 2024 £515.5m). These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private debt and infrastructure parts of the portfolio.

## 26. Contingent Assets

The Fund held no Contingent Assets on 31 March 2025.

## 27. Accounting Standards that have been issued but have not yet been adopted

Accounting Standards that have been issued but not yet adopted by the CIPFA Code of Practice are:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that

enables users of financial statements to understand the impact of a currency not being exchangeable.

- IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

Any impact on the Statement of Accounts will be assessed at the time of adoption by the CIPFA Code of Practice, but based on our initial assessment we expect the adoption of the above standards to be either not relevant to the Council or that any impact will not be material.

## Statement of the Actuary

### North Yorkshire Pension Fund Statement of the Actuary for the year ended 31 March 2025

#### Introduction

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013 (the 'LGPS Regulations').

The LGPS Regulations require that a full actuarial valuation is carried out every third year. The purpose of this is to establish that the North Yorkshire Pension Fund (the 'Fund') is able to meet its liabilities to past and present contributors and to review employer contribution rates. The last full actuarial investigation into the financial position of the Fund was completed as at 31 March 2022 by Aon, in accordance with Regulation 62 of the LGPS Regulations.

#### Actuarial Position

- The valuation as at 31 March 2022 showed that the funding level of the Fund had increased since the previous valuation with the market value of the Fund's assets as at 31 March 2022 (of £4,634.5M) covering 116% of the liabilities.
- The valuation also assessed each individual employer's (or group of employers') position separately. Contribution requirements were determined based on the principles in the Fund's Funding Strategy Statement and are set out in Aon's report dated 29 March 2023 (the "actuarial valuation report"). In addition to the contributions certified, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

Total contributions payable by all employers over the three years to 31 March 2026 are estimated to be:

Year from 1 April	% of pensionable pay	Plus total contribution amount (£M)
2023	17.3	1.495
2024	17.0	1.685
2025	16.7	1.888

- The funding plan adopted in assessing the contributions for each employer is in accordance with the Funding Strategy Statement. Different approaches were adopted in relation to the calculation of the primary contribution rate, stepping of contribution changes and individual employers' recovery periods as agreed with the Administering Authority and reflected in the Funding Strategy Statement, reflecting the employers' circumstances.

4. The valuation was carried out using the projected unit actuarial method for most employers, allowing for future increases in pensionable pay. The main financial actuarial assumptions used for assessing the funding target and the contribution rates were as follows.

Discount rate for periods in service	
Scheduled and subsumption body funding target *	4.20% p.a.
Intermediate (strong covenant approach) funding target	3.85% p.a.
Intermediate (standard approach) funding target	3.60% p.a.
Ongoing orphan funding target	3.60% p.a.
Discount rate for periods after leaving service	
Scheduled and subsumption body funding target *	4.20% p.a.
Intermediate (strong covenant approach) funding target	3.85% p.a.
Intermediate (standard approach) funding target	3.60% p.a.
Ongoing orphan funding target	0.80% p.a.
Rate of pay increases	3.55% p.a.
Rate of increase to pension accounts **	2.30% p.a.
Rate of increases in pensions in payment ** (in excess of Guaranteed Minimum Pension)	2.30% p.a.

\* The secure scheduled body discount rate was also used for employers whose liabilities will be subsumed after exit by a scheduled body.

\*\* In addition, a 10% uplift has been applied to the past service liabilities on the scheduled body and subsumption funding targets to make allowance for short-term inflation above the long-term assumption.

In addition, the discount rate and rate of increases to pensions for already orphaned liabilities (i.e. where there is no scheme employer responsible for funding those liabilities and the employer has exited the Fund) were assumed to be 1.7% p.a. and 3.4% p.a. respectively.

The assets were valued at market value.

5. The key demographic assumption was the allowance made for longevity. The post retirement mortality assumption adopted for the actuarial valuation was in line with standard self-administered pension scheme (SAPS) S3 mortality tables with appropriate scaling factors applied based on an analysis of the Fund's pensioner mortality experience and a Fund membership postcode analysis using Aon's Demographic Horizons™ longevity model, and included an allowance for future improvements based on the 2021 Continuous Mortality Investigation Projections Model, with a long term annual rate of improvement in mortality rates of 1.5% p.a. The resulting average future life expectancies at age 65 (for normal health retirements) were:

	Men	Women
Current pensioners aged 65 at the valuation date	22.5	24.9
Current active members aged 45 at the valuation date	23.4	26.0

Further details of the assumptions adopted for the valuation, including the other demographic assumptions, are set out in the actuarial valuation report.

6. The valuation results summarised in paragraph 1 above are based on the financial position and market levels at the valuation date, 31 March 2022. As such the results do not make allowance for changes which have occurred subsequent to the valuation date. The Actuary, in conjunction with the Administering Authority, monitors the funding position on a regular basis.
7. The formal actuarial valuation report and the Rates and Adjustments Certificate setting out the employer contribution rates for the period from 1 April 2023 to 31 March 2026 were signed on 29 March 2023. Other than as agreed or otherwise permitted or required by the Regulations, employer contribution rates will be reviewed at the next actuarial valuation of the Fund as at 31 March 2025 in accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013.
8. This Statement has been prepared by the Actuary to the Fund, Aon, for inclusion in the accounts of the Fund. It provides a summary of the results of their actuarial valuation which was carried out as at 31 March 2022. The valuation provides a snapshot of the funding position at the valuation date and is used to assess the future level of contributions required.
- This Statement must not be considered without reference to the formal actuarial valuation report which details fully the context and limitations of the actuarial valuation.
- Aon does not accept any responsibility or liability to any party other than our client, North Yorkshire Council, the Administering Authority of the Fund, in respect of this Statement.
9. The report on the actuarial valuation as at 31 March 2022 is available on the Fund's website at the following address: [About the Fund > Valuation](#)

Aon Solutions UK Limited  
**May 2025**





# IAS 26 Results

## Whole of Pension Fund Accounting 2023

Prepared for: North Yorkshire Council, as Administering Authority to the North Yorkshire Pension Fund  
 Prepared by: Scott Campbell FIA  
 Date: 19 May 2023

### Glossary

Accounting Date	31 March 2023
Fund	North Yorkshire Pension Fund
Fund Administering Authority	North Yorkshire Council
2022 Valuation	Actuarial Valuation of the North Yorkshire Pension Fund as at 31 March 2022 as reported in the document titled 'Report on the 31 March 2022 actuarial valuation' dated 29 March 2023

# Introduction

## Why bring you this report?

This report is commissioned by and addressed to North Yorkshire Council (the Addressee).

This report sets out pension cost information required by the Fund Administering Authority in order to meet their disclosure requirements in relation to their pension obligations as specified by the accounting standard, IAS 26.

We have carried out this work in relation to benefits payable from the Fund.

## Related documents

The advice provided in this report is supported by advice contained in the following documents:

- IAS 26 Terms of Reference - Whole of Pension Fund accounting 2023 ('Terms of Reference').
- IAS 26 Assumptions Advice - Whole of Pension Fund accounting 2023 ('Assumptions Advice').

In addition, the following documents should be referred to:

- 2022 Valuation report

## Background

CIPFA's Code of Practice indicates that the Fund accounts for the year ending 31 March 2023 should disclose the "actuarial present value of the promised retirement benefits" as set out in IAS 26 and that the actuarial present value should be calculated on assumptions set in accordance with IAS 19 rather than on the funding assumptions.

CIPFA put forward three options for disclosing the actuarial present value of promised retirement benefits. Further detail on these can be found in our Terms of Reference.

The Fund Administering Authority has chosen option C which was confirmed to us in an e-mail dated 17 April 2023. Option C requires the actuarial valuation of the liabilities on an IAS 19 basis to be prepared at formal triennial valuations only, the most recent being as at 31 March 2022. Under option C this, together with other related information, should be disclosed in an actuarial report which will accompany the notes to the accounts.

The calculations contained in this document have been carried out on a basis consistent with our understanding of IAS 19.

I confirm that I am an independent qualified actuary.

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## Methodology

The approach to our calculations was set out in the Terms of Reference and Appendix A of this report.

## IAS 26 disclosures

IAS 26 requires the 'actuarial present value of the promised retirement benefits' to be disclosed, which is the IAS 26 terminology for what IAS 19 refers to as the 'defined benefit obligation'.

The information set out below relates to the actuarial present value of the promised retirement benefits in the Fund which is part of the Local Government Pension Scheme.

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits covered by these figures are set out in 'The Local Government Pension Scheme Regulations 2013' (as amended) and 'The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014' (as amended).

### Actuarial present value of promised retirement benefits

CIPFA's Code of Practice on local authority accounting for 2022/23 sets out that the actuarial present value of promised retirement benefits based on projected salaries should be disclosed.

The results as at 31 March 2022, together with the results as at 31 March 2019 are shown in the table below. The corresponding fair value of Fund assets is also shown in order to show the level of surplus or deficit within the Fund when the liabilities are valued using IAS 19 assumptions.

We do not believe the Fund Administering Authority needs to show the 2019 figures under IAS 26 if it does not wish to do so. The Code of Practice is not clear if the fair value of assets and the surplus / deficit at 31 March 2022 also needs to be disclosed but you may want to include these figures for clarity.

	Value as at 31 March 2022 (£M)	Value as at 31 March 2019 (£M)
Fair value of net assets	4,634.5	3,575.2
Actuarial present value of the defined benefit obligation	5,533.1	4,418.3
Surplus / (deficit) in the Fund as measured for IAS 26 purposes	(898.6)	(843.1)

### Assumptions

The latest full triennial actuarial valuation of the Fund's liabilities was carried out as at 31 March 2022. The principal assumptions used for the purpose of IAS 26 by the Fund's independent qualified actuaries were:

	31 March 2022	31 March 2019
Discount rate	2.70%	2.40%
CPI inflation <sup>(1) (2)</sup>	3.00%	2.20%
Salary increases <sup>(3)</sup>	4.25%	3.45%

#### Notes

- (1) Pension increases on pension in excess of Guaranteed Minimum Pension in payment where appropriate.
- (2) The assumption for the revaluation rate of pension accounts is set equal to the assumption for pension increases. In the 2022 assumption we have also made allowance for higher actual CPI for the period 30 September 2021 to 31 March 2022, where 30 September 2021 is the date of the reference CPI index that the Scheme's benefits had been increased by in April 2022.
- (3) A promotional salary scale is assumed to apply in addition to this, at the rates assumed in the relevant valuation of the Fund.

### Demographic assumptions

The mortality assumptions are based on actual mortality experience of members within the Fund based on an analysis carried out as part of the 2022 Actuarial Valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 in normal health resulting from these mortality assumptions are shown below:

	31 March 2022	31 March 2019
<b>Males</b>		
Future lifetime from age 65 (pensioners aged 65 at 31 March 2022)	22.5	22.0
Future lifetime from age 65 (actives aged 45 at 31 March 2022)	23.4	23.7
<b>Females</b>		
Future lifetime from age 65 (pensioners aged 65 at 31 March 2022)	24.9	24.0
Future lifetime from age 65 (actives aged 45 at 31 March 2022)	26.0	25.9

Different mortality assumptions have been used for other categories of member as set out in the actuary's report on the 2022 valuation. Assumptions for the rates of withdrawal and ill health retirements (for active members), the allowance made for cash commutation on retirement, and the proportion of members whose death gives rise to a dependant's pension are the same as those adopted in the 2022 valuation of the Fund, which are detailed in the actuary's valuation report.

## Key risks associated with reporting under IAS 26 and sensitivity

### Volatility of results

Results under IAS 26 can change dramatically depending on market conditions. The defined benefit obligation is linked to yields on AA-rated corporate bonds, while a significant proportion of the assets of the Fund are invested in equities and other growth assets. Changing markets in conjunction with discount rate volatility will lead to volatility in the funded status of the pension fund. For example:

- A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes, although this will be marginally offset by the increase in the assets as a result (to the extent the Fund invests in corporate bonds).
- The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are not perfectly correlated with inflation meaning that an increase in inflation will increase the deficit.
- The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

### Post balance sheet date experience

Since 31 March 2022 the Fund's assets have generally delivered lower than expected returns and inflation has been higher than expected. However, corporate bond yields have increased significantly which will have led to a reduction in the value of the defined benefit obligation (liabilities) on an accounting basis. We would expect the Funds' IAS 26 balance sheet position to have improved significantly over the year, with a lower IAS 26 deficit, at 31 March 2023 if the Fund had chosen to update the position annually.

If at any time during the year you want us to provide you with an update of the IAS 26 position, please let us know.

### Choice of accounting assumptions

The calculation of the actuarial present value of the promised retirement benefits involves projecting future cash-flows from the Fund many years into the future. This means that the assumptions used can have a material impact on the surplus / deficit. As such, the Fund Administering Authority should ensure that it understands the reasoning behind the assumptions adopted and is comfortable that they are appropriate.

Furthermore, the Fund Administering Authority should bear in mind that, as required by the accounting standard, the assumptions (with the exception of the discount rate) have been set so that they represent a best estimate of future experience from the Fund. In practice future experience within the Fund may not be in line with the assumptions adopted. This means that the liabilities shown in this report only represent one view of the future and the true position could be different from those shown. For example, members could live longer than foreseen or inflation could be higher or lower than allowed for in the calculations.

### Sensitivity of results to key assumptions

In order to understand the magnitude of the possible volatility in the balance sheet position and to understand which assumptions are most important in determining the

size of the liabilities, it is helpful to understand how sensitive the results are to the key assumptions.

IAS 19 requires entities to disclose information about the sensitivity of the defined benefit obligation to changes in key assumptions although it is not clear that IAS 26 or the CIPFA Code of Practice requires this information. Nevertheless, we have set out below how the results would alter by changing the discount rate, the pay increase assumption and pension increase assumption by plus or minus 0.1% and if life expectancy was to reduce or increase by 1 year. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

#### Discount rate assumption

Adjustment to discount rate assumption	+0.1% £M	-0.1% £M
£ change to present value of the defined benefit obligation	(114.5)	116.9
% change in present value of defined benefit obligation	-2.1%	2.1%

#### Rate of general increase in salaries

Adjustment to salary increase rate assumption	+0.1% £M	-0.1% £M
£ change to present value of the defined benefit obligation	4.2	(4.1)
% change in present value of defined benefit obligation	0.1%	-0.1%

#### Rate of increase to pensions and rate of revaluation of pensions accounts

Adjustment to pension increase rate assumption	+0.1% £M	-0.1% £M
£ change to present value of the defined benefit obligation	112.7	(110.3)
% change in present value of defined benefit obligation	2.0%	-2.0%

#### Post retirement mortality assumption

Adjustment to members' life expectancy	- 1 year £M	+ 1 year £M
£ change to present value of the defined benefit obligation	(233.6)	235.1
% change in present value of defined benefit obligation	-4.2%	4.2%

## Membership data

A summary of the membership data used in these calculations is set out in the 2022 Valuation report.

# Appendix A: Explanation of actuarial methods used

## Benefits

Our calculations relate to benefits payable from the Fund (as set out in LGPS Regulations at the relevant times – further details can be found in the 2022 valuation report). These benefits include retirement pensions and benefits on members' death and leaving service.

Unfunded defined benefit obligations e.g. discretionary pensions benefits being paid under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (generally referred to as Compensatory Added Years), have not been valued as they do not form part of the Fund. However, they may be required in the IAS 19 figures prepared for individual employers within the Fund.

## Data

The valuation of accrued pension benefits for IAS 26 purposes requires detailed information in respect of each member such as date of birth, gender, date of joining the fund, their accrued pension and so forth.

This information was supplied by the Fund Administering Authority for the 2022 formal actuarial valuation of the Fund in the form of a standardised data extract from the Fund Administering Authority's administration systems.

The formal valuation process (which is a precursor to the valuation for IAS 26 purposes) involves a series of structured validation tests on the data items for integrity and reasonableness. These tests, together with any actions taken in respect of specific data issues, are documented as part of the normal valuation process.

Where tests reveal issues with the data, the Fund Administering Authority is contacted with a view to resolving all data queries. Only when the data queries have been resolved to the satisfaction of the Fund Actuary, will the valuation proceed.

We can confirm that no data issues were identified at the 2022 valuation that we believe would have a material effect on the calculations presented in this report. Overall, it is our opinion that the data presented at the valuation is sufficiently accurate, relevant and complete for the Fund Administering Authority to rely on the resulting IAS 19 (IAS 26) figures.

## Assumptions

IAS 19 sets out the following general requirements for the setting of assumptions:

Actuarial assumptions shall be unbiased and mutually compatible; and

Financial assumptions shall be based on market expectations, at the balance sheet date, for the period over which the obligations are to be settled.

Furthermore IAS 19 requires that the assumed discount rate is determined by reference to market yields at the balance sheet date on high quality corporate bonds

and in countries where there is no deep market in such bonds, the market yield (at the balance sheet date) on government bonds shall be used.

The assumptions are ultimately the responsibility of the Fund Administering Authority. Any assumptions that are affected by economic conditions (financial assumptions) should reflect market expectations at the balance sheet date.

The key financial assumptions are set out in "Information required for IAS 26" and the derivation of the assumptions is set out in our assumptions letter referred to in the Related Documents section.

## Method of calculation

The figures at 31 March 2022 have been based on a full calculation of the liabilities using the data summarised in this report and the assumptions set out in the Assumptions Advice. Further information on the method was set out in the Terms of Reference.

## Assets

IAS 19 requires that assets be valued at Fair Value which is defined as the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. For the purposes of this exercise we have taken the asset values directly from the Fund's draft annual accounts as at 31 March 2022.

The assets do not include defined contribution Additional Voluntary Contributions.

## Treatment of risk benefits

To value the risk benefits paid on death in service and ill health early retirement we have valued service related benefits based on service completed to the date of calculation only.

## Expenses

Fund administration expenses are not reserved for in the net present value of actuarial liabilities, consistent with the treatment adopted for individual employers who require IAS 19 disclosures.

## IFRIC 14

IFRIC 14 is an interpretation of paragraph 58 of the IAS 19 accounting standard setting out limits to the amount of surplus that can be recognised by employing organisations in their accounts. We do not believe it has any relevance to IAS 26.

## Appendix B: Compliance and disclaimer

This document has been prepared in accordance with the framework below.

### Compliance with Professional Standards

This document, and the work relating to it, complies with 'Technical Actuarial Standard 100: Principles for Technical Actuarial Work' ('TAS 100').

### Disclaimer

The calculations contained in this report have been made on a basis consistent with our understanding of IAS 19 and IAS 26. Figures required for other purposes should be calculated in accordance with the specific requirements of those purposes. It must not be assumed that figures produced for the purposes of IAS 26, which we present in this report, have any relevance beyond the scope of IAS 26.

This report is prepared on the instructions of the Fund Administering Authority ("you" or "your") in relation to the preparation of accounting figures for your financial reporting as at the Accounting Date. It has been prepared at this date, for the purpose and on the basis set out in this report.

This report should not be used or relied upon by any person other than the Addressee for any other purpose including, without limitation, other professional advisers, including the auditors and accountants ("third parties" or "third party") to the Addressee. All third parties are hereby notified that this report shall not be used as a substitute for any enquiries, procedures or advice which ought to be undertaken or sought by them. We do not accept any responsibility for any consequences arising from any third party seeking to rely on this report.

We neither warrant nor represent (either expressly or by implication) to any third party who receives this report that the information contained within is fair, accurate or complete, whether at the date of its preparation or at any other time.

Unless we provide express prior written consent, no part of this report should be reproduced, distributed or communicated to any other person other than to meet any statutory requirements and, in providing this report, we do not accept or assume any responsibility for any other purpose or to anyone other than the Fund Administering Authority.

We recognise that the Fund Administering Authority's auditors may request to see a copy of our report, as part of their audit process and under statutory requirements. We agree that you may release our report to your auditors for such purpose however in making such disclosure you shall ensure that this disclaimer remains attached to this report, and you further agree that you shall ensure that your auditors have read this disclaimer. For the avoidance of doubt, if we are approached directly by any third party for copies of this report or requested to answer queries about the report, we will require such third party to accept a third party release non reliance letter agreeing that we did not prepare the report for the third party and we do not accept any legal obligations to them. Please rest assured that this approach does not affect our contractual obligations to you as our client, with whom we continue to hold a duty of care in accordance with our terms of engagement.

This report was based on data available to us at the effective date of our calculations and takes no account of developments after that date except where explicitly stated otherwise.

With respect to data on which we have relied in producing this report, whilst we have taken certain limited steps to satisfy ourselves that the data provided to us is of a quality sufficient for the purposes of our investigation, including carrying out certain basic tests for the purpose of detecting manifest inconsistencies, it is not possible for us to confirm the accuracy or completeness of the detailed information provided. Whilst the Fund Administering Authority may have relied on others for the maintenance of accurate data, it is their responsibility to ensure the adequacy of these arrangements and ultimately the Fund Administering Authority that bears the primary responsibility for the accuracy of such information provided.

## Part 4 – Investments and Funding

### 4.1. Investment Policy

#### (a) Regulations

NYC is required, as the administering authority, to invest any NYPF monies which are not immediately required to pay pensions and other benefits. The LGPS (Management and Investment of Funds) Regulations 2016 set out certain restrictions as to individual investments, the purpose of which is to limit the exposure risk of an LGPS fund. Full details of the investment policy are shown in the Investment Strategy Statement (see Part 7). This document describes how it links to the Funding Strategy Statement (see Part 7).

### 4.2. Investment Management arrangements

As at 31 March 2025 the following investment management arrangements were in place:

- › BCPP managed a UK equities portfolio through a pooled vehicle against the FTSE All Share Index.
- › BCPP managed a global equities portfolio through a pooled vehicle against the MSCI All Countries World Index.
- › BCPP managed a listed alternatives portfolio through a pooled vehicle against the MSCI All Countries World Index.
- › BCPP managed a private debt portfolio in a pooled fund that has the objective to outperform against a long-term absolute benchmark.
- › BCPP managed an infrastructure portfolio in a pooled fund that has the objective to outperform a long-term absolute benchmark.
- › BCPP managed a climate opportunities portfolio with a long-term financial objective that has a material positive impact on climate change and supports long-term net zero carbon emission goals.
- › BCPP managed a UK opportunities portfolio in a pooled fund that has the objective of meeting a long-term financial target return and where possible benefitting the UK economy.
- › BCPP managed a multi asset credit portfolio through a pooled vehicle with an objective to outperform a cash plus benchmark.
- › BCPP managed an active UK corporate bonds portfolio through a pooled vehicle against the iboxx Sterling Non-Gilts Index.
- › BCPP managed an active gilts portfolio through a pooled vehicle against the FTSE UK Index Linked Gilts over 15 Years Index.
- › Baillie Gifford managed an active global (i.e. including UK) equity portfolio, namely Long Term Global Growth (LTGG). This is a pooled investment. It is managed without reference to a benchmark; however, the FTSE All World Index is used for performance measurement purposes. This investment is being held outside of BCPP as no equivalent fund is available.

- › Threadneedle and Legal & General both managed active UK property portfolios during the year through pooled funds with the objective of outperforming the All-Balanced Property Funds Index. These investments are being held outside of BCPP as no equivalent fund is available.
- › Arcmont and Permira managed private debt portfolios through pooled funds, both are managed without reference to a benchmark but have an objective to significantly outperform cash. As these funds come to the end of their lives, cash will be recycled into BCPP.
- › The Fund held cash investments with Northern Trust.
- › The Fund held cash investments with the Council's Treasury Management operations.

The asset class structure for the investment portfolio as at 31 March 2025 was as follows:

	Target Allocation %
Equities	39
Infrastructure	10
Climate Opportunities	4
UK Opportunities	1
Property	4.25
Private Credit	11
Multi Asset Credit	5.25
Corporate Bonds	8
Government Bonds	17.5

### 4.3 Custody of Investments

Northern Trust is the custodian for the Fund's assets. There is one exception, being:

- (i) Internally managed cash, which is held in the Fund's bank account with Barclays Bank, Northallerton. Money in this account forms part of the balance of funds invested by the Council for treasury management purposes. A formal Service Level Agreement exists between the Council and the Fund so that the Fund receives an interest rate return equivalent to that achieved by the Council.

The main services provided by Northern Trust are the custodianship of the Fund's assets, including settlement of trades and collection of income, investment accounting, and performance measurement of the fund managers.

### 4.4 Fund and Manager Performance

Pension Fund investment is a long term business, so as well as considering the annual performance of the Fund, performance over extended periods in comparison to peers is also considered; this principle is applied both to individual managers and the overall Investment Strategy of the Fund.

The return produced by the Fund is a contributory factor in setting the employer contribution rates. The mix of assets within the Fund has been established to generate the greatest possible return within appropriate limits of risk.

Performance for the year was 2.5% compared to the benchmark return of 2.9%.

Performance for the NYPF compared with the benchmark for 1 and 5 years is shown below.

Periodic Performance	1 Year	5 Years (p.a.)
North Yorkshire Pension Fund	2.5%	6.0%
Benchmark	2.9%	6.1%
Performance against benchmark	(0.4)%	(0.1)%

The performance of the Fund as a whole and of the individual fund managers for the year to 31 March 2025 compared with their defined benchmarks is shown in the following table:

Fund Manager	Benchmark	Share of Fund		Target Allocation	Fund Performance	Customised Benchmark	+/-
		£000	%	%	%	%	%
<b>Border to Coast Pension Partnership:</b>							
BCPP - Global Equity Alpha	MSCI ACWI	1,394,942	29.5	31.0	1.6	4.9	(3.3)
BCPP - UK Equities	FTSE All Share	112,255	2.4	-	7.2	10.5	(3.3)
BCPP - Listed Alternatives	MSCI ACWI	286,813	6.1	-	7.7	4.9	2.8
BCPP - Multi Asset Credit	SONIA+3.5%	258,777	5.5	5.25	7.4	8.6	(1.2)
BCPP - Investment Grade Credit	iboxx Sterling Non-Gilts	367,304	7.8	8.0	2.8	2.4	0.4
BCPP - Index Linked Bonds	FTSE UK ILG>15 Years	696,122	14.7	17.5	(15.1)	(15.3)	0.2
BCPP - Infrastructure	8%pa	404,883	8.6	10.0	6.0	8.0	(2.0)
BCPP - Private Credit	6%pa	194,391	4.1	11.0	10.1	6.0	4.1
BCPP - Climate Opportunities	8%pa	77,605	1.6	4.0	-	-	-
BCPP - UK Opportunities	8%pa	3,721	0.1	1.0	-	-	-
		3,796,813	74.8	74.5			
<b>Other Managers:</b>							
Baillie Gifford LTGG	FTSE All World	537,582	11.4	8.0	6.5	5.5	1.0
Threadneedle	All-Balanced Property Funds	243,833	5.2	4.25	6.3	6.4	(0.1)
Legal & General	All-Balanced Property Funds	47,759	1.0		7.4	6.4	1.0
Permira	6%pa	6,766	0.1	-	10.0	6.0	4.0
Arcmont	6%pa	19,438	0.4	-	2.5	6.0	(3.5)
Cash (Custodian and NYC), BCPP Equity and debtors	-	69,626	1.5	-	-	-	-
		925,004	25.2	25.5			

Listed Alternatives is a temporary investment, used as a proxy for BCPP Infrastructure and Private Credit, until those allocations reach their target levels. Investments with Permira and Arcmont will soon come to an end and the money will be transferred to BCPP Private Credit.

#### 4.5 Investments in the previous table in the UK were:

Investment	Pooled	Not Pooled	Total
	£m	£m	£m
Global Equities	139		139
UK Equities	112		112
Listed Alternatives	77		77
Investment Grade Credit	18		18
Index Linked Gilts	696		696
Infrastructure	78		78
Property		292	292
Total	1,120	292	1,412

£1.4m represents approximately 30% of NYPF's assets.

#### 4.6 Responsible Investment

The Fund's approach to responsible investment which covers environmental, social and governance matters are set out in the [Responsible Investment Policy](#).

The Fund's pooling company BCPP, which manages around three quarters of the investments has its own Responsible Investment Policy, Climate Change Policy and Corporate Governance and Voting Guidelines document on [its website](#). The site includes extensive information on voting and engagement including through quarterly active ownership reports and stewardship reports, annual climate change reports and other resources.

#### 4.7 Asset Pooling

##### Background

In 2015 the Government issued the 'LGPS: Investment Reform Criteria and Guidance' which set out its intention to work with the 89 Administering Authorities in the LGPS to establish asset pooling arrangements with the following objectives to deliver:

- Benefits of scale
- Strong governance and decision making
- Reduced costs and excellent value for money, and
- An improved capacity and capability to invest in infrastructure

This has led to the creation of eight asset pools, significantly changing the approach to investing. These regulatory changes do not however affect the responsibility for determining the investment strategy which remains with individual Funds.

##### NYPF Pooling Arrangements

In order to satisfy the requirements of the guidance issued by the Government, the Fund has become a shareholder of the BCPP.

The BCPP is an FCA-regulated Operator and Alternative Investment Fund Manager (AIFM), that became operational in July 2018.

The Administering Authorities of the LGPS Funds that are participating in the pool are a combination of "like-minded" UK-based local government Unitary Authorities, Non-Metropolitan County Councils and Metropolitan District Councils with total assets of around £60bn. These are listed in the table below:

Administering Authority	Local Government Pension Fund
Bedford Borough Council	Bedfordshire Pension Fund
Westmorland and Furness Council	Cumbria Pension Fund
Durham County Council	Durham Pension Fund
The East Riding of Yorkshire Council	East Riding Pension Fund
Lincolnshire County Council	Lincolnshire Pension Fund
North Yorkshire Council	North Yorkshire Pension Fund
South Yorkshire Pensions Authority	South Yorkshire Pension Fund
Surrey County Council	Surrey Pension Fund
Middlesbrough Council	Teesside Pension Fund
The Borough Council of South Tyneside	Tyne and Wear Pension Fund
Warwickshire County Council	Warwickshire Pension Fund

The core principles of BCPP include the following:

- One Fund one vote – so regardless of Fund size, all Funds will be treated equally
- Equitable cost sharing
- Funds retain governance role and ownership of asset allocation
- Generation of improved net-of-fees risk adjusted performance

#### Border to Coast Pensions Partnership

BCPP is responsible for designing, delivering and operating a range of investment funds and services to allow Partner Funds, BCPP's shareholders and only customers, to implement their investment strategies. BCPP develops a range of internally and externally managed investments across a range of asset classes in both public and private markets. The team of over 150 employees are based in Leeds.

## Governance

The Fund will hold BCPP to account through the following mechanisms:

- A representative on the Shareholder Board, with equal voting rights, who will provide oversight and control of the corporate operations of BCPP. The performance of the pool company is overseen by the shareholder representatives from each Authority on an ongoing basis and formally once a year at the BCPP AGM.
- A representative on the Joint Committee which, as an investor, will monitor and oversee the investment operations of BCPP. A representative of each of the Funds' PFCs sits on the Joint Committee. There are two non-voting scheme member representatives that sit on the Joint Committee, who are nominated by the Funds' local Pension Boards.
- Officer support to the representatives above from the Officer Operations Group and the Statutory Officer Group. Day to day oversight will be provided by these officer groups.

## Pooling Costs

The Fund has incurred both set-up costs and ongoing costs since the inception of BCPP and these are detailed in the tables below.

	Cumulative Costs to	Costs incurred in	Cumulative costs to
	2023/24	2024/25	2024/25
	£m	£m	£m
Set-up and operating costs	3.6	0.5	4.1
Transition costs	1.2	0	1.2
<b>Total costs</b>	<b>4.8</b>	<b>0.5</b>	<b>5.3</b>

During 2024/25, further transfers to BCPP's funds took place, although there were no explicit costs incurred as a result.

## Ongoing Costs

In addition to the set up and transition costs above there are also ongoing costs that have been incurred in 2024/25. The table below shows costs within and outside of the pool:

	Asset Pool	Non-asset Pool	Fund Total
	£000	£000	£000
<b>Management fees</b>			
- Ad valorem	13,545	7,940	<b>21,484</b>
- Performance	1,381	3,148	<b>4,528</b>
Transaction costs	4,705	3,038	<b>7,743</b>
<b>Total Management Fees</b>	<b>19,630</b>	<b>14,126</b>	<b>33,756</b>

All of the Fund's investment managers have provided fee and cost information in accordance with the Code of Transparency.

# Part 5 - Administration

## 5.1 Administering Authority Arrangements

The Fund's administration is the responsibility of Gary Fielding, the Treasurer.

Staff within the pension administration team are responsible for administering the Scheme, including the calculation and administration of benefit payments and transfer values, recording employee contributions, the maintenance of pension records, admissions to and exits from the Fund and communications with all stakeholders.

Staff within the finance team are responsible for maintaining the Fund's accounts and investment records, monitoring employer contributions, preparing quarterly reports for the PFC, producing the Annual Report and Accounts and acting as the main point of contact for the Fund's managers, advisers and auditors.

## 5.2 Summary of key activities undertaken in 2024/25 include:

- Continued promotion of online member self-service, encouraging members to check their online Annual Benefit Statement, paying particular attention to their CARE benefits
- Encouraging members to plan for their retirement by promoting the use of the benefit calculators available online via member self-service
- Developing relationships with new employers to support them with the requirements of the LGPS. There continues to be activity relating to schools converting to academies, existing academy trusts merging and new admission bodies.
- Offering guidance and support to all employers
- Providing a dedicated newsletter for retired members
- Continued roll out of the online employer portal, i-Connect for monthly data collection

- Continual updates to the Fund's website
- Continued to progress the McCloud remedy

## 5.3 Data Quality

The Pensions Regulator's guidelines on data collection and security have been applied by the Fund and validation checks are carried out across all areas of activity. Periodic checks are carried out across the database to ensure that data gaps or queries are caught in 'real-time'. Other validation checks are carried out at each year end and queries are sent to the employers to resolve.

Benefit calculations carried out by the administration team are peer reviewed before they are issued, to ensure that the information being provided is correct.

Employers are encouraged and supported to maintain a consistent level of data accuracy including validating any data before it is supplied. Data is only accepted from named authorised signatories after the appropriate validation checks have been made.

## 5.4 Support for Members and Employers

The NYPF covers the largest geographical area in England and Wales, and uses a range of communication methods to effectively address the challenges of engaging with both Scheme members and employers. A dedicated team continues to provide all employers with support and guidance to ensure they are confident in meeting their obligations under the Scheme. Employers are encouraged to use the dedicated employers' area on the NYPF website.

An online portal to enable employer monthly data returns continues to be rolled out. This removes the need for an annual year end return ensuring accurate data is received promptly.

Scheme members have access to a dedicated telephone helpline and email address and their online pension record (see My Pension Online).

While members are encouraged to communicate electronically, the NYPF continues to offer paper copies of documents upon request. This approach is especially important for those who either lack access to digital tools or prefer not to use them.

Scheme members can also visit County Hall and speak to one of the team during office hours.

## 5.5 My Pension Online

This is a web-based self-service facility which allows members to update their contact details and carry out their own pension benefit estimates. Members can also access their annual benefit statements and once retired, they can access their payslips and P60s.

This facility has also been used to allow electronic communication with members for the retirement and estimates processes.

## 5.6 NYPF Website

All essential information and guides are held on the website at [www.nypf.org.uk](http://www.nypf.org.uk) along with links to further national guidance. Scheme members and employers can submit their queries via the website or to a dedicated pensions email address, which is staffed daily to ensure timely and efficient responses. An 'Employers Only' area provides a central location to access forms and guides with the facility to securely submit forms electronically.

## 5.7 Cyber Security and Confidentiality

The Fund processes data and shares information in accordance with the UK General Data Protection Regulation and the Data Protection Act 2018.

The legislation states that data controllers are responsible for compliance with the six data protection principles and must be able to demonstrate compliance to data subjects and regulatory bodies. The Fund's governance policy framework demonstrates compliance with the six principles.

The council understands the importance of maintaining excellent information security standards and has adopted the information security standards specification issued by the International Organisation for Standardisation, this is known as ISO:27001.

Whilst the Fund does not hold ISO:27001 certification, the council ensures that all policies and procedures meet the expected ISO specification.

## 5.8 Key Performance Indicators

The following tables measure the performance of the Fund in providing an effective administrative service for both members and employers. These tables demonstrate how the Fund is performing in key areas of administration including, data management, best practice and data quality improvements.

### Casework activity processing time indicators

Casework Type	Total number of cases open as at 31 March 2024 (starting position)	Total number of new cases created in the year (1 April to 31 March)	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
Deaths of members	106	923	894	86.88%	1,925	93.67%
New dependent benefits	0	211	208	98.58%	383	99.22%
Member retirements	315	5,444	5,391	93.61%	3,533	93.59%
Deferred benefits	0	1,410	1,410	100.00%	10,806	90.94%
Transfers in	360	1,414	1,183	66.69%	1,484	84.95%
Transfers out	41	1,672	1,648	96.21%	1,864	86.74%
Refunds	5	1,908	1,906	99.63%	1,119	87.63%
Divorce quotations	6	263	256	95.17%	144	99.31%
Actual divorce cases	0	11	6	54.55%	3	75.00%
Member estimates	50	3,477	3,474	98.50%	2,747	97.48%
New joiner notifications	0	12,078	12,078	100.00%	10,131	100.00%
Aggregation cases	0	5,596	5,596	100.00%	838	94.16%
Opt outs received after 3 months membership	0	37	37	100.00%	21	84.00%

## Casework activity numbers

Casework Type	Fund target	% completed within Fund target in current year	% completed within Fund target in previous year
Communication issued acknowledging the death of a member	5 days	78.91%	81.84%
Communication issued confirming the amount of dependants pension	5 days	78.91%	81.84%
Communication issued to deferred members with pension and lump sum options (quote)	10 days	99.95%	96.54%
Communication issued to active members with pension and lump sum options (quote)	10 days	99.95%	96.54%
Communication issued to deferred members confirming pension and lump sum options (actual)	5 days	87.28%	85.93%
Communication issued to active members confirming pension and lump sum options (actual)	5 days	87.28%	85.93%
Payment of retirement lump sum	5 days	87.28%	85.93%
Communication issued with deferred benefit options	10 days	61.62%	87.56%
Communication issued after completion of transfer in	10 days	59.47%	74.68%
Communication issued after completion of transfer out	10 days	90.95%	78.48%
Payment of refund	5 days	99.08%	98.84%
Divorce quotation	10 days	93.68%	96.32%
Communication issued following actual divorce proceedings	10 days	0.00%	33.33%
Communication issued to new starters	40 days	100.00%	100.00%
Member estimates	10 days	98.79%	99.10%

## 5.10 Communications and Engagement

The Fund's Communication Policy sets out the strategy for communicating with members, members' representatives, prospective members and employers, and for the promotion of the Scheme to prospective members and their employers.

All new members receive a starter pack on their online pension record which contains basic scheme information and signposts to other resources. An email or letter (where the email address is not held) is issued to notify the member that the starter pack is available. We use various methods of communication to ensure we provide an inclusive service, such as email, website and paper. All documents are available in large print, braille, audio or another language, upon request.

Active and deferred Scheme members can view their Annual Benefit Statements online. The majority, representing 99.91% of all statements, are delivered in this way with only 1,413 being posted to members in 2024/25.

This facility has also been used to allow electronic communication with members for the retirement and estimates processes. As of 31 March 2025, there were 54,098 registered users.

Engagement with online portals	Percentage at 31 March 2025
% of active members registered	60.81%
% of deferred members registered	50.16%
% of pensioner and survivor members registered	52.50%
% total of all scheme members registered for self-service	54.09%
Number of registered users by age	Age Number
	0 - 10 1
	11 - 20 134
	21 - 30 2,214
	31 - 40 10,085
	41 - 50 9,262
	51 - 60 17,269
	61 - 70 15,974
	71 - 80 3,992
	81 - 90 374
	91 - 100 35
	101 - 110 1
% of all registered users that have logged onto the service in the last 12 months	33.99%
<b>Communication</b>	
Total number of telephone calls received in year	9,960
Number of scheme member events held in year (total of in-person and online)	0
Number of employer engagement events held in year (in-person and online)	0
Number of active members who received a one-to-one (in-person and online)	15
Number of times a communication (i.e. newsletter) issued to:	
a) Active members	1
b) Deferred members	1
c) Pensioners	1

## 5.11 Resources and Value for Money

Resources	
Total number of all administration staff (FTE)	37.19
Average service length of all administration staff	12.35 years
Staff vacancy rate as %	2%
Ratio of all administration staff to total number of scheme members (all staff including management)	2,719:1
Ratio of administration staff (excluding management) to total number of scheme members	3,226:1

The Fund has a net operating cost of £23.69 per member whilst the average operating cost for all authorities was £30.32 as calculated by the annual CIPFA benchmarking exercise.

## 5.12 Data Quality

Annual Benefit Statements	
Percentage of annual benefit statements issued as at 31 August 2024	97.92%
Short commentary if less than 100%	Statements are withheld if data queries are present. Statements are issued as the queries are resolved.
Data category	
Common data score This data is defined as necessary and applicable to all members of all schemes. This data is required to identify Scheme members and includes surname, date of birth, National Insurance number and address.	94.02%
Scheme specific data score This data is defined as additional detailed data required for the administration of a pension scheme. For example, employer, salary history, contributions, transfer in details, etc. A data improvement plan has been developed to ensure the continued improvement of the data quality.	98.88%
Percentage of active, deferred and pensioner members recorded as 'gone away' with no home address held, or address is known to be out of date.	1.55%
Percentage of active, deferred and pensioner members with an email address held on file.	66.55%
Employer performance	
Percentage of employers set up to make monthly data submissions.	94.02%
Percentage of employers who submitted monthly data on time during the reporting year.	87.70%

The performance and activity reflect the efforts the pension administration team goes to in providing a first class service to the Fund membership. Administration activity statistics are compiled for national benchmarking purposes and are based on tasks undertaken by the pension administration team; therefore, they will not reflect numbers reported elsewhere.

## 5.13 Fund Members and Employers

### Fund Members

Membership Type	31 March 2021	31 March 2022	31 March 2023	31 March 2024	31 March 2025
Current contributors	33,640	32,155	30,948	30,881	30,693
Deferred pensions	38,836	38,672	40,160	40,014	39,037
Pensioners receiving benefits	25,419	27,206	28,702	30,893	32,984
Undecided leavers	3,813	6,479	2,667	1,565	1,121

### Fund Employers

On 31 March 2025 there were 113 contributing employer organisations within NYPF including the Council. Full details of all employers can be found in the Statement of Accounts (see Part 3).

The following table summarises the number of employers in the fund analysed by scheduled bodies and admitted bodies which are active (with active members) and ceased (no active members but with some outstanding liabilities).

	Active	Ceased	Total
Scheduled	82	5	77
Admitted Body	45	9	36
<b>Total</b>	<b>127</b>	<b>14</b>	<b>113</b>

77 Scheduled Bodies including 45 Academy Trusts	
Ainsty 2008 Internal Drainage Board	North Yorkshire Council
Askham Bryan College	Northallerton Town Council
Chief Constable (North Yorkshire Police)	Norton on Derwent Town Council
City of York Council	Pickering Town Council
Craven College	Richmond Town Council
Easingwold Town Council	Ripon City Council
Filey Town Council	Scarborough Sixth Form College
Foss 2008 Internal Drainage Board	Selby Town Council
Fulford Parish Council	Skipton Town Council
Glusburn Parish Council	Sutton in Craven Parish Council
Great Ayton Parish Council	Tadcaster Town Council
Haxby Town Council	Vale of Pickering Internal Drainage Board
Hunmanby Parish Council	Whitby Town Council
Knaresborough Town Council	York and North Yorkshire Combined Authority
Malton Town Council	York College
North York Moors National Park Authority	Yorkshire Dales National Park Authority

Academy Trusts	
Areté Learning Trust - Broomfield Primary School	Moorlands Learning Trust – Nidderdale High School
Areté Learning Trust - Mill Hill Primary School	Moorlands Learning Trust –Skipton Academy
Areté Learning Trust - Northallerton School & Sixth Form College	Nicholas Postgate Catholic Academy Trust
Areté Learning Trust - Richmond School & Sixth Form College	Northern Star Academies Trust
Areté Learning Trust - Ryedale School	Outwood Academy Easingwold
Areté Learning Trust - Stokesley Academy	Outwood Academy Ripon
Ascent Academies Trust - Mowbray School	Outwood Primary Academy Alne
Bishop Konstant Catholic Academy Trust	Outwood Primary Academy Greystone
Bishop Wheeler Catholic Academy Trust	Pathfinder Multi Academy Trust
Coast and Vale Learning Trust	Red Kite Learning Trust
Dales Academies Trust	Resilience Multi Academy Trust – Brayton Academy
David Ross Education Trust - Thomas Hinderwell Primary Academy	Selby Educational Trust
Ebor Academy Trust	South Craven Academy Trust - South Craven School
Elevate Multi Academy Trust	South York Multi Academy Trust
Enquire Learning Trust - East Whitby Primary Academy	STAR Multi Academy Trust
Enquire Learning Trust - Roseberry Primary Academy	St Cuthbert’s Roman Catholic Academy Trust
Enquire Learning Trust - Stakesby Primary Academy	The Education Alliance – Naburn CoE Primary School
Enquire Learning Trust - Stokesley Primary Academy	Venn Academy Trust
Excel Learning Trust	Wellspring Academy Trust
Heartwood Learning Trust	Yorkshire Causeway Schools Trust
Horizons Specialist Academy Trust – The Woodlands Academy	Yorkshire Collaborative Academy Trust
Leeds Diocesan Learning Trust	Yorkshire Endeavour Academy Trust
Lingfield Education Trust	

36 Admitted Bodies	
ABM Catering Ltd	Human Support Group Ltd
Align Property Services Ltd	Hutchinson Catering Ltd
Aramark Ltd	Independent Cleaning Services Ltd
Aspens Services Ltd	ISS Mediclean Ltd
Atlas Facilities Management Ltd	Lark T/A Betterclean Services
Barnsley Norse Ltd	Make It York
Beyond Housing Ltd	Mellors Catering Services Ltd
Bulloughs Cleaning Services Ltd	NY Highways Ltd
Cater Link Ltd	RCCN Ltd
City of York Trading Ltd	Springfield Home Care Services Ltd
Crystal Facilities Management Limited	Synergy FM Ltd
Dolce Ltd	Taylor Shaw Ltd
Easy Clean Contractors Limited	The Carroll Cleaning Company Limited
Everyone Active (SLM Scarborough)	Veritau Public Sector Limited
Explore York Libraries and Archives	Yorkare (Haxby) Ltd
Gough and Kelly Security Ltd	York Mind
Greenwich Leisure Ltd	York Museums and Galleries Trust
Grosvenor Facilities Management	York St John University

### 5.14 Dispute Resolution

The Fund deals with disputes under the statutory Internal Dispute Resolution Procedure (IDRP). This is a two stage process and further information is available on the Fund’s website at [Forms/Guides > Guides](#).

However, as part of the pension teams’ customer care policy, all questions raised are dealt with via an internal process with the aim of resolving issues to the satisfaction of the Scheme member as quickly as possible. In 2024/25 eight cases were received via the IDRP process (eight in 2023/24), half of these (four), related to the award of ill health benefits. These were referred back to the employers for reconsideration.

The IDRP cases represent less than 0.01% of total work processed in the year. None of the cases in 2024/25 were referred to the Pensions Ombudsman. A further three formal complaints were received and resolved outside of the IDRP process.

For the year ending 31 March 2025, 97% of customers surveyed ranked the service provided by the NYPF as good or excellent.

# Part 6 - External Audit Opinion

## Independent auditor’s statement to the Members of North Yorkshire Council on the pension fund financial statements included within the North Yorkshire Pension Fund annual report

### Report on the financial statements

We have examined the Pension Fund financial statements for the year ended 31 March 2025 included within the North Yorkshire Pension Fund annual report, which comprise the Fund Account, the Net Assets Statement and the notes to the financial statements, including material accounting policy information.

### Opinion

In our opinion, the Pension Fund financial statements are consistent with the audited financial statements of North Yorkshire Council for the year ended 31 March 2025 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

### Respective responsibilities of the Corporate Director - Resources and the auditor

As explained more fully in the Statement of the Corporate Director - Resources Responsibilities, the Corporate Director - Resources is responsible for the preparation of the Pension Fund’s financial statements in accordance with applicable United Kingdom law.

Our responsibility is to report to the Members of North Yorkshire Council as a body, whether the Pension Fund financial statements within the Pension Fund annual report are consistent with the financial statements of North Yorkshire Council.

We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office. Our report on the Pension Fund financial statements contained within the audited financial statements of North Yorkshire Council describes the basis of our opinions on the financial statements.

### Use of this auditor’s statement

This report is made solely to the Members of North Yorkshire Council, as a body and as administering authority for the North Yorkshire Pension Fund, in accordance with Part 5 paragraph 20(5) of the Local Audit and Accountability Act 2014. Our work has been undertaken so that we might state to the Members of North Yorkshire Council those matters we are required to state to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than North Yorkshire Council and North Yorkshire Council’s Members as a body, for our audit work, for this statement, or for the opinions we have formed.

### James Collins, Key Audit Partner

For and on behalf of Forvis Mazars LLP (Local Auditor)

### Forvis Mazars

The Corner, Bank Chambers, 26 Mosley Street, Newcastle Upon Tyne, NE1 1DF  
24th February 2026

# Part 7 - Additional Information

## 7.1 Glossary

### Active member:

Current employee who is contributing to a pension scheme.

### Actuary:

An independent professional who advises the Council on the financial position of the Fund.

Every three years the Actuary values the assets and liabilities of the Fund and determines the funding level and the employers' contribution rates.

### Additional Voluntary Contributions (AVC):

Active members have the option to boost their pension by regularly paying into separate investment funds run by the Fund's AVC provider.

### Administering Authority:

North Yorkshire Council as Administering Authority is responsible for the administration of the Scheme.

### Admitted Body:

An organisation who has entered into a service agreement with a Scheme employer. The parties and the Council (as the Administering Authority) enter into an admission agreement to allow the staff who transferred to the new organisation to participate in the LGPS.

### Alternatives:

An alternative investment is an asset that is not one of the conventional investment types, such as stocks, bonds and cash. Alternative investments include private equity, hedge funds, managed futures, real estate, commodities and derivatives contracts.

### Asset Allocation:

The apportionment of a fund's assets between different types of investments (or asset classes). The long-term strategic asset allocation of a fund will reflect the fund's investment objectives.

### Benchmark:

A measure against which the investment policy or performance of an investment manager can be compared.

### CARE (Career Average Revalued Earnings):

From 1 April 2014, the LGPS changed from a final salary scheme to a CARE scheme. It is still a defined benefit scheme but benefits built up from April 2014 are worked out using a member's pay each scheme year rather than the final salary. The pension earned is added to the member's pension account and is adjusted each year in line with the consumer price index so that it keeps its value.

### Deferred Members:

Members who are no longer contributing to the Scheme, either because they've left their job or stopped being active members while still employed, but who still have a right to receive a pension from the Scheme.

### Defined Benefit Scheme:

A type of pension scheme where the pension that will ultimately be paid to the member is calculated with reference to a formula and is not impacted by investment returns. It is the responsibility of the sponsoring organisation to ensure that sufficient assets are set aside to meet the pension promised.

### Diversified Growth Funds (DGF):

An alternative way of investing in shares, bonds, property and other asset classes.

### Employer Contribution Rates:

The percentage of members salaries that employers contribute to the Scheme. The rates are calculated every three years by the Fund's Actuary.

### Equities:

Ordinary shares in UK and overseas companies traded on a stock exchange. Shareholders have an interest in the profits of the company and are entitled to vote at shareholders' meetings.

### Fixed Interest Securities:

Investments, mainly in government stocks, which guarantee a fixed rate of interest. The securities represent loans which are repayable at a future date but which can be traded on a recognised stock exchange in the meantime.

### Index:

A calculation of the average price of shares, bonds, or other assets in a specified market to provide an indication of the average performance and general trends in the market.

### MoneyHelper

Since the Money and Pensions Service (MaPS) was formed in 2019, it has operated three legacy consumer facing brands: the Money Advice Service, The Pensions Advisory Service and Pension Wise.

MaPS was created as a single body to bring together financial guidance services and content, making it easier for customers to find what they are looking for in one joined-up service.

Consolidating three brands into one called MoneyHelper means a better and enhanced consumer experience can be provided – a single source of information and guidance where information can easily be found in one place.

### Pooled Funds:

Funds which manage the investments of more than one investor on a collective basis. Each investor is allocated units which are revalued at regular intervals. Income from these investments is normally returned to the pooled fund and increases the value of the units.

### Return:

The total gain from holding an investment over a given period, including income and any increase or decrease in market value.

### Scheduled Body:

An organisation that has the right to become a member of the LGPS under the scheme regulations. Such an organisation does not need to be admitted as its right to membership is automatic.

### Scheme Employer:

A Scheme employer is any organisation that participates in the LGPS and offers its employees access to the scheme.

### Unrealised Gains/Losses:

The increase or decrease in the market value of investments held by the fund since the date of their purchase.

## 8.2 Contact Information

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### MoneyHelper

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## Contact us

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