lgps | Local Government Pension Scheme

Norfolk Pension Fund

Welcome to the

Norfolk Pension Fund Employer Forum

Glenn Cossey
Director of the Norfolk Pension Fund

25 November 2025

Housekeeping

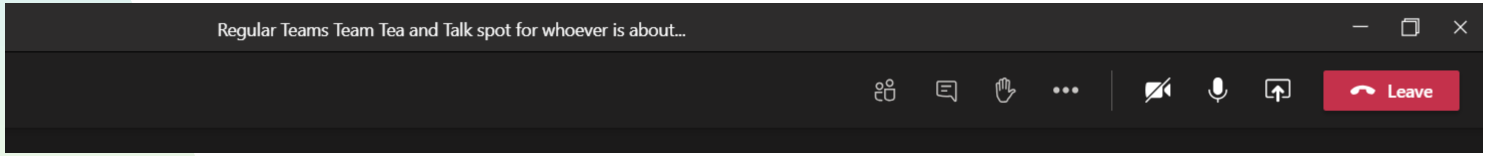
Norfolk Pension Fund

- The Forum is being recorded – a link to the recording will be emailed next week
- You should have already received today's presentation slides, but we will send them again with the recording link
- If you are joining virtually, please turn off your microphone and camera
- For colleagues in the room, in the event of a fire alarm, please leave through the Fire Exit (the door you entered through), and turn left out of the building. Please assemble on the grass area at the front the building, outside Main Reception
- There will be a 20 minute coffee break at about 11.10am
- Finish at about 12.30pm with a buffet lunch for guests here at The Horizon Centre

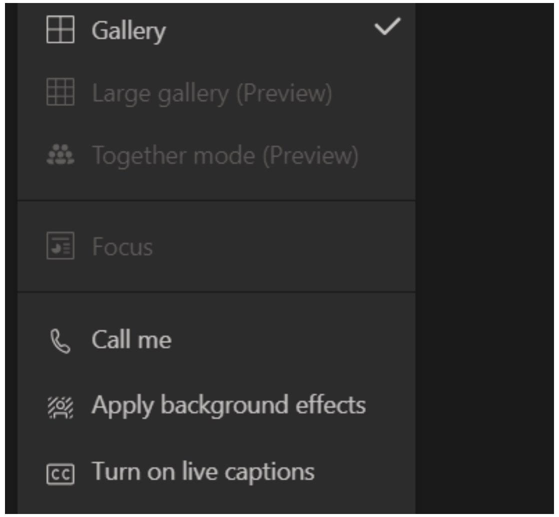
Accessibility

Norfolk Pension Fund

- To use Live Captions:
- Select the 3 dots on your control bar



- Then select
  'Turn on live captions'



Questions

Norfolk Pension Fund

- Virtual - please submit your questions using the ‘Meeting chat’ facility
- We’ll do our best to answer your question during the Forum
- However, if we’re unable to address your question today, we’ll provide an answer in the email to be circulated with the webinar recording link

Agenda

Norfolk Pension Fund

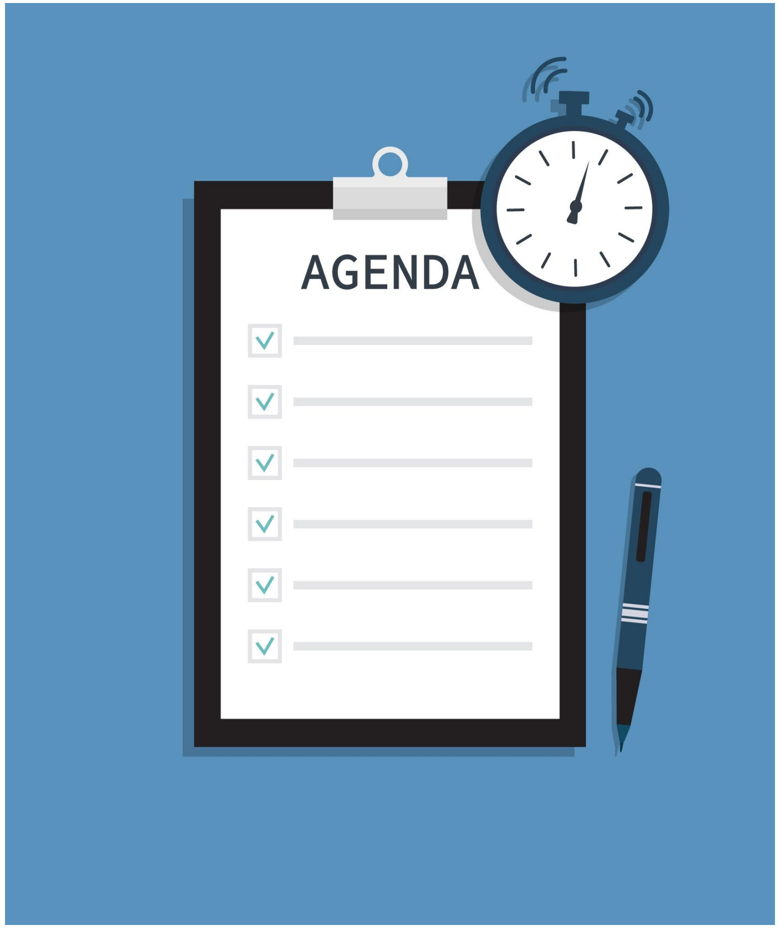
- **2025 Valuation results**

Coffee break

- **LGPS Consultation: Scheme Improvements (Access and Protections)**
- **LGPS Investment Pooling Reform**
- **Pension Services Roadmap 2025-2026**
- **Ask the Panel Q&As**

The team is available for 1:1s after the session

To arrange a call or virtual meeting please email ***pensions@norfolk.gov.uk***



Pensions Oversight Board (POB) vacancy

Norfolk Pension Fund

Chair

Brian Wigg

Employer Representatives

Julie Brown - levying/precepting employers

Sally Albrow - Norfolk County Council

Vacancy - Non levying/precepting employers

Scheme Member Representatives

Frances Crum - active/deferred members

Peter Baker - retired members

Robin Konieczny - trade union

Norfolk Pension Fund

Employer Forum
2025 Valuation results

25 November 2025

Julie Baillie FFA C.Act

Today’s topics

- Valuation progress update
- Whole Fund overview
- Employer results and rates
  - Impact on accounting disclosures
- Funding strategy statement
  - Risk-management updates

Please ask questions throughout, or at the end

Whole Fund overview

Recap – Employer Forum in July 2025

Assumptions and "risk based" actuarial approach

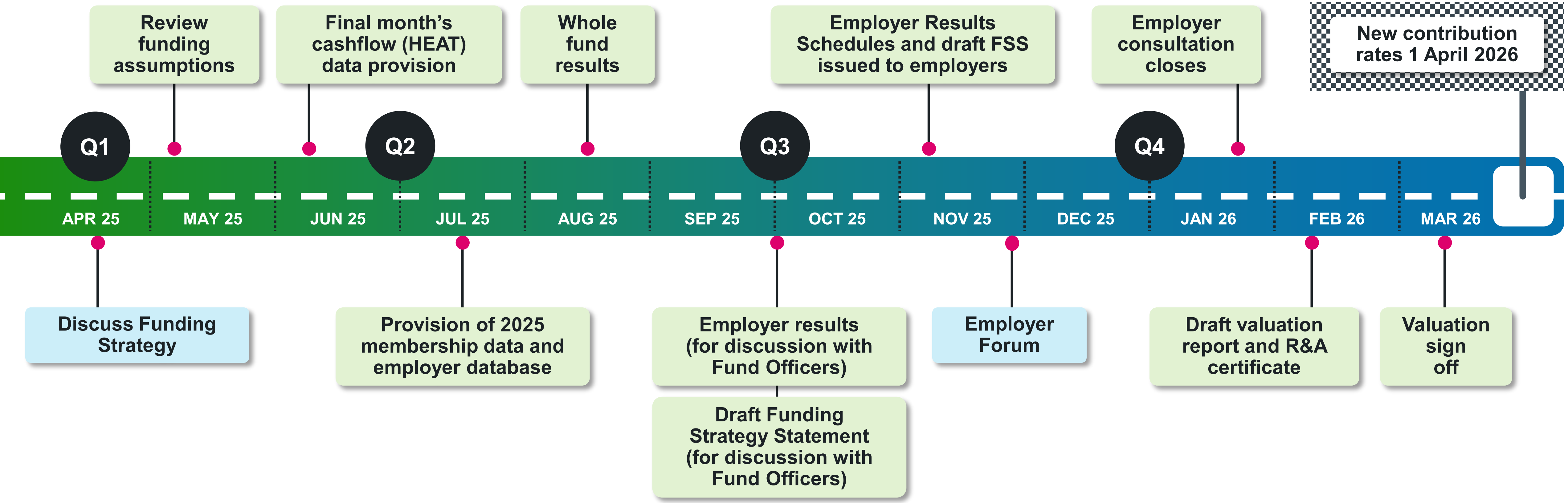
- **Financial –** discount rate, pension increase, salary increase
- **Demographic –** baseline longevity, future longevity improvements

Funding strategy and FSS consultation

- **Contribution stability mechanism –** limits changes for larger, stable employers
- **Academy funding approach –** rates set at MAT level, but maintain funding positions

Funding strategy statement explains how contributions are set

2025/26 timeline

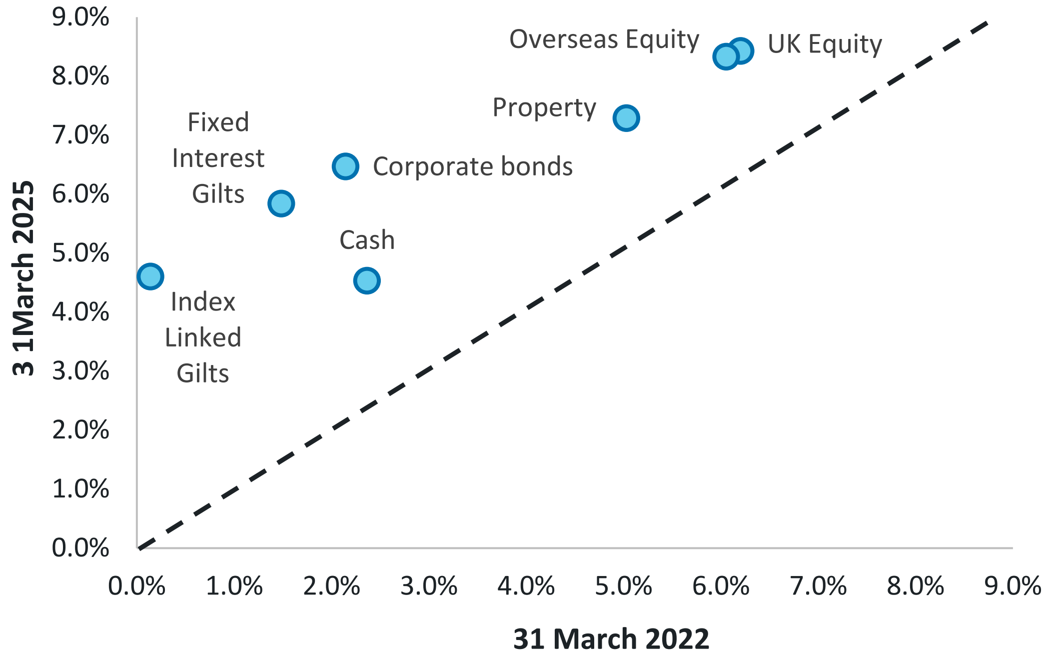


What has happened since 2022 valuation?

General insights

- Whole Fund funding position has improved since 2022 (on consistent basis)
- Assets returns have been broadly in line with expectations
- High inflation leading to benefit increases
- Higher expected future return on the Fund's assets, but not certain

Expected future investment returns

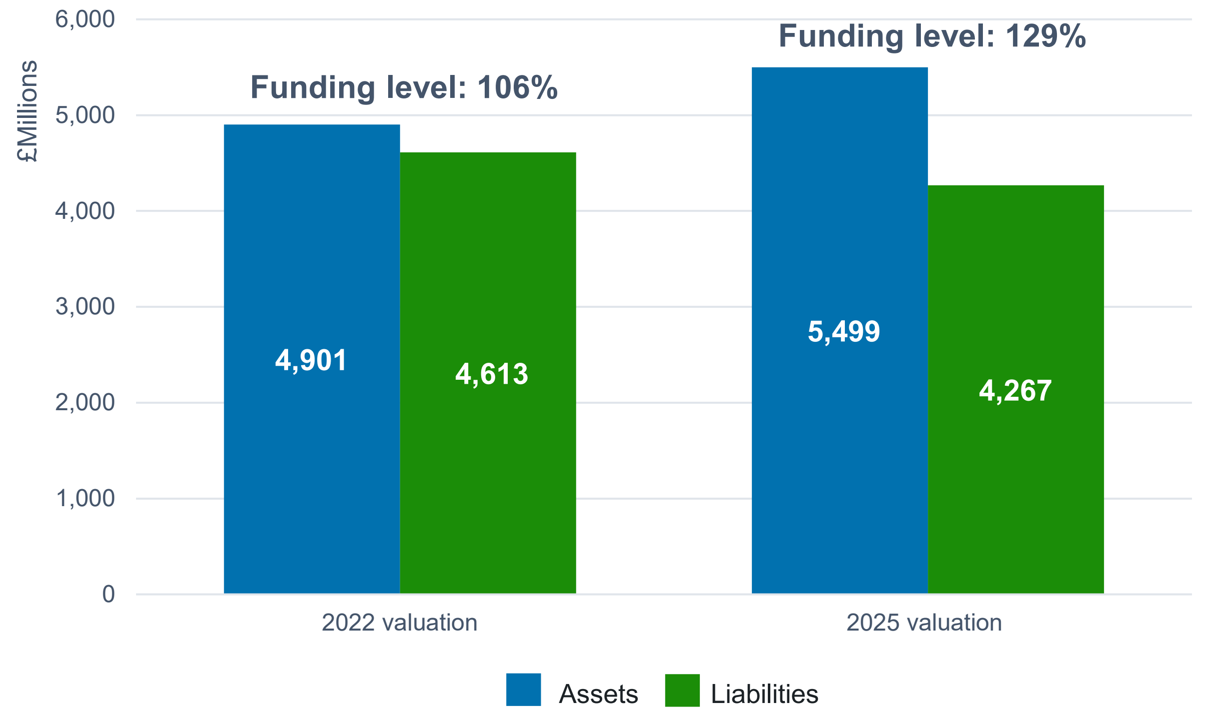


Source: Hymans Robertson's ESS model, median 20-year annualised returns

Significant change in economic environment since 2022

2025 valuation results (whole fund)

Change in funding position between 31 March 2022 and 31 March 2025



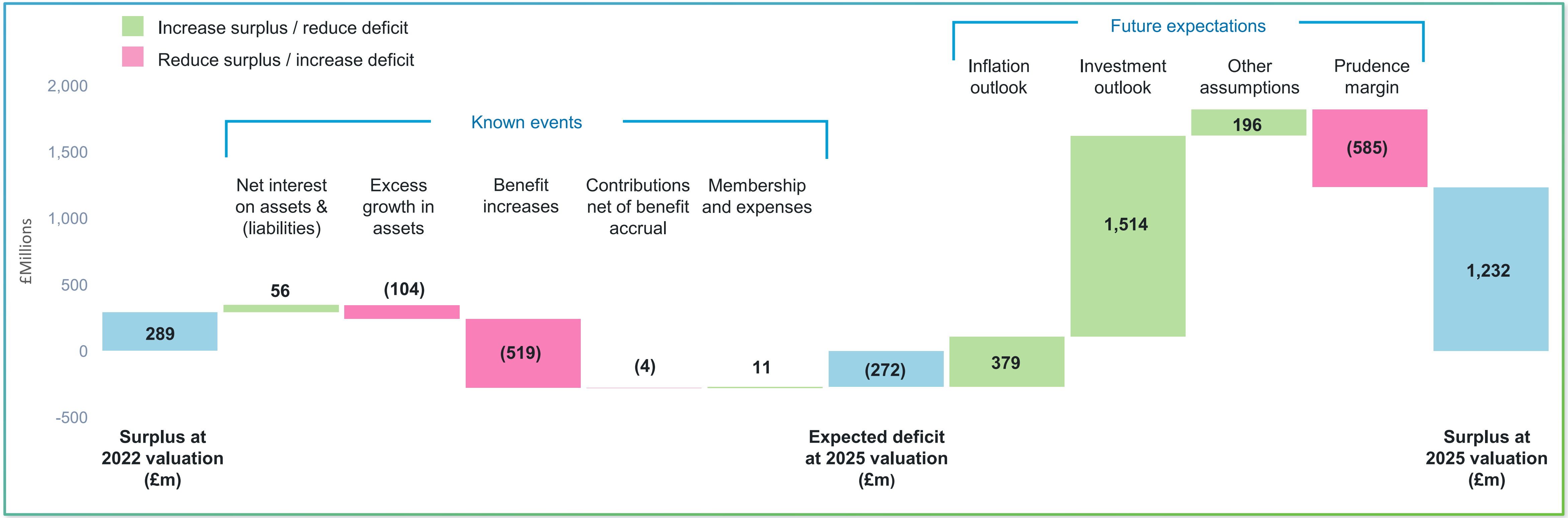
Valuation Date	31 March 2025	31 March 2022
Assets (£m)	5,499	4,901
Total Liabilities (£m)	4,267	4,613
Surplus / (Deficit) (£m)	1,232	289
Funding Level	129%	106%
Funding metrics	**31 March 2025**	**31 March 2022**
Required return (to be 100% funded)	4.1% p.a.	4.0% p.a.
Likelihood of achieving this return	> 95%	79%

Higher funding level driven by higher assumed future returns reducing the liabilities

Numbers may not sum due to rounding.

2025 valuation analysis (whole fund)

What is driving the change in the whole fund funding position?



Higher assumed future investment returns driving funding position improvements

Numbers may not sum due to rounding.

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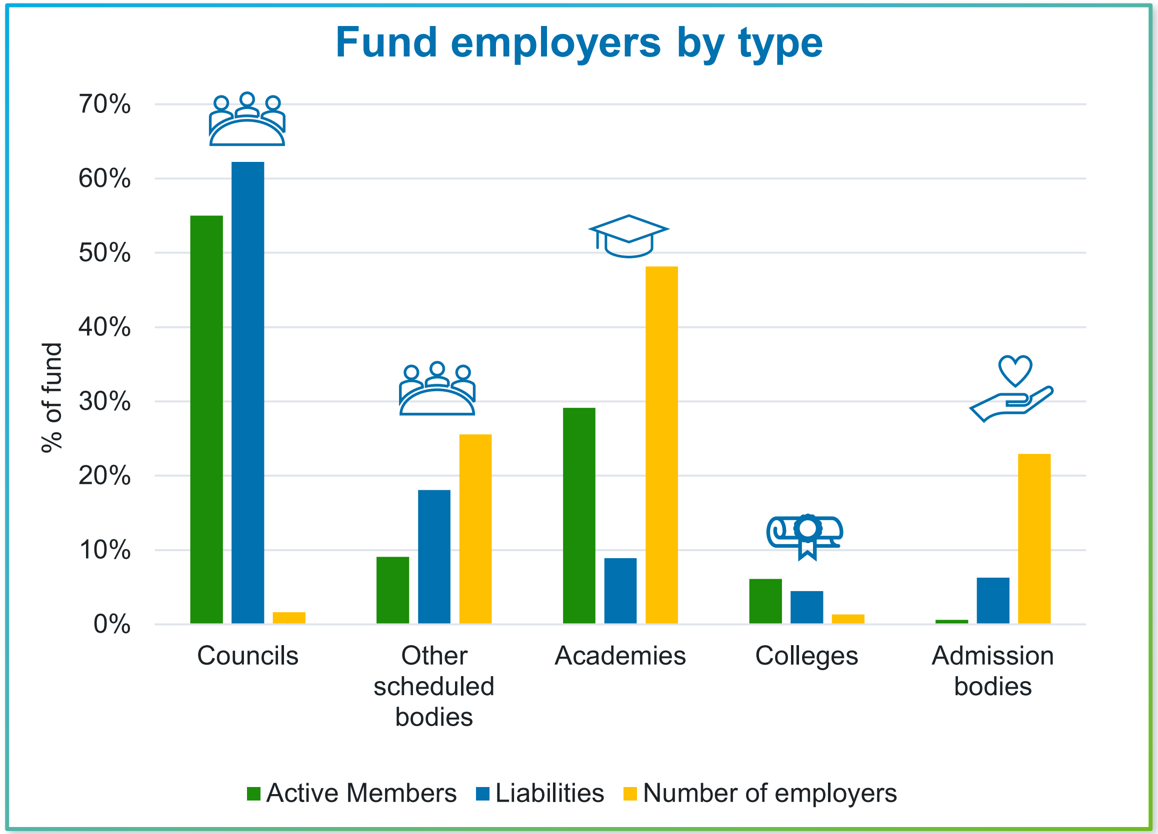
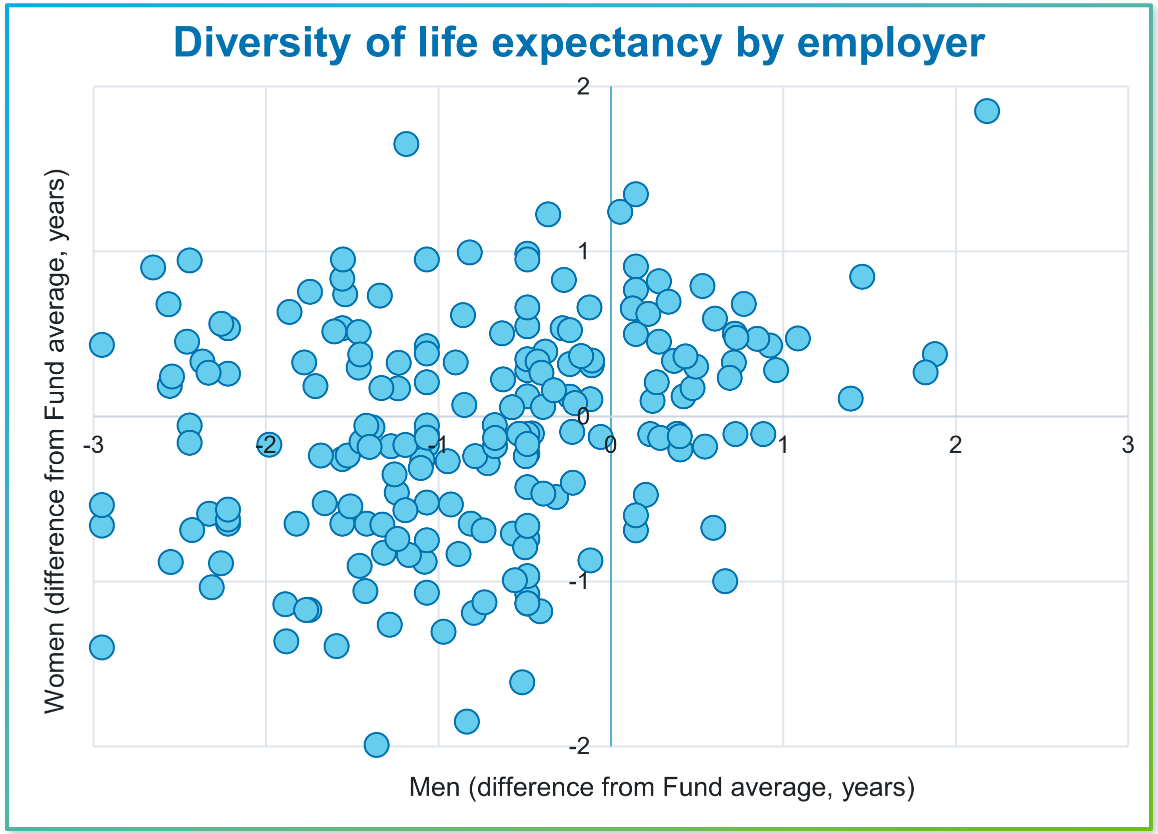
Employer results & rates

Employer type and diversity of member profile





Significant diversity in Fund's employer base which needs to be captured

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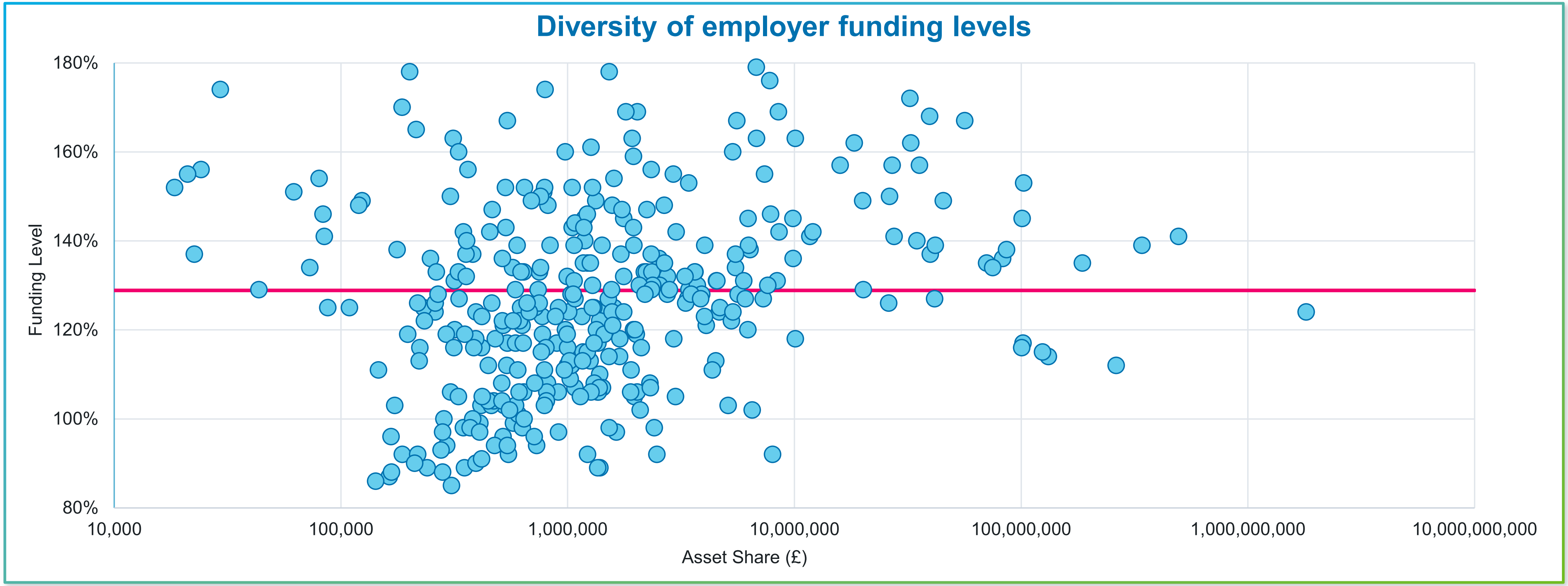
Employer diversity in size and funding position



Similar range at 2022 valuation, reflects why different employers pay different rates

2025 valuation funding strategy

Employer type	Funding target	Time horizon	Likelihood of success	Stabilised contributions
Councils	100% Ongoing	Long (20 years)	80%	Yes
Academies & Colleges	100% Ongoing	Long (20 years)	80%	Yes
Colleges	100% Ongoing	Long (20 years)	80%	Yes
Town & Parish Councils / IDBs	100% Ongoing	Long (20 years)	80%	Yes
Universities	100% Ongoing	Long (15 years)	85%	No
Transferee Admission Bodies & Tier 1 other resolution bodies	100% Ongoing	Remaining contract term (max 20 years)	Same as letting authority	No
Community Admission Bodies (closed) & Tier 3 other resolution bodies	100% Low-risk exit	Short/Medium (FWL*, maximum 15 years)	85%	No

Strategy reflects each employer groups circumstances and set out in Section 2 of updated FSS

* FWL = Future Working Lifetime, actuarial measure of average period of active member participation in the Fund

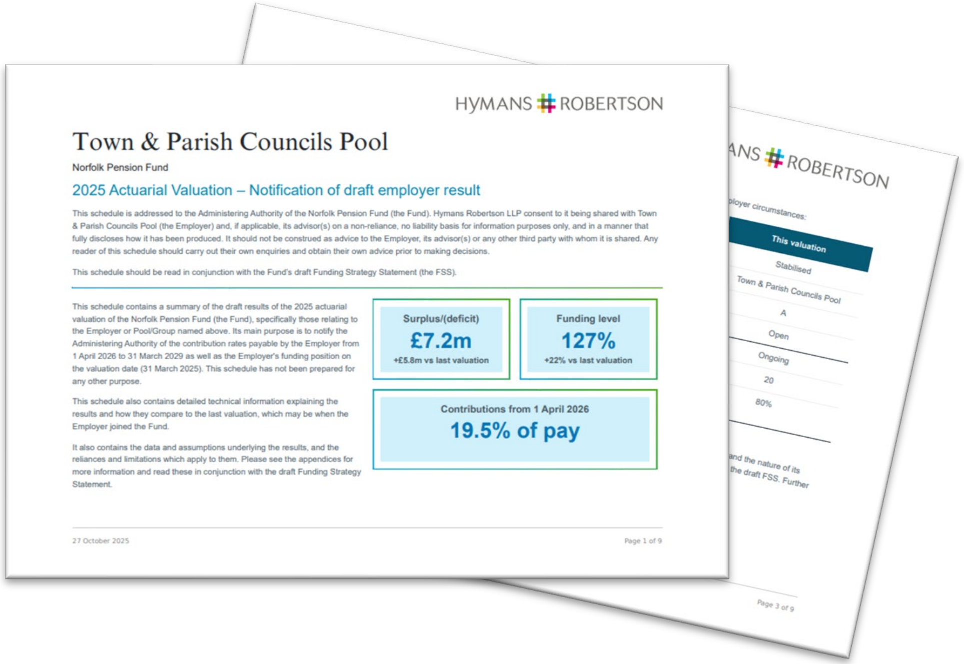
Employer contribution levels

A funding strategy has to balance:

- Solvency
- Affordability
- Stability
- Long-term cost efficiency

The balance will vary between employer group/types depending on your own circumstances

Contribution levels are carefully considered so that employers are treated fairly



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Town & Parish Councils Pool

Norfolk Pension Fund

2025 Actuarial Valuation – Notification of draft employer result

This schedule is addressed to the Administering Authority of the Norfolk Pension Fund (the Fund). Hymans Robertson LLP consent to it being shared with Town & Parish Councils Pool (the Employer) and, if applicable, its advisor(s) on a non-reliance, no liability basis for information purposes only, and in a manner that fully discloses how it has been produced. It should not be construed as advice to the Employer, its advisor(s) or any other third party with whom it is shared. Any reader of this schedule should carry out their own enquiries and obtain their own advice prior to making decisions.

This schedule should be read in conjunction with the Fund's draft Funding Strategy Statement (the FSS).

This schedule contains a summary of the draft results of the 2025 actuarial valuation of the Norfolk Pension Fund (the Fund), specifically those relating to the Employer or Pool/Group named above. Its main purpose is to notify the Administering Authority of the contribution rates payable by the Employer from 1 April 2026 to 31 March 2029 as well as the Employer's funding position on the valuation date (31 March 2025). This schedule has not been prepared for any other purpose.

This schedule also contains detailed technical information explaining the results and how they compare to the last valuation, which may be when the Employer joined the Fund.

It also contains the data and assumptions underlying the results, and the reliances and limitations which apply to them. Please see the appendices for more information and read these in conjunction with the draft Funding Strategy Statement.

Surplus/(deficit)
£7.2m
+£5.8m vs last valuation

Funding level
127%
+22% vs last valuation

Contributions from 1 April 2026
19.5% of pay

27 October 2025 | Page 1 of 9

Contributions for most employers reduced compared to 2025/26

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Example employer valuation results schedule*

*results shown are for illustrative purposes only

Funding position

The table below shows the Employer's funding position as at 31 March 2025 on the Fund's Ongoing basis (as defined in the Fund's draft FSS), alongside the funding position at the last valuation for comparison.

Monetary amounts in £000		Last valuation basis	This valuation Ongoing basis
	Asset share	1,216	1,547
Past-service liabilities	Employees	954	751
	Deferred pensioners	157	193
	Pensioners	-	172
	Total liabilities	1,110	1,116
	Surplus/(Deficit)	105	431
	Funding level	109%	139%

The funding position only covers assets and liabilities accrued up to the calculation date (past service), it does not consider the cost of benefits that will be earned in the future (future service).

Change in funding position

The following table helps to explain the changes in the Employer's assets and liabilities over the period since the last valuation. Due to rounding the columns may not add up exactly.

	£000	Assets	Liabilities	Surplus / (deficit)
	Last valuation	1,216	1,110	105
Cashflows	Employer contributions paid in	231		231
	Employee contributions paid in	56		56
	Benefits paid out	(91)	(91)	
	Other cashflows (e.g. expenses, transfers)			
Changes since last valuation	Expected growth	195	171	24
	Accrual of new benefits		319	(319)
	Membership experience		155	(155)
	Excess return on assets	(97)		(97)
Changes in actuarial assumptions	Financial assumptions		(422)	422
	Longevity assumptions		(72)	72
	Other demographic assumptions		(55)	55
	This valuation	1,547	1,116	431

Contribution rates

The contribution rates for the three-year period from 1 April 2026 to 31 March 2029 are set out in the following table (alongside the current rate in payment).

Employer contribution rates for year ending	Primary rate	Secondary contributions*		Total contributions*	
	% of pay	% of pay	£	% of pay	£
31 March 2026	28.3%	(5.4%)	-	22.9%	-
31 March 2027	18.1%	(3.0%)	-	15.1%	-
31 March 2028	18.1%	(3.0%)	-	15.1%	-
31 March 2029	18.1%	(3.0%)	-	15.1%	-

*Contributions may include a percent of pay and monetary element, both of which are payable.

The above contribution rates are the minimum rate required by the Fund. In most circumstances the Employer can pay additional contributions to improve its funding position but this should be referred to the Fund in the first instance. The Employer's final contribution rates will be certified in the Fund's Rates and Adjustments Certificate.

The Primary Rate includes an allowance of 0.6% of pay for administration expenses.

Employer contribution rates are in addition to employee contributions. The average employee contribution rate is 5.5% of pay.

Appendix A – Data

A.1 Membership data

The results in this schedule are based on the membership data summarised below which was supplied to us by the Fund for the purpose of the 2025 formal valuation.

		Last valuation	This valuation
Employee members	**Number**	35	24
	Total actual pay (£000)	328	311
	Total accrued benefit (£000)	60	72
	Average age	55.8	57.9
Deferred pensioners	**Number**	6	11
	Total accrued benefit (£000)	9	19
	Average age	59.0	56.9
Pensioners and dependants	**Number**		4
	Total accrued benefit (£000)		11
	Average age		66.2

Average ages are weighted by liability.

Appendix B – Assumptions

B.1 Financial assumptions

The financial assumptions underlying the funding positions disclosed are detailed below (with comparison to those adopted at the last valuation).

Assumption (% p.a.)	Last valuation	This valuation
	Ongoing basis	Ongoing basis
Discount rate	4.30%	5.60%
Pension increases	2.70%	2.30%
Salary increases*	3.40%	3.00%

*This is in respect of inflationary increases. There is a separate promotional salary scale assumption.

For further details on the methodology used to derive the assumptions, please see the draft FSS.

What is an accounting valuation

Funding valuation		Accounting valuation
Triennially	Frequency	Annually
Set cash contributions	Purpose	Financial reporting
Set by the Fund	Assumptions	Responsibility of directors*
Based on Fund's actual investment strategy	Expected investment return assumption	Set with reference to UK corporate bond yields
Individual membership calculations	Methodology	Estimated 'roll forward' approach

**having taken appropriate actuarial advice*

The annual accounting valuation does not influence cash contributions

Accounting disclosure after a triennial valuation

Period ended 31 August 2023	Assets £(000)	Obligations £(000)	Net asset / (liability) £(000)
Fair value of plan assets	12,472		12,472
Present value of funded obligations		13,641	(13,641)
Present value of unfunded obligations		-	-
Opening Position as at 31 August 2022	**12,472**	**13,641**	**(1,169)**
Service cost			
Current service cost*		1,016	(1,016)
Past service cost (including curtailments)		-	-
Effect of settlements	-	-	-
Total Service Cost	**-**	**1,016**	**(1,016)**
Net interest			
Interest income on plan assets	548		548
Interest cost on defined benefit obligation		601	(601)
Total net interest	**548**	**601**	**(53)**
Total defined benefit cost recognised in Profit or (Loss)	**548**	**1,617**	**(1,069)**
Cashflows			
Participants' contributions	236	236	-
Employer contributions	830		830
Benefits paid	(202)	(202)	-
Unfunded benefits paid	-	-	-
Contributions in respect of unfunded benefits paid	-		-
Effect of business combinations and disposals	-	-	-
Expected closing position	**13,884**	**15,292**	**(1,408)**
Remeasurements			
Changes in financial assumptions		(3,778)	3,778
Changes in demographic assumptions		(59)	59
Other experience †	24	1,336	(1,312)
Return on assets excluding amounts included in net interest	(394)		(394)
Total remeasurements recognised in Other Comprehensive Income (OCI)	**(370)**	**(2,501)**	**2,131**
Fair value of plan assets	13,514		13,514
Present value of funded obligations		12,791	(12,791)
Present value of unfunded obligations**		-	-
Closing position as at 31 August 2023	**13,514**	**12,791**	**723**

Example disclosure after 2022 valuation

Your FRS102/IAS19 report will be updated to reflect the 2025 valuation.

Both assets and liabilities will likely have an "experience" adjustment

The roll-forward process used for accounting includes some approximations and estimates

Actuarial experience represents the "correction" when we rebase to the most recent valuation data

More information is provided in your covering report, provided with your accounting report each year

Please share the covering report with your auditor

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Funding strategy

Funding Strategy Statement consultation

New draft **compliant** in structure and content for the core document

Details of funding strategy (eg employer contribution rates) to be finalised after discussion and consultation

Glossary of terms

Summary of funding **risks**

Detailed **consultation plan** to make sure all stakeholders can have meaningful participation

Funding strategy statement to be finalised for new draft to take effect from 1 April 2026

Respond to the Fund at valuation.2025@norfolk.gov.uk

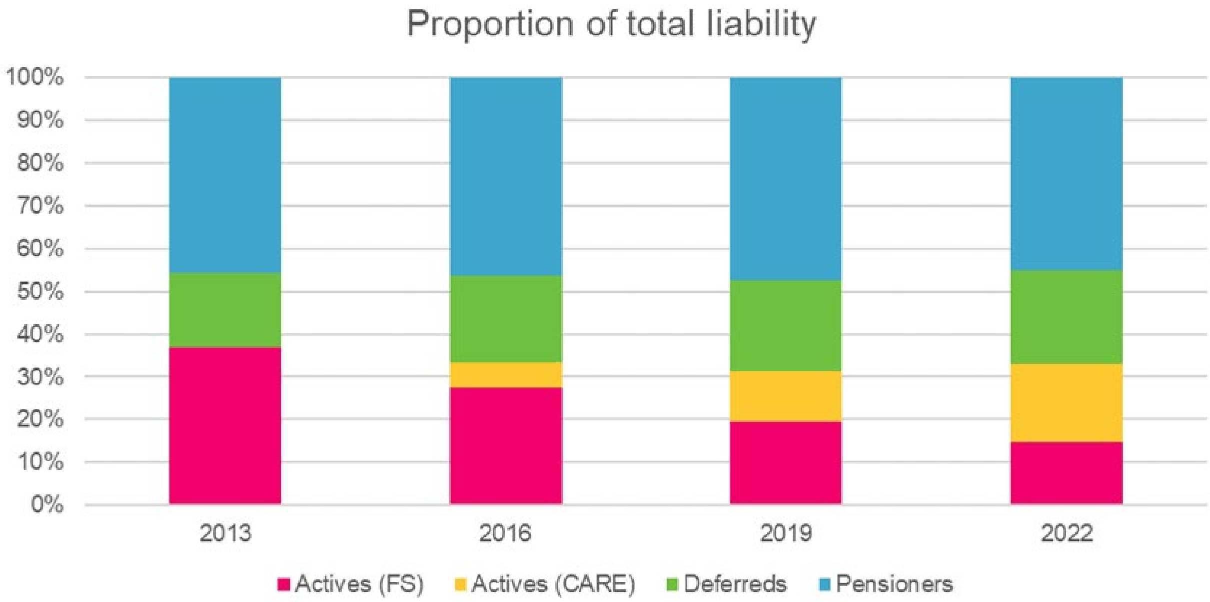
Salary strain mechanism review

Risk mitigation against funding strains emerging from salary awards higher than assumed

Implemented in 2013 (before scheme moved from final salary to CARE)

Reviewed in June 2024 and Committee agreed to <u>suspend</u> the mechanism as administration impact outweighed funding risk

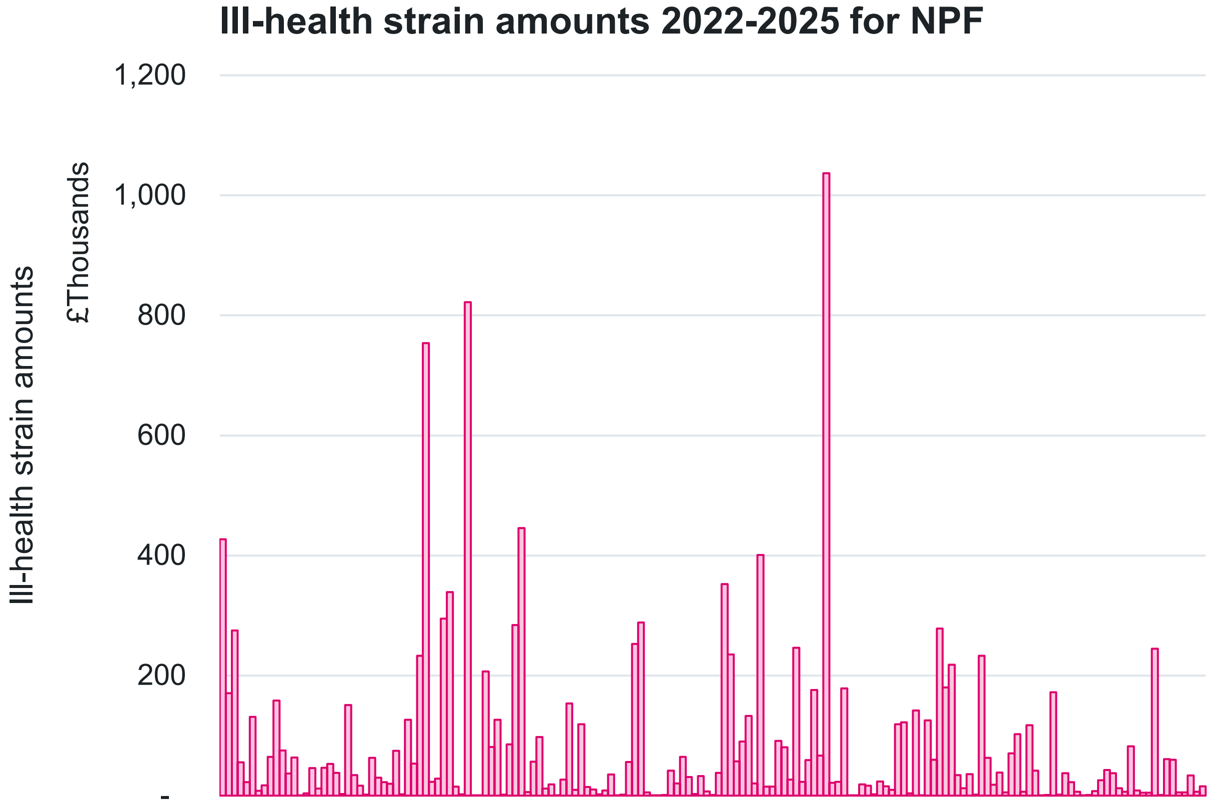
2025 review:
- Magnitude of risk continues to diminish
- Improved funding positions

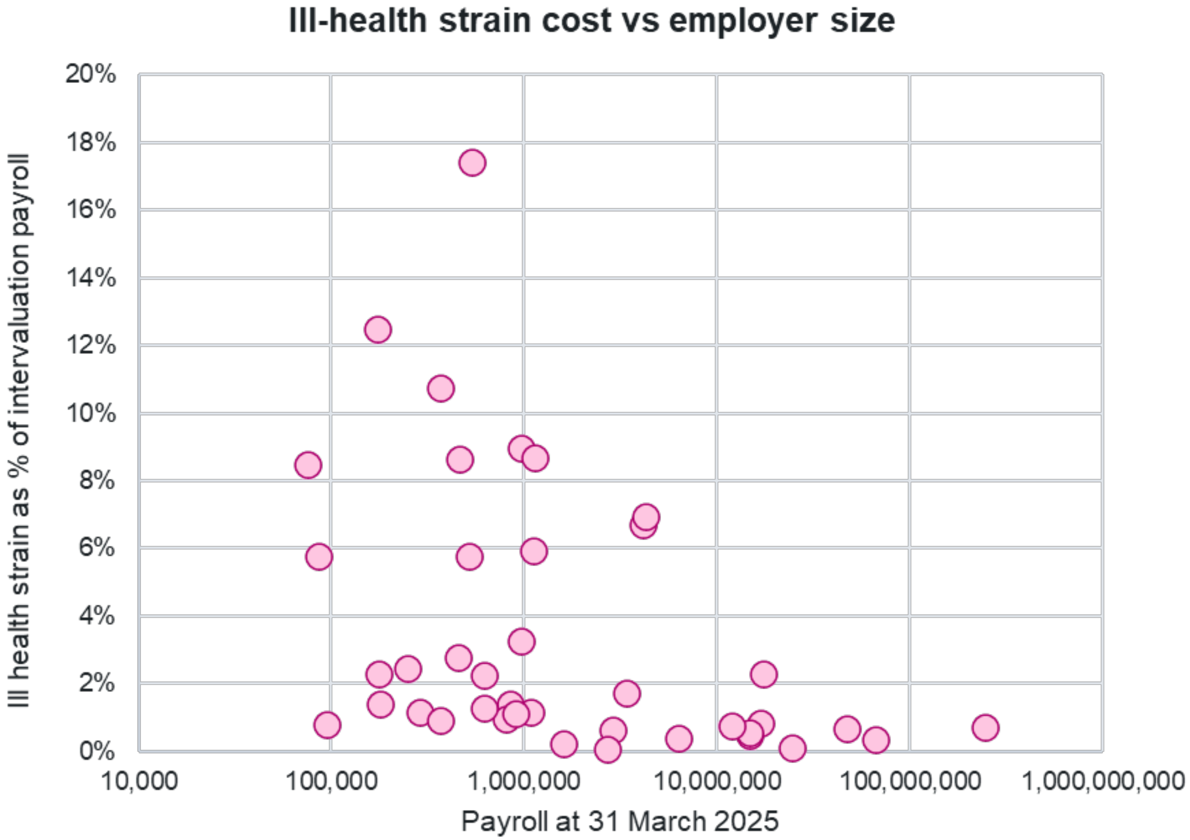


Final-salary liabilities now 10% of total fund

Salary strain mechanism will be proposed to cease

Ill-health retirement – what's the risk?





Risk-sharing mechanism keeps ill health costs to 0-2% of pay and will be proposed to continue

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What you need to do?

Read the results schedule
Check the data is correct, understand your current funding position and the rate that will come into payment from 1 April 2026

Look out for the updated Funding Strategy Statement
Understand how this applies to your participation in the Fund

Talk to the Fund
Ask any questions and let them know about any possible changes in circumstances

Rates are set for 3 years and reviewed again at the 2028 valuation

Thank you

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Norfolk Pension Fund

Break

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Norfolk Pension Fund

Employer Forum – Scheme improvements consultation

25 November 2025

Julie Baillie FFA C.Act

Access & protections in the LGPS

Consultation* open until 22 December 2025

1. Changes to normal minimum pension age
2. Admission of councillors and mayors in England to the LGPS
3. Changes to employer consolidation rules
4. Protection of outsourced staff – “Fair Deal”

The Fund will respond and you can too

* https://www.gov.uk/government/consultations/local-government-pension-scheme-in-england-and-wales-scheme-improvements-access-and-protections/local-government-pension-scheme-in-england-and-wales-scheme-improvements-access-and-protections

Normal Minimum Pension Age (NMPA)

The Government announced in 2021 that the NMPA would be increasing from age 55 to age 57 from 6 April 2028.

Pensions tax law allows members to have a protected pension age of 55 if certain criteria are met and their scheme allowed this. The consultation sets out a proposed approach for the LGPS.

Proposed

Members **in the LGPS** before 4 November 2021 – protected pension age. Remain able to take pension from **age 55** after 6 April 2028.

Members **not in the LGPS** before 4 November 2021 – no protected pension age. Able to take pension from **age 57** after 6 April 2028.

Status of transfers becomes more complicated

Councillors’ pensions

- Government proposing access to LGPS for various elected members in England:

✔ Mayors and deputy mayors, including the Mayor of London	✔ Councillors of principal local authorities	✔ London Assembly Members

- Decision taken to reflect ‘**vital public service**’ councillors play.
- Elected members would participate in main career average scheme, but with some modifications.
- Effective from 1 April 2026?

Employer Consolidation

- Government proposing new criteria – where all met, consolidation can take place without need for Government approval:

1	2	3	4
Evidenced value-for-money assessment	Pre-existing relationship with receiving fund	All administering authorities involved agree	The receiving fund can administer the transfer effectively

- Where criteria not met, the employer can seek a decision from Government.
- Changes would apply to all employers, not just MATs.

Fair Deal

- Very similar to proposals after the 2019 consultation BUT removing admission body option for outsourced bodies.

1	2	3	4
Continued access to LGPS for scheme members after outsourcing	Almost all employers to be Fair Deal (excl. some higher ed and ad bods)	'Deemed employer' status replacing admission agreements	Existing set-up can continue until next retender (incl. broadly comparable)

- Broadly comparable scheme only to be used in 'exceptional circumstances'.
- New hires can be admitted to LGPS – this will be a local decision, but must be decided at the outset of the contract.
- Pass-through contracts now very widely used, and included in guidance

Access & protections in the LGPS

Consultation open until 22 December 2025

1. Changes to normal minimum pension age
2. Admission of councillors and mayors in England to the LGPS
3. Changes to employer consolidation rules
4. Protection of outsourced staff – “Fair Deal”

The Fund will respond and you can too

Thank you

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Local Government Pension Scheme

Norfolk Pension Fund

Local Government Pension Scheme (England & Wales)

Fit for the Future Investment Pooling Update

Alex Younger

Head of Funding and Investment

Mansion Houses, Economists and Megafunds…

Norfolk Pension Fund

Government Pensions Review

Norfolk Pension Fund

Rachel Reeves plans pension 'megafunds' to free billions for investment

Pensions megafunds will need good investment options to succeed

Rachel Reeves plans to use £350bn council pension pot to boost UK economy

Government Pensions Review

Norfolk Pension Fund

14 November:

Chancellor's Mansion House speech, followed by LGPS *"fit for the future"* consultation

Key points include:

- All Pools to be FCA regulated Investment Management Companies
  - **(i.e. not outsourced model)**
- Pools principal source of investment advice to Funds
  - **(i.e. not advisers appointed by each LGPS Fund)**
- Pools to implement entire investment strategies
  - **(i.e. LGPS Funds only determine Strategic Asset Allocation)**

Requirements:

- 16 January: response to Consultation
- 28 February: pool submission to Government

LGPS Fit for the Future

Norfolk Pension Fund

- The Government rejected the ACCESS proposal to “build” a regulated investment company on 9 April 2025.

  “ACCESS’s proposal does not meet the Government’s vision for the future of the LGPS”.

- Letter addressed to individual Administering Authorities and places onus on them.

  “your Authority to consider and identify which pool you wish to partner with going forward, taking into account the capabilities and capacity of each to take on additional partner Authorities.”

LGPS Fit for the Future

Norfolk Pension Fund

Pool Co must be an FCA regulated IM co

All legacy assets under Pool Co management

Pool Co provides Investment Strategy Advice

Implementation: Fully delegated to Pool Co (manager selection, style, rebalancing, meet AA cashflow requirements)

Local investment. AA sets target. Pool Cos: DD, decision to invest, ongoing management

LGPS Fit for the Future

Norfolk Pension Fund

- Administering Authority required to respond with an in-principle decision between Fund and the new pool by **30 September 2025**
- We and Suffolk recognised the importance of working together given English devolution.
- Following the agreement of appropriate delegations from County Council in July the September meeting of Pensions Committee approved the Fund joining the enlarged Central LGPS pool.
- Four other ACCESS funds have elected to join Central.

Norfolk Moving to LGPS Central (with Suffolk)

Timescales

Norfolk Pension Fund

- Pensions Bill – published 4 June 2025
- Supporting Regulations – consultation just launched (short!)
- 30th September – agreement in principle between Fund and Pool
- Implementation by 31 March 2026
- If joining a new pool, expected to adhere to timetable as closely as possible
- Shareholder agreement and Fiduciary Management Agreement to “be in place” by 31 March 2026

Governance

Norfolk Pension Fund

1) Implementing Scheme Advisory Board's "Good Governance" recommendations (2021)

2) Looking at ways of making it easier to establish standalone pension authorities

3) Each Administering Authority must appoint a senior fund officer responsible for management, strategy and administration

4) Pension Fund budget "*should not be subject to resource restrictions which may apply to other [administering authority] functions*"

5) Each Administering Authority must appoint an independent advisor, with relevant qualifications, to support committee on investment strategy, governance and administration

To be in place by April 2026

Governance

Norfolk Pension Fund

- Must commission an independent governance review every 3 years and produce an improvement plan if needed. Outcome of reviews reported to MHCLG. Concerns may be reported to the Pensions Regulator
- Secretary of State may commission a review at any time if there is concern that an administering authority has significant weaknesses in governance or is not in compliance with scheme regulations
- Statutory requirement for all pension committee members individually to have appropriate knowledge and understanding
- Must have strategies for governance, training, conflicts of interest – review every 3 years
- Must have a strategy for administration – review every 3 years

To be in place by April 2026

Norfolk Pension Fund

Thank you

Any questions?

[Local Government Pension Scheme (England and Wales): Fit for the future – government response - GOV.UK]

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Norfolk Pension Fund

Pension Services

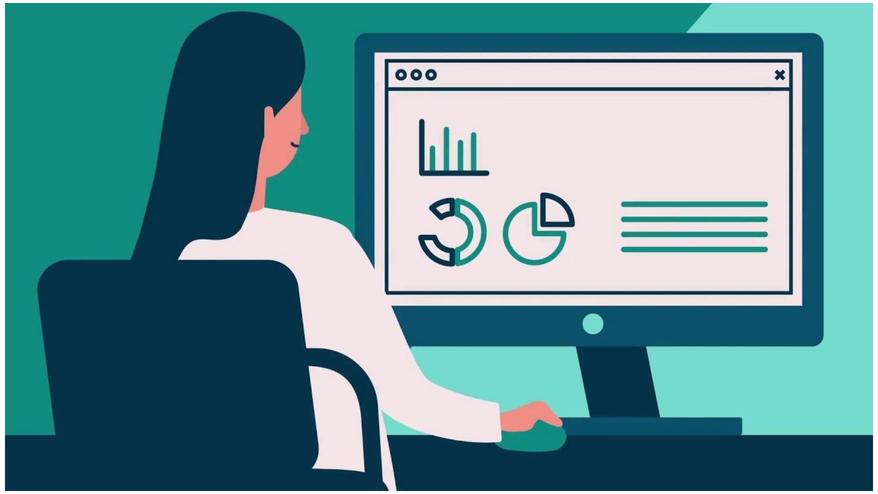
Roadmap 2025/2026

Matthew Crane
Pension Services Manager
(Technical Support and Systems)

Pensions Dashboards Programme

Norfolk Pension Fund

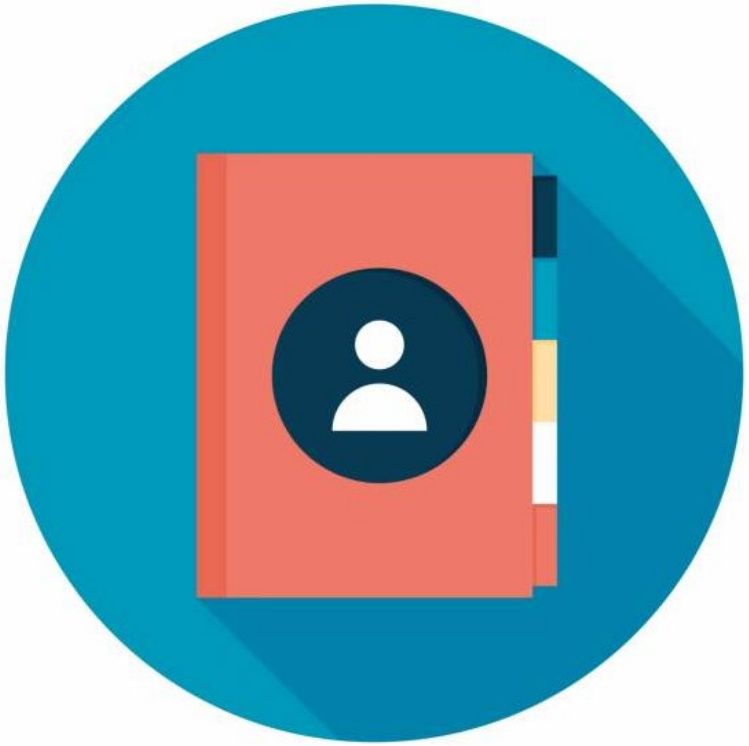
- Connection to the Dashboard is Live
- Citizen Testing underway
- NPF Developed Member Matching Criteria
- Match options by Unique and Verified Personal Data
- Data for Active members is vital for positive member matching
- Ensure the data you submit is accurate
- Nationwide member access from 31 October 2026



Employer Contacts Database

Norfolk Pension Fund

- Norfolk Pension Fund upgrading our Employer contacts
- More role specific contacts to get the right contact, first time
- Look out for MS Forms document so you can confirm the contact types we need
- Norfolk Pension Fund will issue annual update in case contacts change – but don't wait…
- If contacts or Employer structures change – let us know ASAP



i-Connect updates

Norfolk Pension Fund

- Norfolk Pension Fund recently rolled out Shared Documents to all i-Connect users
- Secure two-way portal to share documents – no need for encrypted emails
- Request for monthly submission document (CSV format) for Employers that upload a spreadsheet is also uploaded to Shared Documents
- Will help the Fund find and resolve data issues with you

i-Connect updates

Norfolk Pension Fund

- Multi Factor Authentication (MFA) log-in
- Improve the security of high volume of personal member data
- Mandatory deadline pushed back to end Q1 2026
- Likely two options
  - Authenticator App via a mobile device
  - ‘Passcode’ to a registered email address

Member Self-Service

- Members have access to a Member Self-Service (MSS) portal
- Norfolk Pension Fund upgrading MSS – new site, new look, new functionality
- Portal Live mid December – early January
- Registration via email address
- Link back to Data submissions and Dashboards
- Communication via our website

Thank you

Any questions?

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Ask the Panel

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- Thank you to all today's presenters
- Apologies if we haven't addressed your question, but we will provide an answer when we email you the recording link
- To arrange a 1:1 call or virtual meeting with us today, please email **pensions@norfolk.gov.uk**
- For those joining virtually, please complete the online survey – a link to the survey will be in your Inbox soon! For those in the room, please complete the paper survey.

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Thank you for joining us today!

Merry Christmas and very best wishes for 2026!