

Agenda for a meeting of the West Yorkshire Pension Fund Joint Advisory Group to be held on Thursday, 26 July 2018 at 1.30 pm at Aldermanbury House, Godwin Street, Bradford BD1 2ST

Members of the Committee

<p><u>Bradford Members</u> Councillors: Thornton Ellis Lal</p>	<p><u>Calderdale Members</u> Councillors: Baines Lynn Metcalf</p>
<p><u>Kirklees Members</u> Councillors: Loonat Firth Richards</p>	<p><u>Leeds Members</u> Councillors: Dawson Harrand Scopes</p>
<p><u>Wakefield Members</u> Councillors: Jones Speight Stokes</p>	<p><u>Trades Union Members</u> Mr Greenwood (UNISON) Mr Chard (GMB) Ms L Bailey (UNISON)</p>
<p><u>Scheme Members</u> Mr Sutcliffe Ms W Robinson</p>	

Notes:

- This agenda can be made available in Braille, large print or tape format on request by contacting the Agenda contact shown below.
- The taking of photographs, filming and sound recording of the meeting is allowed except if Councillors vote to exclude the public to discuss confidential matters covered by Schedule 12A of the Local Government Act 1972. Recording activity should be respectful to the conduct of the meeting and behaviour that disrupts the meeting (such as oral commentary) will not be permitted. Anyone attending the meeting who wishes to record or film the meeting's proceedings is advised to liaise with the Agenda Contact who will provide guidance and ensure that any necessary arrangements are in place. Those present who are invited to make spoken contributions to the meeting should be aware that they may be filmed or sound recorded.
- If any further information is required about any item on this agenda, please contact the officer named at the foot of that agenda item.

From:

Michael Bowness
Interim City Solicitor
Agenda Contact:
Phone: 01274 432270
E-Mail: jane.lythgow@brdford.gov.uk

To:

A. PROCEDURAL ITEMS

1. APPOINTMENT OF CHAIR (Standing Order 35)

To appoint a Chair for the Municipal Year 2018/2019.

2. APPOINTMENT OF DEPUTY CHAIR (Standing Order 35)

To appoint a Deputy Chair for the Municipal Year 2018/2019.

3. DISCLOSURES OF INTEREST

(Members Code of Conduct - Part 4A of the Constitution)

To receive disclosures of interests from members and co-opted members on matters to be considered at the meeting. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

Notes:

- (1) Members may remain in the meeting and take part fully in discussion and voting unless the interest is a disclosable pecuniary interest or an interest which the Member feels would call into question their compliance with the wider principles set out in the Code of Conduct. Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.*
- (2) Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations, and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.*
- (3) Members are also welcome to disclose interests which are not disclosable pecuniary interests but which they consider should be made in the interest of clarity.*
- (4) Officers must disclose interests in accordance with Council Standing Order 44.*

4. MINUTES

1 - 10

Recommended –

That the minutes of the meeting held on 25 January 2018 be signed as a correct record (previously circulated).

(Jane Lythgow – 01274 432270)

5. INSPECTION OF REPORTS AND BACKGROUND PAPERS

(Access to Information Procedure Rules – Part 3B of the Constitution)

Reports and background papers for agenda items may be inspected by contacting the person shown after each agenda item. Certain reports and background papers may be restricted.

Any request to remove the restriction on a report or background paper should be made to the relevant Strategic Director or Assistant Director whose name is shown on the front page of the report.

If that request is refused, there is a right of appeal to this meeting.

Please contact the officer shown below in advance of the meeting if you wish to appeal.

(Jane Lythgow - 01274 432270)

B. BUSINESS ITEMS

6. RISK MANAGEMENT

11 - 50

The Director, West Yorkshire Pension Fund, will present a report, (**Document “A”**) which presents West Yorkshire Pension Fund’s latest risk management report.

Recommended –

That the report be noted.

(Yunus Gajra – 01274 432343)

7. SHARED SERVICE PARTNERSHIP WITH LINCOLNSHIRE PENSION FUND - UPDATE

51 - 88

The report of the Director, West Yorkshire Pension Fund, (**Document “B”**) provides an update on the West Yorkshire Pension Fund’s (WYPF) shared service partnership to provide a pensions administration service for Lincolnshire Pension Fund (LPF) which commenced on 1 April 2015.

Recommended –

That the report be noted.

(Yunus Gajra – 01274 432343)

8. EXTERNAL BUSINESS - PENSION ADMINISTRATION FOR THE FIREFIGHTERS' PENSION SCHEMES 89 - 94

West Yorkshire Pension Fund (WYPF) provides a shared service partnership to deliver a pensions administration for a number of Fire Authorities.

The report of the Director, West Yorkshire Pension Fund, (**Document “C”**) provides an update on business to date.

Recommended –

That the report be noted.

(Yunus Gajra – 01274 432343)

9. WEST YORKSHIRE PENSION FUND ADMINISTRATION OUTTURN 31 MARCH 2018 95 - 100

The report of the Director, West Yorkshire Pension Fund, (**Document “D”**) summarises the total costs of administering pensions and investments in 2017/2018.

Recommended –

That the West Yorkshire Pension Fund total cost for 2017/18 reported in Document D be noted.

(Ola Ajala – 01274 434534)

10. UNAUDITED REPORT AND ACCOUNTS 2017/2018 101 - 360

The report of the Director, West Yorkshire Pension Fund, (**Document “E”**) presents the WYPF unaudited Report and Accounts for the financial year 2017/18.

The unaudited Report and Accounts provide a summary of West Yorkshire Pension Fund’s financial position for the year ended 31 March 2018. The accounts have been prepared in accordance with:

- CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2017/18.
- CIPFA Guidance on Accounting for Local Government Pension Scheme Management Costs.
- Pensions Statement of Recommended Practice 2007.
- International Financial Reporting Standards (IFRS), as amended for the UK public sector.

Recommended –

- 1. That the unaudited WYPF Report and Accounts for the financial year ended 31 March 2018 be noted.**
- 2. That the planned transfer of custody to Northern Pool, as outlined in Document “E” be noted.**
- 3. That the planned extension and review of banking services for West Yorkshire Pension Fund, at outlined in Document “E” be noted.**

(Ola Ajala – 01274 434534)

11. AUDIT COMPLETION REPORT YEAR ENDING 31 MARCH 2018

361 -
382

The Director, West Yorkshire Pension Fund will submit the Audit Completion Report which sets out the findings from the audit of the West Yorkshire Pension Fund for the year ended 31 March 2018 (**Document “F”**).

The audit has been completed in accordance with the International Standards of Auditing (UK and Ireland) issued by the Audit Practices Board.

Recommended –

That the Audit Completion Report, Appendix to Document “F”, be noted.

(Sharon Liddle – 0191 3836311)

12. EXCLUSION OF THE PUBLIC - NORTHERN POOL

Members are asked to consider if the item relating to the Northern Pool (**Document “G”**) should be considered in the absence of the public and, if so, to approve the following recommendation:-

Recommended –

That the public be excluded from the meeting during consideration of the item relating to the Northern Pool because information would be disclosed which is considered to be exempt information within paragraph 3 (Financial or Business Affairs) of Schedule 12A of the Local Government Act 1972 (as amended).

It is considered that, in all the circumstances, the public interest in maintaining this exemption outweighs the public interest in disclosing this information as it is in the overriding interest of proper administration that Members are made aware of the

financial implications of any decision without prejudicing the financial position of the West Yorkshire Pension Fund.

13. NORTHERN POOL

383 -
424

The report of the Director, West Yorkshire Pension Fund, (**Document “G”**) sets out the progress in establishing the Northern Pool covering:-

- Drafting the Northern Pool Operating Agreement, including the Terms of Reference for the Joint Committee.
- Procuring a joint custodian for all assets of the Pool.
- Developing the GLIL Infrastructure Vehicle (including FCA regulation to facilitate it becoming the national LGPS vehicle for infrastructure investment)
- Developing a joint private equity vehicle.

It seeks the approval of the Northern Pool Operating Vehicle which is attached at Appendix A, subject to review by the City Solicitor.

Recommended –

That progress on pooling arrangements to date be noted, and the inter authority agreement, be approved, subject to review by the City Solicitor, known as the Northern Pool Operating Agreement (Appendix A to Document “G”) for submission to the Governance and Audit Committee and, in due course, Council, and the Director West Yorkshire Pension Fund, be authorised to amend it as expedient or necessary and put in place any ancillary documentation.

(Rodney Barton – 01274 432317)

14. LOCAL GOVERNMENT PENSION SCHEME 2014

425 -
428

The Director, West Yorkshire Pension Fund will present **Document “H”** which updates Members on changes to the Local Government Pension Scheme (LGPS) 2014 made by the Local Government Pension Scheme (Amendment) Regulations 2018.

Recommended –

That the amendments to the Local Government Pension Scheme, contained in Document “H” be noted.

(Rodney Barton – 01273 432317)

15. REVIEW OF ADDITIONAL VOLUNTARY CONTRIBUTION PROVIDERS 429 - 438

West Yorkshire Pension Fund has three Additional Voluntary Contribution Providers namely:

- Equitable Life Assurance Society
- Scottish Widows
- Prudential

Annually the West Yorkshire Pension Fund ask Aon's AVC Team to review the performance of the Additional Voluntary Contribution Providers in terms of investment performance, financial strength, investment capabilities, charging structure and administration. The report of the Director, West Yorkshire Pension Fund (**Document "I"**) outlines the findings of that review.

Recommended –

That the outcome of the annual review of West Yorkshire Pension Fund's Additional Voluntary Contribution Providers, contained in Document "I" be noted.

(Rodney Barton – 01274 432317)

16. ACTUARIAL VALUATION 2019 439 - 440

The report of the Director, West Yorkshire Pension Fund (WYPF), (**Document "J"**) advises Members that the next triennial Actuarial valuation of the Fund is due at 31 March 2019 and that this will determine employer contribution rates from April 2020 onwards.

An initial meeting with the Actuary will be arranged in autumn 2018 when issues relating to the valuation and investment markets will be explored in some depth..

Recommended –

That the report be noted.

(Rodney Barton – 01274 432317)

17. FUNDING STRATEGY STATEMENT 441 - 480

The report of the Director, West Yorkshire Pension Fund, will present a report, (**Document "K"**) which advises Members that the current Funding Strategy Statement and Exit Policy require updating. A consultation exercise with stakeholders has been undertaken on the proposed changes to those documents.

Recommended –

That changes to the Funding Strategy Statement, contained in Document “K”, be noted.

(Caroline Blackburn – 01274 434523)

18. REGISTER OF BREACHES OF LAW 481 -
492

The Director, West Yorkshire Pension Fund, will present a report (**Document “L”**) which informs Members that, in accordance with the Public Service Pensions Act 2013 all Public Service Pension Schemes now come under the remit of the Pensions Regulator.

Section 70 of the Pensions Act 2004 (the Act) impose a requirement to report a matter to the Pensions Regulator as soon as it is reasonably practicable where that person has reason to believe that:

- (a) A legal duty relating to the administration of the scheme has not been or is not being complied with, and
- (b) The failure to comply is likely to be of material significance to the Pensions Regulator in the exercise of any of its functions.

A register of any breaches of the Pensions Code of Practice is maintained in accordance with the WYPF Breaches Procedure. The Register of Breaches 2017/18 and 2018/19 are appended to Document “L”.

Recommended –

That Document “L” and the entries on the Breaches Register appended to Document “L” be noted.

(Rodney Barton – 01274 432317)

19. TRAINING, CONFERENCES AND SEMINARS 493 -
494

Members are reminded that training to understand their responsibilities and the issues they will be dealing with is a very high priority.

The report of the Director, West Yorkshire Pension Fund, (**Document “M”**) informs Members of training courses, conferences and seminars which may be of assistance. Full details about each event will be available at the meeting.

Members are requested to give consideration to attending the training courses, conferences and seminars set out in Document “M”.

(Rodney Barton – 01274 432317)

20. ANNUAL MEETINGS

495 -
496

The Director, West Yorkshire Pension Fund, will present a report (**Document “N”**) which advises Members that West Yorkshire Pension Fund will be holding two Annual Meetings in 2018. One meeting will be for Employers and the other will be for Scheme Members.

Recommended –

That the details of the West Yorkshire Pension Fund Annual Meetings, as set out in Document “N” be noted.

(Rodney Barton – 01274 432317)

THIS AGENDA AND ACCOMPANYING DOCUMENTS HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER