



Local Government
Pension Scheme



Norfolk Pension Fund

Welcome to the Norfolk Pension Fund

Employer Forum

Glenn Cossey
Director of the Norfolk Pension Fund

12 July 2023

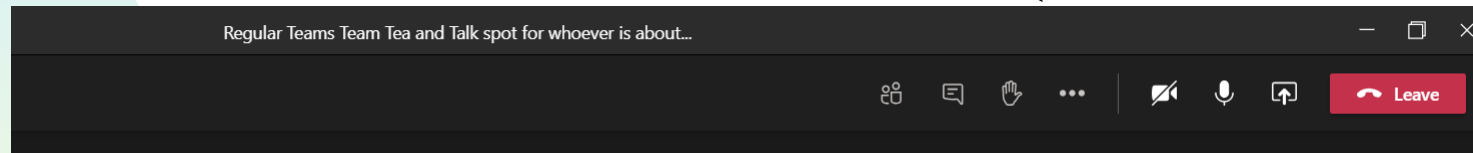
Housekeeping



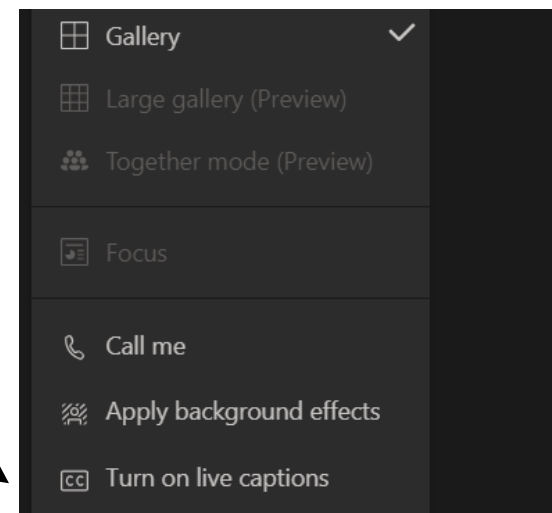
- The webinar is being recorded on MS Teams – a link to the recording will be emailed next week
- You should have already received today's presentation slides, but we will send them again with the recording link
- For those joining virtually, please turn off your microphone and camera
- For those in the room, in the event of a fire alarm, please leave through the Fire Exit situated to the right of the projection screen
The Fire Assembly point is in the front car park
- We will be having a 20 minute coffee break at about 11.00am.
We aim to finish at about 12.15pm with a buffet lunch for guests here at The Space

Accessibility

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



- Then select 'Turn on live captions'



Questions



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



Agenda



- **Update from the Fund Actuary**
Rob Bilton, Hymans Robertson

BREAK

- **Financial Wellbeing – helping your employees with the rising cost of living**
Claudine Bell, MaPS (Money and Pensions Service)
- **Governance Update**
Brian Wigg, Chairman of the Pensions Oversight Board
Jo Quarterman, Head of Governance
- **Ask the Panel**

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

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

Norfolk key stats



	2023*	2013	Change %
Net assets	£4.9bn	£2.5bn	196%
Contributions & income	£196.6mn	£128.1mn	53%
Benefits & payments	£167.6mn	£117.0mn	43%
Employers	430	152	282%
Total members	99,134	70,825	40%
Pensioners	29,662	19,851	49%

** Unaudited figures*

A valuable benefit



- **Norfolk Pension Fund**
Average pension - January 2023

Pension in own right

- £5,000 a year

Dependants pension

- £2,953 a year

Average pension

- £4,767 a year

- **Full Basic State Pension 2023-24**
 - £10,600 a year

PLSA Retirement Living Standards as at June 2023

- Single person needs £12,800 a year for a **MINIMUM** retirement living standard
- Single person needs £23,300 a year for a **MODERATE** retirement living standard
- Single person needs £37,300 a year for a **COMFORTABLE** retirement living standard

Excludes mortgage, rent and social care costs and any tax on pension income

Efficiency and value for money



- **Own budget**
 - No cross subsidy
 - Savings remain in the Fund
- **CIPFA Benchmarking Club 2021-22**
 - **Cost per member**
£20.28 Norfolk Pension Fund
£22.46 Club average
 - **Administration**
Norfolk Pension Fund outperforms Club average in 5 key areas

CIPFA Benchmarking Club 2021-22

Task	Target	Norfolk	Club average
Letter detailing transfer in quote	10 days	94.5%	88.1%
Letter detailing transfer out quote	10 days	94.6%	82.8%
Process and pay refund	10 days	100.0%	92.9%
Initial letter acknowledging death of member	5 days	92.4%	92.9%
Calculate and notify deferred benefits	30 days	98.2%	87.2%

LGPS consultations and reforms



- LGPS Pooling guidance: consultation expected soon
- Climate reporting (TCFD): awaiting guidance for reporting
- Good Governance: consultation – later this year?
- TPR revised code: launch imminent?
- McCloud: awaiting final regulations
- £95K cap: LGPS consultation?
- Pensions Dashboard: revised staging date...by 31st October 2026

Norfolk Pension Fund

Employer Forum – Summer 2023

Robert Bilton FFA, Fund Actuary

12 July 2023

What will we cover

- 1 2022 valuation wrap up
- 2 Update on accounting
- 3 Academy school outsourcing
- 4 Spotlight on mortality



Rob Bilton

robert.bilton@hymans.co.uk

2022 valuation wrap up

When we last met

Q4 2021 – Q1 2022

Pre-valuation work:

- Planning
- Data cleansing
- Review of high-level funding & investment strategy
- Review of stabilisation mechanism for precepting employers



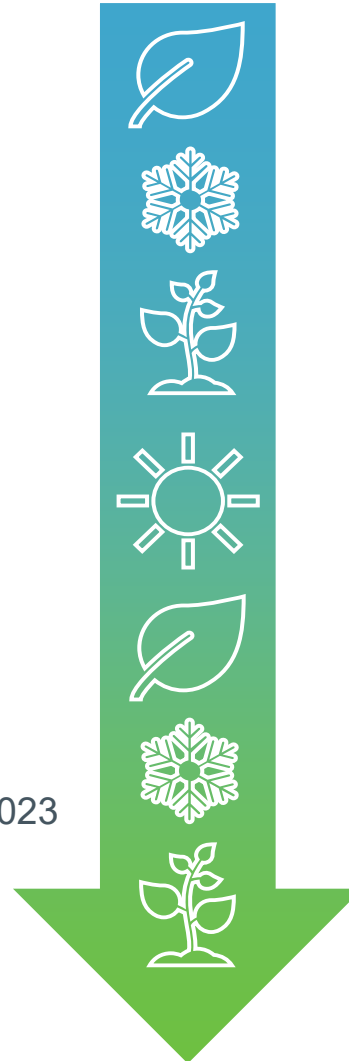
Q3 2022

Initial results & discussions with Officers



Q1 2023

Funding strategy statement finalised
Final valuation report signed off by 31 March 2023



Q2 2022

Data cleansed and submitted to actuary
Review of assumptions
Review of strategy for Academies



Q4 2022

Employer results issued to employers
Employer Forum
Funding Strategy Statement consultation



1 April 2023

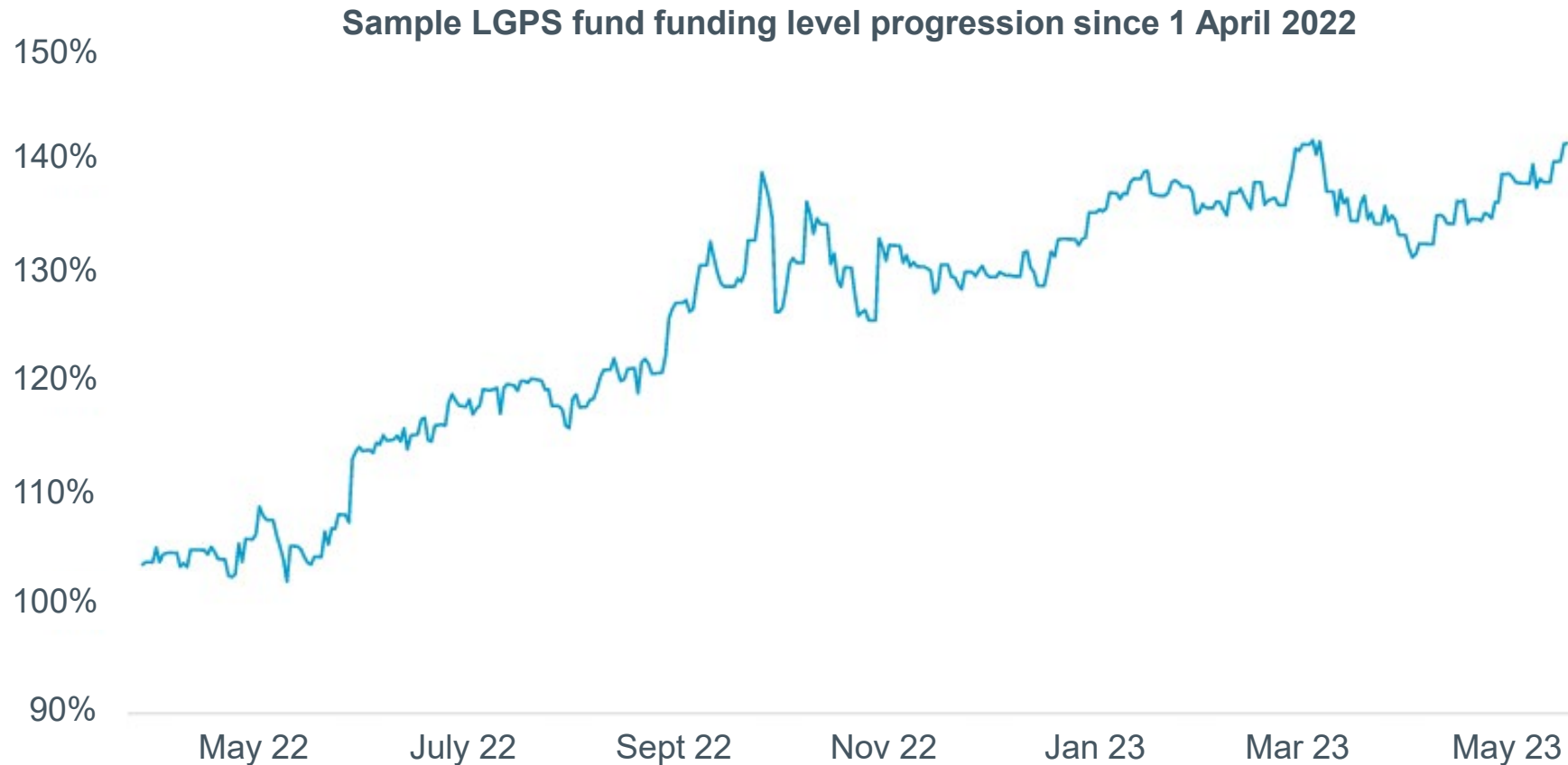
New employer contributions start to be paid

Key outputs of the 2022 valuation



Refer to these documents for more information

What's happened since 31 March 2022



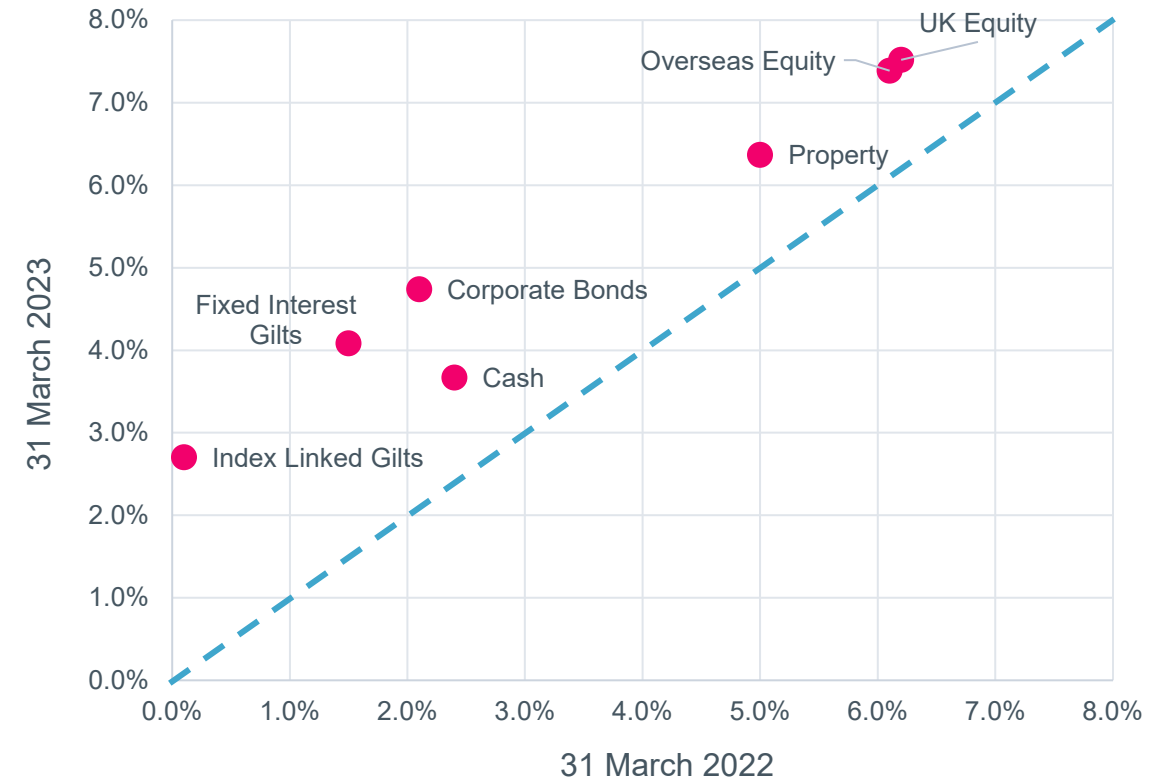
Improved past service funding position since 2022

What's caused the improvement?

Sample LGPS fund asset & liability movement since 1 April 2022

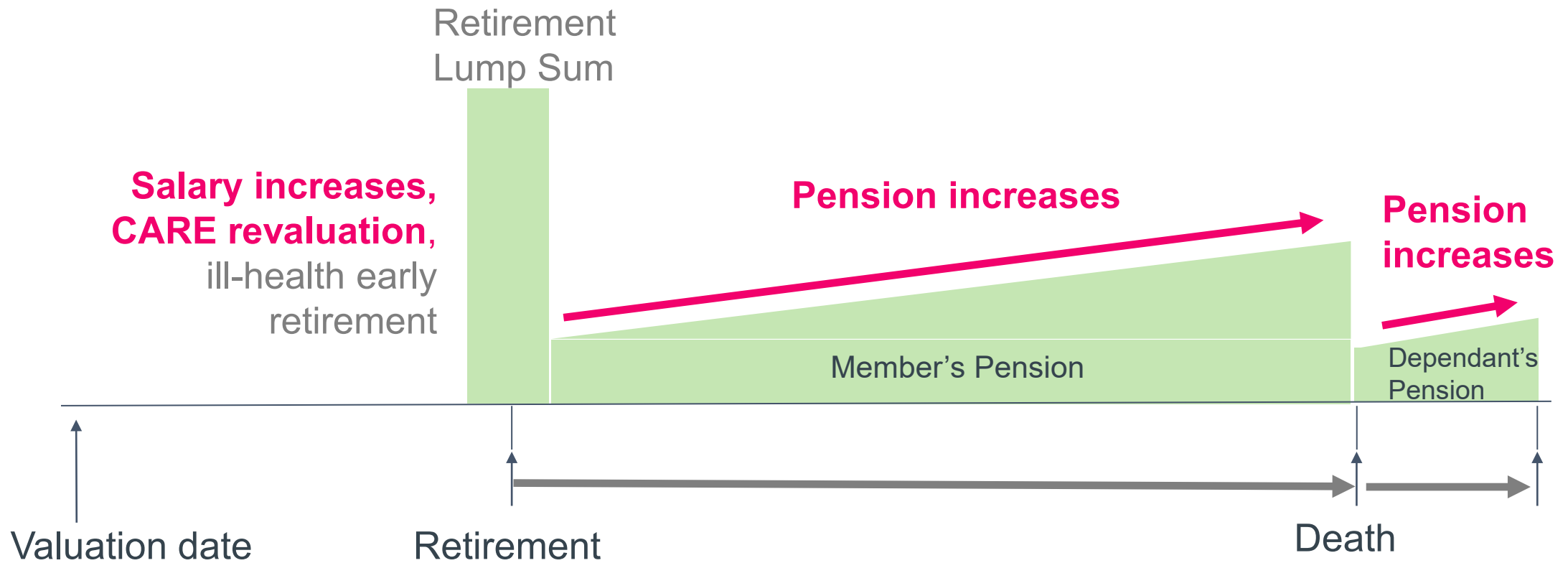


20 year expected annual returns – 2023 vs 2022



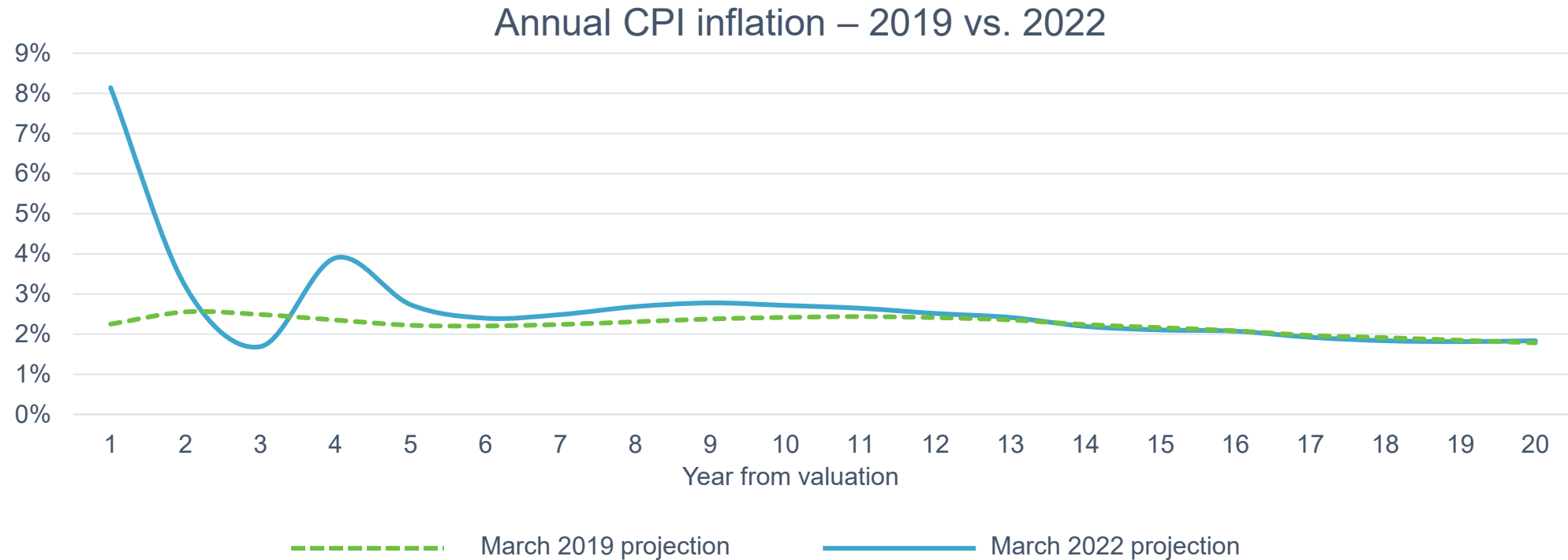
Improvements due to higher expected future returns
The fund does not hold more money to pay benefits

Beware of inflation



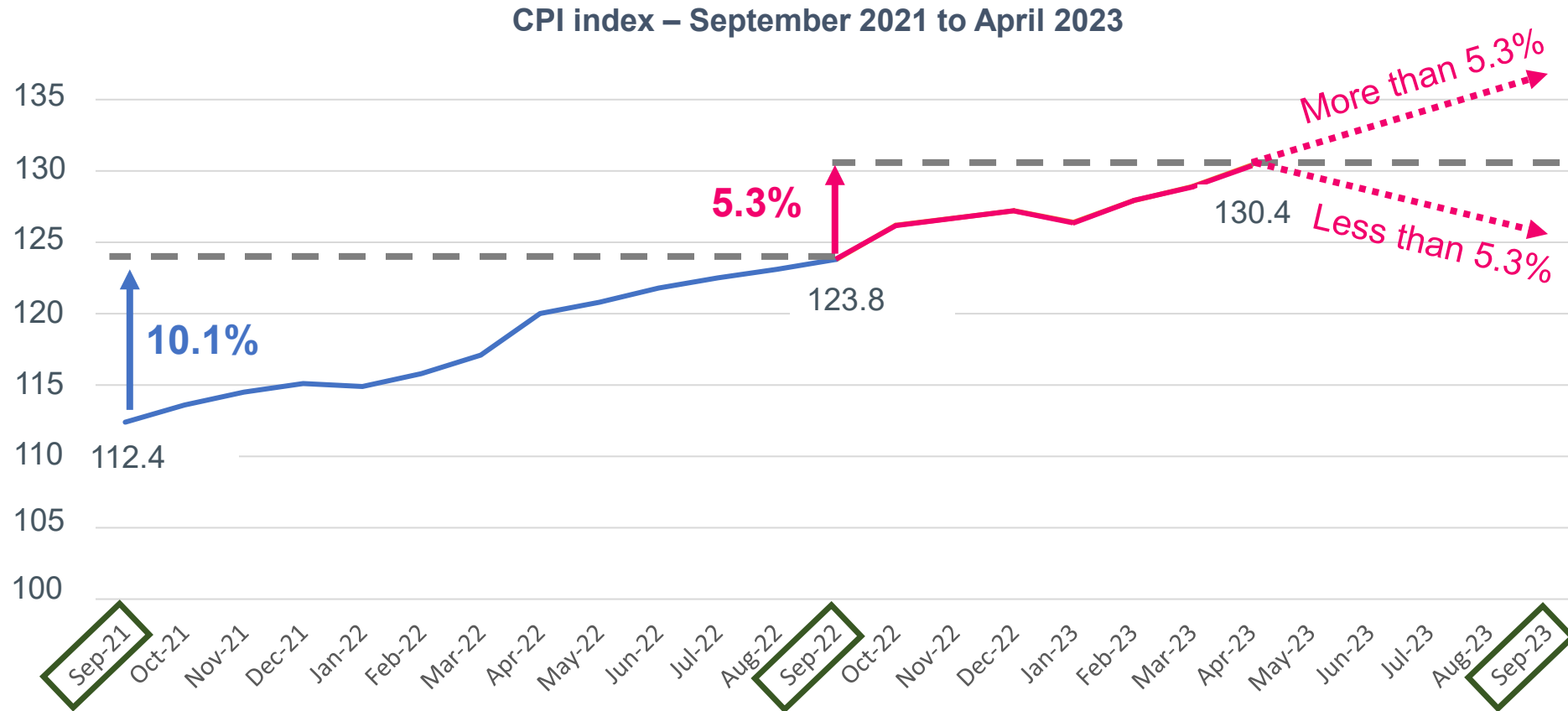
High inflation leads to higher liabilities and contributions

Inflation expectations at the 2022 valuation



2023 pension increase order of 10.1% slightly higher than assumption at 2022

Short term inflation



Inflation remains stubborn in short-term – impact on 2024 pension increase

What does it mean?

- Funding positions
 - Higher than at 2022 valuation
 - Increased volatility and uncertainty, especially around inflation
- Contribution rates
 - Not reviewed until the 2025 valuation
 - Past service funding position is a small element of the total rate
 - Interaction with contribution stability mechanism

Situation will be monitored in lead up to 2025 valuation

Update on accounting

Accounting valuations

Triennial funding valuation

- Purpose is to set cash contributions
- Assumptions set by the Fund
- Future investment returns closely linked to expected return on the Fund's actual assets

Annual accounting valuation

- Purpose is financial reporting
- Assumptions responsibility of directors (taking appropriate actuarial advice)
- Future investment returns set with reference to UK corporate bond yields

Accounting valuation does not affect cash contributions

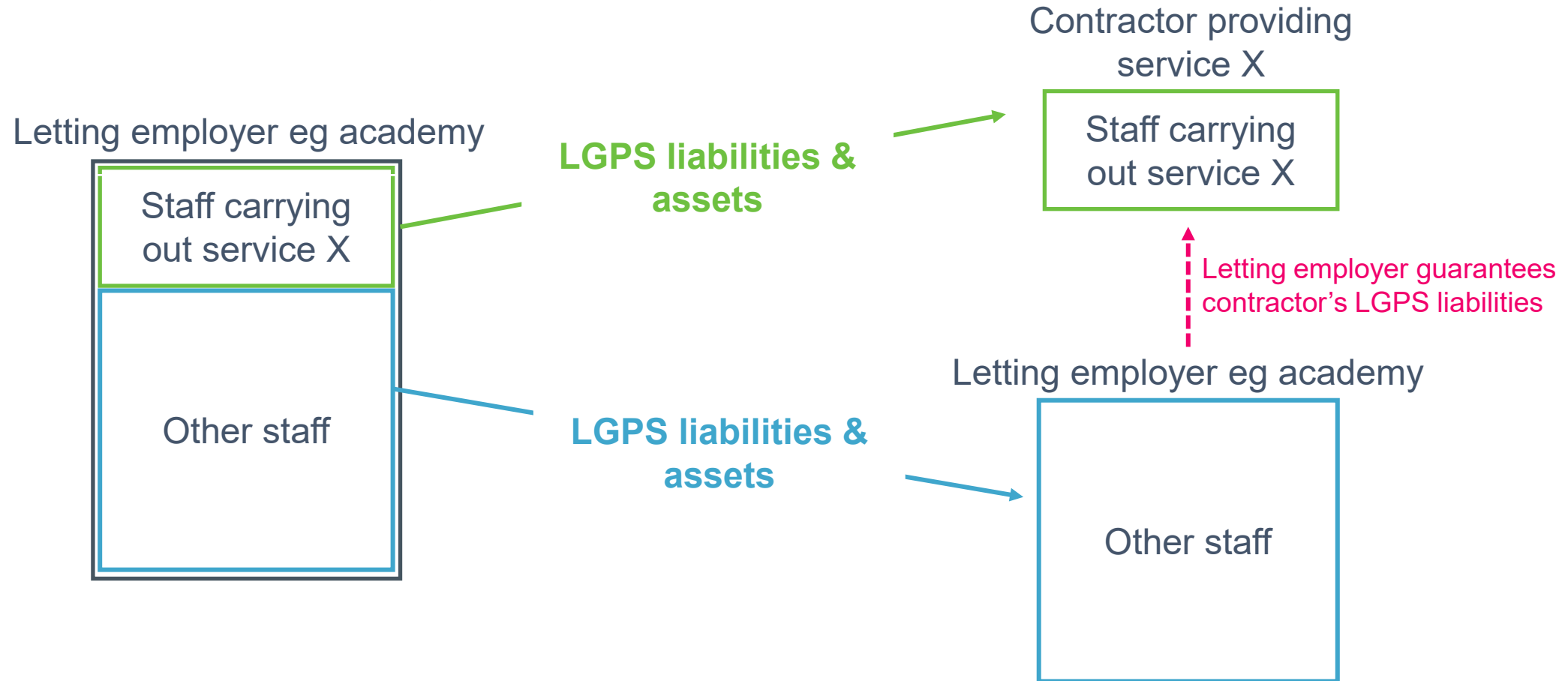
Key considerations for 2023

- May be in **surplus at the year-end date** (consider asset ceiling)
- Effect of **2023 Pension Increase order of 10.1%** (additional information in disclosure)
- Effect of expected **2024 Pension Increase order** (adjust assumptions to recognise this)
- Accounting projection updated to allow for **2022 valuation** (experience items)
- Increased **auditor scrutiny** on the pension sections of your accounts

Please direct any queries to the NPF

Academy school outsourcing

Outsourcing recap



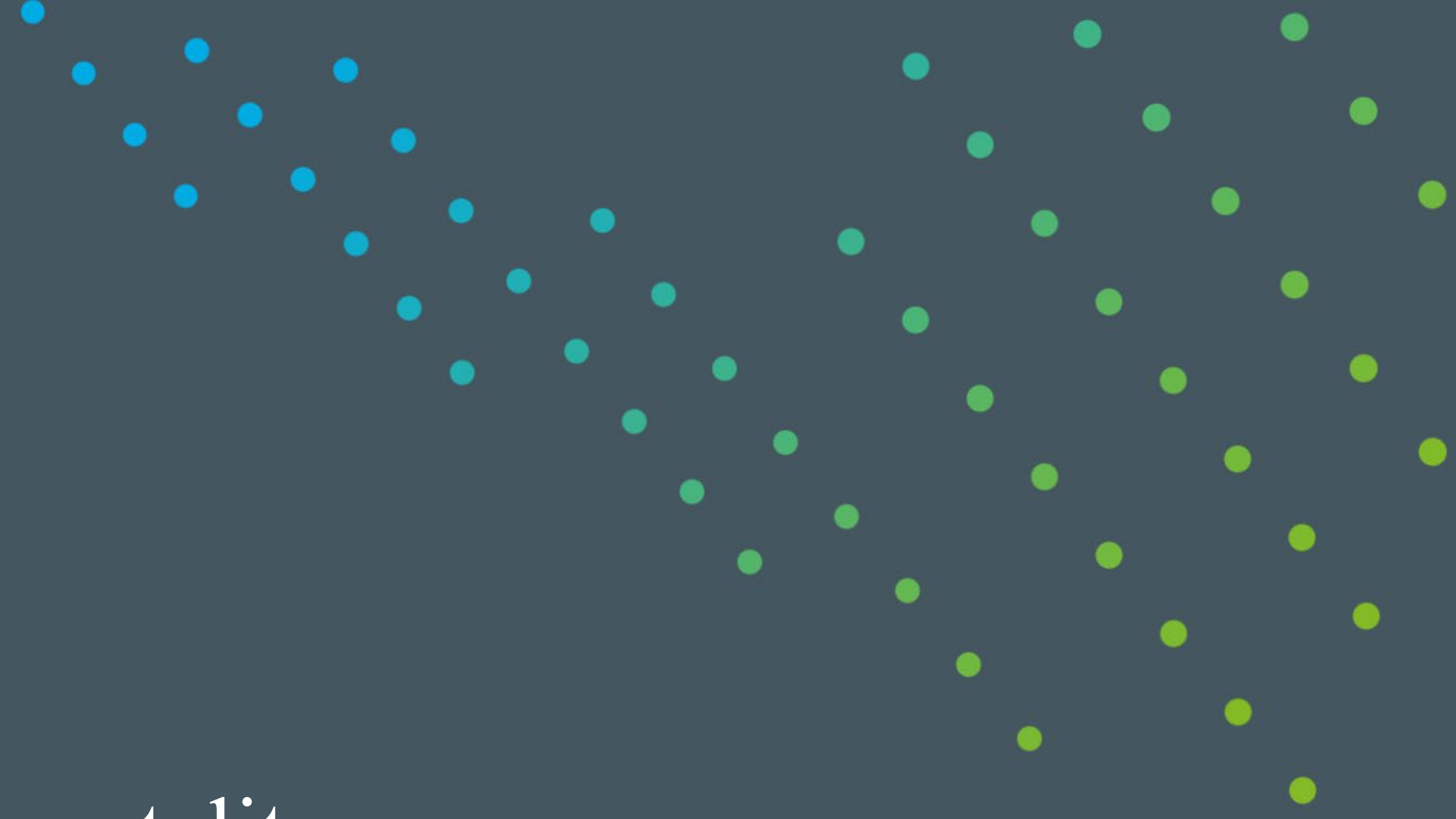
Letting employer guarantee helps NPF managing risk from outsourcing

Academies guaranteeing outsourcings

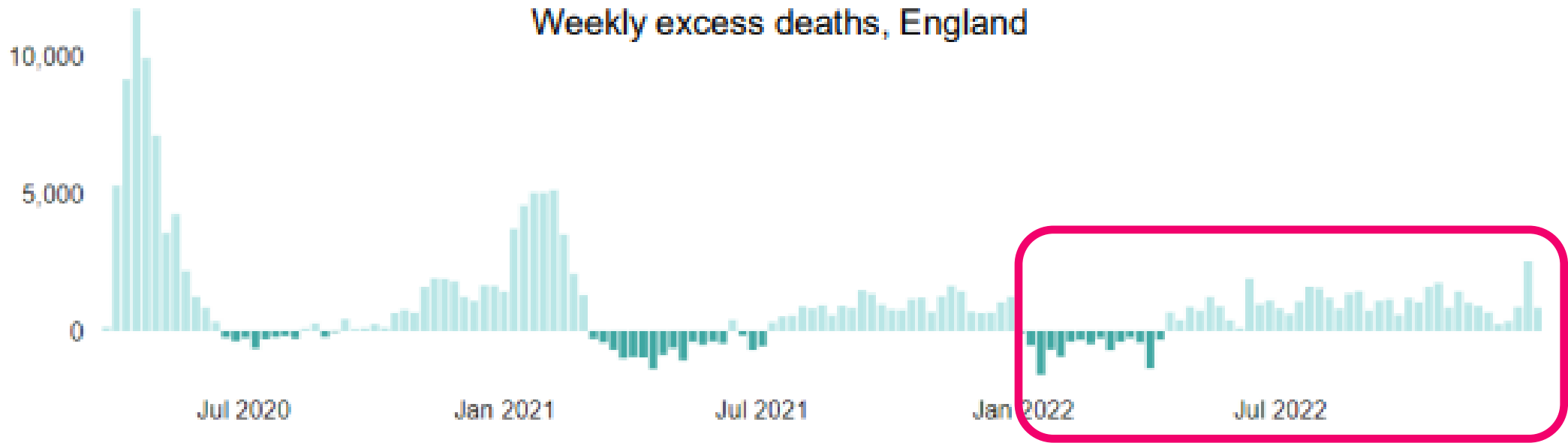
- Previously, academies had to obtain ESFA permission before providing a guarantee to an outsourced contractor for their LGPS liabilities
- Permission no longer required if:
 - New contractor participates via a pass-through agreement (*already NPF default approach*)
 - Agreement must be closed to new entrants
 - Immediately before outsourcing, staff covered must have worked for:
 - Academy,
 - Local authority in a locally maintained school, or
 - Local authority which is providing services to the academy under a contract
- Academies will need to confirm that any outsourcing meets these requirements

Update to Funding Strategy Statement to reflect this change

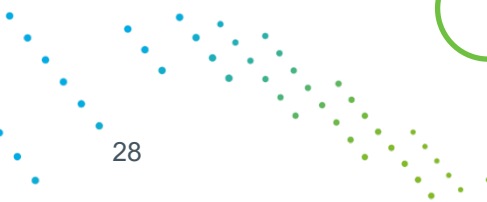
Spotlight on mortality



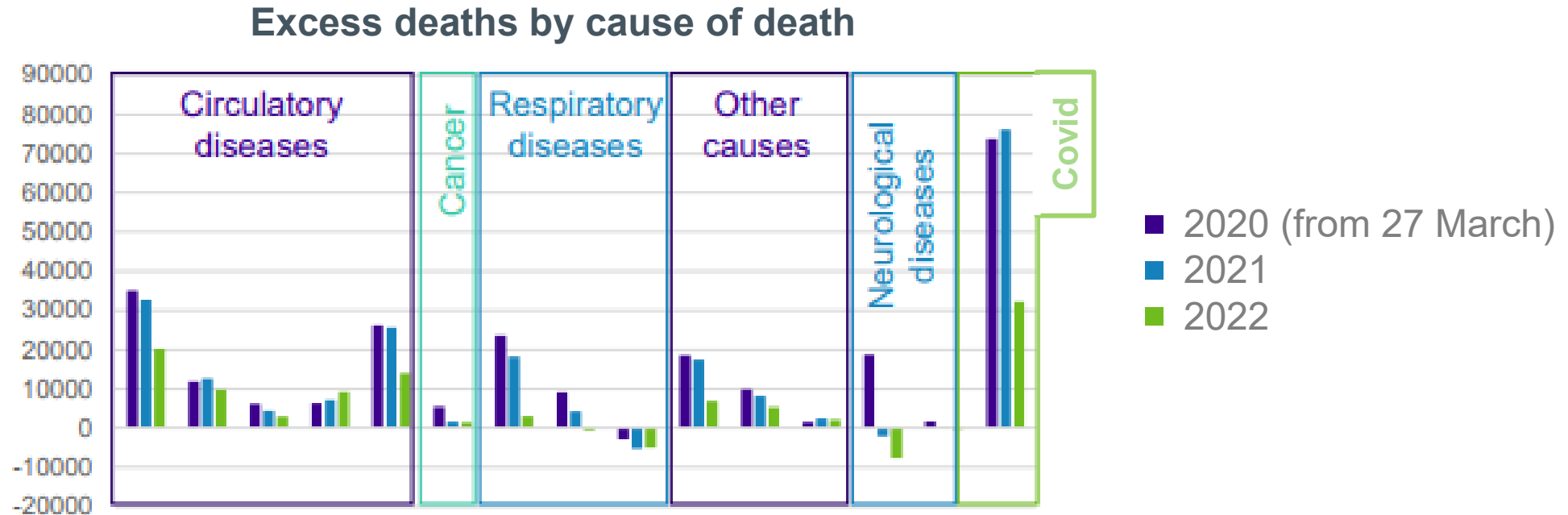
What happened in 2022?



2022 excess mortality rates were surprisingly similar to 2021



Covid is still with us



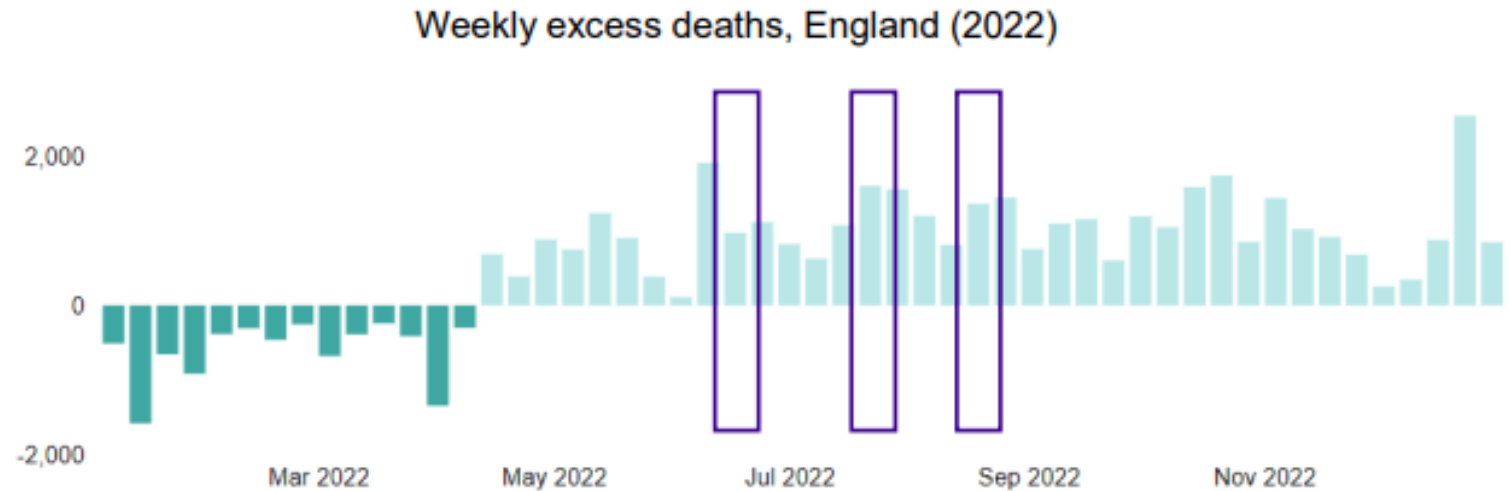
Beginning to understand potential long-term effects of Covid

Heatwaves

3 'waves' of extreme heat in 2022:

- 15 – 17 June 2022: 32.7 °C
- 17 – 19 July 2022: 40.3 °C
- 9 – 13 August 2022: 34.2 °C

Source: Met Office ([metoffice.gov.uk](https://www.metoffice.gov.uk))

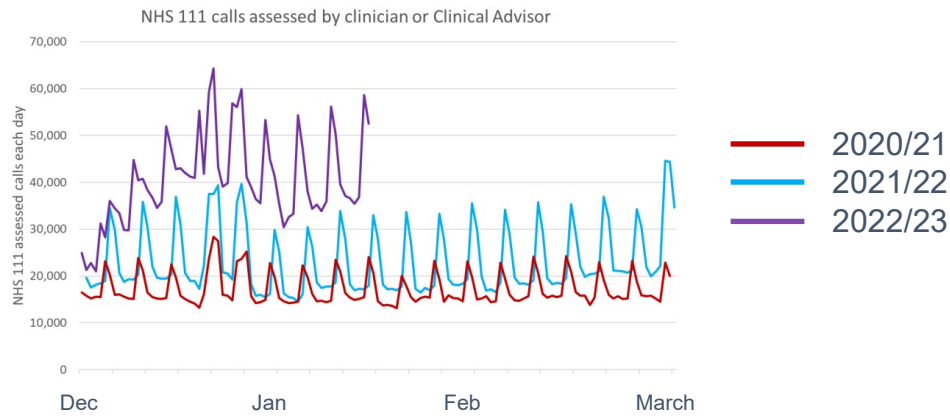


Source: [Office for Health Improvement and Disparities](https://www.him.dh.gov.uk/)

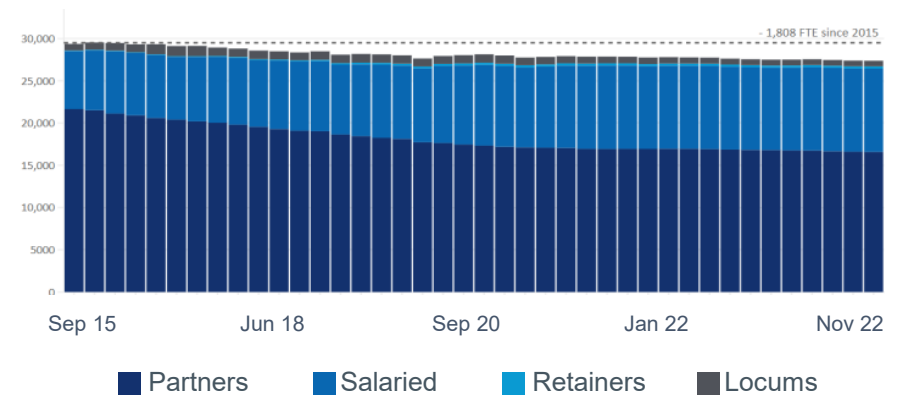
Periods of extreme heat relatively short lived in 2022, but how common will these periods be in the future?

Health system pressures

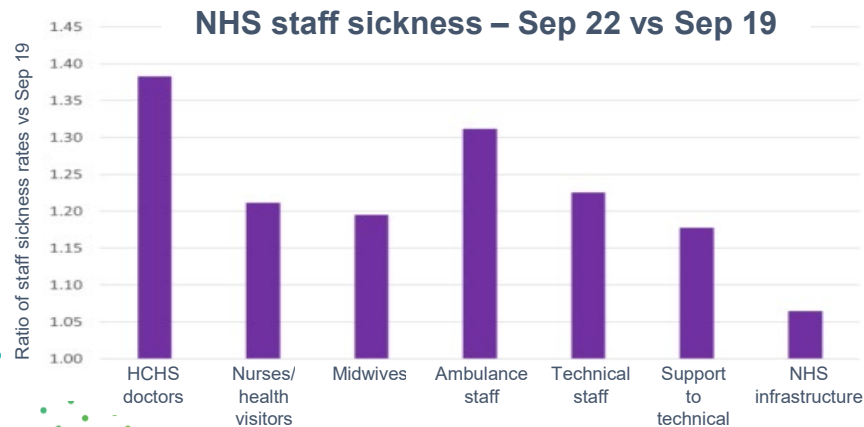
1. Increased demand for NHS services



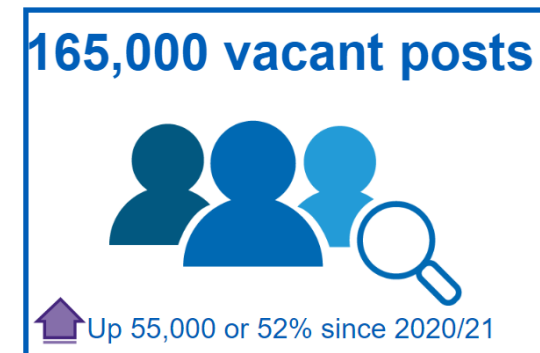
2. 1,800 less FTE GPs since 2015



3. High levels of staff sickness



4. Adult social care challenges



Thank you

The material and charts included herewith are provided as background information for illustration purposes only. This PowerPoint presentation is not a definitive analysis of the subjects covered and should not be regarded as a substitute for specific advice in relation to the matters addressed. It is not advice and should not be relied upon. This PowerPoint presentation contains confidential information belonging to Hymans Robertson LLP (HR) and should not be released or otherwise disclosed to any third party without prior consent from HR. HR accept no liability for errors or omissions or reliance upon any statement or opinion herein.
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lgps

Local Government
Pension Scheme



Norfolk Pension Fund

Break



Money and Pension Service – Financial well being for employers

Norfolk Pensions Fund

Claudine Bell
South East Regional Partnerships Manager



Money &
Pensions
Service

Agenda for today



- **Credentials – who we are and what we do**
- **Financial wellbeing – what does this mean?**
- **7 Simple steps to support your workforce**
- **Money Helper/Cost of living campaign**
- **Debt advice**
- **Pension Support**
- **Talk Money Week**

Who we are



Department
for Work &
Pensions

An executive non-departmental public body sponsored by the Department for Work and Pensions (DWP) with whom we also work on pensions policy.



HM Treasury

We work with HM Treasury on policy matters relating to financial capability and debt advice.



Financial Guidance
and Claims Act

Formed by the Financial Guidance and Claims Act 2018 that established a new single financial guidance body.



Majority of our funding comes from the Financial Conduct Authority (FCA) from the levies they collect.

We have five core functions

Money guidance

We provide information designed to enhance people's **understanding and knowledge of financial matters** and **day-to-day money management skills**. We deliver free, impartial money guidance to millions of people through our website, our contact centre, WhatsApp and our webchat.

Pensions guidance

We provide information to people about **workplace and personal pensions**. We deliver free, impartial pensions guidance through our website, technical contact centre through our pension experts and through individual appointments.

Debt advice

We provide people in England with **information and advice on debt** and are the largest single funder of free debt advice in England.

Consumer protection

We work with government and the Financial Conduct Authority (FCA) to **protect consumers against financial scams**, ensuring our customers can identify and protect themselves and their finances.

Strategy

We will **focus the efforts** of the UK Strategy for Financial Wellbeing through close collaboration with industry and stakeholders to build a financial wellbeing movement in the UK – to collectively improve financial wellbeing in the UK.

Source: Financial Guidance and Claims Act 2018 – 3.1 Functions

UK Strategy for Financial Wellbeing



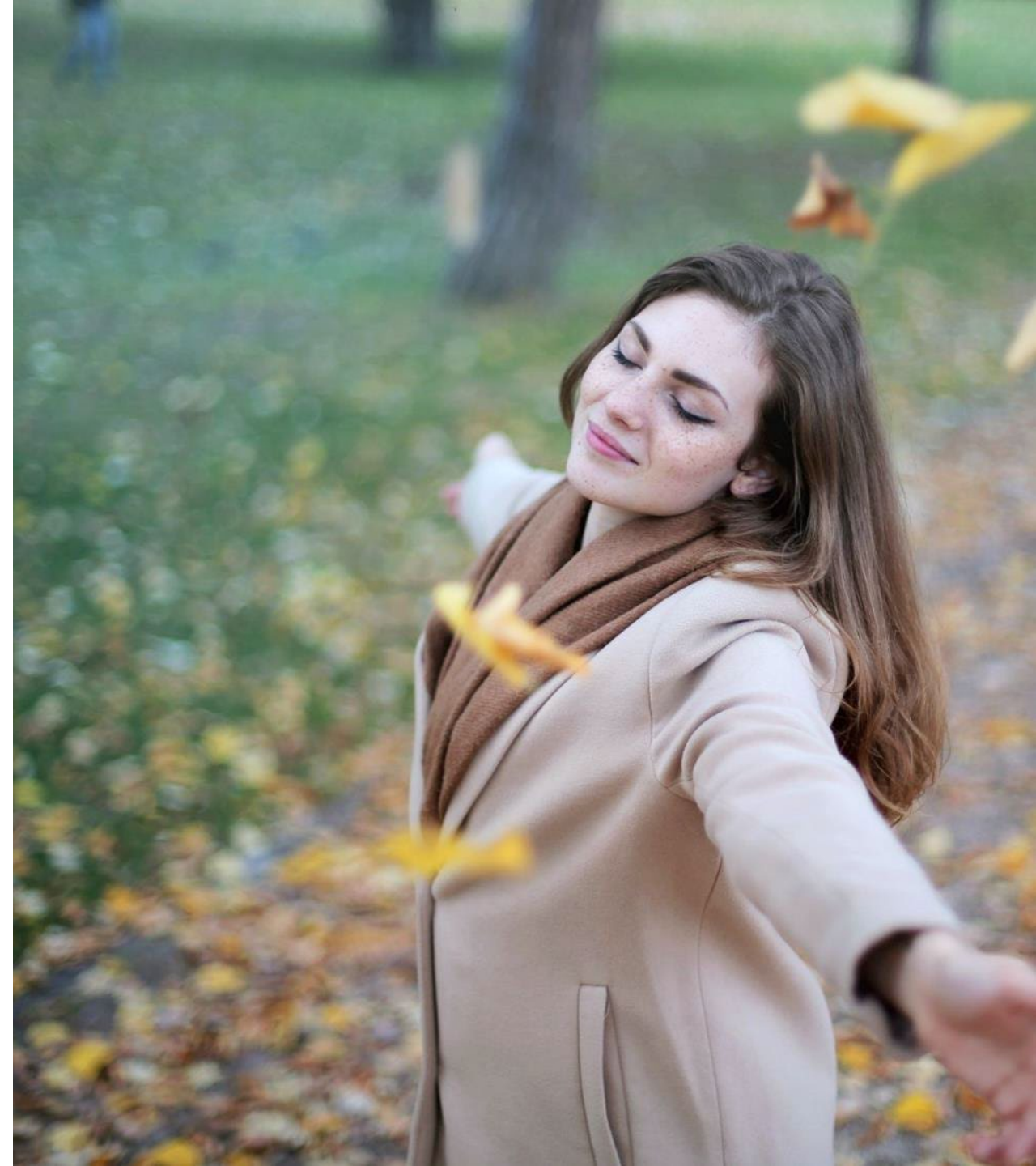
2030 goals

2030 National Goals		Financial Foundations	Nation of Savers	Credit Counts	Better Debt Advice	Future Focus
<p>2030 National Goals</p> <p>We encourage organisations of all sizes and from all sectors to help deliver these goals</p>	Who →	Children, young people and their parents	Working-age 'struggling' and 'squeezed' people	People who often use credit for food and bills	People who need debt advice	All adults
	Goal →	<p>National Goal</p> <p>2m more children and young people getting a meaningful financial education.</p>	<p>National Goal</p> <p>2m more working-age 'struggling' and 'squeezed' people saving regularly.</p>	<p>National Goal</p> <p>2m fewer people often using credit for food & bills.</p>	<p>National Goal</p> <p>2m more people accessing debt advice.</p>	<p>National Goal</p> <p>5m more people understanding enough to plan for, and in, later life.</p>
	Outcome →	Children and young people will get a meaningful financial education so that they become adults able to make the most of their money and pensions.	People will get the savings habit, build cash reserves to help with short-term emergencies and have a clearer future focus in their financial lives.	More people will access affordable credit, and more people will make informed choices about borrowing.	People will access and receive high quality debt advice when they need it, because of stronger and earlier engagement, and because funding, supply and services more closely match need.	People will engage with their future and be empowered to make informed decisions for, and in, later life.
				Cross-cutting lens: gender		
				Cross-cutting lens: mental health		

Financial Wellbeing

..... is about feeling secure and in control. It is knowing that you can pay the bills today, can deal with the unexpected, and are on track for a healthy financial future.

In short, confident and empowered



Everyday money worries are at the top of employees agenda



Of the UK population today:

22%

have less than
£100 in savings
to fall back on

17%

often borrow to buy
food or pay for bills

52%

do not have a plan
for their finances
in retirement

Financial Wellbeing in 2021 - East of England



16%

often use a credit card, overdraft or borrow money to buy food or pay bills because they have run short of money

59%

save every month/most months

47%*

understand enough to make decisions about retirement

** based on working age population*

46%

with bills or credit commitments struggle to keep up, are falling behind or have fallen behind with their commitments

19%

couldn't pay unexpected bill of £300 from spare money or affordable borrowing

50%*

do not have a plan for their finances in retirement

** based on working age population*

43%

do not feel confident managing their money

59%

could last three months or more without borrowing if they lose their main source of income

67%

are not satisfied with their overall financial circumstances

What's in for me as an employer and for my employees?



Providing financial wellbeing support is good for business:

Financial stress doesn't just impact those on a low income – your whole employee base would benefit from a supportive approach to financial wellbeing, which could result in:

- ✓ Happier, healthier and more productive workers
- ✓ Staff feeling valued and seeing you as a responsible employer

- ✓ Better talent attraction and retention
- ✓ A more sustainable and socially responsible business
- ✓ Economic benefits for the country

Seven simple steps to support your workforce



Money &
Pensions
Service

1 Use good signposting and education to help build confidence and resilience.

You don't need a huge budget or resources to make a big difference, so start small... but think big!

2 Know what's worrying your employees and encourage them to talk about money.

Help your employees beat the taboo and become comfortable talking about money. Understand their concerns and needs via polls, surveys and discussion groups, or through third-party data.

3 Assess what you already offer.

Audit existing financial wellbeing benefits and understand how well they respond to your employees' needs.

4 Design your financial wellbeing approach.

Think holistically. Consider how to target and prioritise your activity, based on your workforce needs and available resources. Build a strong case for support to secure buy-in at senior levels of your business.

5 Target key moments and make support accessible.

Aim to offer guidance when employees are most receptive or in need of support, such when they first join you or are promoted, or at key life stages, like buying a house. Consider whether digital, face to face, on-site, or a blended approach of support is most appropriate.

6 Decide if you need to use external providers.

External provision may be necessary to support employees with more specialist needs, such as delivering regulated advice or offering financial products.

7 Don't forget to test and learn.

Knowing that something you're doing works for your employees is important. Build regular learning reviews and evaluation into your approach.



Money ↳ Helper

MoneyHelper – free, impartial, unbiased support, Information and guidance.

What MoneyHelper offers

Along with our new money guidance content, we also have a wealth of existing money and pensions guidance that may be valuable for you, your customers, clients and stakeholders.



Find your way forward
with **MoneyHelper**

Working Together **Shareable content**
NEW

Guidance

Core money and pension guidance

New Money guidance content & videos

It seeks to target and engage hard to reach people and for those with a specific set of money guidance needs relevant to challenges today.

Tools and calculators

New **Bill prioritiser**
An easy-to-use, interactive online tool for anyone struggling to keep on top of bills and payments.


Money Manager tool

Money Navigator tool

Other MoneyHelper tools and calculators

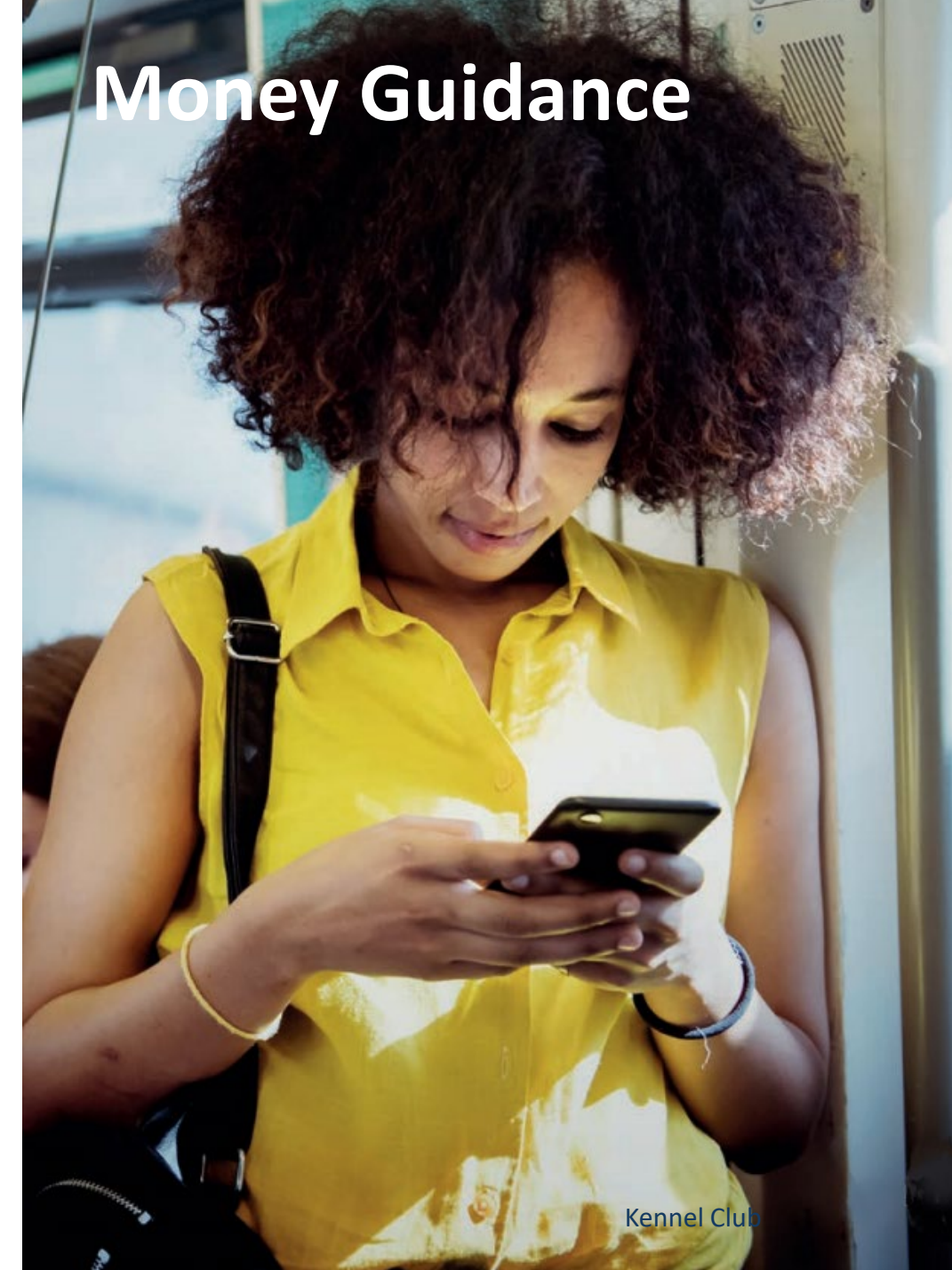
Debt advice locator services and tools

Debt Advice Locator tool


 **Debt advice**

This is not a service that MoneyHelper provides, however, we signpost an independent, free debt advice partners across the UK who help people in problem debt who need support.

Money Guidance



Kennel Club

Talk to us live for money guidance using the telephone

 [0800 138 7777*](tel:08001387777)

Welsh: [0800 138 0555*](tel:08001380555)

Typetalk: [18001 0800 915 4622*](tel:1800108009154622)

From overseas: [+44 20 3553 2279](tel:+442035532279)

Hours

Mon – Fri: **8.00am – 6.00pm**

Sat, Sun and bank holidays: **Closed**

* Calls are free. We're committed to providing you with a quality service, so calls may be recorded or monitored for training purposes and to help us develop our services.

Talk to us live for money guidance using WhatsApp

 [+44 77 0134 2744](tel:+447701342744)

Download app: [WhatsApp](#)

For help sorting out your debts, credit questions or pensions guidance. For everything else please contact us via Webchat or Telephone.



Talk to us live for money guidance using web chat

 [Start web chat](#)

Hours

Mon – Fri: **8.00am – 6.00pm**

Sat: **8.00am – 3.00pm**

Sun and bank holidays: **Closed**

Benefits for employers and employees



Employee wellbeing

Supports your holistic employee wellbeing strategy (such as mental, physical, emotional and financial) to build staff trust and confidence in your organisation to support their wider needs.



Equip employees

Equips your employees to be able to signpost people they work with to the right financial support and guidance.



Positive work culture

Encourages a positive and open work culture where money worries can be discussed and addressed.

Working Together

How to share

Post

Post our ready-to-use content on your social media channels encouraging your followers to share and engage.

Embed

Add visual content, messages and videos to your website providing people with the guidance they need or signposting them to valuable resources.

Email

Include MoneyHelper content in your emails informing your customers, clients or stakeholders about the guidance and tools available from MoneyHelper.

Print

Share printed content with people (for example, heavily trafficked areas, staff rooms, canteens, on-site noticeboards and offices) to get them the help they need.

Videos on offer

These can be embedded on your digital channels (for example, websites, newsletters) or shared via social media.



Find your way forward with MoneyHelper

An overarching video which explains MoneyHelper's various services and how it can help.

<https://youtu.be/aTY5HuhAQ9M>



Job Loss / Redundancy

Key actions to help people navigate job loss and understand their situation.

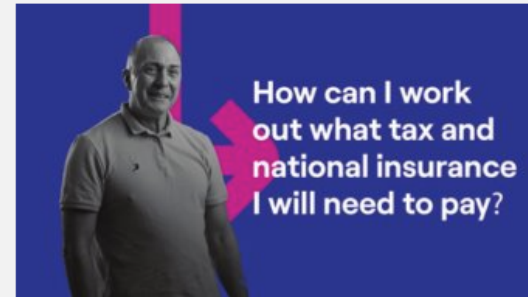
<https://www.youtube.com/watch?v=RZXJf1RFPuk>



Budgeting

An introduction to budgeting and some tips on how to budget.

<https://www.youtube.com/watch?v=CJCIDrjHjJM>



Self-Employed Budgeting for Tax

A targeted video for self-employed taxpayers.

<https://www.youtube.com/watch?v=8vJPfNHOKs>



Talking to your creditor

How to talk with creditors if struggling to keep up with commitments.

<https://www.youtube.com/watch?v=YYhExRsK7e4>

Working Together

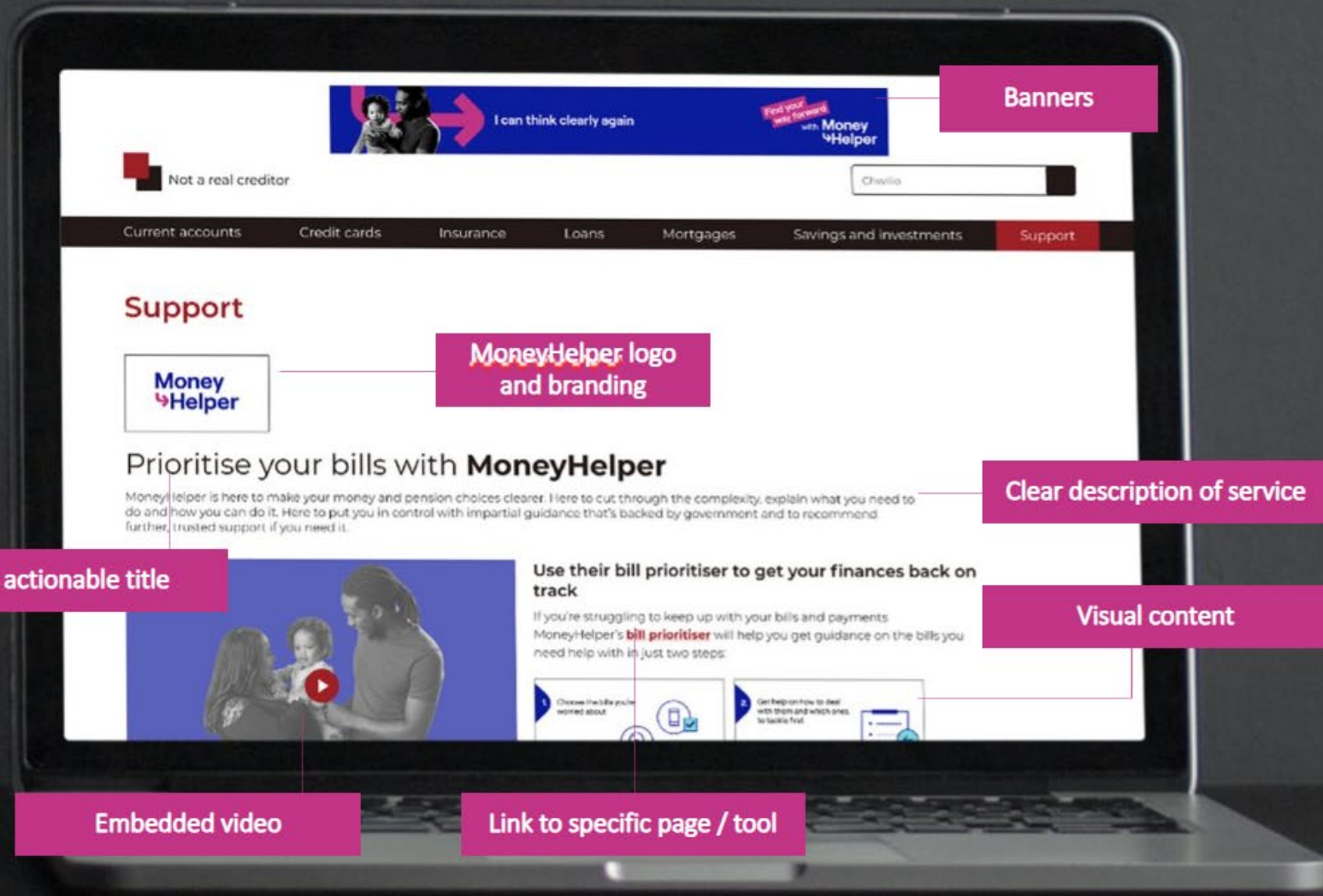
Website assets

We have various assets available so you can create the best possible signposting for your audiences.

The more visual and engaging you can make the content on your pages, the more effective and useful it will be for your audiences.

[Access website assets](#)

Here's an example of how to create pages on your website:



Working
Together

Social media posts

Ready-to-use posts optimised for Instagram, Twitter, Facebook and LinkedIn. We offer over 40 posts addressing various different consumer needs and challenges.

Customisable captions so the message is as relevant as possible for your specific audience needs.

Access shareable content



Working
Together

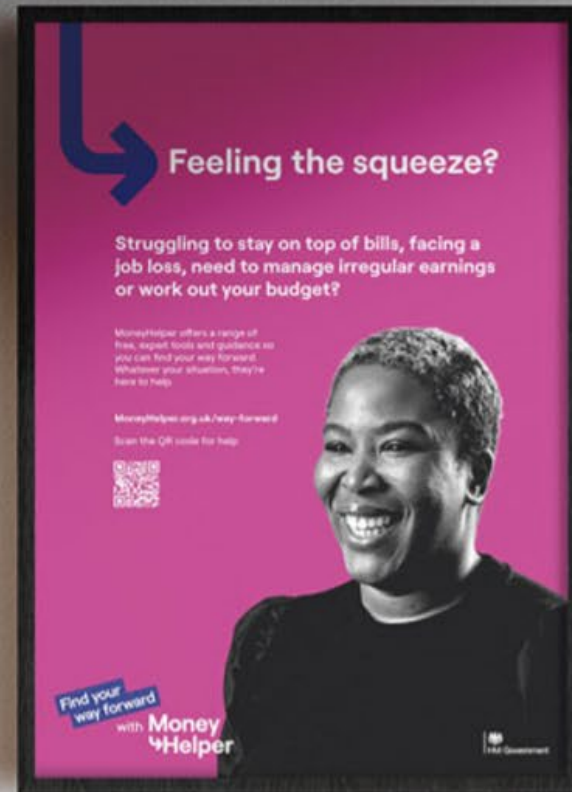
Print-ready assets

A poster available to download or print on demand.

It includes a QR code which takes people directly to moneyhelper.org.uk/way-forward

Please contact BrandAndMarketing@maps.org.uk if you have any bespoke requirements for print assets.

[Access shareable content](#)



Cost of Living help, your questions answered



The first step to solving money problems, is knowing where to turn.

Get free impartial guidance and tools.

Find a way forward
moneyhelper.org.uk
0800 448 0791



Money Helper



Help if you're struggling with bills and payments

Understand which bills and payments to deal with first and how to avoid missing payments.



If you're worried about rising mortgage rates

Weigh up your options, whether you're a first-time buyer or looking to remortgage.



Stopping or reducing your pension contributions

Before you do anything, understand what it means for your long-term plans.



Living on a squeezed income

Find ways to tackle the rising cost of living, as well as the extra support you can claim.



Talk to your creditor

Don't let your money worries pile up – your creditor can step in to help.



Using credit wisely

Putting everyday items on credit or struggling with repayments? Follow our action plan.

Need for Debt advice

Early signs that people in households with higher incomes are at risk

	2020	2021	2022
Sub £20K/annum	38%	41%	37%
£40K+ /annum	19%	18%	21%

<https://adviser.moneyhelper.org.uk/en>



Money Adviser Network

Worried about debts or have missed payments? There is free, confidential and independent debt advice available.

Find out more adviser.moneyhelper.org.uk

The Money Adviser Network can direct you to a debt adviser straight away by telephone or you can get support online.

The Money Adviser Network is managed by the government sponsored MoneyHelper.

Pensions Guidance



Talk to us live for pensions guidance using the telephone

 [0800 011 3797*](tel:0800 011 3797)

From overseas: [+44 20 7932 5780](tel:+44 20 7932 5780)

For self-employed: [0345 602 7021*](tel:0345 602 7021)

Hours

Mon – Fri: **9.00am – 5.00pm**

Sat, Sun and
bank holidays: **Closed**

* Calls are free. We're committed to providing you with a quality service, so calls may be recorded or monitored for training purposes and to help us develop our services.

Talk to us live for pensions guidance using web chat

 [Start web chat](#)

Hours

Mon – Fri: **9.00am – 6.00pm**

Sat, Sun and
bank holidays: **Closed**

Keep the conversation going

Tackle the taboo: build a supportive everyday money culture

- ▶ take part in in events, such as [Talk Money Week](#) and Pensions Awareness Week.



Next Steps.....

- Access our financial well being guide
- Get involved in Talk Money week
- Keep money conversations going

Claudine Bell

Alan.Nicholls@maps.org.uk

Claudine.bell@maps.org.uk



Thank you for listening, any questions?

Norfolk Pension Fund



- ▶ 'It is important that members are able to understand their pension arrangements and make informed decision where required' (TPR Code of Practice 14)
- ▶ Our job: to help members understand their LGPS pension to help them make timely and well-informed decisions
- ▶ What are the key messages we want to communicate?
 - ▶ Understand the real cost of LGPS membership
 - ▶ Understand the real value of LGPS membership
 - ▶ Understand the options – not just in or out!
 - ▶ Maintain appropriate safeguards
 - ▶ How to find further help and support

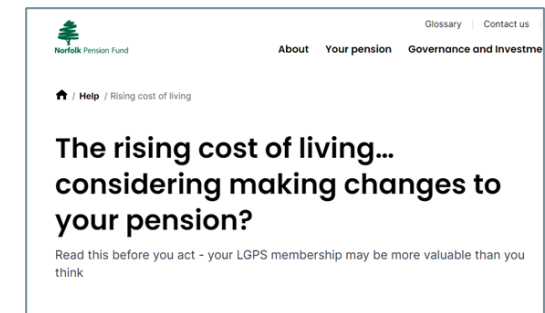
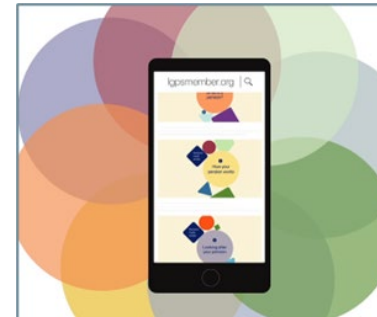
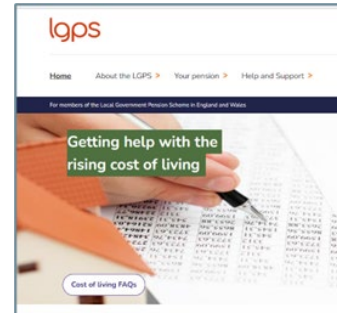
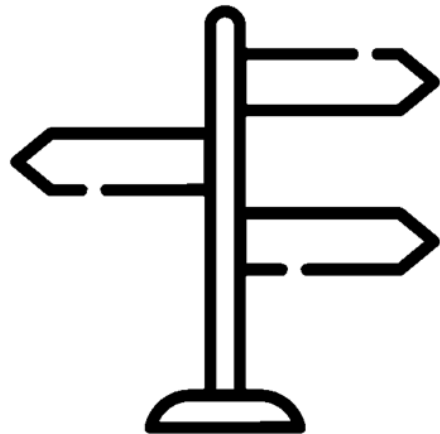
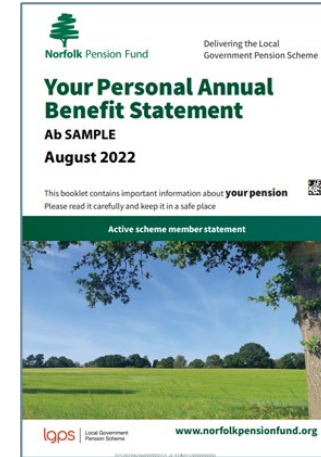
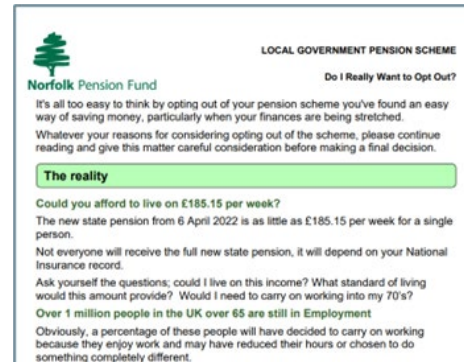


Communicating directly with scheme members



Scheme member comms we manage directly

- ▶ Website content
- ▶ Annual Benefit Statement
- ▶ Newsletters
- ▶ Guides etc



Pension Credit

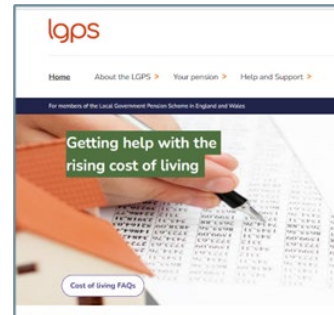
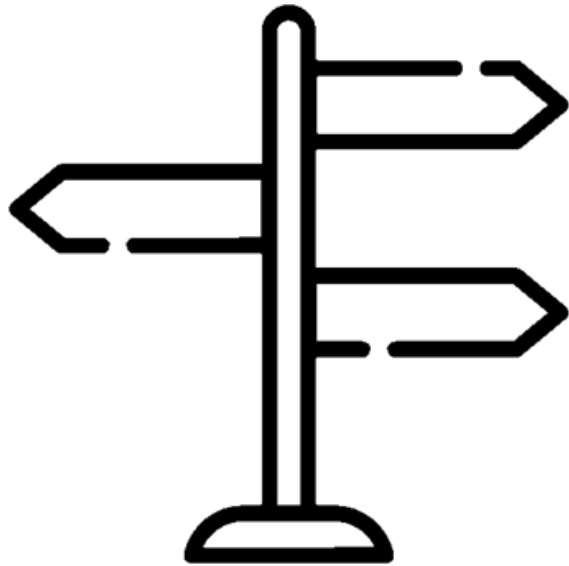


Help for Households

Supporting employers to support scheme members

Working with employers

- ▶ Key messages
- ▶ Resources





Local Government
Pension Scheme



Norfolk Pension Fund

Governance Update

Jo Quarterman
Head of Governance

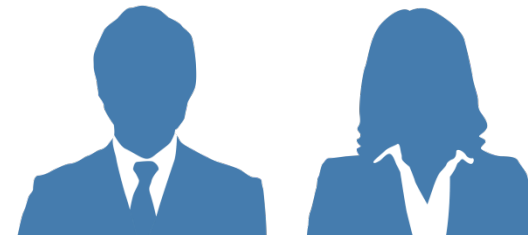
Brian Wigg
Chairman, Pensions Oversight Board

Different legislation...



The Pensions Committee

- **Local Government Act 1972 - Section 101**
- **Local delegated function under council constitution**
- **Delegated decision making**
- **Setting the Fund's Strategy**



The Pensions Oversight Board

- **Public Service Pensions Act 2013 – Regulation 5**
- **LGPS Regulations 2013 (amended 2015)**
- **Assisting with securing compliance**
- **Following due process**

Pensions Committee – the trustees



Judy Oliver
Committee Chairman
Norfolk County Councillor



Alison Birmingham
Norfolk County Councillor



Robert Colwell
Norfolk County Councillor



William Richmond
Norfolk County Councillor



Martin Storey
Norfolk County Councillor



TBC
District Councillor



John Fuller
District Councillor
*Leader of South Norfolk
District Council*



Steve Aspin
Staff Representative

Pensions Oversight Board



Chairman

Brian Wigg

Employer Representatives

Vacancy - Levying/precepting employers

Vacancy - Non levying/precepting employers

Sally Albrow - Norfolk County Council

Scheme Member Representatives

Frances Crum - Active/Deferred members

Peter Baker - Retired Members

Vacancy - Trade Union

The first meeting of the Board was 14 July 2015

Ask the Panel





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

lgps

Local Government
Pension Scheme



Norfolk Pension Fund

**Thank you for
joining us today!**