



BARNETT
WADDINGHAM

Part of **HOWDEN**

Nottinghamshire County Council Pension Fund

(3) Newark & Sherwood District Council

IAS19 as at 31 March 2026

v3

18 May 2026



Introduction

We have been instructed by Nottinghamshire County Council, the administering authority to the Nottinghamshire County Council Pension Fund (the Fund), to undertake pension expense calculations in respect of pension benefits provided by the Local Government Pension Scheme (the LGPS). These benefits are provided to employees of Newark & Sherwood District Council (the Employer) as at 31 March 2026. We have taken account of current LGPS Regulations, as amended, as at the date of this report.

This report should be read in conjunction with the 31 March 2026 accounting briefing note. The figures contained in this report are in respect of the Employer's pension obligations under the LGPS as at 31 March 2026. IAS19 also requires the disclosure of any other employer provided pension benefits which are not paid from the Fund itself. We have only valued such additional liabilities, which would not be covered in the formal LGPS valuation, to the extent that they have been notified to us and are as disclosed in the data section of this report.

[Please use this link to access the 31 March 2026 accounting briefing note if you have not obtained a copy.](#)

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. Full details of the benefits being valued are as set out in the Regulations and summarised on the LGPS website.

This report is addressed to the Fund, and is provided in our capacity as Fund Actuary to the Fund. The report may be shared with the Employer, provided that it is shared in its entirety, but it does not constitute advice to them. The Employer may also share the information contained in this report with their auditor, but BW neither assumes nor owes any duty or responsibility to any third party who relies on that information. Any liability to any third party is expressly disclaimed to the fullest extent permitted by law.

Barnett Waddingham does not provide, and shall not be responsible for, accounting or audit advice. From time to time, we may comment or otherwise give an opinion on any information, documentation, and/or guidance provided to us by or on behalf of the Fund. The Fund shall not rely on any such comment or opinion to make (or refrain from making) any decision or take (or refrain from taking) any action.

This report reflects our understanding of the relevant accounting and audit standards in force at the date of this report. It complies with Technical Actuarial Standard 100: General Actuarial Standards (TAS 100) as issued by the Financial Reporting Council (FRC).

Please note that we have incorporated an asset ceiling into the Employer's balance sheet. Further details of the approach taken are given later in this report.

This report supersedes previous versions of this report and has been updated to reflect the actual whole fund asset information at 31 March 2026, which wasn't available when the previous report was requested.

We would be pleased to answer any questions arising from this report.



Lucy Byrne FIA
Senior Consulting Actuary

Data used

We have used the following items of data which we received from the administering authority and the Employer via the use of MS Forms:

Results of the latest valuation as at	31 March 2025
Results of the previous IAS19 report (v4) as at	31 March 2025
Actual Fund returns to	n/a
Fund asset statement as at	31 March 2026
Fund income and expenditure items to	31 March 2026
Employer income and expenditure items to	31 March 2026
Details of any new unreduced early retirement payments to	31 March 2026
Details of any settlements to/from the Employer for the period to	31 March 2026

The data has been checked for reasonableness, including consistency with previous valuation data where relevant, and the data is within tolerances for the purposes of this report.

Although some estimation of the data to the accounting date may be required, we do not believe it is likely to be significant to the results in this report.

We have not been notified of any significant changes or events since we received the data.

Employer membership statistics

The table below summarises the membership data at 31 March 2025 from the latest valuation for members receiving funded benefits, and as at 31 March 2025 for any members receiving unfunded benefits.

Member data summary	Number	Salaries/Pensions £000s	Average age (salary/pension weighted)
Actives	634	18,982	46
Deferred pensioners	834	2,155	51
Pensioners	831	5,709	73
Unfunded pensioners	77	184	82

Employer payroll

The total pensionable payroll and projected payroll for the Employer is set out below and is based on information provided to us by the administering authority. This has been used to calculate the service cost and projected service cost respectively.

Estimated payroll for the year to 31 March 2026	£21,023,000
Projected payroll for the year to 31 March 2027	£21,759,000

Scheduled contributions

The table below summarises the minimum employer contributions due from the Employer to the Fund over this inter-valuation period. The Employer may pay further amounts at any time. Future contributions may be adjusted on a basis approved by us.

	Primary rate	Secondary rate for period beginning:			Minimum employer contributions due for the period beginning:		
		1 Apr 2026	1 Apr 2027	1 Apr 2028	1 Apr 2026	1 Apr 2027	1 Apr 2028
Total percent of payroll	16.4%	0.0%	0.0%	0.0%	16.4%	16.4%	16.4%
plus monetary amount (£000s)		472	489	507	472	489	507

Funding approach

The Employer currently participates in the Newark & Sherwood District Council pool with other employers in order to share experience of risks they are exposed to in the Fund. At the 2025 valuation, the deficit for the whole pool was calculated and allocated to each employer in proportion to their value of liabilities. The next reallocation will be carried out at the 2028 valuation, should the Employer remain in the pool. Each employer within the pool pays a contribution rate based on the cost of benefits of the combined membership of the pool.

Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2026 is 12.1%

The Employer's share of the assets of the Fund is approximately 1.93%.

The estimated asset allocation for the Employer at 31 March 2026 and 31 March 2025 is as follows (noting that due to rounding they may not total 100%):

Asset breakdown	31 Mar 2026		31 Mar 2025	
	£000s	%	£000s	%
Public Equities	85,294	54%	72,294	52%
Gilts	12,981	8%	11,580	8%
Other bonds	7,747	5%	8,971	6%
Property	12,790	8%	14,296	10%
Cash/temporary investments	11,383	7%	7,595	5%
Inflation Plus	10,406	7%	9,647	7%
Infrastructure	10,624	7%	10,219	7%
Private Equities	5,359	3%	4,855	3%
Total	156,584	100%	139,457	100%

The table below sets out the percentages of the Fund's assets held in each asset class at 31 March 2026 (split by those that have a quoted market price in an active market, and those that do not).

Asset breakdown		31 March 2026	
		% Quoted	% Unquoted
Fixed Interest Government Securities	UK	3%	-
	Overseas	-	-
Index Linked Government Securities	UK	5%	-
	Overseas	-	-
Corporate Bonds	UK	1%	-
	Overseas	4%	-
Equities	UK	16%	0%
	Overseas	39%	-
Property		-	8%
Private Equity		-	3%
Infrastructure		-	7%
Unit Trust Infl Linked		-	7%
Credit		-	4%
Cash/Temporary Investments		-	3%
Net Current Assets	Debtors	-	0%
	Creditors	-	-0%
Total		68%	32%

We do not have any further detail on the current asset allocation of the Fund; we suggest that if further information is required the administering authority is contacted in the first instance.

Financial Assumptions

Details of the actuarial methods and derivation of the assumptions used can be found in the 31 March 2026 briefing note issued alongside this report unless noted otherwise below. The key assumptions used are set out below.

Financial assumptions	31 Mar 2026	31 Mar 2025	31 Mar 2024
	p.a.	p.a.	p.a.
Discount rate	6.10%	5.80%	4.90%
Pension increases (CPI)	2.90%	2.90%	2.90%
RPI inflation	3.30%	3.20%	3.25%
Salary increases	3.90%	3.90%	3.90%

Projected unit method is used in our calculations.

In addition, we have allowed for actual ONS CPI inflation observed between March 2025 and March 2026. This is reflected in the Experience loss/(gain) on defined benefit obligation figure in the results.

Employer duration

The estimated Macaulay duration of the Employer's liabilities as at the accounting date using the assumptions set out above is 14 years.

Demographic Assumptions

Post retirement mortality	31 Mar 2026	31 Mar 2025
Base table	S4PA	S3PA
Multiplier (M/F)	110% / 100%	115% / 110%
Future improvements model	CMI_2025	CMI_2023
Long-term rate of improvement	1.50%	1.25%
Smoothing parameter	7.0	7.0
Initial addition parameter	0.0% p.a.	0.00 p.a.
2020 weight parameter	n/a	0%
2021 weight parameter	n/a	0%
2022 weight parameter	n/a	15%
2023 weight parameter	n/a	15%
Half life parameter	1.0	n/a

The assumed life expectancies, based on the assumptions set out above, are set out in the table below:

Life expectancy from age 65 (years)		31 Mar 2026	31 Mar 2025
Retiring today	Males	21.2	20.4
	Females	24.2	23.3
Retiring in 20 years	Males	22.8	21.7
	Females	25.9	24.7

We have adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2025, except for an update of the CMI projection model. Details of the post retirement mortality assumption are set out above; further details of the demographic assumptions adopted can be found in the briefing note corresponding to this report, and the Fund's actuarial valuation report.

Past service costs

Past service costs arise if member benefits are introduced, withdrawn or changed. For example, an award of additional discretionary benefits such as added years by a member would be considered a past service cost. We are not aware of any additional benefits which were granted over the year ending 31 March 2026.

Curtailments

Over the year, we understand that no former employees became entitled to unreduced early retirement benefits.

Settlements

We are not aware of any liabilities being settled at a cost materially different to the accounting reserve during the year, which has been confirmed by the Fund.

Results

Balance sheet	As at	As at	As at
Net pension asset in the statement of financial position	31 Mar 2026	31 Mar 2025	31 Mar 2024
	£000s	£000s	£000s
Present value of the defined benefit obligation	141,605	130,966	145,832
Fair value of Fund assets (bid value)	156,584	139,457	135,539
Deficit / (Surplus)	(14,979)	(8,491)	10,293
Impact of asset ceiling	21,638	15,357	-
Unrecognised past service cost	-	-	-
Present value of unfunded obligation	1,408	1,379	1,549
Net defined benefit liability / (asset)	8,067	8,245	11,842

The amounts recognised in the profit and loss statement

	Year to	Year to
	31 Mar 2026	31 Mar 2025
	£000s	£000s
Service cost	3,008	3,503
Net interest on the defined benefit liability / (asset)	348	476
Administration expenses	81	68
Total loss / (profit)	3,437	4,047

For the purposes of our calculations, we distribute Fund administration expenses amongst the employers in the Fund in proportion to their individual asset shares.

Remeasurement of the net assets / (defined benefit liability) in other comprehensive income	Year to	Year to
	31 Mar 2026	31 Mar 2025
	£000s	£000s
Return on Fund assets in excess of interest	8,739	(1,512)
Other actuarial gains / (losses) on assets	1,240	-
Change in financial assumptions	6,039	19,871
Change in demographic assumptions	(4,760)	382
Experience gain / (loss) on defined benefit obligation	(6,815)	(64)
Changes in impact of asset ceiling	(5,390)	(15,357)
Remeasurement of the net assets / (defined benefit liability)	(947)	3,320

Investment expenses are included in return on Fund assets in excess of interest.

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	Year to 31 Mar 2026 £000s	Year to 31 Mar 2025 £000s
Opening defined benefit obligation	132,345	147,381
Current service cost	3,008	3,489
Interest cost	7,522	7,090
Change in financial assumptions	(6,039)	(19,871)
Change in demographic assumptions	4,760	(382)
Experience loss/(gain) on defined benefit obligation	6,815	64
Liabilities assumed / (extinguished) on settlements	-	-
Estimated benefits paid net of transfers in	(6,630)	(6,579)
Past service costs, including curtailments	-	14
Contributions by Scheme participants and other employers	1,381	1,289
Unfunded pension payments	(149)	(150)
Closing defined benefit obligation	143,013	132,345
The experience loss/(gain) on the defined benefit obligation includes £497,000 in respect of the allowance for actual CPI inflation over the accounting period.		

Reconciliation of opening & closing balances of the fair value of Fund assets	Year to 31 Mar 2026 £000s	Year to 31 Mar 2025 £000s
Opening fair value of Fund assets	139,457	135,539
Interest on assets	8,065	6,614
Return on assets less interest	8,739	(1,512)
Other actuarial gains/(losses)	1,240	-
Administration expenses	(81)	(68)
Contributions by employer including unfunded	4,562	4,324
Contributions by Scheme participants and other employers	1,381	1,289
Estimated benefits paid including unfunded net of transfers in	(6,779)	(6,729)
Settlement prices received / (paid)	-	-
Closing fair value of Fund assets	156,584	139,457
Investment expenses are included in actual return on assets in excess of interest.		

Reconciliation of change in impact of asset ceiling	Year to 31 Mar 2026 £000s	Year to 31 Mar 2025 £000s
Opening impact of asset ceiling	15,357	-
Interest on impact of asset ceiling	891	-
Actuarial losses / (gains)	5,390	15,357
Closing impact of asset ceiling	21,638	15,357

The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions. Our calculation of the asset ceiling has followed our interpretation of IFRIC14.

Our calculations assume that:

- The Employer does not have a right to a refund of surplus at the level required by the accounting standard. Any surplus recognised is based on the economic benefit from a reduction in contributions.
- The Employer is a scheduled body and assumed to participate indefinitely.
- The requirement for the employer to make contributions to the Fund is considered to be a minimum funding requirement (MFR). For the period beyond the existing Rates and Adjustments certificate, our best estimate is that the existing rates remain in force. This is based on the fund actuary's methodology which is designed to provide a stable contribution rate, and also the lack of any other readily available figure.

In broad terms our analysis shows that:

- The potential economic benefit from the reduction in future contributions has been calculated to be nil. Since this is less than the unadjusted net asset of £14,979k, the initial impact of the asset ceiling is £14,979k.
- The Employer is currently paying deficit contributions towards a funding deficit. We have assessed this minimum funding requirement and calculate that it constitutes an onerous funding commitment. There is an additional liability of £6,659k to be recognised.
- The unadjusted funded surplus is £14,979k. There is an initial impact from an asset ceiling of £14,979k, plus an additional liability of £6,659k. The final funded net asset to be recognised is -£6,659k.
- In addition, there is an unfunded liability of £1,408k. The final deficit to be recognised is £8,067k.

Sensitivity analysis	£000s	£000s	£000s	£000s	£000s
Adjustment to discount rate	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	133,838	141,093	143,013	144,977	153,315
Projected service cost	2,445	2,814	2,914	3,017	3,464
Adjustment to long term salary increase	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	143,469	143,103	143,013	142,923	142,568
Projected service cost	2,914	2,914	2,914	2,914	2,914
Adjustment to pension increases and deferred revaluation	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	152,620	145,006	143,013	141,468	134,876
Projected service cost	3,507	3,025	2,914	2,807	2,411
Adjustment to life expectancy assumptions		+ 1 Year	None		- 1 Year
Present value of total obligation		148,331	143,013		137,911
Projected service cost		3,014	2,814		2,816

Projected pension expense

Year to
31 Mar 2027
£000s

Service cost	2,914
Net interest on the defined liability / (asset)	367
Administration expenses	81
Total loss / (profit)	3,362
Employer contributions	4,040

These projections are based on the assumptions as at 31 March 2026. The figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2026.

Appendix - auditor data pack

Introduction and Background

In preparing the accounting report under IAS19 for Newark & Sherwood District Council's participation in Nottinghamshire County Council Pension Fund, the Barnett Waddingham actuary is acting in their capacity as Management's Expert as defined by IAS(UK)500.

Newark & Sherwood District Council's auditor will generally need to receive sufficient appropriate audit evidence to carry out the audit. This is particularly the case with actuarially calculated values, which are considered to be accounting estimates under ISA(UK)540. The auditor will wish to evaluate the appropriateness of the Barnett Waddingham actuary's report as audit evidence (IAS(UK)500), and may engage the services of an Auditor's Expert to do so (ISA(UK)620). The Auditor's Expert will have specific knowledge of defined benefit pensions and will often wish to carry out substantive analytical procedures as referred to in ISA(UK)330 and ISA(UK)520.

While our main accounting report aims to meet Newark & Sherwood District Council's reporting and disclosure requirements under the relevant accounting standard, it may not provide all information required by the Auditor's Expert to carry out all procedures required by the relevant auditing standards. This often leads to detailed requests to Management's Expert for additional data items.

The purpose of the data pack is to provide many of the additional data items often requested. This should streamline the overall audit process by providing the required additional data in a single report, reducing the number of additional data queries flowing via the Fund. The following data supplements the information in the main accounting report and should be read in conjunction with it. We do not expect this report to be audited - it is provided to aid in the audit of main report.

Data

This additional data is ultimately based on the results of the last triennial valuation as at 31 March 2025 on which the accounting results are based. Some of the statistics are derived using approximate methods, but we expect that they will be suitable for the intended purpose, which is to carry out approximate rollforward and rebase calculations to verify the results quoted in the main report.

The data items provided are in respect of the Employer's pension obligations under the LGPS as at 31 March 2026, or the prior year comparator.

Results

Past and future service liability duration information

Duration, including definition (years)	As at 31 Mar 2026	As at 31 Mar 2025	Change over the period
Overall Macaulay duration ⁽¹⁾	14.4	14.8	(0.4)
Overall modified duration ⁽²⁾	13.6	14.0	(0.4)

⁽¹⁾ The Macaulay duration is the weighted average term to maturity of the benefit cashflows

⁽²⁾ The Modified duration is the sensitivity of the present value of the benefit cashflows to a change in discount rate

Duration calculations use the accounting assumptions at the respective date - the change over the period is due to the change in assumptions.

Liability split information

Approximate proportion of funded past service liability in each main category	As at 31 Mar 2025
Active (Final Salary) liability	11%
Active (CARE) liability	17%
Deferred liability	21%
Pensioner liability	52%
CPI-linked liability	89%
FS-linked liability	11%

Please note that these splits of liability are based on actual cashflow projections as at the last valuation date. We have not made any allowance for member movements or liabilities being extinguished in these estimated splits.

Approximate proportion of total liability split by gender	Proportion of liability
	female
Active (Final Salary) members	47%
Active (CARE) members	49%
Deferred members	52%
Pensioner members	44%
Overall membership	47%

Splits quoted are as at the last valuation. Liability weighted statistics use accounting assumptions at the last valuation date.

Average age information	Weighted by salary	Weighted by pension	Weighted by liability
Active members	46.0	51.5	52.0
Active (Final Salary) members		55.3	56.1
Active (CARE) members		49.8	52.8
Deferred members		51.2	53.9
Pensioner members		73.4	70.2

Tranche average retirement age	Weighted by pension	Weighted by liability
Active members	64.4	64.3
Active (Final Salary) members	64.4	64.3
Active (CARE) members	66.1	66.1
Deferred members	63.8	63.5

Ages quoted are as at the last valuation. Liability weighted statistics use accounting assumptions at the last valuation date.

Allowance for actual inflation

Detailed information on CPI statistics for known inflation allowance	Statistic date	Statistic value	Rate p.a.
Latest known CPI (start)	March, 2025	136.5	
Latest known CPI (end)	March, 2026	141.0	
Assumed inflation over period (CPI)			2.90%

Asset information

Value of assets (£000s) and asset share	As at 31 Mar 2026	As at 31 Mar 2025
Total fund assets*	8,114,207	7,256,162
Employer assets	156,584	139,457
Employer asset share	1.930%	1.922%

* estimated at 31 March 2026

Service cost information

Service cost	As at 31 Mar 2026	As at 31 Mar 2025
Employer service cost as % of salaries	13.0%	13.9%
Employee contributions as a % of salaries	6.5%	6.5%

The service cost shown above is based on membership data from the last actuarial valuation as at 31 March 2025

Cashflow disclosure

Employer cashflows (£000s)	Period to 31 Mar 2026
Employee contributions	1,381
Employer contributions	4,413
Other contributions	-
Benefit payments (funded)	(6,924)
Transfers In	619
Transfers Out	(325)
Unfunded benefit payments	(149)
Income received towards unfunded payments	149

Asset ceiling

Detailed breakdown of key results used in the asset ceiling calculation

		£000s
Gross funded liability	(a)	141,605
Gross funded assets	(b)	156,584
Funded accounting surplus (deficit) before asset ceiling	(c) = (b) - (a)	14,979
Present value of service cost including expenses	(d)	141,446
Present value of primary contributions	(e)	168,527
Present value of negative secondary conts (if any)	(f)	-
Present value of positive secondary conts (if any)	(g)	6,659
Economic benefit available from a reduction in contributions	(h)*	-
Accounting asset (before additional liability)	(i) = min[(h) , (c)]	-
Additional liability from onerous funding commitment	(j)**	6,659
Accounting asset (after additional liability)	(k) = (i) - (j)	(6,659)
Impact of asset ceiling	(l) = (c) - (k)	21,638
Gross unfunded liability	(m)	1,408
Final accounting asset that can be recognised (after unfunded liability)	(n) = (k) - (m)	(8,067)
Period over which service cost is considered		Infinite
Period over which primary contributions are considered		Infinite
Period over which negative secondary contributions are considered		n/a
Period over which positive secondary contributions are considered		17.0 years
Assumed secondary contribution in year following the end of certified period***		523

* $(h) = \max[(d) - [(e) - (f)], 0]$ if an MFR is assumed to apply, otherwise $(h) = d$

** $(j) = \max[(g) - \max[(h) - (c), 0], 0]$ for IAS19 only, otherwise $(j) = 0$

***The effective annual payment assumed over the remainder of the recovery plan, assumed to increase in line with salary inflation