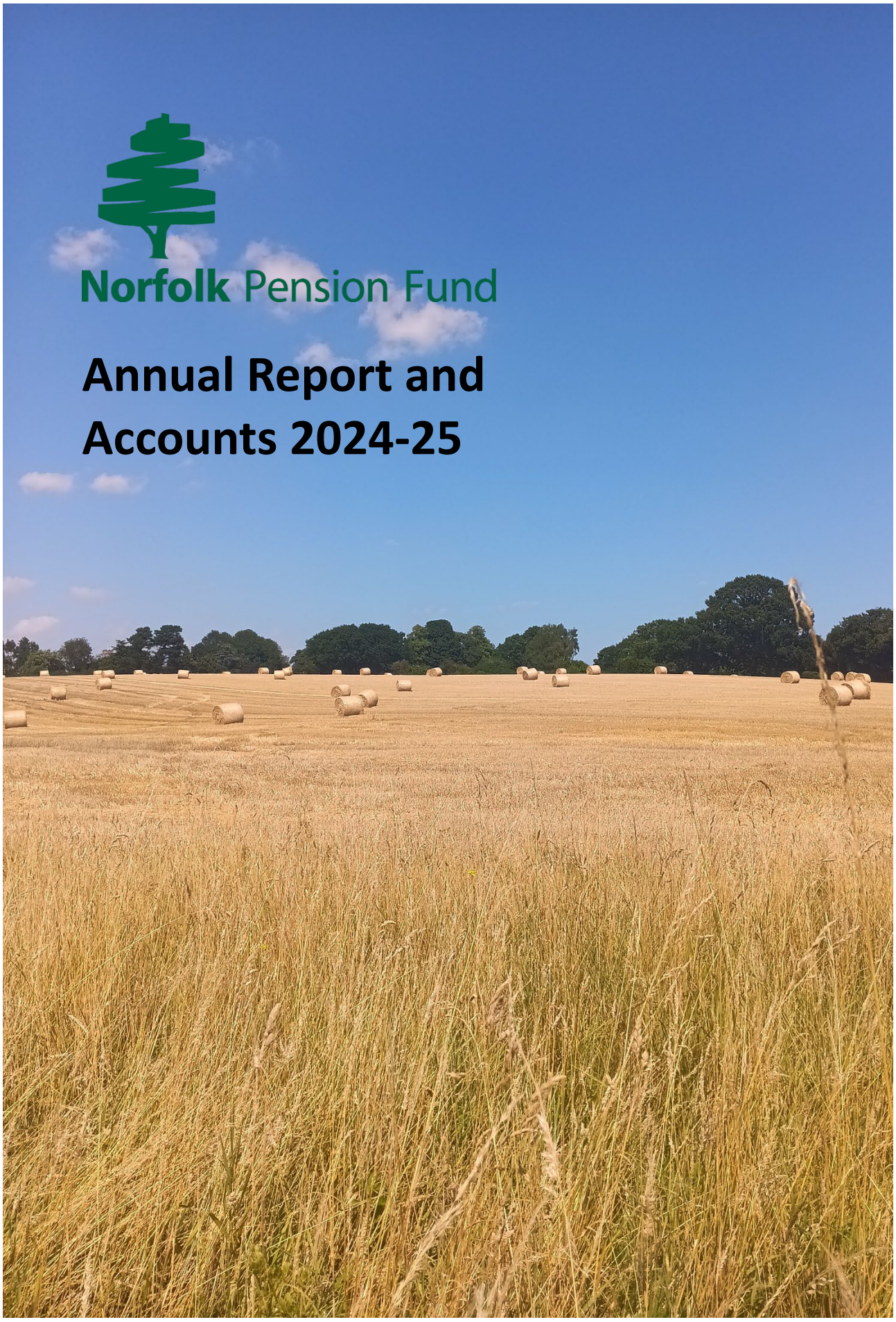


Norfolk Pension Fund

Annual Report and Accounts 2024-25

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communication for all

If you need this document in large print, audio, Braille, alternative format or in a different language please call 01603 222824 or email pensions@norfolk.gov.uk and we will do our best to help.

We have referred to several documents in this report that are available online.

If you are unable to access any of these documents, or would like a hard copy, please don't hesitate to contact us on 01603 222824 or email pensions@norfolk.gov.uk.

Our Mission Statement is:

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

Our Strategic Objectives are:



Customer Focus

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



Effective and transparent governance

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



High quality scheme manager

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



Investment strategy

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



Responsible investment

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



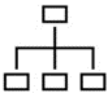
Scheme funding

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



Our fund

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



Our team

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

Introduction



Cllr Greg Peck
Chair,
Pensions Committee

On behalf of my fellow members of Pensions Committee I am pleased to introduce the 2024–2025 Annual Report and Accounts for the Norfolk Pension Fund.

My colleagues on the Pensions Committee and I remain acutely aware of both the challenging financial environment for many of our scheme members and employers, as well as our own environmental, social and governance responsibilities, as we invest for the long-term benefit of our stakeholders in our role as stewards of the Norfolk Pension Fund, in our work on behalf of its 109,000 scheme members and 436 employers.

We remain focussed on our priorities of supporting our scheme members and employers, ensuring we continue to properly discharge our responsibilities and fiduciary duties to beneficiaries and employers, so that benefits are paid as they fall due both now and into the future, whilst continuing to meet our ever-evolving regulatory responsibilities and best practice requirements.

Once again this has been a significant year in the evolution of the Local Government Pension Scheme. 'Fit for the Future', Pensions Dashboards, McCloud, Access and Fairness, Devolution and Local Government Reform all have significant implications affecting all aspects of Fund, alongside of course business as usual. We support the Scheme Advisory Boards concerns about the pace of change and the need to manage risks effectively.

As 'quasi-Trustees' of the Norfolk Pension Fund, we remain accountable to our scheme members, employers and other stakeholders for the effective and efficient delivery of the LGPS locally. Therefore as we look ahead, always mindful of the need to embrace change, we will continue to focus on delivering our strategic objectives, including meeting our fiduciary duty to scheme members and our responsibilities as responsible investors; and continue to invest in our people, systems and processes, strengthening our governance, pensions services, finance and investment arrangements, building resilience and a compliant service so that we continue to meet our member and employer needs efficiently, effectively and sustainably.

As hosts of the National LGPS Frameworks we are pleased to continue to support and develop this national LGPS collaboration, facilitating efficient, timely access to professional services for Pools and Funds across the LGPS and the wider public service.

May I to take this opportunity to record my sincere thanks to all my colleagues on the Pension Committee for their service, also to the Pensions Oversight Board and our external advisors for their commitment and support over the last year. On behalf of my colleagues on the Committee, the Board and Fund Officers in particular may I record our thanks to the

outgoing Chair of the Committee, Councillor Tom FitzPatrick as he takes up the role of Chairman of Norfolk County Council.

Finally, on behalf of my colleagues, may I record our thanks to the Norfolk Pension Fund Team who work diligently to support the Committee and the Board, and to meet our responsibilities to scheme members and employers, helping ensure that we can provide secure effective, efficient and resilient service delivery for today and tomorrow.



Cllr Greg Peck
Chair of the Pensions Committee

Contact Us

General enquiries about this document:	Alex Younger Head of Funding and Investment
Tel:	01603 222995
Email:	alexander.younger@norfolk.gov.uk

The Pensions Services Team offer dedicated helplines, operated by experienced staff. The team can help with all aspects of scheme membership and benefits for active, deferred and retired members.

General enquiries:	01603 495923
Retired members helpline:	01603 495788
Email:	pensions@norfolk.gov.uk
Post:	Norfolk Pension Fund County Hall Martineau Lane Norwich NR1 2DH
Opening hours:	Monday to Friday, 8.45am – 5.30pm (4.30pm on Friday)
Website:	www.norfolkpensionfund.org

Section 1 – Overall Fund Management

Scheme Management and Advisors

Senior Fund officers

Glenn Cossey, Director of the Norfolk Pension Fund (Senior LGPS Officer)

Alex Younger, Head of Funding and Investment

Jo Quarterman, Head of Governance

Debra Keeling, Head of Pension Services

Asset pooling and asset pool operator

Norfolk Pension Fund participates in ACCESS (A Collaboration of Central, Eastern and Southern Shires), an investment asset pool of eleven Administering Authorities under an Inter-Authority Agreement which facilitates joint working between the ACCESS authorities and a Joint Committee, made up of one elected councillor from each authority, which provides governance oversight.

Waystone act as the regulated Operator for ACCESS.

Investment managers

Aviva Investors
CBRE
Equitix
HarbourVest Partners
Insight Investment Management
Janus Henderson Investors
JP Morgan Asset Management
Legal and General Investment Management
M&G Investments
Nuveen
Pantheon
Patria Investments
Stafford Capital Partners
Waystone

Fund custodian

Northern Trust

Fund actuary

Hymans Robertson

AVC providers

Clerical Medical
Prudential
Utmost Pensions (formerly Equitable Life) - legacy only

Legal advisors

nplaw (Norfolk Public Law)

Fund bankers

Barclays Bank

The Fund accountant/Director of Finance

Harvey Bullen, Director of Strategic Finance, Norfolk County Council

External auditor

EY

Scheme administrator

Norfolk County Council
County Hall
Martineau Lane
Norwich
NR1 2DH

Independent advisors and consultants

Investment Advisor:	Hymans Robertson LLP
Performance Measurement:	Hymans Robertson LLP

Risk Management

How risk management is integrated within the governance structure

Risk Management is an integral part of the Norfolk Pension Fund's governance structure.

The Norfolk Pension Fund maintain a comprehensive risk management framework covering all aspects of scheme management and administration. All risks identified are assessed, managed, monitored and reported on within the risk management framework.

An on-going framework of inspection and review by the Fund's internal auditors (Norfolk Audit Services) and external auditors supports and assists with the management of risks.

The audit universe is set out in the audit plan which is reported to and agreed by Pensions Committee on an annual basis. All audits during 2024-25 received an "Acceptable" (Low priority Findings) opinion.

Our risk management continues to be effective in delivering and maintaining a resilient operational service, highlighting areas that require attention and monitoring.

How risks are identified, managed and reviewed

Anything that may impede the delivery of the Norfolk Pension Funds Mission and Strategic Objectives is identified as a risk.

The Norfolk Pension Fund maintains a detailed Risk Register. Risks are categorised under the headings of Governance, Benefits Administration and Investment and Funding.

The Risk Register incorporates an assessment of likelihood and impact as well as control measures in place and an overall risk score.

The Register is regularly reviewed by the Management Team and appropriate action taken.

Risks are reported quarterly to the Pensions Committee and Local Pensions Board.

Actions being taken to mitigate the key risks (covering investment, governance, and administration)

Norfolk Pension Fund maintains a Business Continuity Plan alongside the Risk Register, which is regularly reviewed and tested.

All risks are evaluated and monitored considering their likelihood and impact, with any mitigating action agreed and taken as necessary, including any relevant funding and resource requirements.

An owner is allocated to each risk who is accountable for effective mitigation and management of the risk.

The approach taken to managing cyber risk, while protecting appropriate confidentiality for the pension Fund's internal controls

Cyber and Financial Crime is identified as an area of high risk. The Norfolk Pension Fund uses the Regulator's cyber security principles to assess and understand risks and establish appropriate controls and mitigation.

The approach taken to risks relating to investment and pooling arrangements

The Fund's approach to Investment Risk is further set out in the Funding Strategy Statement.

Hymans Robertson LLP provide advice and support to both the Pensions Committee and Fund Officers

Further information on the nature and extent of risks arising from financial instruments is detailed in note 18 of the Statement of Accounts that accompanies this report

Internal Control reports are reviewed on a rolling basis with any material issues reported to the Pensions Committee on an annual basis.

Fund Manager	Report Type	Review completed
Aviva Investors	ISAE3402/AAF 01-20	Yes
CBRE	ISAE3402 Type II/AAF 01-20	Yes
Equitix	ISAE3402 Type I	Yes
HarbourVest Partners	SOC 1	Yes
Janus Henderson Investors	ISAE3402	Yes
HSBC	ISAE3402 Type II	Yes
Insight Investment Management	SSAE18/ ISAE3402	Yes
J.P. Morgan Asset Management	SOC 1	Yes
Legal and General Investment Management	ISAE3402/AAF 01-20	Yes
M&G Investments	AAF 01-20	Yes
Northern Trust	SOC 1	Yes
Pantheon	SSAE18/ ISAE3402	Yes

Patria Investments (formerly abrdn Capital Partners LLP)	ISAE3402 Type I	Yes
Stafford Capital Partners	ISAE3402 Type II	Yes
Waystone	ISAE 3402 Type I	Yes

AAF – Audit and Assurance Framework
ISAE – International Standard on Assurance Engagements
SOC - Service Organisation Controls
SSAE - Statement on Standards for Attestation Engagements

The ACCESS Pool maintains a separate risk management framework which is reported regularly to Pensions Committee and Local Pension Board.

The approach taken to managing third party risk including late payment of contributions and provision of data by scheme employers and overall performance by scheme employers

Third party risks (e.g. payments of contributions) are robustly monitored.

Assurance over third party operations is provided by obtaining and reviewing formal third party Internal Control reports prepared under the appropriate audit regime or appropriate certification.

The approach taken to risks which arise because of the Fund's relationship to the administering authority

Norfolk Pension Fund is separately funded and accounted for and has an established scheme of delegation. Where appropriate the Norfolk Pension Fund maintains its own policies, for example, Conflict Policy.

Section 2 - Governance and Training

An overview of the Fund's governance structure and how the Fund has complied with its Governance Compliance Statement.

Governance Strategy Statement

The Norfolk Pension Fund publishes a Governance Strategy Statement.

The Governance Strategy Statement reflects the Fund's commitment to transparency and engagement with employers and scheme members.

We monitor, review and consult where appropriate to ensure that our governance arrangements continue to be effective and relevant.

The Norfolk Pension Fund is committed to the principles of good governance.

Governance Compliance Statement

The Norfolk Pension Fund is fully compliant with the principles set out in the Local Government Pension Scheme Regulations 2013 (as amended) Regulation 55.

For more information, please refer to the Governance Compliance Statement.

Administering Authority

Norfolk County Council (NCC) is the Administering Authority of the Norfolk Pension Fund and administers the LGPS on behalf of its participating employers.

- NCC has delegated its pensions functions to the Pensions Committee
- NCC has delegated responsibility for the administration and financial accounting of the Fund to the Executive Director of Finance and Commercial Services
- The Norfolk Pension Fund has established a Local Pension Board (known locally as the Pensions Oversight Board)
- This report supports NCC's Annual Governance Statement, which is published in the NCC Annual Statement of Accounts

Pensions Committee

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

- Ensure compliance with legislation and best practice
- Determine policy for the investment, funding and administration of the Fund
- Monitor performance across all aspects of the service
- Consider issues arising and make decisions to secure efficient and effective performance and service delivery
- Appoint and monitor advisors
- Ensure that arrangements are in place for consultation with stakeholders as necessary

Pensions Committee Membership 2024-25

Chair:	**Norfolk County Councillor**	Judy Oliver (to May 2024)
		Tom FitzPatrick (from May 2024)
	Norfolk County Councillor	Alison Birmingham (to January 2025)
	Norfolk County Councillor	Steve Morphew (from January 2025
	Norfolk County Councillor	William Richmond
	Norfolk County Councillor	Martin Storey
	Norfolk County Councillor	Brian Watkins
	District Councillor (co-opted by the Local Government Association)	The Lord Fuller OBE
	District Councillor (co-opted by the Local Government Association)	Paul Hewett
	Staff Representative	Steve Aspin
Other attendees:	**Administrator of the Fund (Director of Strategic Finance, Norfolk County Council)**	Harvey Bullen

Director of the Norfolk Pension Fund	Glenn Cossey
Investment Advisor to the Fund	Ben Farmer (Hymans Robertson LLP)

Pensions Committee Training

A Training Strategy is maintained to develop and maintain knowledge and skills to support good and timely decision making.

The training needs of the Pensions Committee is considered in line with CIPFA Knowledge and Skills Framework alongside the 12-month agenda planning process. Training is business driven, therefore the programme is flexible. This allows us to effectively align training with operational needs and current agenda items, helping to support member decision making.

All Pensions Committee and Pension Oversight Board Members have access to the LGPS Online Learning Academy (LOLA) which includes modules on An Introduction to the LGPS, LGPS Governance & Oversight Bodies, Administration & Fund Management, Funding and Actuarial Matters, Investments, and Current Issues.

All new Committee Members attend induction training.

Member training is supplemented by attendance at Local Government Association (LGA) and other associated events.

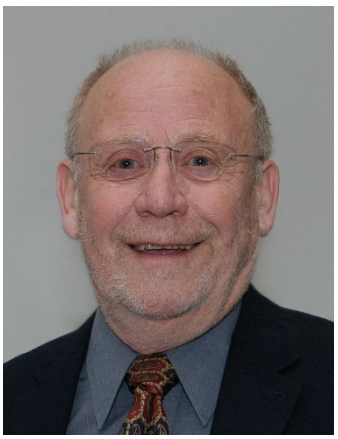
A training log is maintained.

Pensions Committee Meetings and Training

		Steve Aspin	Tom FitzPatrick	The Lord Fuller OBE	Paul Hewett	Steve Morphew	William Richmond	Martin Storey	Brian Watkins
March 2025	LGC Investment Seminar	√							
March 2025	Pensions Committee	√	√			√	√	√	√
March 2025	New Member induction training					√			
January 2025	LGPS Governance Conference	√	√						
December 2024	Pensions Committee	√	√	√			√	√	
November 2024	2 x Trustee Training Days covering LGPS, investment, pooling and governance		√	√					√
July 2024	LAPF Strategic Investment Forum	√							
June 2024	Waystone Investor Day	√	√						
June 2024	PLSA LGPS Conference	√							
June 2024	Pensions Committee	√	√				√	√	√
May 2024	New Member induction training		√						
April 2024	Cyber Security, Information Governance and Confidentiality Guidelines		√	√					√

Annual Report from the Pensions Oversight Board

This is the Annual Report of the Norfolk Pension Fund Pensions Oversight Board (Board), covering the period from 1 April 2024 to 31 March 2025.



Brian Wigg
Chair, Pensions Oversight Board

Role and Function

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

Their remit includes assisting the Administering Authority as Scheme Manager:

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

The role of the Board requires the highest standards of conduct and members abide by the "seven principles of public life".

Please refer to the Local Pension Board Terms of Reference.

Membership

Membership of the Board is structured as follows:

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

Membership during the period April 2024 to March 2025 was as follows:

Role	Representing	Appointment
Independent Chair	Not applicable	Brian Wigg
Scheme Member representatives	Trade Union nominee	Robin Konieczny (appointed December 2024)
	Active/Deferred representative	Frances Crum
	Pensioner representative	Peter Baker
Employer representatives	Norfolk County Council representative	Sally Albrow
	Precepting/levying employers' representative	Councillor Liz Marsham Loddon Town Council (to Sept) Julie Brown, Broadland / South Norfolk (from Oct)
	Other employers' representative	Vacancy

Pensions Oversight Board Meetings

The Board met four times during the year – in May 2024, September 2024, November 2024 and February 2025. Whilst the Board meets virtually for most meetings, the November meeting was 'in person'.

In addition to these meetings, Board Members attended each of the Pensions Committee meetings between April 2024 and March 2025. The Chair and Trade Union nominated representative also observed the ACCESS Joint Committee meeting in March 2025.

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

- LGPS reform, and the impact on the Fund and its stakeholders
- The Fund's operational performance, compliance and strategic review
- Triennial valuation process
- Investment pooling (including engaging with the Government's Fit for the future consultation)
- Implementation of the Pensions Regulator General Code

- Service Planning and budget setting process
- Risk Management and reporting
- Cyber, data security management and resilience planning
- Audit Reports

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

Average attendance at POB meetings during the year was 90%.

Pension Oversight Board Member Training

In order to fulfil their role effectively and to comply with requirements imposed by regulations which are enforced by the Pensions Regulator, Board members are required to maintain their knowledge and understanding of the LGPS and pensions in general. The Fund maintains a Training Strategy to support Board, Committee and Officers to receive appropriate training.

Together with members of Pensions Committee, Board members participated in the National Knowledge Assessment Survey and the results from the Survey helped inform the Fund's development training plans.

All Board members receive introductory training and have access to the LGPS Online Learning Academy. They are also encouraged and make use of resources and training opportunities available throughout the year.

During the period April 2024 to March 2025, Board members attended a wide range of virtual and in person training offered, including webinars and conferences. Additionally, knowledge and skills were considered at each meeting, to help shape development needs aligned with their forward work programme. Details of training were recorded throughout the year.

The Board had the opportunity to work closely with Pensions Committee including undertaking a 2-day joint training in November 2024. They were also involved in some of the Fund's engagement activities such as the Employer Forum.



Brian Wigg
Chair of the Norfolk Pension Fund Pensions Oversight Board
15 July 2025

Pensions Committee and Pensions Oversight Board Members Codes of Conduct

Pensions Committee Members must comply with the Norfolk County Council Members Code of Conduct which focuses upon 'The 7 Nolan principles of public life' of selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

It sets an objective, non-political and high standard the purpose of which is to remind members of the Authority of the behaviour expected of them in public life and to set out clearly the key principles against which their conduct will be measured.

Pensions Oversight Board Members are also required to comply with the principles detailed in The Seven Principles of Public Life.

Conflict of interest

The Norfolk Pension Fund maintains a Conflict of Interest policy.

Pension Committee and Pensions Oversight Board members are required to declare any conflicts.

In addition, there is a standing agenda item at each Pensions Committee or Pensions Oversight Board meeting.

Accountability and Transparency

Pensions Committee agendas, reports and minutes are published on the Committees page of the Norfolk County Council website

Pensions Committee meetings are open to members of the public.

Pensions Oversight Board agendas, reports and minutes are published on the Local Pension Board page of the Norfolk Pension Fund website

ACCESS Joint Committee

The eleven ACCESS participating Funds are each administering authorities within the Local Government Pension Scheme, as set out in the Local Government Pension Scheme regulations 2013.

Currently, each authority administers, maintains and invests their own respective funds within the LGPS in accordance with these regulations and the LGPS investment Regulations.

The ACCESS authorities have signed an Inter Authority Agreement which sets out how they will work together.

The Inter Authority Agreement (Schedule 1) confirms the ACCESS governing principles.

Administering Authority Section 101 Committees ('Pensions Committees') are represented at the Joint Committee. Please visit www.accesspool.org to view a list of Joint Committee Members.

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

However, on 14 November 2024, the UK government published a consultation "LGPS - Fit for the Future", which had important implications for administering authorities and the LGPS asset pools, including ACCESS which did not receive government approval to continue. The Norfolk Pension Fund are working with partners and stakeholders to ensure compliance with the Fit for the Future requirements and timeframes set by Government.

Reference Material

The following documents provide more information about the Norfolk Pension Fund.

- Annual Benefit Statement 2024 Active sample
- Annual Benefit Statement 2024 Deferred sample
- Annual Report and Accounts 2023-24
- Climate risk reporting December 2024
- Customer Care and Communication Strategy January 2025
- Employer Newsletter April 2024
- Full Privacy Notice (including data protection policy)
- Funding Strategy Statement March 2023
- Governance Compliance Statement March 2025
- Governance Strategy Statement January 2025
- Investment Strategy Statement November 2024
- Pension Administration Strategy
- Pension Administration Strategy Addendum
- Primetime Spring 2024 (retired members newsletter)
- Voting Record 2024

Section 3 - Financial Performance

An overview of the Fund's financial performance, including income, expenditure, and cash flows, with an explanation of in-year expenses and income, and comparison over time/budget

Revenue and Fund Account

The Norfolk Pension Fund prepares an Annual Budget which is reviewed and approved by the Pensions Committee and monitored by the Pension Fund Management Team. Details of the expenditure incurred during 2024-25 are provided in the accounts section accompanying this report.

A summary budget and outturn for 2024-25 for Fund Administration, Oversight and Governance is shown below. The net underspend mainly relates to the Fund's project budget where the phasing of spend is variable and dependant on project timelines.

	Budget £'000	Actual £'000	Net Underspend £'000
2024-25 Fund Administration Costs	4,714	3,471	1,243
2023-24 Fund Administration Costs	4,041	3,239	801

Key fund income and expenditure items are detailed below and lifted from the Revenue and Fund Account in the Statement of Accounts section accompanying this report. Fund receivables and payables are reconciled and monitored monthly. The Fund remains cash flow positive from contributions and benefits monthly, with increases to pensionable pay offsetting pension increases. Management expenses reflect increases to Assets Under Management as well as asset class allocation.

Investment Income, expenditure, profit and losses on disposal of investments and changes in the market value of investments are processed by the Funds Custodian bank and reported to the fund monthly. The Fund was net cashflow negative from dealings with members and including Fund Management Expenses. However, the Fund was cashflow positive after including investment income.

The relationship between changes to costs and income and factors such as changes in membership numbers, age profile of pensioners, bulk transfers

Extract from the Revenue and Fund Account	2023-24 Actual £'M	2024-25 Actual £'M
Fund Receivables (contributions and Transfers In)	208.0	221.1
Fund Payables (benefits and Transfers Out)	-200.7	-226.0
Management Expenses	-36.6	-38.8
Net additions/withdrawals from dealings with members Including Fund Management Expenses	**-29.3**	**-43.7**
investment Income (less Taxation)	100.5	116.3
Profit and losses on disposal of investments and changes in the market value of investments	368.8	74.6
Net increase/decrease in the net assets available for benefits during the year	**470.0**	**147.3**

There were no notifiable late payments of contributions by scheme employers during 2024-25. All contributions outstanding at 31 March 2025 were collected within statutory timeframes.

Funding Arrangements

Commentary on significant changes to non-investment assets and liabilities during the year including employers' and employees' contributions as a percentage of pensionable pay, details of late and overdue contributions, and any interest levied on overdue contributions

Full details of the Fund's funding arrangements are detailed in Note 19 in the Statement of Accounts section accompanying this report. The table below summarises the whole Fund primary and secondary contribution rates at this triennial valuation. The primary rate is the payroll weighted average of the underlying individual employer primary rates and the secondary rate is the total of the underlying individual employer secondary rates (before any pre-payment or capitalisation of future contributions), calculated in accordance with the Regulations and CIPFA guidance.

2022 Valuation			
Primary rate (% of pay)	Secondary rate		
1 April 2023 - 31 March 2026	2023-24	2024-25	2025-26
22.4%	£12,219,000	£11,597,000	£10,947,000

For details of contributing employers, please refer to the Employers List 2024-25. The amount of contributions received from each organisation during the year split between employees and employers is shown below.

	2023-24	2024-25
	£000	£000
Employers – normal	153,653	159,186
Employers – special	0	0
Employers – strain	2,506	1,956
Members – normal	41,303	43,572
Members – purchase of additional scheme benefits	375	446
TOTAL	**197,837**	**205,160**

By Employer Type

	2023-24	2024-25
	£000	£000
Administering authority	86,965	90,980
Other scheduled bodies	95,651	102,076
Community admission bodies	3,080	460
Transferee admission bodies	2,857	2,778
Resolution bodies	9,284	8,866
TOTAL	**197,837**	**205,160**

The late pay over of employee and employer contributions is monitored for reportable breaches in accordance with fund policy. In addition to monthly reconciliation and monitoring of contributions, compliance with breaches policy is reported quarterly to Pensions Committee. All contributions outstanding at the 31 March have now been received.

Pension Overpayments

Analysis of pension overpayments, recoveries and any amounts written off

The table below analyses the pension overpayments, recoveries, any amounts written off and the results of participation in National Fraud Initiative (NFI) exercises (data matches, overpayments identified, actions taken, etc).

		2024-25
Number of Pension Overpayments		282
Number of Recoveries by Invoice	138	
Number of Recoveries from Spouse	144	
Total Recoveries		282

Number/Amounts of Recoveries Written Off	0	0

The National Fraud Initiative (NFI) runs every two years and was last run in 2024-25. The NFI initiative in 2024-25 identified 138 deaths within our data set with 12 of these deaths not being identified through the Funds processes (deferred pensions) and all of these are resolved.

Actions taken to deal with fraud (including participation in the National Fraud Initiative and areas such as data matching, overpayments identified or the use of other data quality and tracing resources)

NFI Life Certificates are sent out to overseas pensioners and UK members over the age of 92. In 2023-24, 1,007 Life certificates were sent out and 15 were un-returned.

		2023-24
Number of Pension Overpayments		311
Number of Recoveries by Invoice	135	
Number of Recoveries from Spouse	176	
Total Recoveries		311

Number/Amounts of Recoveries Written Off	4	£1,021,61

Section 4 – Fund Account, Net Asset Statement and notes

Fund Account and Net Asset Statement with supporting notes and disclosures prepared in accordance with proper accounting practices

Revenue and Fund Account

For the Year Ended 31 March 2025

2023-24 £000		Notes	2024-25 £000
	Dealings with members, employers and others directly involved in the Fund		
197,837	Contributions	7	205,160
10,118	Transfers in from other pension funds	8	15,931
207,955			**221,091**
-180,814	Benefits	9	-201,271
-19,839	Payments to and on account of leavers	10	-24,686
-200,653			**-225,957**
7,302	**Net additions/withdrawals from dealings with members**		**-4,866**
-36,601	Management Expenses	11	-38,817
-29,299	**Net additions/withdrawals from dealings with members Including Fund Management Expenses**		**-43,683**
	Returns on investments		
100,485	Investment income	12	116,301
0	Taxes on income	13a	0
398,820	Profit and losses on disposal of investments and changes in the market value of investments	14a	74,672
499,305	**Net return on investments**		**190,973**
470,006	**Net increase/decrease in the net assets available for benefits during the year**		**147,290**
4,879,621	**Opening net assets of the scheme**		**5,349,627**
5,349,627	**Closing net assets of the scheme**		**5,496,917**

Net Assets Statement

As at 31 March 2025

2023-24 £000			Notes	2024-25 £000	
5,358,549		Investment assets	14	5,501,220	
-5,944		Investment liabilities	14	-800	
	5,352,605	**Total Net Investments**			**5,500,420**
412		Long term debtors	21	343	
	412				**343**
		Current Assets			
17,602		Debtors	21	16,634	
13,617		Cash in hand	21	11,074	
	31,219				**27,708**
		Current Liabilities			
-34,609		Creditors	22	-31,554	
	-34,609				**-31,554**
	-3,390	**Net current assets**			**-3,846**
	5,349,627	**Net assets of the Fund available to fund benefits at the period end**			**5,496,917**

The Notes to the accounts are included as part of the financial statements on pages 85 to 169.

Section 5 - Investments and Funding

Overview of how the Investment Strategy Statement (ISS) has been put into practice during the year and how this links to the Funding Strategy Statement (FSS).

Assets have continued to be invested in accordance with the Strategic Asset Allocation and objectives set out in the Investment Strategy Statement (ISS). The ISS documents the approach to managing investments and should be considered alongside the Funding Strategy Statement (FSS). The FSS documents the overall approach taken to funding the obligation to pay pension benefits as they fall due.

Commentary and data on how the Fund has implemented the policy on pooling its assets during the year as set out in the ISS.

The pooling of LGPS investment assets is an ongoing exercise. During the 2024-25 year the assets of the Fund have been managed through a combination of directly appointed external fund management companies and arrangements that are made through the ACCESS LGPS Pool both via an Authorised Contractual Scheme (ACS) and external to an ACS under pooled management. During 2024-25, Norfolk Pension Fund transitioned property holdings to CBRE and committed to affordable housing via LGIM (Legal and General Investment Management) .

Following the Fit for the Future consultation (November 2024) and consequent response from Government (May 2025), the requirements for asset pooling have changed. The Government determined that the ACCESS pool does not fit their "vision for the future of the LGPS" and that the constituent funds must find new asset pools by 31 March 2026.

Norfolk Pension Fund is following a process to assess and transition to one of the remaining LGPS pools and meet the minimum requirements of the new pooling regime.

Commentary and data on how the Fund has implemented the policy on pooling its assets during the year as set out in the ISS.

There have been no departures from the funding approach documented in the FSS during the reporting period. We believe that both the FSS and the ISS are compliant with statutory guidance.

Details of the fund custodian and investment managers used during the period are provided in Section 1 – Overall Fund Management.

Investment Performance

Strategy	One-year return to 31 March 2025	Benchmark return to 31 March 2025*	Benchmark	Three-year return	Three year benchmark	Five-year return	Five year benchmark
1	2.7%	5.6%	CPI plus 2.9%	11.7% (3.8% pa)	27.0% (8.3% pa)	51.2% (8.6% pa)	44.9% (7.7% pa)
3	-8.1%	2.8%	CPI plus 0.2%	-29.3% (-10.9% pa)	17.3% (5.5% pa)	-28.8% (-6.6% pa)	26.9% (4.9% pa)
4	1.9%	5.2%	CPI plus 2.5%	7.4%** (2.4% pa)	25.5% (7.9% pa)	13.8%** (3.3% pa)	37.7% (8.3% pa)

* Based on CPI measure to March 2025 of 2.6% (Consumer price inflation, UK - Office for National Statistics) and geometric addition for benchmark figure
** Since inception in April 2021

Investment performance net of fees is presented for each manager with the associated benchmark for the 2024-25 year for relevant asset classes.

Manager		Benchmark	12 month return %
Waystone	Equity 1	MSCI UK IMI GR Index	7.1
	Equity 2	16.7% MSCI Japan Net Total Return GBP Index 33.3% MSCI Daily TR Net North America USD 30.0% MSCI Europe ex UK Net Return GBP Index 10.0% MSCI Daily TR Net AC Asia Pacific Ex Japan USD 10.0% MSCI Emerging Markets Net Total Return GBP Index	0.1
	Bonds 1	50% - iBoxx Sterling Over 15 Year Non-Gilts Index 50% - iBoxx Sterling Non-Gilts Index plus 0.5% 50% - iBoxx Sterling Non-Gilts Index 50% - iBoxx Sterling Over 15 Year Non-Gilts Index	-0.7
	Equity 3	MSCI World Net Total Return Index	4.5
	Equity 4	MSCI All Country World Net Total Return Index	3

	Equity 5	MSCI AC World Net Total Return Index GBP plus 2% MSCI ACWI EU Paris Aligned Requirements Index	-1.1
	Bonds 2	ICE Bank of America Euro Sterling Index plus 1.0-1.5%	2.7
	Bonds 3	SONIA (Sterling Overnight Index Average) plus 3.7% per annum	7.4
	Equity 6	MSCI Emerging Markets	5
	Bonds 4	50% Bloomberg US Corp High Yield 2% Issuer Cap Total Return 20% JPM EMBI Global Total Return 20% JPM GBI-EM Global Diversified Total Return 10% JPM CEMBI Broad Diversified Total Return	4.4
Janus Henderson	Gilts 1		-6.1
Insight	Bonds 6	SONIA Index	9.1
M&G	Bonds 7	SONIA Index	8.1
	Bonds 9	SONIA + 8%	8.9

Note that CBRE, LGIM and Orchard Street Property have been seeded in year therefore annualised performance figures are not yet available for these investments.

Infrastructure, Private Equity and Private Debt asset classes cannot be summarised by an annual return percentage owing to staggered cash flows. For these managers investment performance has been reported as Internal Rate of Return over the 2024-25 year.

Manager		12 month IRR	Alternative measures
Equitix	Infrastructure 1	7.23	Buy and Hold Net IRR*
	Infrastructure 2	7.85	Buy and Hold Net IRR*
	Infrastructure 3	-	
Patria	Private Equity 1	-28.4	
	Private Equity 2	2.2	
	Private Equity 3	-7.8	
	Private Equity 4	158.5	
	Private Equity 5	-5.1	

	Private Equity 6	15.3	
HarbourVest	Private Equity 7	1.7	
	Private Equity 8	-	
	Private Equity 9	Ended	
	Private Equity 10	-6	
	Private Equity 11	34.2	
	Private Equity 12	11.2	
	Private Equity 13	5	
	Private Equity 14	-6.9	
	Private Equity 15	12.4	
	Private Equity 16	-11.6	
	Private Equity 17	-6.9	
	Private Equity 18	1	
	Private Equity 19	-1.2	
	Private Equity 20	-5.5	
	Private Equity 21	9	
	Private Equity 22	6.1	
	Private Equity 23	5.2	
	Private Equity 24	0	
	Private Equity 25	7.5	
	Private Equity 26	0.6	
	Private Equity 27	3.5	
	Private Equity 28	5.3	
	Private Equity 29	12.4	
	Private Equity 30	9.3	
	Private Equity 31	7	
	Private Equity 32	15.4	
	Private Equity 33	18.3	
	Private Equity 34	9.1	
	Private Equity 35	7.5	
	Private Equity 36	-	
	Private Equity 37	13.8	
	Private Debt 1	10.1	
	Private Debt 2	-	

JPM	Infrastructure 4	6.2	Cash Yield (1 Year)
Pantheon	Infrastructure 5	10.8	
	Infrastructure 6	9.3	
	Private Debt 3	7.9	Indicative IRR based on projection
Stafford	Timberland 1	-0.20	
	Timberland 2	-3.10	Growth on paid in capital
Aviva	Infrastructure 7	-3.10	
M&G	Private Debt 4	5	Net projected IRR
	Private Debt 5	-21.45	
	Private Debt 6	-2.56	

Environmental, Social and Governance (ESG)

The Fund is an active member of the Pensions and Lifetime Savings Association (PLSA) and Local Authority Pension Fund Forum (LAPFF) and regularly supports engagement with companies via these bodies. Voting rights are exercised by managers in line with ACCESS voting guidelines which have been developed collaboratively between member funds. Exceptions where voting has not been in line with policy are reviewed regularly and reported to Pensions Committee.

Climate change is considered as part of the Triennial Valuation process including risk and opportunities within Liabilities and Investment Assets. The Fund has established Climate Risk and ESG policies as well as the Statement on Divestment/Exclusion & ESG (Environmental, Social & Governance) Aspects of Investment Strategy - March 2024 | Norfolk Pension Fund, covering the Fund's response within its Investment Strategy, which are reviewed and updated regularly. The Fund produces six monthly Climate Risk Reporting to monitor Climate Related measures within the Public Equities portfolio and utilises this to inform engagement with investment fund managers on specific holdings. The Fund engages with all managers on ESG to understand the managers approach to navigating Climate Risks and Opportunities.

Fees and costs incurred by third parties which affect overall investment returns and the relationship between fees, risk and investment return

The analysis below shows the investment expenses incurred during the financial year 2024-25 between expenses incurred in respect of Pooled Assets held in the ACCESS Pool and those assets held outside of the pool. The analysis includes costs captured through the cost transparency code.

2024-25	Asset Pool				Non-Asset Pool				Fund Total	
Management Fees	**Direct £000s**	**Indirect £000s**	**Total £000s**	**bps**	**Direct £000s**	**Indirect £000s**	**Total £000s**	**bps**	**£000s**	**bps**
Invoice Fees (excl VAT)	1,192	0	**1,192**	22	264	0	**264**	5	**1,456**	**27**
Performance	72	1,435	**1,507**	27	0	508	**508**	9	**2,015**	**36**
Fees paid from NAV Pooled Funds	0	9,939	**9,939**	**0**	0	4,527	**4,527**	82	**14,466**	**82**
Broker Commission	617	38	**655**	**180**	0	12	**12**	0	**667**	**180**
Transaction Taxes	2,863	77	**2,939**	53	0	0	**-**	0	**2,939**	**53**
Implicit Costs	0	5	**5**	0	0	56	**56**	56	**61**	**56**
Legal and Advisory Fees	0	0	**-**	0	0	0	**-**	0	**0**	**0**
Other Transaction Costs	879	84	**963**	**18**	0	0	**-**	0	**963**	**18**
Indirect Transaction costs	0	349	**349**	6	0	3,792	**3,792**	69	**4,141**	**75**
Custody	0	0	**-**	0	35	0	**35**	1	**35**	**1**
Other	2,609	0	**2,609**	47	0	0	**-**	0	**2,609**	**47**
Total	**8,232**	**11,927**	**20,158**	**365**	**299**	**8,894**	**9,193**	**222**	**29,352**	**587**

Strategic Asset Allocation

The fund runs four Investment Strategies as set out in the Investment Strategy Statement. During 2024-25, three of these strategies were active and their relative weights and targets are set out below.

Strategy 1			
Asset Class	**Actual Proportion %**	**Target Proportion %**	**Difference**
Total Growth	53.0	47.5	5.5
Enhanced Yield	44.6	47.5	-2.9
Protection	2.4	5	-2.6

Strategy 3			
Asset Class	**Actual Proportion %**	**Target Proportion %**	**Difference**
Total Growth	0	0	0
Enhanced Yield	12.2	10.0	2.2
Protection	87.8	90.0	-2.2

Strategy 4			
Asset Class	**Actual Proportion %**	**Target Proportion %**	**Difference**
Total Growth	31.8	32.5	-0.7
Enhanced Yield	59.8	57.5	2.3
Protection	8.3	10.0	-1.7

Each investment bucket contains a mix of asset classes. The relative weights and targets are set out below.

Growth			
Asset Class	**Actual Proportion %**	**Target Proportion %**	**Difference**
Public Equity	80.8	87.5	-6.7
Private Equity	19.2	12.5	6.7

Protection			
Asset Class	**Actual Proportion %**	**Target Proportion %**	**Difference**
Gilts	100.0	100.0	0

Enhanced Yield			
Asset Class	**Actual Proportion %**	**Target Proportion %**	**Difference**
Real Estate	21.6	25.0	-3.4
Bonds	40.9	33.0	7.9
Infrastructure	21.6	20.0	1.6
Timberland	3.0	5.0	-2.0
Private Debt	12.9	17.0	-4.1

Pooling

How the Fund has implemented the policy on pooling its assets in the ACCESS investment pool as set out in the Investment Strategy Statement, detailing how the Fund has progressed in pooling assets

The analysis below shows the investment assets that are pooled, investment assets under pooled management and investment assets held outside of the pool as at 31 March 2025. The Fund continues to collaborate with the ACCESS pool, and during 2024-25 plans to transition Real Estate Assets from outside the pool, commit to Affordable Housing solutions within the Pool and support the establishment of Private Equity and Timberland Investment Assets within the pool.

£m Asset values as at 31 March 2025	Pooled	Under pool management	Not pooled	Total
Equities (including convertible shares)	2,122.99	-	-	**2,122.99**
Bonds	718.66	-	735.48	**1,454.14**
Property	-	460.39	0.87	**461.26**
Hedge funds	-	-	-	**-**
Diversified Growth Funds (including multi-asset funds)	-	-	-	**-**
Private equity	-	-	515.84	**515.84**
Private debt	-	-	183.96	**183.96**
Infrastructure	-	233.2	290.75	**523.95**
Derivatives	-	-	1.58	**1.58**
Cash and net current assets	-	-	160.39	**160.39**
Other	-	-	76.31	**76.31**
Total	**2,841.66**	**693.59**	**1,965.18**	**5,500.42**

£m Asset values as at 31 March 2024	Pooled	Under pool management	Not pooled	Total
Equities (including convertible shares)	2,228.58	-	-	**2,228.58**
Bonds	668.53		636.61	**1,305.14**
Property			450.5	**450.5**
Hedge funds				**-**
Diversified Growth Funds (including multi-asset funds)				**-**
Private equity			492.76	**492.76**
Private debt			173.17	**173.17**
Infrastructure		269.07	243.25	**512.32**
Derivatives			5.35	**5.35**
Cash and net current assets			100.09	**100.09**
Other			84.87	**84.87**
Total	**2,897.11**	**269.07**	**2,186.6**	**5,352.78**

Pooling costs

The costs incurred, gross savings achieved, and the resulting net savings achieved as a result of pooling assets

Details of the set-up costs, transition costs and ongoing operational costs incurred by the Norfolk Pension Fund in respect of the ACCESS Pool are detailed below. The table reflects the costs incurred in financial year 2023-24 and shows the cumulative costs to date since financial year 2015-16 when the initial set up of the ACCESS Pool commenced. During 2024-25 CBRE were appointed to manage the transition of property assets held by the

fund to a pooled solution, the Fund committed to affordable housing with LGIM. JP Morgan Infrastructure and Stafford timberland were transitioned to ACCESS pool governance.

Whilst the Fund has incurred costs associated with the set up of the Pool and transition of the assets, the Fund has also benefitted from a number of savings. The table below shows the savings made in 2024-25 and the total savings to date since financial year 2015-16.

	2024-25	
	Actual In Year	Actual Cumulative to date
	£'000	£'000
Set Up Costs	**0**	183
Transition Costs	0	500
Ongoing Operational Costs	229	936
Total Costs	**229**	**1,619**
Pool Fee Savings	**1,634**	**14,683**
Net Savings Realised	1,405	13,064

UK Investment

The analysis below provides additional information on investment in the UK.

£m Asset values as at 31 March 2025	Pooled	Under pool management	Not pooled	Total
UK Listed Equities	289.26	-	-	**289.26**
UK Government Bonds	-	-	267.27	**267.27**
UK Infrastructure	-	12.13	148.96	**161.09**
UK Private Equity	-	-	40.55	**40.55**

£m Asset values as at 31 March 2024	Pooled	Under pool management	Not pooled	Total
UK Listed Equities	283.48			**283.48**
UK Government Bonds			235.30	**235.30**
UK Infrastructure		16.14	197.18	**213.32**
UK Private Equity			36.87	**36.87**

Section 6 - Administration

A summary of activities undertaken by the administration function during the year

McCloud Remedy

Following introduction of legislation on 1 October 2023, Norfolk Pension Fund has updated member records for all members in scope of the McCloud Remedy. Records with a Provisional or Final Guarantee Amount have been identified. Errors and Queries on calculations have been identified and resolved. The plan in 2025/26 is to complete the recalculation of member pension benefits that have been paid and to notify members of their entitlement in our Annual Benefit Statements.

Lifetime Allowance Abolition

Records affected by the retrospective software update for the introduction of the Lump Sum Allowance have been updated. Documents and procedures have been fully updated to comply with the change in legislation from notification of Lifetime Allowance to Lump Sum Allowance.

Pensions Dashboards Programme

Norfolk Pension Fund has appointed our ISP and has made decisions on our member matching criteria. Discussions are ongoing with our AVC providers to decide how best to upload AVC data to the Dashboard.

To assist with the member matching process Norfolk Pension Fund has commenced an ongoing Data Cleanse and Enrichment programme to improve confidence in personal member data quality.

Annual Benefit Statement

Completion of production of 50,000+ annual benefit statements by the statutory deadline. Data uploaded to member records and sent by post to home addresses.

IT Development

EA2P Enhanced Payroll System

Upgrade to payroll system to introduce electronic processes to replace manual processes, including the calculation and input of arrears of annual pension payments.

Bank Account Verification (BAV)

Facility introduced to check pensioner member bank details against those held by banking institutions to avoid fraudulent claims.

Monthly Data Submission from Employers

Completion of project for all employers in the Norfolk Pension Fund NPF using IT facility to upload member data on a monthly basis.

Leaver Information Report

Development of report on outstanding leaver information for Employers with backlogs.

Development of Shared Documents

A secure site to share documents and information with Employers to reduce the risk of data breach and allow information to be received and shared in a more secure and timely manner.

Data Cleanse and Enrichment Project

Norfolk Pension Fund commenced the initial planning and test implementation of a Data Cleanse and Enrichment product from our software provider. When the project goes live we aim to reconnect with members we have lost contact with and to improve the quality of member personal data.

Data Quality and Audit

IT Analytics

We have a system from our software supplier to report a daily extract of data for data quality purposes including address checks. Regular KPI reporting to determine volumes of task completion and percentages completed within KPI and service level agreements targets.

Employer Forum

We host twice annual Employer Forum where the Fund Actuary (Hymans Robertson) and Fund officers deliver information about importance of data quality and timeliness of data submission. All employers/payroll providers/HR/finance/third party providers are invited.

Internal Audit

Annual audits for income and outgoing payments and monthly data submission from Employers and Payroll Providers, organised by Norfolk County Council Audit Services. Run through of processes to compare against procedures and checks against records of correct application of payments made and income received.

External Audit

Annual external audit where processes are demonstrated to auditors and outcomes checked for accuracy across Member Service Administration, Payroll Administration and Technical Service Administration.

Data Security

The Norfolk Pension Fund is responsible for managing and processing personal data and sensitive information. We have the following arrangements in place to safeguard this data:

- All staff are regularly made aware of Norfolk County Council policies in respect of Confidentiality, Data Protection and Information Security
- All staff complete regular mandatory training covering: Information Governance; Online and Information Security; and Fraud and Bribery Awareness
- New staff have these responsibilities and policies explained to them as part of their induction and their understanding is checked
- All administration data is stored electronically and paper records are securely destroyed
- Encrypted laptops are provided to all staff as part of their regular role or as part of our business continuity plan
- Where data has to be transferred off site we use either secure FTP, VPN, secure email or encrypted storage devices
- Norfolk Pension Fund staff have access to the secure Government Connect network

Data Quality

We published our Report on Data Quality in February 2025. The Report was prepared using guidance from the Pension Regulator on Record-keeping and detailed the steps taken to maintain and improve the quality of membership data maintained by the Norfolk Pension Fund.

Common data

Common data has been suggested by the Pension Regulator. It is basic data which is common to all membership types.

The common data score which is used measure of all common data items averaged across all items for the Norfolk Pension Fund was 95.62%

Whilst it is certainly good practice to keep in touch with deferred pensioners, the fact that we don't know their current whereabouts does not cause problems in terms of paying out money due or accounting for money due to be paid.

We carry out regular mortality screening (see above) which highlights where payments may be due to be paid. Members not failing the mortality

screening are assumed to be still alive and therefore will be entitled to receive benefits on retirement.

As part of our Data Cleanse and Enrichment Project we regularly check for updates to addresses for Deferred Members who we are no longer in Contact with.

Conditional data

Conditional data is data which the Norfolk Pension Fund considers is essential to ensure correct recording of liabilities for actuarial purposes, correct calculations and payment of benefits.

The conditional data score averaged across all items for the Norfolk Pension Fund was 99.9%

The only significant area of fail is "Deferred Benefit passed due date". Regular reports are run against the system to highlight any cases where benefits are still being deferred but should possibly be in payment. The small numbers of cases shown as currently failing are those where we are currently carrying out tracing activities. We have instigated a write-off process where benefit amounts are small, or beneficiaries cannot be traced after exhaustive search. This will reduce the number of cases that we are accounting for, but in practice will never pay out.

Where deferred benefits have not been put into payment by retirement age, this could be due to un-notified mortality, or “gone aways”. Large numbers of such cases could affect funding of schemes; however, the small numbers involved here do not represent any significant funding issues.

Data cleansing is an ongoing exercise and therefore does not have timescales associated with it.

We run regular checks on Deferred Benefit addresses as part of our Data Cleanse and Enrichment Project which gives us a traced address and the probability of the member living at that address. This gives us likely addresses for our deferred members who have changed address but not informed us.

It is recognised by the Pension Fund Actuary that the Norfolk Pension Fund data is among the cleanest in local government, however we are not complacent and know that we must strive to keep standards up.

Regular monitoring of the measures identified in this report will be carried out and any actions necessary to ensure data quality is maintained.

The Norfolk Pension Fund will review best practice of other pension funds to ensure that appropriate measures are used and where appropriate additional data monitoring will be put in place.

Key information sources

The Fund provides a number of information sources for stakeholders.

The Fund's website www.norfolkpensionfund.org provides advice, information and news about the Fund and the LGPS for scheme members and employers.

The Member Self -Service area of the website allows scheme members to securely view their personal pension details. Once registered, scheme members can view and update their personal details, see their benefit statements and use the online pension calculator.

The LGPS member website www.lgpsmember.org also provides information and updates about the scheme.

Our online portal, i-Connect, provides scheme employers access to view their own data, securely exchange data and submit requests and changes electronically.

The Pensions Service Team has three teams, each with specific areas, managed by Service Managers. Scheme members, employers and our other stakeholders can contact the Norfolk Pension Fund team by telephone or email as follows:

Member Services

Manager	Patsy Bradley	
Telephone	01603 495923	
Email	Surname A-F	pensions.admin1@norfolk.gov.uk
	Surname G-O	penadmin3@norfolk.gov.uk
	Surname P-Z	pensions.admin2@norfolk.gov.uk
	General enquiries	pensions@norfolk.gov.uk

Payroll and Pensioner Services

Manager	Paul Stimpson
Telephone	01603 495788
Email	pensions@norfolk.gov.uk

Technical Support and Systems

Manager Matthew Crane
Telephone 01603 222132
Email pensions.technical@norfolk.gov.uk (dedicated email address for employer monthly data returns enquiries)

The team is fully committed to providing a quality service to meet the needs of the Fund's various stakeholders and to delivering excellent customer care through the delivery of tasks including:

- managing and maintaining a database of active members, pensioner members, spouse's/partners, dependent members and deferred member records
- the calculation and payment of retirement benefits
- providing estimates of benefits to scheme members, employers (e.g. redundancy and strain costs in respect of a workforce review) and current values for deferred members
- the calculation and payment of transfer values to other pension schemes following strict guidelines laid down by the TPR (The Pensions Regulator)
- processing transfer values from and public sector club schemes
- Interfund adjustments from other LGPS funds
- Aggregation of membership and accrued pension for members who change employers/jobs within the fund
- providing valuations and implementing Pension Sharing Orders for divorce cases.
- replying to queries from Scheme members and employers
- calculation and payment of refunds of pension contributions for early leavers
- calculation of deferred benefits for early leavers
- the calculation and payment of death benefits to eligible beneficiaries in respect of deceased active scheme members
- the payment of monthly pensions to pensioner members
- the calculation and payment of death benefits to eligible beneficiaries in respect of deceased pensioner members
- ensuring the collection of individual member data from participating employers through the submission of monthly data
- reconciling employers' monthly and annual contribution payments with individual member data submitted

Other administration tasks include

- application of the annual Pensions Increase in respect of pensioner members
- the production of the active and deferred member Annual Benefit Statements
- managing the exit of employers no longer participating in the LGPS
- providing Pension Savings Statements to Scheme members as appropriate
- providing data for annual FRS102/IAS19 disclosures
- providing data for triennial valuations

- dealing with disputes from scheme members and other stakeholders
- communicating with employers and scheme members on changes to the LGPS and other pension related issues as required
- regular data quality checks

Arrangements in place for ensuring accuracy, cyber security & confidentiality

Accuracy

The member's employer provides monthly data submissions. We rely heavily on the accuracy of the data provided by the employer, but we check for duplicate records, incomplete addresses, invalid National Insurance Numbers and report any findings back to the employer to correct.

Cyber security

Norfolk County Council's digital services teams control the IT infrastructure used by the Fund. They provide security configuration, firewalls, anti-virus software etc. The Norfolk Pension Fund has a comprehensive set of guidelines contained within Norfolk Pension Fund Cyber Security, Information Governance and Confidentiality Guidelines.

We ask all suppliers to complete an annual cyber security assurance questionnaire to provide assurance around their information and cyber security management. Our pensions administration system software provider engages a leading UK cyber security consultancy to undertake an independent review of their IT infrastructure and product portfolio.

Confidentiality

All the team must undertake the following mandatory training every two years, which new staff members undergo as part of their induction programme.

- Information Governance (Data Protection Essentials)
- IMT Online & information security
- Fraud & Bribery awareness

Report on performance against administration Key Performance Indicators (KPIs)

In most cases there has been a significant increase in casework numbers and is a trend that Norfolk Pension Fund has been experiencing for a number of years. We believe this is down to members continuing to actively engage with their pension rights which creates more casework.

The performance in line with Key Performance Indicators has maintained or increased in 2024/25 which is in spite of the complexity of casework and legislation changes that has proved to be challenging.

An example of the complexity is the fall in number of Transfer Out payments, which we believe is due to the increased requirements (IFA advice, guidance from MoneyHelper, TPR "Flag" system etc) in order for a member to transfer pension rights away from the LGPS.

In addition, Norfolk Pension Fund has also been going through a prolonged recruitment programme, the recruitment itself and ongoing training for new staff has taken away from the available time to process casework.

Table A - Total number of casework

Casework KPI	Total number of cases open as at 31 March (starting position)	Total number of new cases created in the year (1 April to 30 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 recorded of active, deferred, pensioner and dependent members	92	946	897	86.4	847	89.8
New dependent member benefits	12	833	845	98.5	801	98.5
Deferred member retirements	N/A	N/A	N/A	N/A	N/A	N/A
Active member retirements	3	2064	2059	99.6	1301	99.8
Deferred benefits	7	2352	2353	99.7	2302	99.6

Transfers in (including interfunds in, club transfers)	8	170	177	99.4	205	91.5
Transfers out (including interfunds out, club transfers)	2	38	35	92.3	177	97.3
Refunds	1	525	521	99	585	99.8
Divorce quotations issued	4	244	248	100	212	98.1
Actual divorce cases	7	24	27	87.1	18	72
Member estimates requested either by scheme member and employer	128	2885	2861	95	2542	94.9
New joiner notifications						
Aggregation cases	2386	3711	3631	59.6	3064	51.3
Optants out received after 3 months membership	11	161	156	90.7	126	79.7

Table B - Time taken to process casework

Casework KPI	Fund target	% completed within fund target in year	% completed in previous year
Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	10 days*	94.7	89.9
Communication issued confirming the amount of dependents pension	10 days	96.5	94.6
Communication issued to deferred member with pension and lump sum options (quotation)	15 days	N/A	N/A

Communication issued to active member with pension and lump sum options (quotation)	15 days	68.1	68.5
Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 days	N/A	N/A
Communication issued to active member with confirmation of pension and lump sum options (actual)	15 days	100.0	90.4
Payment of lump sum (both actives and deferreds)	15 days	93.5	92.8
Communication issued with deferred benefit options	30 days	98.7	99.0
Communication issued to scheme member with completion of transfer in	15 days	80.2	81.0
Communication issued to scheme member with completion of transfer out	15 days	83.3	61.5
Payment of refund	10 days	100.0	99.3
Divorce quotation	45 days	100.0	100.0
Communication issued following actual divorce proceedings i.e application of a Pension Sharing Order	3 months*	100.0	100.0
Communication issued to new starters	40 days	N/A	N/A
Member estimates requested by scheme member and employer	15 days	90.7	90.4

* Targets adjusted to reflect Norfolk Pension Fund targets.

Table C - Communications and engagement	
Engagement with online portals	**Percentage as at 31 March**
% of active members registered	23.29%
% of deferred member registered	16.16%
% of pensioner and survivor members	23.55%
% total of all scheme members registered for Member Self-Service	20.41%
% of all registered users that have logged onto the service in the last 12 months	30.80%
Communication	**Number**
Total number of telephone calls received in year	15,976
Total number of email and online channel queries received	We estimate in the region of 19,000 emails were received based on a 90 day review of group mailboxes with an allowance for peak periods
Number of scheme member events held in year (total of in-person and online)	11
Number of employer engagement events held in year (in-person and online)	2
Number of active members who received a one-to-one (in-person and online)	88 scheme members attended a one-to-one Pension Clinics held in November 2023. We only have stats for in-person meetings.
Number of times a communication (i.e newsletter) issued to:	
a) Active members	1
b) Deferred members	1
c) Pensioners	2

Table D – Resources	
Total number of all administration staff (FTE)	31.61
Average service length of all administration staff	15.06 years
Staff vacancy rate as %	10%
Ratio of all administration staff to total number of scheme members (all staff including management)	1:3,783
Ratio of administration staff (excluding management) to total number of scheme members	1:3,919 (excluding Head of Pension Services) 1:4,380 (excluding Head of Pension Service plus 3 x service managers)

Table E - Data Quality	
Annual Benefit Statements	
Percentage of annual benefit statements issued as at 31 August	100.00%
Short commentary if less than 100%	N/A
Data category	
Common data score	95.62%
Scheme specific data score	99.90%
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	4.32%
Percentage of active, deferred and pensioner members with an email address held on file	34.19%
Employer performance	
Percentage of employers set up to make monthly data submissions	100.00%
Percentage of employers who submitted monthly data on time during the reporting year	69.10%

Norfolk Pension Fund Membership

Report on member and employer numbers by category

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

Organisations participating in the Norfolk Pension Fund include:

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

There are currently 436 employer organisations with active members in the Norfolk Pension Fund including Norfolk County Council as detailed below. This is a net increase of two employers since 31 March 2024.

For details of contributing employers, please refer to the Employers List 2024-25.

	31 March 2024	31 March 2025
Number of Employers with Active Members	**434**	**436**
Full membership including employers with deferred and legacy pension commitments		
Number of Employees in Scheme		
Norfolk County Council	14,656	14,247
Other Employers	18,645	18,528
Total	**33,301**	**32,775**
Number of Pensioners		
Norfolk County Council	15,437	16,141
Other Employers	15,412	16,248
Total	**30,849**	**32,389**
Deferred Pensioners		

	31 March 2024	31 March 2025
Norfolk County Council	20,244	21,562
Other Employers	20,135	22,236
Total	**40,379**	**43,798**
Total Members membership including employers with deferred and legacy pension commitments	**102,204**	**108,962**

The table below shows a summary of the number of employers in the Fund analysed by scheduled bodies, admitted and designated bodies which are active (with active members) and ceased (no active members but with some outstanding liabilities).

Employer Type	Active (with active members)	Ceased (no active members with some outstanding liabilities)
Scheduled Bodies	287	34
Admitted Bodies	26	103
Designated Bodies	287	30
Total	**436**	**167**

Report on actions taken to deliver the communications policy

The Norfolk Pension Fund is committed to delivering a consistently high level of performance and customer service. Excellent communication is core to this commitment.

Our communication objectives are detailed in our Customer Care and Communication Strategy Statement.

In all our communications we aim to:

- Provide clear, relevant, accurate, accessible and timely information
- Carefully listen, consider and respond to communications we receive
- Use plain English where possible and avoid unnecessary jargon
- Use the communication method that best suits the audience and the information being passed on

The Fund meets the commitments set out in the Customer Care and Communication Strategy Statement through the delivery of the following services and activities.

Accessibility and exclusion

It is an important principle to us that we recognise all members are not the same, but that they should still be able to access the support they need to engage with their LGPS pension. Therefore, we offer a variety of communication channels and media and services, including:

- INTRAN services where translation services are needed
- Hard copy and large print versions of documents
- A website compliant with World Wide Web Consortium (W3C) Web Content Accessibility Guidelines 2.1 at AA level and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.Telephone helplines as well as dedicated mailboxes and online services for members
- An address to write to us
- Face to face and virtual meetings

Dedicated telephone helplines and mailboxes

We have dedicated helplines and email boxes for scheme members and employers operated by our Pensions Services Team.

Those members who wish to can also write to us at our offices.

Website

Our website www.norfolkpensionfund.org provides our members, employers and other stakeholders information and latest news about the Fund and the LGPS. The resources section on the site provides a library of documentation including guides, forms, reports and newsletters.

Member Self-Service

Member Self-Service offers our members a quick and secure way to securely access their pension details online.

Member Self-Service can be used to:

- View pension account benefits and latest valuation
- Amend personal details
- Update Death Grant nomination details
- Calculate projected pension benefits
- Upload documents and queries
- See and download payslips and P60s

A Brief Guide to the LGPS

In addition to the comprehensive information on our website, we publish *A brief guide to the Local Government Pension Scheme (LGPS)* which provides members with information about the scheme such as who can join, contributions, tax relief, how to join, benefits calculation, opting out and rejoining, transferring benefits, death grant benefits, ill health benefits and retirement.

Annual Benefit Statement

Annual Benefit Statements are produced in hard copy and sent to active and deferred members home addresses as well as being made available on line.
The Benefit Statement is incorporated into a member newsletter with disclosures and updates on the Fund and the LGPS and other relevant information including: options for increasing pension income, details about the '50/50' option, tax limits, advice about pension scams and how to avoid them, scheme governance and an overview of the Fund's accounts and investments.

Primetime newsletter

Our newsletter for retired members, Primetime, is posted to retired members twice a year. It provides our pensioner members with the latest new about the Fund and their LGPS pension, including the annual pensions increase, HMRC tax update, pension pay dates, what to do if you change your bank, how to access Member Self-Service, scam awareness details of the Fund's governance arrangements and an update on responsible investment. Primetime is also published on our website www.norfolkpensionfund.org

Payslips

Printed payslips are only produced when pension payment amounts vary by more than £1.00. Payslip details are available to scheme members via our secure online Member Self-Service.

Pension Clinics

Pensions Clinics for active and deferred members were held in October and November in four venues around Norfolk (Norwich, Great Yarmouth, King's Lynn and Cromer) providing

an opportunity to meet face-to-face with one of the Fund team to discuss their LGPS pension.

Throughout the year, on request members can arrange to meet face-to-face or virtually.

Pre-Retirement Planning Course for members

The Fund supports a Pre-Retirement Planning Course which is offered free to Norfolk Pension Fund members planning to retire in the next 18 months to two years.

Annual Meeting

Members were offered the opportunity to attend our Annual Meeting for an update on the Fund to ask Pension Fund officers about the LGPS.

Pension Administration Strategy

The Norfolk Pension Fund publishes a Pension Administration Strategy (PAS) which sets out detailed requirements for liaison and communication between employers and the Fund and outlines performance expectations for both parties. The aim is to promote good working relationships and improve transparency, efficiency and data quality.

Monthly employer data submission

All employers use i-Connect to prepare, submit and view data, updates and requests with us securely, reducing costs and risks associated with processing pension data.

Employer Newsletter

Employer Newsletters were published during the year covering topical issues under debate, technical changes that need their attention and changes to regulations that impact on their duties and responsibilities.

Employer Forum

Hybrid Employer Forums were held in July 2024 and November 2024.
These offer the opportunity for employers and Norfolk Pension Fund colleagues to meet and discuss news and views. Employers receive updates on current issues and developments and external speakers provide insights into the wider pensions world. Forums are recorded for colleagues unable to attend live events.

Individual employer meetings

Employers can arrange face-to-face or virtual meetings with the Pension Fund team on request.

Specialist advice

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

Induction sessions for new employers

Induction training sessions are available for new (and current) scheme employers upon request.

Promoting LGPS scheme membership to prospective members and employers

We maintain an area on our website which provides prospective employers with information on the scheme including A Guide for Prospective Scheme Employers and a Pension Handbook for Scheme Employers.

We work with employers to promote the scheme and inform both prospective and current members.

We provide employers with resources (e.g. posters, leaflets, guides) to help promote the scheme.

Employers are encouraged to direct new employees to our website www.norfolkpensionfund.org and also to provide copies of our joiner pack which includes A brief guide to the LGPS booklet, membership form, death grant benefit form and transfer of benefits form.

Employers are also encouraged to provide prospective and current members of the scheme with links to the range of LGPS Pensions made simple videos which promote scheme benefits and options.

Value for money statement

Report on value for money achieved by the administration function

The Norfolk Pension Fund is committed to delivering a consistently high level of performance and customer service, fully compliant with legislative requirements and recognised best practice, to meet the different needs of all its stakeholders in a responsive, effective, efficient and equitable way.

The Fund's operational financial performance is reviewed by the Pensions Committee, which approves the annual budget. Actual spend is monitored throughout the year by the Fund's management team and is reported in the Annual Accounts.

We operate a three year Service Plan to secure delivery of the Fund's Mission Statement and strategic objectives, with the aim of optimising efficiency and effectiveness.

Our Mission Statement is underpinned by 8 strategic objectives, covering all aspects of Fund management and delivery.
Our Service Plan:

- is built on these objectives, setting out 'business as usual' activity and projects against each strategic objective;
- includes success criteria / KPI's, risks, responsibilities, and resources;
- is approved by Pensions Committee alongside the budget;
- is reported to the Local Pension Board;
- is the basis for team and individual objectives and monitoring.

Consequently, everyone understands how they contribute to the Mission.

We take part in the CIPFA benchmarking club for pensions administration, which allows us to compare our performance and costs against other LGPS funds.

The average cost per member (CPM) to administer the Norfolk Pension Fund for 2023-24 (the latest available at time of publication) was £19.68, which is 27% below the average £26.78 CPM achieved by other local authorities who participated in the CIPFA Pensions Administration Benchmarking Club over the same period.

Average Cost per Member

	2019-20	2020-21	2021-22	2022-23	2023-24
Norfolk Pension Fund	£19.97	£19.84	£20.28	£21.08	£19.68
CIPFA Benchmarking Average	£20.00	£21.91	£22.46	£24.56	£26.78

Report on complaints and dispute resolution cases

We operate an Internal Dispute Resolution Procedure (IDRP) which is defined by statute. This is used where a member disagrees with the benefits awarded or a decision made by their employer which affected their benefits.

Full details of the procedure can be found on our website www.norfolkpensionfund.org

One IDRP case was taken to Stage 2 in 2024/2025 with the response from the adjudicator sent to the former member on 3 June 2024. The reply included contact details and information about Money Helper and the Pensions Ombudsman.

We gather feedback on our service from our customers that helps us identify areas of improvement and opportunities for efficiency.

Employer Forums

100% of respondents gave an overall assessment of the Forums as Excellent/Very Good/Good.

Comments included:

- Informative, accessible and interesting. A well-considered overview of the wider context and key changes to local government pension provision
- A really informative session, that was very beneficial to attend
- I find these sessions very informative and easy to follow. Very much helps my understanding of the LGPS administration and the FRS102 reports with the accounting notes
- Excellent especially given uncertainty post Mansion House
- Lots of quality information given. Interesting future developments to the i-Connect
- Very informative and well delivered. Technical topics delivered in non-technical terms.

Scheme Member Pension Clinics

80% of respondents said they were 'Very satisfied' with the service received at the Clinics.

Comments included:

- Very informative and several options were explored and explained to me
- The session was organised well and the officer was polite, professional and very helpful thank you
- Spoke in simplistic terms so I could understand. Very helpful indeed
- My questions were fully answered and I came away feeling more confident re my retirement planning
- I am very satisfied because your staff answered all my questions and cleared up any doubts I had. So effective problem solving!

- What I liked about the service I received - for making me feel comfortable, for demonstrating kindness and also for listening to me. For preparing the quote for me and for giving me satisfactory explanations about my pension.
- Clear, concise information and an agreed plan of action
- Very friendly and knowledgeable
- The service I receive from Norfolk Pension Fund has always been excellent
- Easy to speak to and easy to understand options given

Primetime (retired members newsletter) survey

100% of respondents rated the service they received from the Norfolk Pension Fund as Excellent/Very Good.

Comments included:

- When I've needed information or help the people have always been able to provide it.
- Thank you for the excellent service you provide Norfolk pensioners like myself, happy Christmas and keep up the good work in 2025!
- I have nothing but praise for the Norfolk Pension Fund. I feel informed and that my pension is in the safe and efficient hands of people who care about what they do, thank you
- The Pension Fund does a really good job keeping me informed

Section 7 - Actuarial Report on Funds

Statement by the Fund Actuary on the most recent valuation of the assets and liabilities of the level of funding as reported at the last actuarial valuation

Actuarial Statement for 2024-25 by Hymans Robertson LLP

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS), dated March 2023. In summary, the key funding principles are as follows:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants
- use a balanced investment strategy to meet the regulatory requirement for long-term cost efficiency (where efficiency in this context means to minimise cash contributions from employers in the long term)
- where appropriate, ensure stable employer contribution rates
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations
- manage the fund in line with the stated ESG policies.
- The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 20 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least a 75% likelihood that the Fund will achieve the funding target over 20 years.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund's assets, which at 31 March 2022 were valued at £4,901 million, were sufficient to meet 106% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £289 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure as per the FSS. Individual employers' contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2022 valuation report and FSS.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

Financial assumptions	31 March 2022
Discount rate	4.3% pa
Salary increase assumption	3.4% pa
Benefit increase assumption (CPI)	2.7% pa

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	21.9 years	24.6 years
Future Pensioners*	22.9 years	26.2 years

*Aged 45 at the 2019 Valuation.

Copies of the 2022 valuation report and Funding Strategy Statement (FSS) are available on request from the Administering Authority to the Fund and on the Fund's website.

Experience over the period since 31 March 2022

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. Asset

performance improved in 2024 and early 2025; however the recent increase in US tariffs on imports has caused significant market volatility. The peak of this market volatility was experienced immediately after 31 March 2025, however, generally lower than expected asset returns were experienced in the month immediately prior to this.

High levels of inflation in the UK (compared to recent experience) have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, inflation has reduced towards historical levels and the Bank of England's target (2% pa), with LGPS benefits increasing by 1.7% in April 2025.

There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025, and will be finalised by 31 March 2026. The Funding Strategy Statement will also be reviewed at that time, and a revised version will come into effect from 1 April 2026.

Jamie Baxter FFA C.Act

9 May 2025

For and on behalf of Hymans Robertson LLP

Norfolk Pension Fund Valuation Report March 2022

The full actuarial report on the valuation of the Fund is set out in the Norfolk Pension Fund Valuation Report March 2022.

Section 8 - External Audit Opinion

Independent auditor's statement to the members of Norfolk County Council on the Pension Fund financial statements.

Opinion

We have examined the pension fund financial statements of Norfolk Pension Fund ("the Pension Fund") included in the Pension Fund Annual Report ("the Annual Report") for the year ended 31 March 2025, which comprise the Fund Account, the Net Assets Statement and the related notes, including material accounting policy information.

In our opinion, the Pension Fund financial statements included in the Annual Report are consistent with the audited pension fund financial statements included in the full annual statement of accounts of Norfolk County 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 Director of Strategic Finance and the auditor

As explained more fully in the Statement of Responsibilities, the Director of Strategic Finance is responsible for the preparation of the pension fund's financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

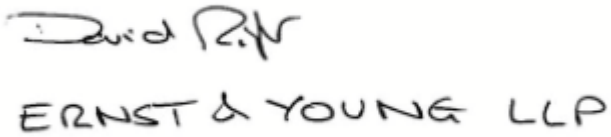
Our responsibility is to report to you our opinion on the consistency of the pension fund financial statements within the pension fund annual report with the pension fund financial statements in the statement of accounts of Norfolk County Council, and its compliance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We also read the other information contained in the pension fund annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the pension fund financial statements. The other information consists only the Introduction; Contact Us; Overall Fund Management; Governance and Training; Financial Performance; Fund Account, Net Asset Statement and notes; Investments and Funding; Administration; Actuarial Report on Funds; Additional Information**.**

We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office. Our report on the administering authority's full annual statement of accounts describes the basis of our opinion on those financial statements.

Use of our report

This report is made solely to the members of Norfolk County Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Norfolk County Council and its members as a body, for our audit work, for this report, or for the opinions we have formed.



David Riglar (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Cambridge
13 May 2026

Section 9 – Additional Information

Compliance with the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills

Our training strategy aligns with the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills.

Compliance with the Code of Practice

A Training Strategy is maintained to develop and maintain knowledge and skills to support good and timely decision making. This training strategy extends to Pensions Committee, Pensions Oversight Board and officers.

Professional Development

We consider the people who work for us as one of the Norfolk Pension Fund's biggest assets and value them accordingly:

- We invest in the continuing professional development of staff, for the benefit of our stakeholders and the Fund overall
- We operate a standard appraisal process across the team, linked into the Fund's service plan

The role played by Internal Audit in providing assurance and managing risk, and a summary of assurance activity undertaken during the year

The Director of Strategic Finance and Section 151 Officer is responsible for the administration and financial accounting of the Pension Fund.

During 2024-25 the Pensions Committee was formally briefed by the Director of Strategic Finance and Director of Norfolk Pension Fund on a quarterly basis.

Norfolk Audit Services (NAS) produces an annual report for the Pensions Committee. This Annual Internal Audit Report details the overall opinion on the system of internal control, including the arrangements for the management of risk, and details the level of audit coverage for the year.

During the year internal audit made detailed reports on four audits in the plan to the relevant manager, including an audit opinion and an agreed action plan. The audit work performed is considered enough to support our annual opinion.

Internal Audit's role is to ensure that there is evidence of compliance with the Pension Fund's objectives, rules and procedures. Where such compliance does not exist, internal

audit makes recommendations to ensure that proper controls are in place. Some audits carried out are based on the perceived risk to the Pension Fund as assessed using the internal audit risk model, whilst others are requested by the Pension Fund. The audit work follows the Public Sector Internal Audit Standards (PSIAS) as approved by CIPFA.

The approach NAS takes to its role is set out in its own Terms of Reference (Charter), Code of Ethics and Strategy, as approved by the County Council's Audit and Governance Committee, (formerly the Audit Committee)

The Internal Audit team, as part of the system of internal control, has provided an effective, efficient and economic function during the year, supporting Pension Committee, the Director of Strategic Finance, the Pension Fund Management Team and the service.

A summary of Freedom of Information requests

During the year 2024-25, the Norfolk Pension Fund has provided the following responses to Freedom of Information Act enquiries.

All responses have been made via the Corporate Freedom of Information Act Officer within statutory deadlines.

Date Request Received	Enquiry number / Requester name	Details
17/03/2025	IG-9366795 whatdotheyknow.com	Details of investments in arms, military and defence companies
11/03/2025	ENQ-735503-K8L0G3 Preqin	Commitment, Contribution, Distribution, Value and IRR as of 30 September 2024
26/02/2025	ENQ-735136-T8Z7K5 With Intelligence	Q3 2024 performance report for closed-end funds
21/02/2025	ENQ-735659-C6X1Q4 Bloomberg	Documents, materials, and/or presentations, including those by external consultants, pertaining to alternative investments for the period from 1 January 2024 to date
18/02/2025	ENQ-735511-K3R4Q1 PitchBook Data	Details of alternative asset holdings for Q3 2024
12/02/2025	ENQ-735365-Y0G8J3 Factset.com	Fund level performance reports for private equity, private debt, real asset, and real estate portfolios for Q3 2024
11/02/2025	ENQ-735343-V7D7T3 whatdotheyknow.com	Performance data for Transfer Out cases over the past 36 months (from 01/01/2021 to 31/12/2024).
11/02/2025	ENQ-735363-F4R7D2 Alternatives.pe	Most recent quarterly performance report
29/01/2025	ENQ-734940-R6Q3C5 PEI Group	Follow-up to ENQ-734426-P6W3P2. Request for Board meeting and investment committee meeting materials and investment consultant by asset class
28/01/2025	ENQ-734426-P6W3P2 PEI Group	Quarterly cash-flow reports for Q2 2024

09/01/2025	ENQ-734298-L7K8Q3 Pitchbook Data	Details on decreasing trends of contributions to the Standard Life Capital Secondary Opportunities Fund II
10/12/2024	ENQ-733567-P7V7P6 With Intelligence	Q3 2024 performance report for closed-end funds
06/12/2024	ENQ-731967-C0Y3Y6 Factset.com	Fund level performance reports for private equity, private debt, real asset, and real estate portfolios for Q2 2025
03/12/2024	ENQ-731965-P2K9S8 Factset.com	Fund level performance reports for private equity, private debt, real asset, and real estate portfolios for Q1 2024
25/11/2024	ENQ-732793-X8W7C6 whatdotheyknow.com	Confirm/ explain climate risk investment details/strategy for the 2023/24 and 2024/25 financial years
18/11/2024	ENQ-732159-C4S3N3: PitchBook Data Inc	Details of alternative asset holdings for Q1 2024
12/11/2024	ENQ-731492-Q5C5F5 The Telegraph	Number of pensions in payment, median average size pensions in payment, number of pensions over £50K and £100K a year,
01/11/2024	ENQ-730647-P0P9C7 Preqin	Commitment, Contribution, Distribution, Value and IRR as of 31 March 2024
30/10/2024	ENQ-728678-P9N2X7 PEI Group	Quarterly cash-flow reports for Q1 2024
28/10/2024	ENQ-730164-M4D4Z4 Sprout	A full list of the private markets investments
18/10/2024	ENQ-728049-W0C7Z1 SecondaryLink	Alternative investment information for Q1 and Q2 2024
04/10/2024	ENQ-725360-Y9D5Y5 With Intelligence	Fund investment data for Q4 2023, Q1 2024 and Q2 2024
11/09/2024	ENQ-722853-D0G7R4 PitchBook Data Inc	Details of alternative asset holdings for Q1 2024

09/09/2024	ENQ-724374-P2Y4L8 (Personal enquiry – name withheld under data protection)	The number of customer care complaints made annually to the each of the last five financial years. The number of complaints upheld, number of cases that merited customer care compensation
05/09/2024	ENQ-721703-B3Y9C4 The Times	Quarterly cashflow information of all your private capital investments made since the inception of the individual investments
03/09/2024	ENQ-724255-C7S4L5 Preqin	Details of all hedge funds and fund of hedge funds in which the Norfolk Pension Fund invests to 30 June 2024
22/08/2024	ENQ-723076-H4W7D2 Factset.com	Fund level performance reports for your private equity, private debt, real asset, and real estate portfolios. I am requesting this information for Q1 2024
05/08/2024	ENQ-720930-C5Q7V8 (Personal enquiry – name withheld under data protection)	How much the Fund has invested with the water companies
01/08/2024	ENQ-718905-L6W2H4 Preqin	Commitment, Contribution, Distribution, Value and IRR as of 31 December 2023
30/07/2024	ENQ-718484-L2B8R7 PEI Group	Quarterly cash-flow reports for Q4 2023
07/06/2024	ENQ-710034-Q0N6V8 Factset	Fund level performance reports for Q4 2023
06/06/2024	ENQ-708973-B3W9Z1 (Personal enquiry – name withheld under data protection)	Details of the Fund's investments including details of companies, funds and pools and investment value.
31/05/2024	ENQ-708572-G1K4L4 PItchBook	Details of alternative asset holdings for Q3 2023
14/05/2024	ENQ-704581-L2W4T4 SecondaryLink	Alternative investment information for 2023

09/05/2024	ENQ-704058-L4G8K5 (Personal enquiry – name withheld under data protection)	List of specific companies and the amount invested in them by the LGPS.
02/05/2024	ENQ-702807-R6G3F7 whatdotheyknow.com	Confirmation how much is invested in Caterpillar, Boeing, BAE Systems, Thales and Safran.
15/04/2024	ENQ 698455-M5F0V6 Preqin	Commitment, Contribution, Distribution, Value and IRR as of 30 September and 31 December 2023
10/04/2024	ENQ-697321-N3W9H6 whatdotheyknow.com	Suppliers who applied for inclusion on each lot of the Integrated Service Providers (ISP) and the Provision of Member Data Services framework including which were successful & not successful at the PQQ & ITT stages
09/04/2024	ENQ-697147-V3B9X6 (Personal enquiry – name withheld under data protection)	Marketing material, updates and prospectuses for Equitix Capital Eurobond 5 Ltd and Equitix Capital Eurobond 6 Ltd

Glossary of commonly used Pension Fund terms

Active Management
A style of investment management which seeks to provide outperformance of a relevant benchmark through asset allocation, market timing or stock selection (or a combination of these). Directly contrasted with passive management that seeks to replicate the performance of a selected benchmark.

Actuarial Valuation
A review of the Pension Fund by a qualified Actuary, which takes place every three years to ensure that employers' contributions are sufficient to maintain the solvency of the Fund in the long-term.

Actuary
An independent qualified consultant who carries out the Actuarial Valuation and advises on new investment strategies or changes to the benefit structure.

Administering Authority
A local authority required to maintain a pension fund under LGPS regulations. Within the geographical boundary of Norfolk this is Norfolk County Council.

Admitted Bodies
An organisation, which, under the Pension Scheme Regulations, is able to apply to the Administering Authority to join the Scheme (e.g. a contractor providing services to the Council or another scheduled body). Upon acceptance, an Admission Agreement is prepared admitting the organisation and allowing its employees to join.

Asset Allocation/Asset Mix
The apportionment of a Fund's assets between asset classes and/or markets. Asset allocation may be either strategic i.e. long-term, or Tactical i.e. short-term, aiming to take advantage of relative market movements.

Assumed Pensionable Pay
Where an employee loses pay due to sickness or reduced pay family related leave, the pay actually received is substituted with "Assumed Pensionable Pay" when calculating "career average" benefits and employer contributions. Assumed Pensionable Pay is the average of pay in the three months prior to the month in which the reduced pay occurs.

Auditor
An independent qualified accountant who is required to verify and agree the Pension Fund Accounts and issue an opinion on their accuracy.

Benchmark
A "notional" fund or model portfolio which is developed to provide a standard against which a manager's performance is measured e.g. for a global equity fund the benchmark against which it will be measured could be made up 70%/30% by UK equities / overseas equities. A target return is generally expressed as some margin over the benchmark.

Bond
A certificate of debt, paying a fixed rate of interest, issued by companies, governments or government agencies.

Collateral
An asset (cash or securities) posted from one counterparty to another, and held as a guarantee against the value of a specified portfolio of trades or other transactions. Commonly referred to as margin, the collateral acts as a credit-risk mitigant. A collateral call is the demand by a derivatives counterparty for an investor to transfer cash or securities to collateralise movements in the value of a derivatives contract.

Currency Forward
An agreement between two counterparties to buy/sell a specified quantity of the underlying currency at a specified future date. Contracts are settled in cash on the expiration date.

Custody/Custodian
Safekeeping of securities by a financial institution. The custodian keeps a register of holdings and will collect income and distribute monies according to client instructions.

Exchange Traded Derivatives Contract
Standardised derivatives contracts (e.g. futures contracts and options) that are transacted on an organised futures exchange.

Equities
Ownership positions (shares) in companies that can be traded on public markets. Often produce income that is paid in the form of dividends. In the event of a company going bankrupt, equity holders' claims are subordinate to the claims of bond holders and preferred stock holders.

Final Pay
This is the figure used to calculate members' benefits that have built up on the "final salary" basis. This is the pay in the last year before leaving, or one of the previous two years' pay if that amount is higher. For a part-time employee, the figure used is the pay an equivalent whole-time employee would have received. Pay lost on account of sickness or reduced pay family leave is added back.

Fixed Interest Securities
Investments in stocks mainly issued by governments, which guarantee a fixed rate of interest.

FTSE
A company that specialises in index calculation. Although not part of a stock exchange, co-owners include the London Stock Exchange and the Financial Times. They are best known for the FTSE 100, an index of the top 100 UK companies (ranked by size).

Fund Manager
A firm of professionals appointed by the Pensions Committee to carry out day to day investment decisions for the Fund within the terms of their Investment Management Agreement.

Futures
Futures contracts are exchange traded contracts to buy or sell a standard quantity of a specific asset at a pre-determined future date. The economic exposure represents the notional value of stock purchased under futures contracts and is therefore subject to market movements.

Gilts
Bonds issued by the British government. They are the equivalent of U.S. Treasury securities

Hedging
A strategy which aims to eliminate a risk in an investment transaction (both upside and downside potential). Often used in the context of overseas investments to eliminate the impact of currency movements.

Index
A benchmark for the performance of a group of shares or bonds.

Index-Linked Securities
U.K. Government issue stocks on which the interest, and eventual repayment of the loan, is based on movements in the Retail Price Index.

Initial Margin
The upfront collateral requirement, set aside as a guarantee to an underlying futures contract, generally a percentage of the notional amount of the contract.

Investment Advisor
A professionally qualified individual or company whose main livelihood is derived from providing objective, impartial investment advice to companies, pension funds or individuals.

Mandate
A set of instructions given to the fund manager by the client as to how a Fund is to be managed (e.g. targets for performance against a benchmark may be set or the manager may be prohibited from investing in certain stocks or sectors).

Market Value
The “on paper” value of a security at a specific point in time. It is calculated by multiplying the number of shares held by market price of that share in sterling terms.

Outperformance/underperformance
The difference in returns gained by a particular Fund against the “average” Fund or an index over a specified time period i.e. a target for a Fund may be outperformance of a given benchmark over a 3-year period.

Passive Management
An investment strategy that seeks to match the return and risk characteristics of a market segment or index, by mirroring its composition. also called passive portfolio strategy.

Pensionable Pay
This is the pay on which employee and employer pension contributions and "career average" benefits are based. Where an employee loses pay due to sickness or reduced pay

family related leave then "Assumed Pensionable Pay" is used instead to calculate employer contributions and benefits.

Performance
A measure, usually expressed in percentage terms, of how well a Fund has done over a particular time period – either in absolute terms or as measured against the “average” Fund of a particular benchmark.

Portfolio
Term used to describe all investments held.

Private Equity
Investments in new or existing companies and enterprises which are not publicly traded on a recognised stock exchange.

Regulations
The Scheme is governed by Regulation approved by Parliament. Necessary amendments are made to these Regulations by means of Statutory Instruments.

Resolution Body (designating body)
A resolution body is an organisation which has the right to join the Scheme if it elects to do so (e.g. a Parish Council). Membership may apply to some or all of its employees.

Risk
Generally taken to mean the variability of returns. Investments with greater risk must usually promise higher returns than more “stable” investments before investors will buy them.

Scheduled Bodies
These are organisations as listed in the Local Government Pension Scheme Regulations 1997 (Schedule 2) such as County Councils and District Councils etc, the employees of which may join the Scheme as of right.

Securities
Investment in company shares, fixed interest or index-linked stocks.

Statement of Investment Principles
Requirement, arising from the Pensions Act 1995, that all occupational pension plan trustees must prepare and maintain a written Statement of Investment Principles outlining policy on various investment matters (e.g. risk, balance between real and monetary assets, realisability of assets etc).

Transfer Values
Capital value transferred to or from a scheme in respect of a contributor’s previous periods of pensionable employment.

Unit Trusts
A method which allows investors' money to be pooled and used by fund managers to buy a variety of securities.

Variation Margin
A cash collateral requirement that moves up and down with the value of a futures contract.

Yield Curve
A graphic line chart that shows interest rates at a specific point for all securities having equal risk, but different maturity dates. For bonds, it typically compares the two- or five-year Treasury with the 30-year Treasury.

Norfolk Pension Fund

Statement of Accounts 2024-25

Statement of Responsibilities

The Authority's Responsibilities

The Authority is required:

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

The Director of Strategic Finance's Responsibilities

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

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

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

The Director of Strategic Finance has also:

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

Certificate by Director of Strategic Finance

I certify the statement of accounts set out on pages 83 to 169 presents a true and fair view of the financial position of the Norfolk Pension Fund at the accounting date and its income and expenditure for the year ended 31 March 2025.

Signed: 

Harvey Bullen
Director of Strategic Finance

Date: 7 May 2026

Independent Auditor's Report

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

Opinion

We have audited the Pension Fund ("the Fund") financial statements for the year ended 31 March 2025 under the Local Audit and Accountability Act 2014 (as amended). The pension fund financial statements comprise the Fund Account, the Net Assets Statement and the related notes 1 to 26, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion the pension fund financial statements:

- give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2025 and the amount and disposition at that date of its assets and liabilities as at 31 March 2025; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Council as administering authority for the Pension Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director of Strategic Finance's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the authority's ability to continue as a going concern for a period of 12 months from when the Fund's financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director of Strategic Finance with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the authority's ability to continue as a going concern.

Other information
The other information comprises the information included in the Norfolk County Council Statement of Accounts 2024/25, other than the financial statements and our auditor's report thereon. The Director of Strategic Finance is responsible for the other information contained within the Norfolk County Council Statement of Accounts 2024/25.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended);
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended); or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended).

We have nothing to report in these respects.

Responsibility of the Director of Strategic Finance

As explained more fully in the Statement of Responsibilities set out on page 18, the Director of Strategic Finance is responsible for the preparation of the Council's Statement of Accounts, which includes the pension fund financial statements, in accordance with

proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and for being satisfied that they give a true and fair view. The Director of Strategic Finance is also responsible for such internal control as the Director of Strategic Finance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director of Strategic Finance is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administering Authority either intends to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with the Director of Strategic Finance.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are the Local Government Pension Scheme Regulations 2013 (as amended), and The Public Service Pensions Act 2013.
- We understood how the Fund is complying with those frameworks by making enquiries of the management. We corroborated this through our reading of the Pension Board minutes, through enquiry of employees to confirm Pension policies, and through the inspection of employee handbooks and other information Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations.

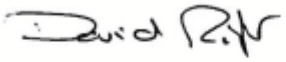
Our procedures involved making enquiries of the management for their awareness of any non-compliance of laws or regulations, inspecting correspondence with the Pensions Regulator and review of minutes.

- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the Fund has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud.
- In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any identified significant transactions that were unusual or outside the normal course of business. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- The Fund is required to comply with The Local Government Pensions Scheme regulations, other legislation relevant to the governance and administration of the Local Government Pension Scheme and requirements imposed by the Pension Regulator in relation to the Local Government Pension Scheme. As such, we have considered the experience and expertise of the engagement team including the use of specialists where appropriate, to ensure that the team had an appropriate understanding of the relevant pensions regulations to assess the control environment and consider compliance of the Fund with these regulations as part of our audit procedures.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the members of Norfolk County Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Norfolk County Council and its members as a body, for our audit work, for this report, or for the opinions we have formed.



ERNST & YOUNG LLP

David Riglar (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Cambridge
13 May 2026

Revenue and Fund Account

For the Year Ended 31 March 2025

2023-24 £000		Notes	2024-25 £000
	Dealings with members, employers and others directly involved in the Fund		
197,837	Contributions	7	205,160
10,118	Transfers in from other pension funds	8	15,931
207,955			**221,091**
-180,814	Benefits	9	-201,271
-19,839	Payments to and on account of leavers	10	-24,686
-200,653			**-225,957**
7,302	**Net additions/withdrawals from dealings with members**		**-4,866**
-36,601	Management Expenses	11	-38,817
-29,299	**Net additions/withdrawals from dealings with members Including Fund Management Expenses**		**-43,683**
	Returns on investments		
100,485	Investment income	12	116,301
0	Taxes on income	13a	0
398,820	Profit and losses on disposal of investments and changes in the market value of investments	14a	74,672
499,305	**Net return on investments**		**190,973**
470,006	**Net increase/decrease in the net assets available for benefits during the year**		**147,290**
4,879,621	**Opening net assets of the scheme**		**5,349,627**
5,349,627	**Closing net assets of the scheme**		**5,496,917**

Net Assets Statement

As at 31 March 2025

2023-24 £000			Notes	2024-25 £000	
5,358,549		Investment assets	14	5,501,220	
-5,944		Investment liabilities	14	-800	
	5,352,605	**Total Net Investments**			**5,500,420**
412		Long term debtors	21	343	
	412				**343**
		Current Assets			
17,602		Debtors	21	16,634	
13,617		Cash in hand	21	11,074	
	31,219				**27,708**
		Current Liabilities			
-34,609		Creditors	22	-31,554	
	-34,609				**-31,554**
	-3,390	**Net current assets**			**-3,846**
	5,349,627	**Net assets of the Fund available to fund benefits at the period end**			**5,496,917**

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

Signed: 

Harvey Bullen
Director of Strategic Finance

Date: 7 May 2026

Notes to the Accounts

1. Description of Fund

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

The following description of the Fund is a summary only. For more detail, reference should be made to the Norfolk Pension Fund Annual Report 2024-25 and the underlying statutory powers underpinning the scheme, namely the Public Service Pensions Act 2013 and the Local Government Pension Scheme (LGPS) Regulations.

a) General

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

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

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

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

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

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

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

b) Membership

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

Organisations participating in the Norfolk Pension Fund include:

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

There are currently 436 employer organisations with active members in the Norfolk Pension Fund including Norfolk County Council as detailed below. This is a net increase of two employers since 31 March 2024.

	31 March 2024	31 March 2025
Number of Employers with Active Members	**434**	**436**
Full membership including employers with deferred and legacy pension commitments		
Number of Employees in Scheme		
Norfolk County Council	14,656	14,247
Other Employers	18,645	18,528
Total	**33,301**	**32,775**
Number of Pensioners		
Norfolk County Council	15,437	16,141
Other Employers	15,412	16,248
Total	**30,849**	**32,389**
Deferred Pensioners		
Norfolk County Council	21,095	21,562
Other Employers	21,838	22,236
Total	**42,933**	**43,798**
Total Members membership including employers with deferred and legacy pension commitments	**107,083**	**108,962**

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

Employers ceasing to have active employees in the Fund:	Employers joining the active section of the Fund:
Aspens Services (Diss Junior)	Besthorpe Parish Council
TIAA Ltd (South Norfolk District Council)	Reedham Primary
Brancaster Parish Council	Sacred Heart Primary School
Rollesby Parish Council	St Mary's CofE Primary
Chartwells (Iceni Academy)	Happisburgh Primary
Hardingham Parish Council	Churchill Services (Notre Dame High School)
Edwards + Blake (Unity Trust Kings Park)	Caterlink (Colman Infant and Junior)
Edwards + Blake (Fakenham Infant)	West Norfolk Academies Trust
Cranworth Parish Council	Colman Junior School
Scoulton Parish Council	Colman Infant School
Ovington Parish Council	Sutton Primary School
Weasenham Primary	Hickling Primary School
Ten Mile Bank Primary	Catfield Primary School
Great Yarmouth Norse	Stibbard All Saints Primary School
Gt Yarmouth Port Co (EX GYPA)	North Elmham Primary School
Flagship Housing Group	Chedgrave Parish Council
Saffron Housing Trust Limited	Cringleford Prep
Great Yarmouth Port Company	Aspens Services (St John the Baptist MAT)
Edwards + Blake	Edwards & Blake - Unity Education Trust
New Anglia Enterprise Council Partnership (LEP)	Snettisham Parish Council
	Stalham Town Council
	Great Witchingham Parish Council

A full list of participating employers is shown on the Employer section of our website www.norfolkpensionfund.org

c) Funding

Benefits are funded by employee and employer contributions and investment earnings. For the financial year ending 31 March 2025, employee contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013 and range from 5.5% to 12.5% of actual pensionable pay.

Banding depends on a member's actual annual pay rate. The table below shows the bands for 2024-25 and 2025-26.

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

The March 2022 triennial valuation set the rates payable by employers for the period 1st April 2024 to 31 March 2025. Excluding lump sum deficit recovery payments these rates range from 0% to 70.4% of actual pensionable pay.

Actual Pensionable Pay 2024-25	Contribution rate per year	Actual Pensionable Pay 2025-26	Contribution rate per year
Up to £17,600	5.5%	Up to £17,800	5.5%
£17,601 to £27,600	5.8%	£17,801 to £28,000	5.8%
£27,601 to £44,900	6.5%	£28,001 to £45,600	6.5%
£44,901 to £56,800	6.8%	£45,601 to £57,700	6.8%
£5,801 t £79,700	8.5%	£57,701 to £81,000	8.5%
£79,701 to£112,900	9.9%	£81,001 to £114,800	9.9%
£112,901 to £133,100	10.5%	£114,801 to £135,300	10.5%
£133,101 to £199,700	11.4%	£135,301 to £203,000	11.4%
£199,701 or more	12.5%	£203,001 or more	12.5%

d) Benefits

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

	Membership before April 2008	Membership April 2008 to March 2014	Membership from April 2014
Pension	Each year worked is worth 1/80 x final pensionable salary	Each year worked is worth 1/60 x final pensionable salary	1/49 of pensionable pay in each year
Lump Sum	Automatic lump sum of 3 x salary	No automatic lump sum	No automatic lump sum

	Membership before April 2008	Membership April 2008 to March 2014	Membership from April 2014
Additional Lump sum	Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up	Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up	Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up

Benefits are index-linked in order to keep pace with inflation. In June 2010, the Government announced that the method of indexation would change from the retail prices index (RPI) to the consumer prices index (CPI). This change took effect from 1 April 2011. The appropriate index for April 2025 is 1.7% (6.7% April 2024).

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

2. Basis of Preparation

The Statement of Accounts summarises the Fund's transactions for the 2024-25 financial year and its position at year-end as at 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 (the Code) which is based upon International Financial Reporting Standards (IFRS) as amended for the UK public sector.

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

The accounts have been prepared on a going concern basis.

In carrying out its assessment that this basis is appropriate, made to 31 May 2027, management of the fund have considered the additional qualitative and quantitative key requirements:

The basis for preparation is supported by legislation for local authorities, and the Code requirements on the basis of the continuation of services;

- All employers within the fund are paying contributions as per the rates and adjustment certificate. No employer has requested to defer their payments within the 2024-25 financial year, or within 2025-26 to date;
- The Fund is cashflow positive meaning that the contributions received from the employers and members of the scheme exceed the benefits amount paid out.
- In line with Regulation 62 of the Local Government Pension Scheme Regulations 2013, the Fund's actuary carried out a valuation as at 31 March 2022. The Fund's assets were valued at £4,901 million, with liabilities of £4,613 million resulting in a funding level of 106%.
- The Results of the 2022 Valuation have been considered within Cash Flow Modelling and in spite of contribution rates remaining equal or marginally reducing, we expect Cash Flow to remain positive for the contribution period certified within the Valuation (1 April 2023 to 31 March 2026).
- The fund does not have any external borrowing; and as at 31 March 2025
- the fund has an allocation of 38.6% to public equities, 23% to liquid fixed income and holds around 3% of the Fund in cash (investment and current cash balances). These are assets that can be liquidated to pay benefits should the need arise.

On this basis, the fund has a reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern

period. For this reason, alongside the statutory guidance, we continue to adopt the going concern basis in preparing these financial statements.

3. Summary of Significant Accounting Policies

Fund Account - Revenue Recognition

a) Contribution income

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

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

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

b) Transfers to and from other schemes

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

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

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

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

c) Investment income

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

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

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

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

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

Fund Account - Expense Items

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

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

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

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

h) Oversight and Governance Costs

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

i) Investment Management Expenses

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

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

Manager	Asset Class
J.P. Morgan Asset Management	Infrastructure

	2023-24 £000	2024-25 £000
Performance-related fees	1,139	716

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

	2023-24 £000	2024-25 £000
Value of invoiced fees based on estimates (excluding performance fees and fee rebates)	8,690	8,734

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

Net Assets Statement

j) Financial assets

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

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

k) Freehold and leasehold properties

The direct freehold property holding was valued as at 31 March 2025. The direct freehold property holding is valued every 3 years at the year-end date in line with the triennial valuation of the Fund. The valuation is performed by independent external valuers on a fair value basis and in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards (9th Edition). The next valuation will be as at 31 March 2028.

l) Foreign currency transactions

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

m) Derivatives

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

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

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

n) Cash and cash equivalents

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

o) Financial liabilities

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

p) Actuarial present value of promised retirement benefits

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

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

q) Additional voluntary contributions (AVCs)

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

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

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

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

1. Buy an annuity from a third-party provider

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

r) Accounting Standards issued but not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 requires the disclosure of information relating to the expected impact of changes that will be required by a new standard that has been introduced but not yet adopted and applies to the adoption of the following disclosures as amended in the 2024-25 code:

i) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in September 2022.
ii) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
iii) Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.
iv) International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover.
v) Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023.

The code requires implementation of the above disclosure from 1 April 2025. These changes are not considered to have a material effect on the Pension Fund accounts of 2024-25.

s) Contingent Assets and contingent liabilities

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

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

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

4. Critical Judgements in Applying Accounting Policies

Unquoted private equity investments

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

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

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

	2023-24 £000	2024-25 £000
Value of unquoted private equity	492,762	515,841

Pooled Investment Vehicle – Property/Freehold Property

Pooled investment vehicles are valued at closing bid prices if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the Fund, net of applicable withholding tax.
Pooled property funds and Limited Partnerships in property have derived underlying assets that have been valued by independent external valuers on a fair value basis and generally in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards (9th Edition). The valuation of freehold property is performed by independent external valuers on a fair value basis and in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards (9th Edition).

	2023-24 £000	2024-25 £000
Value of Pooled Investment Vehicle – Property/Freehold Property	450,333	461,262

Infrastructure Equity Pooled Fund

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

	2023-24 £000	2024-25 £000
Value of Infrastructure Equity Pooled Fund	512,315	523,946

Timberland Equity Pooled Fund

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

	2023-24 £000	2024-25 £000
Value of Timberland Equity Pooled Fund	84,868	76,309

Pooled Illiquid Closed-Ended Debt Funds

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

	2023-24 £000	2024-25 £000
Value of Pooled Illiquid Closed-Ended Debt Funds	173,167	183,149

Pension fund liability

The pension fund liability is calculated every three years by the appointed actuary. The assumptions underpinning the valuations are agreed with the actuary and are

summarised in note 19. In accordance with IAS26 the Fund is also required to disclose on an annual basis the actuarial present value of promised retirement benefits (see note 20). Actuarial methodology used in triennial valuations is different from that used in IAS26, therefore they will produce different liability values at a common valuation date.

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

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

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

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

<table>
<tr><th>Item</th><th>Uncertainties</th><th>Effect if actual results differ from assumptions</th></tr>
<tr><td>Actuarial present value of promised retirement benefits (measured under IAS26)</td><td>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the</td><td>CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the liabilities are set out below:

Sensitivity to the assumptions for the year ended 31 March 2025 | Approximate % increase to liabilities | Approximate monetary amount (£m)

0.1% p.a. increase in the Pension Increase Rate | 2% | £76m

1 year increase in member life expectancy | 4% | £172m

0.1% p.a. increase in the Salary Increase Rate | 0% | £3m

0.1% p.a. decrease in the Real Discount Rate | 2% | £73m</td></tr>
</table>

Item	Uncertainties	Effect if actual results differ from assumptions
	assumptions to be applied.	
Private Equity	Private equity investments are valued at fair value in accordance with appropriate standards and guidance. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total private equity investments in the financial statements are £515.8m. There is a risk that this investment may be under or overstated in the accounts. Generally, these investments are valued a minimum of a quarter in arrears. Updated valuations have been included in the accounts as at 31 March 2025.
Pooled Property/Freehold Property	Pooled investment vehicles are valued at closing bid prices if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also	The total pooled property/freehold property investments in the financial statements are £461.3m. There is a risk that this investment may be under or overstated in the accounts.

Item	Uncertainties	Effect if actual results differ from assumptions
	includes income which is reinvested in the Fund, net of applicable withholding tax. For freehold property the valuation is performed by independent external valuers on a fair value basis and in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards (9th Edition).	
Pooled Infrastructure Equity	Investments in Pooled Infrastructure Funds are valued using the fair value of the underlying investments. All assets are valued using income or discounted cash flows. Audited valuation is carried out annually and	The total Pooled Infrastructure Equity investments in the financial statements are £511.2m. There is a risk that this investment may be under or overstated in the accounts.

Item	Uncertainties	Effect if actual results differ from assumptions
	is based on the Limited partnerships are valued at Fair value based on the net asset value ascertained from periodic valuations provided by those controlling the partnership.	
Timberland Equity Pooled Fund	Investments in Pooled Timberland Funds are valued using the fair value of the underlying investments. Assets are valued by independent appraisers using comparable asset costs or sales and discounted cash flows. Audited valuations are carried out annually and based on the Fair value of the fund.	The total Pooled Timberland Equity investments in the financial statements are £76.3m. There is a risk that this investment may be under or overstated in the accounts.

Item	Uncertainties	Effect if actual results differ from assumptions
Pooled Illiquid Closed-Ended Debt Funds	Pooled investment vehicle is valued at closing bid prices if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the Fund, net of applicable withholding tax. The credit fund is valued monthly on a Net Asset Value basis. The three debt funds are valued quarterly on a Net Asset Value basis.	The total Pooled Debt Fund investments in the financial statements are £183.1m. There is a risk that this investment may be under or overstated in the accounts.

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

Item	Range
Pooled Property/Direct Freehold Property	10.00%
Private Equity	20.00%
Pooled Infrastructure Equity	10.00%
Pooled Timberland Equity	10.00%
Pooled Debt Funds	10.00%
Pooled Real Estate Funds	13.00%

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

6. Events after the Net Asset Statement Date

There have been no events since 31 March 2025, and up to the date when these accounts were authorised, which require any adjustments to these accounts.

7. Contributions Receivable

By Category

2023-24 £000		2024-25 £000
153,653	Employers – normal	159,186
0	Employers – special	0
2,506	Employers – strain	1,956
41,303	Members – normal	43,572
375	Members – purchase of additional scheme benefits	446
197,837		**205,160**

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

2023-24 £000		2024-25 £000
32,156	Deficit recovery (Secondary) contribution included in employer normal contributions	32,850
32,156		**32,850**

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

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

By Authority

2023-24 £000		2024-25 £000
86,965	Administering authority	90,980
95,651	Other scheduled bodies	102,076
3,080	Community admission bodies	460
2,857	Transferee admission bodies	2,778
9,284	Resolution bodies	8,866
197,837		**205,160**

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

The outstanding instalments due after 31 March were:

2023-24 £000		2024-25 £000
39	Strain instalments due after the Net Asset Statement date	18
39		**18**

The debtors figure for augmentation/strain due in note 21 comprises the total of these balances plus the outstanding invoiced balances in respect of augmentation/strain due from Fund employers at 31 March 2025.

8. Transfers In From Other Pension Funds

2023-24 £000		2024-25 £000
0	Group transfers	0
10,118	Individual transfers	15,931
10,118		**15,931**

There were no group transfers in 2024-25 (none in 2023-24). The individual transfers figure represents the payments received by the Fund in relation to individual members' transfers of benefit into the Fund from other pension arrangements.

9. Benefits Payable

By Category

2023-24 £000		2024-25 £000
153,087	Pensions	167,680
23,418	Commutation and lump sum retirement benefits	29,608
4,309	Lump sum death benefits	3,983
180,814		**201,271**

By Authority

2023-24 £000		2024-25 £000
82,193	Administering authority	89,690
67,659	Other scheduled bodies	75,347
7,844	Community admission bodies	8,729
5,356	Transferee admission bodies	7,348
17,762	Resolution bodies	20,157
180,814		**201,271**

10. Payments To and On Account of Leavers

2023-24 £000		2024-25 £000
0	Group transfers	0
410	Refunds to members leaving service	384
6,746	Individual transfers	10,698
12,682	Payment made under Regulations 74, 75 and 15(3) and 64 of the Local Government Pension Scheme (Administration) Regulations 2008/2018.	13,604
19,839		**24,686**

There were no Group Transfers in 2024-25 (none in 2023-24).

11. Management Expenses

Pension Fund management expenses for 2024-25 are accounted for in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Costs.

Note 11 Management Expenses includes fund administration costs, oversight and governance costs, and investment management expenses including Transaction Costs.

2023-24 £000		2024-25 £000
2,145	Administrative costs	2,230
33,824	Investment management expenses	35,832
632	Oversight and governance costs	755
36,601		**38,817**

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

11a. Investment Expenses

	31 March 2025 Total £000	Management Fees £000	Performance Related Fees £000	Transaction Costs £000
Fixed Interest Securities	**0**	0	0	0
Pooled Investments	**15,871**	15,533	0	338
Private equity	**8,648**	8,648	0	0
Infrastructure (Incl. Timberland)	**6,990**	6,274	716	0
Direct Freehold Property	**57**	57	0	0
Derivatives forward Currency	**1,167**	1,167	0	0
	32,733	**31,679**	**716**	**338**
Fees and Other expenses	**3,064**			
Custody fees	**35**			
Total	**35,832**			

	31 March 2024 Total £000	Management Fees £000	Performance Related Fees £000	Transaction Costs £000
Fixed Interest Securities	**0**	0	0	0
Pooled Investments	**14,382**	13,626	0	756
Private equity	**8,240**	8,240	0	0
Infrastructure (Incl. Timberland)	**7,280**	6,142	1,139	0
Direct Freehold Property	**47**	47	0	0
Derivatives forward Currency	**856**	856	0	0
	30,805	**28,911**	**1,139**	**756**
Fees and Other expenses	**2,987**			
Custody fees	**32**			
Total	**33,824**			

12. Investment Income

2023-24 £000		2024-25 £000
670	Income from fixed interest securities	2,821
0	Income from index linked securities	888
17,621	Pooled Property investments	15,847
76,250	Pooled fund income - unit trusts and other managed funds	88,227
671	Private equity income	1,186
1,247	Pooled funds rebate	27
3,812	Interest on cash deposits	6,754
41	Rents from Property (note 12a)	37
173	Other	514
100,485		**116,301**

12a. Property Income

2023-24 £000		2024-25 £000
41	Rental income	36
-47	Direct operating expenses	-56
-6	**Net income or expenditure**	**-20**

13. Other Fund Disclosures

13a. Taxes on Income

2023-24 £000		2024-25 £000
0	Withholding tax – pooled investments	0
0		**0**

13b. External Audit costs

2023-24 £000		2024-25 £000
103	Payable in respect of external Audit	111
103		**111**

14. Investments

Market Value 31 March 2024 £000		Market Value 31 March 2025 £000
	Investment assets	
235,302	Fixed Interest Securities	267,266
4,074,471	Pooled Investments	4,094,079
449,287	Pooled property investments	460,390
492,762	Private equity Partnerships	515,841
1,046	Direct Freehold Property	872
314	Derivatives – futures	195
5,276	Derivatives – forward currency	2,185
100,091	Cash deposits	160,392
0	Amounts receivable for sales	0
5,358,549	**Total investment assets**	**5,501,220**
	Investment liabilities	
0	Derivatives – futures	-112
-244	Derivatives - forward currency	-688
-5,700	Amounts payable for purchases	0
-5,944	**Total investment liabilities**	**-800**
5,352,605	**Net investment assets**	**5,500,420**

14a. Reconciliation of Movements in Investments and Derivatives 2024-25

	Market value 31 March 2024 £000	Purchases during the year and derivative payments £000	Sales during the year and derivative receipts £000	Change in market value during the year £000	Market value 31 March 2025 £000
Fixed Interest Securities	**235,302**	263,328	-208,619	-22,745	**267,266**
Pooled property investments	**449,287**	478,898	-471,462	3,667	**460,390**
Pooled investments	**4,074,472**	208,109	-261,043	72,541	**4,094,079**
Private equity	**492,764**	55,986	-57,606	24,697	**515,841**
Direct Freehold Property	**1,046**	0	0	-174	**872**
	5,252,871	**1,006,321**	**-998,730**	**77,986**	**5,338,448**
Derivative contracts:					
Futures	**314**	5,876	-3,004	-3,103	**83**
Forward currency contracts	**5,032**	78,758	-82,479	186	**1,497**
	5,346	**84,634**	**-85,483**	**-2,917**	**1,580**
Other investment balances:					
Cash deposits	**100,091**			0	**160,392**
Amount receivable for sales of investments				-398	**0**
Amount payable for purchases of investments	**-5,700**			0	**0**
Net investment assets	**5,352,608**			**74,671**	**5,500,420**

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

	Market value 31 March 2023 £000	Purchases during the year and derivative payments £000	Sales during the year and derivative receipts £000	Change in market value during the year £000	Market value 31 March 2024 £000
Fixed Interest Securities	**59,970**	476,718	-304,385	2,999	**235,302**
Pooled property investments	**462,996**	20,563	-12,488	-21,784	**449,287**
Pooled investments	**3,831,834**	859,764	-983,685	366,559	**4,074,472**
Private equity	**450,516**	82,027	-52,410	12,631	**492,764**
Direct Freehold Property	**1,046**	0	0	0	**1,046**
	4,806,362	**1,439,072**	**-1,352,968**	**360,405**	**5,252,871**
Derivative contracts:					
- Futures	**0**	166	-884	1,032	**314**
- Forward currency contracts	**7,029**	21,101	-60,606	37,508	**5,032**
	7,029	21,267	-61,490	38,540	**5,346**
Other investment balances:					
- Cash deposits	**48,546**			0	**100,091**
- Amount receivable for sales of investments	**0**			-125	**0**
- Amount payable for purchases of investments	**0**			0	**-5,700**
Net investment assets	**4,861,937**			**398,820**	**5,352,608**

14b. Transaction Costs

Transaction costs are included in the cost of purchases and in sale proceeds. These include costs charged directly to the Fund, such as fees, commissions, stamp duty and other fees. In addition to these costs, indirect costs are incurred through the bid-offer spread on investments within pooled investments.

	£000s
Transaction costs incurred during 2024-25	338
Transaction costs incurred during 2023-24	756

14c. Investments Analysed by Fund Manager

Market Value 31 March 2024 £000	%		Market Value 31 March 2025 £000	%
Investments Managed by the ACCESS Pool (Authorised Contractual Scheme)				
786,651	14.70%	LF ACCESS Global Equity (ex UK) Fund	751,264	13.66%
464,143	8.67%	LF ACCESS Globe Equity Capital Fund	436,826	7.94%
340,212	6.36%	LF ACCESS Globe Equity Mondrian Fund	315,554	5.74%
283,480	5.30%	LF ACCESS UK Equity Core Fund	289,263	5.26%
232,639	4.35%	LF ACCESS Janus Henderson MAC	249,083	4.53%
213,276	3.98%	LF ACCESS Global Alpha Paris Aligned	187,105	3.40%
140,817	2.63%	WS ACCESS Emerging Markets Equity	142,979	2.60%
199,090	3.72%	WS ACCESS Global Income Opportunities Fund	208,984	3.80%
121,311	2.27%	WS ACCESS Sterling Corporate Bonds	128,033	2.33%
115,492	2.16%	WS ACCESS Sterling Investment Grade Credit	132,565	2.41%
2,897,111	**54.14%**		**2,841,656**	**51.67%**
Investments Managed by the ACCESS Pool (External to Authorised Contractual Scheme) * **				
0	0.00%	CBRE	488,873	8.88%
220,067	4.11%	J.P. Morgan Asset Management***	233,205	4.24%
0	0.00%	Legal and General Investment Management	42,921	0.78%
84,872	1.59%	Stafford Capital Partners***	76,313	1.39%
304,939	**5.70%**		**841,312**	**15.30%**

Investments Managed outside of the ACCESS Pool

186,103	3.48%	Janus Henderson Global Investors	332,974	6.05%
469,939	8.78%	LaSalle Investment Management	0	0.00%
392,811	7.34%	M&G – (Incl. Infracapital)	411,123	7.47%
498,904	9.32%	HarbourVest Partners	534,043	9.71%
0	0.00%	HSBC Currency**	184	0.00%
230,931	4.31%	Insight Investment **	162,448	2.95%
146,873	2.74%	Equitix	148,962	2.95%
0	0.00%	Nuveen	12,434	0.23%
35,994	0.67%	AVIVA Investors	26,613	0.48%
76,109	1.42%	Global Custodian*	71,037	1.29%
85,377	1.60%	Pantheon	90,885	1.65%
27,516	0.51%	Patria Investments (formerly abrdn Capital Partners)	26,749	0.49%
2,150,556	**40.16%**		**1,817,452**	**33.03%**
5,352,607	**100.00%**		**5,500,420**	**100.00%**

All the above companies are registered in the United Kingdom.

* The assets held by the Global Custodian(s) represent cash held in money market funds primarily to meet the cash flow requirements of the Fund's private markets programme.

**Currency hedging contracts in respect of the Fund's overseas equity holdings are reported in the Insight Investment and HSBC Currency holdings. The market value of the contracts could represent a payable or receivable.

***Assets moved under pooled management during the period.

The following Investments Representing More Than 5% of the Net Assets of the Scheme as at 31 March 2025

Security	Market Value 31 March 2024 £000	Percentage of total fund %	Market Value 31 March 2025 £000	Percentage of total fund %
LF ACCESS Global Equity (ex UK) Fund	786,651	14.8	751,264	13.7
LF ACCESS Globe Equity Capital Fund	464,143	8.7	436,826	7.9
LF ACCESS Globe Equity Mondrian Fund	340,212	6.4	315,554	5.7
LF ACCESS UK Equity Core Fund	283,480	5.3	289,263	5.3

During the year there were no individual investment (a single security) exceeding 5% of the total value of the net assets. Four pooled holdings (four in 2023-24) represent over 5% of the total value of the net assets of the scheme. Each holding is a pooled investment vehicle and comprises the following:

- As at 31 March 2025 the LF ACCESS Global Equity (ex UK) Fund held 181 (2024 - 185) stocks.
- As at 31 March 2025 the LF ACCESS UK Equity Core Fund held 54 (2024 - 56) stocks.
- As at 31 March 2025 the LF ACCESS Globe Equity Mondrian Fund held 47 (2024 - 48).
- As at 31 March 2025 the LF ACCESS Globe Equity Capital Fund held 247 (2024 - 270).

14d. Property Holdings

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

Year Ending 31 March 2024 £000		Year Ending 31 March 2025 £000
1,046	Opening balance	1,046
0	Additions	0
0	Disposals	0
0	Net increase in market value	0
0	Other changes in fair value	-174
1,046	**Closing balance**	**872**

There are no restrictions on the realisability of the property or the remittance of income or proceeds on disposal and the Fund is not under any contractual obligations to purchase, construct or develop the property. Nor does it have any responsibility for any repairs, maintenance or enhancements relating to properties that are occupied.

15. Analysis of Derivatives

Objectives and policies for holding derivatives

The holdings in derivatives are to hedge exposures to reduce risk in the Fund. The use of derivatives is managed in line with the investment management agreements between the Fund and the investment managers holding mandates that permit the use of these instruments.

a) Futures

Futures contracts are exchange traded contracts to buy or sell a standard quantity of a specific asset at a pre-determined future date. The economic exposure represents the notional value of stock purchased under futures contracts and is therefore subject to market movements.

The Fund has also authorised the use of futures by Janus Henderson to assist in meeting the investment objectives that they have been set. Janus Henderson held net futures of £83,400 in its portfolio at 31 March 2025 (2024 £314,000).

b) Forward foreign currency

In order to maintain appropriate diversification and to take advantage of overseas investment opportunities, a significant proportion of the Fund's quoted equity portfolio is in overseas stock markets. To reduce the volatility associated with fluctuating currency rates, the Fund has a currency hedging programme in place, managed by Insight Investment and HSBC Currency Management utilising the Berenberg signalling model.

15a. Analysis of Derivative Contracts

Type	Expires	Economic Exposure £000	Market Value 31 March 2024 £000	Economic Exposure £000	Market Value 31 March 2025 £000
Assets					
UK Equity	Less than one year	21,887	251	0	0
Overseas Equity	Less than one year	13,665	63	46,128	195
Total Assets			**314**		**195**
Liabilities					
UK Equity	Less than one year	0	0	31,175	-112
Overseas Equity	Less than one year	2,529	0	0	0
Total Liabilities			**0**		**-112**
Net Futures			**314**		**83**

15b. Open forward currency contracts

Settlement	Currency bought	Local value 000	Currency sold	Local value 000	Asset value £000	Liability value £000
Up to one month	GBP	96	AUD	-197	1	0
Up to one month	GBP	90	CAD	-168	0	0
Up to one month	GBP	57,724	EUR	-68,286	529	0
Up to one month	GBP	43,964	JPY	-8,454,496	88	0
Up to one month	GBP	186,075	USD	-240,706	0	-417
Up to one month	EUR	29,392	GBP	-24,700	0	-83
Up to one month	JPY	6,575,719	GBP	-34,105	21	0
Up to one month	USD	30,993	GBP	-23,967	45	0
Between one & three months	GBP	168,965	EUR	-201,510	0	-134
Between one & three months	GBP	45,557	USD	-56,860	1,502	0
Between one & three months	EUR	201,510	GBP	-169,154	0	-55
Open forward currency contacts at 31 March 2025					**2,186**	**-689**
Net forward currency contracts at 31 March 2025						**1,497**
Prior year Comparative						
Open forward currency contacts at 31 March 2024					**5,277**	**-244**
Net forward currency contracts at 31 March 2024						**5,033**

16. Fair Value – Basis of Valuation

The basis of the valuation of each class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

Description of Asset	Valuation Hierarchy	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Equities	Level 1	The value of an investment for which there is a readily available market price is determined by the bid market price ruling on the final day of the accounting period.	Not required	Not required
UK Gilts and Quoted Bonds	Level 1	Fixed interest securities are valued at a market value based on current yields.	Not required	Not required
FX	Level 1	Market forward exchange rates at the year-end.	Exchange rate risk	Not required
Equity Futures	Level 1	Published exchange prices at year end.	Not required	Not required
Pooled Investment Vehicle – Equity and Debt	Level 2	Valued at closing bid prices if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the Fund, net of applicable withholding tax.	The valuation is undertaken by the investment manager or responsible entity and advised as a unit or security price. Observable inputs are used. The valuation standards followed in these valuations adhere to industry guidelines or to standards set by the constituent documents of the pool or the management agreement.	Not required

Description of Asset	Valuation Hierarchy	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Pooled Investment Vehicle - Property	Level 3	Pooled investment vehicles are valued at closing bid prices if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the Fund, net of applicable withholding tax.	Investments in unquoted property pooled funds are valued at the net asset value or a single price advised by the fund manager. Pooled property funds and Limited Partnerships in property have derived underlying assets that have been valued by independent external valuers on a fair value basis and generally in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards (9th Edition).	Valuations could be affected by Material events.
Direct Freehold Property	Level 3	The valuation is performed by independent external valuers on a fair value basis and in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards (9th Edition)	Existing lease terms and rentals; Independent market Research; Nature of tenancies; Covenant strength for existing tenants; Assumed vacancy Levels; Estimated rental Growth; Discount rate.	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations as could more general changes to market prices.
Private Equity	Level 3	Investments in private equity funds and unquoted listed partnerships are	Observable inputs are subject to judgment by the respective manager but are	Valuations could be affected by

		valued based on the Fund's share of the net assets in the private equity fund or limited partnership using the latest financial statements published by the respective fund managers in accordance with the appropriate industry guidelines. Limited partnerships are valued at Fair value based on the net asset value ascertained from periodic valuations provided by those controlling the partnership.	applied in accordance with the appropriate industry guidelines.	Material events occurring between the date of the financial statements provided and the Pension fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts.
Infrastructure Equity Pooled Fund	Level 3	Investments in Pooled Infrastructure Funds are valued using the fair value of the underlying investments. Assets are valued using income or discounted cash flows. Audited valuations are carried out annually and based on the Limited partnerships valued at Fair value or based on the net asset value ascertained from periodic valuations provided by those controlling the partnership.	Unobservable inputs are subject to judgment by the respective manager but are applied in accordance with the appropriate industry guidelines.	Valuations could be affected by Material events occurring between the date of the financial statements provided and the Pension fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts.
Timberland Equity Pooled Fund	Level 3	Investments in Pooled Timberland Funds are valued using the fair	Observable inputs are subject to judgment by the respective manager but are applied in accordance with the	Valuations could be affected by Material events occurring between

		value of the underlying investments. Assets are valued by independent appraisers using comparable asset costs or sales and discounted cash flows. Audited valuations are carried out annually and based on the Fair value of the fund.	appropriate industry guidelines.	the date of the financial statements provided and the Pension fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts.
Pooled Debt Funds – Credit	Level 3	The fund is valued monthly on a Net Asset Value basis.	The Fund primarily invest in Asset Backed Securities (ABS) and ABS securities issued by special purpose which are collateralised primarily by a portfolio that includes commercial and industrial bank loans ("CLO"). The portfolio is valued using a number of unobservable inputs, such as internal credit ratings for internally-valued instruments (valued by the AIFM), which is used when deciding the comparable public bonds for the discount rate calculation, and single broker quotes for CLO instruments.	Valuations could be affected by Material events occurring between the date of the financial statements provided and the Pension fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts.
Pooled Debt Funds – Special Situations	Level 3	The funds are valued quarterly on a Net Asset Value basis.	The funds primarily invest in debt and equity instruments that have or are in the process of being restructured, covering both public and private instruments. The portfolios are valued primarily using unobservable inputs due to the large weighting to private instruments. Unobservable inputs include but are not limited to discount rates,	Valuations could be affected by Material events occurring between the date of the financial statements provided and the Pension fund's own reporting date, by changes to expected cash flows, and by any differences

			valuation multiples and land valuations.	between audited and unaudited accounts.
Pooled Debt Funds – Real Estate Debt	Level 3	The funds are valued quarterly on a Net Asset Value basis.	The fund primarily invests in private junior loans that are secured against real estate assets. The primary unobservable input within the valuations is the internal credit rating, which is used when deciding the comparable public bonds for the discount rate calculation.	Valuations could be affected by Material events occurring between the date of the financial statements provided and the Pension fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts.

Sensitivity of assets valued at Level 3

Having analysed historical data and current market trends, and consulted with independent investment advisors, the Fund has determined that the valuation methods described above are likely to be accurate to within the following ranges and has set out below the potential impact on the closing value of investments held at 31 March 2025.

Description of Asset	Assessed Valuation Range (+/-)	Value at 31 March 2025 £'000	Value on Increase £'000	Value on Decrease £'000
Pooled Property/Direct Freehold Property	10.00%	461,262	507,389	415,136
Private Equity	20.00%	515,841	619,009	412,673
Pooled Infrastructure Equity	10.00%	523,946	576,341	471,552
Pooled Timberland Equity	10.00%	76,309	83,939	68,678
Pooled Private Debt/Credit Funds	10.00%	158,869	174,756	142,982
Pooled Real Estate Debt Fund	13.00%	24,280	27,437	21,124
Net Investment Assets		**1,760,507**	**1,988,871**	**1,532,145**

The potential movement of +/- 10.00% for Pooled Property/Direct Freehold Property represents a combination of factors, the key one is market prices, which is derived from other factors, such as vacancy levels, rental movements and the discount rate.

Private Equity, Pooled Infrastructure Equity and Pooled Timberland Equity unrealised investments are typically valued in accordance with fair market value principles set out in the valuation policy and applicable valuation guidelines set out in international accounting standards. Actual realised returns on unrealised investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale. Accordingly, the actual valuations on these unrealized investments may differ materially from those indicated and could be up to 10.00% for Infrastructure, Timberland and Private Debt/Credit Funds, 13% for Real Estate Debt Funds and 20.00% for Private Equity investments (or higher or lower).

Description of Asset	Assessed Valuation Range (+/-)	Value at 31 March 2024 £'000	Value on Increase £'000	Value on Decrease £'000
Pooled Property/Direct Freehold Property	10.00%	450,333	495,366	405,299
Private Equity	15.00%	492,762	566,677	418,848
Pooled Infrastructure Equity	10.00%	512,315	563,547	461,084
Pooled Timberland Equity	10.00%	84,868	93,355	76,381
Pooled Private Debt/Credit Funds	10.00%	143,390	157,730	129,051
Pooled Real Estate Debt Fund	12.00%	29,777	33,350	26,203
Net Investment Assets		**1,713,445**	**1,910,025**	**1,516,866**

16a. Fair Value Hierarchy

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1

Financial instruments at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.

Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments would include unquoted equity investments and fund of funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into Levels 1 to 3, based on the level at which the fair value is observable:

Fair Value Hierarchy

Values at 31 March 2025	Quoted market price Level 1 £000	Using observable inputs Level 2 £000	With significant unobservable inputs Level 3 £000	Total £000
Investment assets				
Fixed interest securities	267,266	0	0	267,266
Pooled investments	0	3,310,676	783,404	4,094,080
Pooled property investments	0	0	460,390	460,390
Private equity partnerships	0	0	515,841	515,841
Derivatives - forward currency	2,185	0	0	2,185
Derivatives - futures	195	0	0	195
Cash deposits	160,392	0	0	160,392
Total Investment Assets	**430,038**	**3,310,676**	**1,759,635**	**5,500,349**
Non-Financial assets at fair value through profit and loss				
Direct Freehold Property	0	0	872	872
Financial liabilities at fair value through profit and loss				
Derivatives - futures	-112	0	0	-112
Derivatives - forward currency	-688	0	0	-688
Payable for Investment Purchases	0	0	0	0
Net Investment Assets	**429,238**	**3,310,676**	**1,760,507**	**5,500,420**

Values at 31 March 2024	Quoted market price Level 1 £000	Using observable inputs Level 2 £000	With significant unobservable inputs Level 3 £000	Total £000
Investment assets				
Fixed interest securities	235,302	0	0	235,302
Pooled investments	0	3,304,121	770,350	4,074,471
Pooled property investments	0	0	449,287	449,287
Private equity partnerships	0	0	492,762	492,762
Derivatives - forward currency	5,276	0	0	5,276
Derivatives - futures	313	0	0	313
Cash deposits	100,091	0	0	100,091
Total Investment Assets	**340,982**	**3,304,121**	**1,712,399**	**5,357,502**
Non-Financial assets at fair value through profit and loss				
Direct Freehold Property	0	0	1,046	1,046
Financial liabilities at fair value through profit and loss				
Derivatives - forward currency	-244	0	0	-244
Derivatives - futures	-5,700	0	0	-5,700
Net Investment Assets	**335,038**	**3,304,121**	**1,713,445**	**5,352,604**

16b. Transfers between Levels 1 and 2

There were no transfers between Level 1 and 2 in 2024-25 (no transfers during 2023-24).

During the year three new investments were made and classified as Level 3 in accordance with the classification guidelines in the Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

16c. Reconciliation of Fair Value Measurements within Level 3

	Pooled Property/ Freehold Property	Private Equity	Infrastructure Pooled Fund	Timberland Pooled Fund	Pooled Illiquid Closed-Ended Debt Funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Market value 1 April 2024	**450,334**	**492,763**	**512,315**	**84,868**	**173,168**	**1,713,448**
Transfers into Level 3	0	0	0	0	0	**0**
Transfers out of Level 3	0	0	0	0	0	**0**
Purchases during the year and derivative payments	478,898	55,986	42,205	4,914	23,106	605,109
Sales during the year and derivative receipts	-471,461	-57,605	-55,948	-9,135	-19,143	-613,292
Realised gains/losses	34,099	27,823	148	-79	3,755	65,746
Unrealised gains/losses	-30,606	-3,125	25,225	-4,260	2,264	-10,502
Market value 31 March 2025	**461,264**	**515,842**	**523,945**	**76,308**	**183,150**	**1,760,509**

Unrealised and realised gains and losses are recognised in the changes in value of investments line of the fund account.

	Pooled Property/ Freehold Property	Private Equity	Infrastructure Pooled Fund	Timberland Pooled Fund	Pooled Illiquid Closed-Ended Debt Funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Market value 1 April 2023	**464,042**	**450,516**	**472,264**	**56,698**	**167,064**	**1,610,584**
Transfers into Level 3	0	0	0	0	0	**0**
Transfers out of Level 3	0	0	0	0	0	**0**
Purchases during the year and derivative payments	20,563	82,027	57,624	50,995	26,125	237,335
Sales during the year and derivative receipts	-12,488	-52,410	-29,751	-29,664	-26,607	-150,920
Unrealised gains/losses	-7,545	21,429	214	-274	6	13,830
Realised gains/losses	-14,238	-8,799	11,964	7,113	6,579	2,619
Market value 31 March 2024	**450,334**	**492,763**	**512,315**	**84,868**	**173,168**	**1,713,448**

17. Financial Instruments

17a. Financial Instruments – Classification

Fair value through profit and loss £000	31-Mar-24 Assets amortised at cost £000	Liabilities at amortised cost £000		Fair value through profit and loss £000	31-Mar-25 Assets amortised at cost £000	Liabilities at amortised cost £000
			Financial assets			
235,302			Fixed Interest Securities	267,266		
4,074,472			Pooled Investments	4,094,079		
449,287			Pooled Property	460,390		
492,762			Private equity	515,841		
5,590			Derivative contracts	2,380		
	113,707		Cash		171,465	
1,675			Other investment balances	1,299		
	79		Debtors		33	
5,259,088	**113,786**	**0**		**5,341,255**	**171,498**	
			Financial liabilities			
-244			Derivative contracts	-799		
		-17,852	Creditors			-10,849
-5,700			Other Investment Balances	0		
-5,944	**0**	**-17,852**		**-799**		**-10,849**
5,253,144	**113,786**	**-17,852**		**5,340,456**	**171,498**	**-10,849**

17b. Net Gains and Losses on Financial Instruments

31 March 2024 £000		31 March 2025 £000
	Financial assets	
427,116	Fair value through profit and loss	159,481
0	Assets amortised at cost	0
	Financial liabilities	
-28,297	Fair value through profit and loss	-84,634
0	Liabilities at amortised cost	0
398,819	**Total**	**74,847**
	Reconciliation to Revenue and Fund Account - Profit and losses on disposal of investments and changes in the market value of investments	
0	Direct Freehold Property Holding - Not classified as a financial Instrument	**-174**
398,819		**74,673**

In accordance with our accounting policies, financial assets and liabilities are included in the accounts on a fair value basis. The Authority has not entered into any financial guarantees that are required to be accounted for as financial instruments.

18. Nature and Extent of Risks Arising from Financial Instruments

Risk and risk management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. As there is an essential contradiction in these two aims the investment strategy aims to achieve an acceptable overall balance between “risk and reward.” The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Fund manages these investment risks as part of its overall risk management programme.

Responsibility for the Fund's risk management and investments strategies rests with the Pension Fund Committee. Risk management policies are established to identify and analyse the risks faced by the council's pensions operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

18a. Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objectives of the Fund’s risk management strategy are to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return at a given level of risk.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities.

Other Price Risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investment

presents a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short are unlimited but restrictions are in place on managers undertaking this activity.

The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored by the council to ensure it is within limits specified in the Fund's investment strategy.

Other Price Risk - Sensitivity Analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the Fund's performance monitoring advisor, the Fund has determined that the following movements in market price risk are reasonably possible for the 2024-25 reporting period:

Asset Type	Potential Market Movements (+/-) %
Short Index-Linked Gilts	4.10%
Long Index-Linked Gilts	7.80%
UK Equities including pooled	16.30%
Overseas Equities including pooled	18.60%
Infrastructure Equity	14.50%
UK Bonds including pooled	5.50%
Index Linked Gilts including pooled	7.80%
Bonds including pooled	6.70%
Cash and Cash Equivalents (Including Payables and Receivables)	0.30%
Pooled Property Investments/Direct Freehold Property	15.20%
Private Equity	26.60%
Private Debt	7.60%
Timberland Equity	14.50%
Total*	**11.20%**

* The total % and value on increase/decrease totals are an aggregate across all asset classes and is applied to the assets in the Fund available to pay pensions benefits to illustrate sensitivity.

The potential price changes disclosed above are broadly consistent with a one-standard deviation movement in the value of the assets. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Had the market price of the Fund's investments increased/decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows (the prior year comparator is also shown below):

Asset Type	Value as at 31 March 2025 £000	Percentage Change %	Value on Increase £000	Value on Decrease £000
Cash and Cash Equivalents including payables and receivables	161,973	0.30%	162,459	161,487
Investment Portfolio Assets:				
Short Index-Linked Gilts	50,601	4.10%	52,676	48,526
Long Index-Linked Gilts	110,091	7.80%	118,678	101,504
UK Equities including pooled	289,263	16.30%	336,413	242,113
Overseas Equities including pooled	1,833,728	18.60%	2,174,801	1,492,655
Infrastructure Equity	523,946	14.50%	599,918	447,974
UK Bonds including pooled	571,495	5.50%	602,927	540,063
Index Linked Gilts including pooled	106,573	7.80%	114,886	98,260
Bonds including pooled	703,378	6.70%	750,504	656,252
Pooled Property Investments/ Direct Freehold Property	461,262	15.20%	531,374	391,150
Private Equity	515,841	26.60%	653,055	378,627
Private Debt	95,960	7.60%	103,253	88,667
Timberland	76,309	14.50%	87,374	65,244
Total Assets Available to Pay Benefits	5,500,420	11.20%	6,116,467*	4,884,373*

* The total % is an aggregate across all asset classes and is applied to the assets in the Fund available to pay pensions benefits to illustrate sensitivity.

Asset Type	Value as at 31 March 2024 £000	Percentage Change %	Value on Increase £000	Value on Decrease £000
Cash and Cash Equivalents including payables and receivables	99,738	0.30%	100,037	99,439
Investment Portfolio Assets:				
Short Index-Linked Gilts	32,817	4.10%	34,162	31,472
Long Index-Linked Gilts	97,895	8.40%	106,118	89,672
UK Equities including pooled	283,480	16.00%	328,837	238,123
Overseas Equities including pooled	1,945,100	16.70%	2,269,932	1,620,268
Infrastructure Equity	512,315	13.60%	581,990	442,640
UK Bonds including pooled	500,824	5.80%	529,872	471,776
Index Linked Gilts including pooled	104,590	8.40%	113,376	95,804
Bonds including pooled	659,547	7.10%	706,375	612,719
Pooled Property Investments/ Direct Freehold Property	450,334	15.60%	520,586	380,082
Private Equity	492,762	31.20%	646,504	339,020
Private Debt	88,336	8.80%	96,110	80,562
Timberland	84,868	13.60%	96,410	73,326
Total Assets Available to Pay Benefits	**5,352,606**	**10.70%**	**5,925,335***	**4,779,877***

* The total % is an aggregate across all asset classes and is applied to the assets in the Fund available to pay pensions benefits to illustrate sensitivity.

18b Interest Rate Risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's direct exposure to interest rate movements through its gross cash holdings as at 31 March 2024 and 31 March 2025 is set out below. These disclosures present interest rate risk based on the underlying financial assets:

Asset Type	Value as at 31 March 2024 £000	Value as at 31 March 2025 £000
Investment Cash Balances	100,091	160,392
Cash in hand	13,617	11,074
Fixed Interest Securities	235,302	267,266
Total	**349,010**	**438,732**

Asset Type	Interest Receivable 31 March 2024 £000	Interest Receivable 31 March 2025 £000
Investment Cash Balances	3,098	5,961
Cash in hand	713	793
Fixed Interest Securities	670	3,709
Total	**4,481**	**10,463**

Interest Rate Risk Sensitivity Analysis

The council recognises that interest rates can vary and can affect both income to the Fund and the value of the net assets available to pay benefits. A 100 basis point (BPS) movement in interest rates is consistent with the level of sensitivity applied by the Administering Authority when considering risk in its own treasury management activities.

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 100 BPS (1%) change in interest rates:

Asset Type	Asset values at 31 March 2025 £000	Impact of +1% £000	Impact of -1% £000
Investment Cash Balances	160,392	1,604	-1,604
Cash in hand	11,074	111	-111
Fixed Interest Bonds	267,266	2,673	-2,673
	438,732	4,388	-4,388

Asset Type	Asset values at 31 March 2024 £000	Impact of +1% £000	Impact of -1% £000
Investment Cash Balances	100,091	1,001	-1,001
Cash in hand	13,617	136	-136
Fixed Interest Bonds	235,302	2,353	-2,353
	349,010	**3,490**	**-3,490**

Asset Type	Interest Receivable 31 March 2025 £000	Impact of +1% £000	Impact of -1% £000
Investment Cash Balances	5,961	60	-60
Cash in hand	793	8	-8
Fixed Interest Bonds	3,709	37	-37
	10,463	**105**	**-105**

Asset Type	Interest Receivable 31 March 2024 £000	Impact of +1% £000	Impact of -1% £000
Investment Cash Balances	3,098	31	-31
Cash in hand	713	7	-7
Fixed Interest Bonds	670	7	-7
	4,481	**45**	**-45**

In addition, the above interest receivable the fund holds debt pooled fund investments. These are a mix of multi asset credit vehicles including fixed and variable interest rate securities.

18c Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (Sterling). The Fund holds both monetary and non-monetary assets denominated in currencies other than Sterling and Sterling denominated pooled investment vehicles where the underlying assets are denominated in other currencies. As detailed in note 15a the Fund has various hedging strategies in place to reduce the impact of currency volatility on the Fund assets. The table below the page is prepared after consideration of the hedging strategies in place.

Currency Risk Sensitivity Analysis

Following analysis of historical data in consultation with the Fund's performance measurers, the council considers the likely annualised volatility associated with foreign exchange movements to be 9.10% in respect of non-sterling assets including those partially hedged to Sterling but excluding those where full hedging is in place (see note 15b).

This analysis assumes that all other variables, in particular interest rates, remain constant.

A 9.10% strengthening/weakening of the pound against various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows (values shown are for non-Sterling denominated assets were full hedging of currency risk is not in place):

Currency Exposure – Asset Type	Asset Value as at 31 March 2025 £000	Change to net assets available to pay benefits +9.10% £000	Change to net assets available to pay benefits -9.10% £000
Overseas Equities (including pooled equity funds where underlying assets are non-Sterling denominated)	1,833,728	166,869	-166,869
Infrastructure	523,946	47,679	-47,679
Timberland	76,309	6,944	-6,944
Private Equity	515,841	46,942	-46,942
Change in net assets available to pay benefits		**268,434**	**-268,434**

Currency Exposure – Asset Type	Asset Value as at 31 March 2024 £000	Change to net assets available to pay benefits +9.30% £000	Change to net assets available to pay benefits -9.30% £000
Overseas Equities (including pooled equity funds where underlying assets are non-Sterling denominated)	1,945,100	180,894	-180,894
Infrastructure	512,315	47,645	-47,645
Timberland	84,868	7,893	-7,893
Private Equity	492,762	45,827	-45,827
Change in net assets available to pay benefits		**282,259**	**-282,259**

18d Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities

In essence, the Fund's entire investment portfolio is exposed to some form of credit risk, with the exception of the derivatives positions, where the risk equates to the net market value of a positive derivative position. However, the selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

Contractual credit risk is represented by the net payment or receipt that remains outstanding, and the cost of replacing the derivative position in the event of a counterparty default. The residual risk is minimal due to the various insurance policies held by the exchanges to cover defaulting counterparties.

Credit risk on over-the-counter derivative contracts is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

Where a direct counterparty relationship exists, cash collateral is posted when the value of unrealised profit due to the Fund exceeds an agreed limit.

Deposits are not made with banks and financial institutions unless they are rated independently and meet the council's credit criteria. Money market funds that are used all have AAA rating from a leading ratings agency.

The non-investment cash holding was managed through the treasury management arrangements of the Administering Authority:

The credit exposure was as follows:

Summary	Short term Rating (S&P) 31 March 2024	Balances at 31 March 2024 £000	Short term Rating (S&P) 31 March 2025	Balances at 31 March 2025 £000
Bank Deposit Accounts				
Aviva Money Market Fund	AAA	6,796	AAA	5,544
Federated Money Market Fund	AAA	6,797	AAA	5,545
Bank Current Accounts				
Barclays Bank	A-1	0	A-1	0
Total		**13,593**		**11,089**

The majority of Custodied Investment cash is swept overnight to the AAA rated constant NAV money market funds of the custodian. The credit exposure on investment cash balances at 31 March 2025 comprise £140.8 million (31 March 2024 £83.6m) deposited with AAA rated money market funds, £19.6 million (31 March 2024 £10.8m) with the custodian Northern Trust (rated A-1+), The current account figure includes control account balances.

18e Liquidity risk

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

The Council has immediate access to its pension fund cash holdings, there were no deposits with fixed periods at 31 March 2025 (2024 nil).

Liquid Assets

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer than three months to convert into cash. The Fund classifies property (pooled and direct) and private equity partnerships in this category.

Balances at 31 March 2024 £000	Percentage of Total Fund Assets %	Balances at 31 March 2025 £000	Percentage of Total Fund Assets %
3,639,159	68.0%	3,739,913	68.0%

The Fund regularly monitors and forecasts future cash flow to understand and manage the timing of the Fund's cash flow obligations.

All financial liabilities at 31 March 2025 are due within one year.

Refinancing Risk

The key risk is that the Council will be bound to replenish a significant proportion of its pension fund financial instruments at a time of unfavourable interest rates. The Council does not have any financial instruments that have a refinancing risk as part of its treasury and investment strategies.

19. Funding Arrangements

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS), dated March 2023. In summary, the key funding principles are as follows:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants
- use a balanced investment strategy to meet the regulatory requirement for long-term cost efficiency (where efficiency in this context means to minimise cash contributions from employers in the long term)
- where appropriate, ensure stable employer contribution rates
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations
- manage the fund in line with the stated ESG policies.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 20 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least a 75% likelihood that the Fund will achieve the funding target over 20 years.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund's assets, which at 31 March 2022 were valued at £4,901 million, were sufficient to meet 106% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £289 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure as per the FSS. Individual employers' contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2022 valuation report and FSS.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

Financial assumptions	31 March 2022
Discount rate	4.3% pa
Salary increase assumption	3.4% pa
Benefit increase assumption (CPI)	2.7% pa

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	21.9 years	24.6 years
Future Pensioners*	22.9 years	26.2 years

*Aged 45 at the 2019 Valuation.

Copies of the 2022 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund and on the Fund's website.

Experience over the period since 31 March 2022

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. Asset performance improved in 2024 and early 2025; however the recent increase in US tariffs on imports has caused significant market volatility. The peak of this market volatility was experienced immediately after 31 March 2025, however, generally lower than expected asset returns were experienced in the month immediately prior to this.

High levels of inflation in the UK (compared to recent experience) have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April

2024. However, inflation has reduced towards historical levels and the Bank of England's target (2% pa), with LGPS benefits increasing by 1.7% in April 2025.

There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025, and will be finalised by 31 March 2026. The FSS will also be reviewed at that time, and a revised version will come into effect from 1 April 2026.

20. Actuarial Present Value of Promised Retirement Benefits

Under IAS26 the Fund is required to disclose the actuarial present value of promised retirement benefits. These represent the present value of the whole fund liabilities to pay future retirement benefits.

The required valuation is carried out by the Hymans Robertson LLP using a similar approach to that employed for individual participating employers reporting pension liabilities under either FRS102 (previously FRS17) or IAS19. For the avoidance of doubt this approach will result in a different valuation of liabilities than the methodology employed at the triennial funding valuation.

Under the IAS19/FRS102 basis reporting is produced using the same base data as the last completed funding valuation rolled forward to the latest reporting date, taking account of material changes in membership numbers and updating assumptions to the current year and requirements of the reporting approach.

In order to assess the value of the benefits on this basis, the Fund Actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see note 19).

	31 March 2024 £M	31 March 2025 £M
Actuarial present value of promised retirement benefits	-4,925	-4,289
Fair Value of scheme assets (bid value)	5,350	5,497
Net Liability	**425**	**1,208**

The promised retirement benefits at 31 March 2025 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2022. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, the actuary is satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

The figures include both vested and non-vested benefits, although the latter is assumed to have a negligible value. Further, there is no allowance made for unfunded benefits.

It should be noted the above figures are appropriate for the Administering Authority only for preparation of the pension fund accounts. They should not be used for any

other purpose (i.e. comparing against liability measures on a funding basis or a cessation basis).

Assumptions

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2025 and 31 March 2024. The Actuary estimate that the impact of the change in financial assumptions to 31 March 2025 is to decrease the actuarial present value by £794m. The Actuary estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £10m.

Financial assumptions

Year ended	31 March 2024	31 March 2025
	% p.a.	% p.a.
Pension Increase Rate (CPI)	2.75%	2.75%
Salary Increase Rate	3.45%	3.45%
Discount Rate	4.85%	5.80%

Demographic assumptions

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

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.3 years	24.1 years
Future pensioners (assumed to be aged 45 at the latest valuation date)	22.2 years	25.7 years

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

Sensitivity Analysis

CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the obligations are set out below:

Change in assumption at 31 March 2025	Approximate % increase to promised retirement benefits	Approximate monetary amount (£m)
0.1% p.a. decrease in the Discount Rate	2%	76
1 year increase in member life expectancy	4%	172
0.1% p.a. increase in the Salary Increase Rate	0%	3
0.1% p.a. increase in the Rate of CPI Inflation	2%	73

The liabilities above are calculated on an IAS 19 basis and therefore will differ from the results of the 2022 triennial funding valuation (see note 19) because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

The Fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment has now been upheld by the Court of Appeal.

The Local Government Pension Scheme is a contracted out defined benefit scheme and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact on the assessed actuarial present value of promised retirement benefits under IAS 26, or if it can be reliably estimated. As a result, Norfolk Pension Fund does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in the disclosure of the actuarial present value of promised retirement benefits in its financial statements.

21. Current Assets

31 March 2024 £000		31 March 2025 £000
	Cash In Hand	
13,617	Cash In Hand**	11,074
	Debtors:	
3,537	Contributions due - employees*	3,060
10,740	Contributions due - employers*	10,623
2	Employers special contributions	63
773	Augmentation & strain due	1,208
1,250	Dividends receivable**	1,088
209	Pooled funds rebate due**	9
0	UK tax receivable	0
610	Overseas tax receivable	257
180	VAT refund due	92
217	Interest due**	202
54	Recharge of fees**	12
5	Prepayments	0
25	Sundry **	20
17,602	**Debtors**	**16,634**
31,219	**Current Assets**	**27,708**

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

31 March 2024 £000		31 March 2025 £000
	Long term debtors:	
374	Employer contributions	325
38	Augmentation & strain due	18
412		**343**

Long term debtors comprise of amounts not due to be paid to the Fund for a period of more than 12 months from the balance sheet date.

Analysis of Debtors (including Long Term Debtors)

31 March 2024 £000		31 March 2025 £000
	Debtors:	
781	Central government bodies	348
10,615	Other local authorities	9,618
6,618	Other entities and individuals	7,011
18,014		**16,977**

22. Current Liabilities

31 March 2024 £000		31 March 2025 £000
	Creditors:	
162	Transfer values payable (leavers)	1,502
12,631	Exit Credit Payable	13,598
2,069	Benefits payable	3,233
367	Investment Management Fees**	557
14,684	Receipt in Advance**	7,344
2,801	Other Fees & Charges**	2,947
1,895	UK Taxation payable	2,373
0	Sundry creditors	0
34,609		**31,554**

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

Analysis of Creditors

31 March 2024 £000		31 March 2025 £000
	Creditors:	
1,895	Central government bodies	2,373
30,032	Other local authorities	10,160
2,682	Other entities and individuals	19,021
34,609		**31,554**

23. Additional Voluntary Contributions

The Fund has three in-house AVC providers; Prudential, Clerical Medical and Utmost Life and Pensions (previously Equitable Life - a legacy arrangement that is not open to new contributors). The value of AVC investments and contributions paid directly to the providers by scheme employers during the year is shown below.

Market Value 31 March 2024 £000		Market Value 31 March 2025 £000
9,434	Separately Invested AVC Funds	11,283

2023-24 £000		2024-25 £000
2,032	AVC contributions paid directly during the year	2,445

24. Agency Contracted Services

The Norfolk Pension Fund pays discretionary awards to the former employees of Norfolk County Council, the seven Norfolk district councils and 23 other employers. The amounts paid are not included within the Fund Account but are provided as a service and fully reclaimed from the employer bodies. The sums are disclosed below:

31 March 2024 £000		31 March 2025 £000
1,199	Norwich City Council	1,222
1,103	Norfolk County Council	1,118
263	North Norfolk District Council	264
222	Borough Council of Kings Lynn & West Norfolk	223
161	Great Yarmouth Borough Council	149
100	Breckland District Council	102
83	Broadland District Council	84
50	South Norfolk District Council	49
149	Other	157
3,330		**3,368**

25. Related Party Transactions

Norfolk County Council

The Fund is administered by Norfolk County Council. Consequently, there is a close relationship between the council and the Fund.

The council incurred costs in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses.

The Local Government Pension Scheme Regulations enables administration expenses to be charged to the Fund. Internal Audit Services are provided by Norfolk Audit Services, the internal audit function of the Administering Authority. Internal legal fees represent the total cost of internal advice provided by the legal services unit of the Administering Authority (NPLaw).

The council is also the single largest employer of members in the Pension Fund.

	2023-24 £000	2024-25 £000
Norfolk County Council incurred administration and Investments costs reimbursed by the Fund	2,726	2,755

All monies owing to and due from the Fund were paid within statutory timescales.

Norfolk County Council Employer Contributions	66,505	69,697

All contributions were paid in accordance with the rates and adjustment certificate.

Part of the pension fund cash holdings are invested on the money markets by the treasury management operations of Norfolk County Council. The arrangement is managed through a service level agreement.

	2023-24 £000	2024-25 £000
Average investment balance held by NCC Treasury Management Operation	14,360	16,009
Interest earned on balances invested by NCC Treasury Management Operation	713	793

Governance

Each member of the Pension Fund Committee is required to declare their interests at each meeting. Declarations of interest are recorded in the minutes of each Committee meeting as part of the public record and a copy can be found on the Norfolk County Council website under Pensions Committee papers at www.norfolk.gov.uk.

Personnel Employed in the Delivery of the Pensions Function by the Administering Authority

All employees of Norfolk County Council (other than those whose profession grants them access to other public service schemes) may join the Local Government Pension Scheme. This includes personnel employed in delivering the pensions function through the Norfolk Pension Fund. Benefits are accrued and employee contributions calculated on a standard national, statutory basis.

Disclosure of senior officer remuneration is made in note 13 of the Statement of Accounts of the Administering Authority (Norfolk County Council). This disclosure includes the Director of Strategic Finance who has responsibility under S151 of the Local Government Act 1972 for the proper financial administration of the Fund and holds the role of Fund Administrator.

The Administering Authority (Norfolk County Council) disclosure of senior officer remuneration includes the Director of Strategic Finance who has responsibility under S151 of the Local Government Act 1972, for the proper financial administration of the Fund and holds the role of Fund Administrator. For 2024-25 the remuneration amount incurred by the Fund was £8,560 (£9,560 2023-24).

Remuneration is deemed to include:

- Gross pay (before the deduction of employees' pension contributions).
- Expense allowances chargeable to tax and other benefits (as declared on HM Revenue & Customs form P11D).
- Compensation for loss of office and any other payments receivable on termination of employment transfer.

26. Contractual Commitments, Contingent Assets and Liabilities

26a Contractual Commitments

Outstanding Capital Commitments	31 March 2024 £000	31 March 2025 £000
Private equity partnerships	357,397	299,919
Property investment vehicles	6,536	122,802
Pooled Illiquid Closed-Ended Debt Funds	26,198	33,792
Pooled Infrastructure	64,623	75,738
Pooled Timberland	33,801	36,534
Total	**488,555**	**568,785**

At 31 March 2025 the Fund had made contractual commitments to private equity funds managed by Patria Investments (previously Aberdeen Standard Investments/ abrdn Capital Partners LLP) and HarbourVest Partners. Commitments are made in the underlying currency of the Fund (Euros and US Dollars respectively) and are therefore subject to volatility (risk) arising from exchange rate fluctuation. This volatility will impact both on the value of unfunded commitments in Sterling terms and the valuation of the funded interest and monies received as distributions.

The Fund's private equity programme is now maturing. The commitments are paid over the investment timeframe of the underlying partnerships. Concurrently as these partnerships mature they distribute capital back to investors.

In addition to the private equity commitments, within the CBRE property portfolio there are unfunded commitments to various property investment vehicles. There are also commitments on the Legal and General Investment Management Affordable Housing portfolio, M&G Real Estate Debt and Nuveen Real Estate Debt portfolios.

The Fund has ongoing contractual commitments with Infrastructure managers, Equitix, JP Morgan, Pantheon and Aviva as well as Timberland manager Stafford. This includes Sterling and US Dollar denominated commitments as at 31 March 2025. The contractual commitments associated with these investments are shown above.

The current value of the funded commitment net of distributions in these funds at 31 March 2025 is included in the net asset statement.

26b Contingent Assets

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

This amount remains a contingent asset as at 31 March 2025, with the case having been approved by the US courts, but pending settlement claims by the investors who identify themselves as having eligible trading activity during the class period. As a result, it is not possible to reliably estimate the Norfolk Pension Fund's share of the settlement.