

Agenda for a meeting of the West Yorkshire Pension Fund Joint Advisory Group to be held on Thursday, 31 January 2019 at 2.15 pm in WYPF, 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: Firth Loonat Richards</p>	<p><u>Leeds Members</u> Councillors: Dawson Harrand Scopes</p>
<p><u>Wakefield Members</u> Councillors: Shaw Speight Stokes</p>	<p><u>Trades Union Members</u> Ms L Bailey (UNISON) Mr Chard (GMB) Vacancy (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:

Parveen Akhtar
City Solicitor
Agenda Contact:
Phone: 01274 432270
E-Mail: jane.lythgow@brdford.gov.uk

To:

A. PROCEDURAL ITEMS

1. 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.*

2. MINUTES

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Recommended –

That the minutes of the meeting held on 1 November 2018 be signed as a correct record (previously circulated).

(Jane Lythgow – 01274 432270)

3. 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

4. WEST YORKSHIRE PENSION FUND AUDITED REPORT AND ACCOUNTS FOR 31 MARCH 2018 3 - 10

The report of the Director, West Yorkshire Pension Fund, (**Document “P”**) provides a summary of the West Yorkshire Pension Fund’s financial position for the year ended 31 March 2018.

Recommended –

That the report be noted.

(Ola Ajala – 01274 434534)

5. WEST YORKSHIRE PENSION FUND REVISED ESTIMATES 2018/19 AND ORIGINAL ESTIMATES 2019/2020. 11 - 18

The Director, West Yorkshire Pension Fund, will present a report (**Document “Q”**) which presents the revised estimates 2018/2019 and the original estimates 2019/2020.

Recommended –

- 1. That the projected outturn of £12.96m against a revised estimate of £13.64m for 2018/2019 be noted.**
- 2. That the original estimate of £14.63m be approved for 2019/20.**
- 3. That the total pension cost per member of £36.45, making West Yorkshire Pension Fund the lowest cost LGPS scheme for 2017/2018, be noted.**

(Ola Ajala – 01274 434534)

6. **ACTUARIAL VALUATION 2019** 19 - 22
- The report of the Director, West Yorkshire Pension Fund, (**Document “R”**) advised Members that the next triennial actuarial valuation of the Fund will be prepared based on the situation at 31 March 2019 and will determine the level of employers’ contributions from April 2020 onwards.
- Recommended –**
- That the report be noted.**
(Caroline Blackburn – 01274 434523)
7. **FUNDING STRATEGY STATEMENT (FSS)** 23 - 70
- The Director, West Yorkshire Pension Fund, will present a report (**Document “S”**) which advises Members that the current Funding Strategy Statement on New Employers and Exit Valuations both require updating. The principal changes are in relation to the treatment of a surplus on exit where there is a subsumption commitment following a change in the regulations.
- Recommended –**
- That, subject to the outcome of the consultation exercise being undertaken in February 2019, the proposed changes to the Funding Strategy Statement be approved.**
(Caroline Blackburn – 01274 434523)
8. **WEST YORKSHIRE PENSION FUND ADMINISTRATION REPORT** 71 - 116
- The report of the Director, West Yorkshire Pension Fund, (**Document “T”**) reports on the administration of West Yorkshire Pension Fund in the last year including Performance and Benchmarking, Scheme Information, Employer and Customer Service Surveys and Internal Dispute Resolution Procedure cases.
- Recommended –**
- That the report be noted.**
(Tracy Weaver – 01274 433571)
9. **SHARED SERVICE UPDATE - LINCOLNSHIRE PENSION FUND** 117 - 134
- The report of the Director, West Yorkshire Pension Fund, (**Document “U”**) 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 Garja – 01274 432343)

10. **SHARED SERVICE UPDATE - LONDON BOROUGH OF HOUNSLOW PENSION FUND** 135 - 142

The London Borough of Hounslow became the third partner in West Yorkshire Pension Fund's Shared Service Partnership on 1 August 2018.

The report of the Director, West Yorkshire Pension Fund (**Document "V"**) considers current administration issues and performance to date.

Recommended –

That the report be noted.

(Yunus Gajra – 01274 432343)

11. **EXTERNAL BUSINESS - PENSIONS ADMINISTRATION FOR THE FIREFIGHTERS' PENSION SCHEMES** 143 - 148

West Yorkshire Pension Fund (WYPF) manages a shared service partnership to provide a pensions administration service for fourteen Fire Authorities.

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

Recommended –

That the report be noted.

(Yunus Gajra – 01274 4323)

12. **LOCAL GOVERNMENT PENSION SCHEME REGULATIONS UPDATE** 149 - 164

The Director, West Yorkshire Pension Fund, will present a report (Document "X") which updates Member on changes to the Local Government Pension Scheme (LSPG) 2014 and provides information on associated issues.

Recommended –

That the report be noted.

(Tracy Weaver – 01274 433571)

13. NORTHERN POOL

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In accordance with the guidance from Government, West Yorkshire Pension Fund (WYPF) together with Greater Manchester and Merseyside are working towards the creation of an investment pool, Northern Pool (NP).

The report of the Director, West Yorkshire Pension Fund, (**Document “Y”**) 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 the 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.

Recommended –

That the progress on pooling to date, and the autumn submission to the Ministry of Housing, Communities and Local Government, contained in Document “Y” be noted.

(Rodney Barton – 01274 43231)

14. NORTHERN POOL - APPOINTMENT OF A COMMON CUSTODIAN

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The Director, West Yorkshire Pension Fund, will present (**Document “Z”**) which advises Members of progress on the Northern Pool’s appointment of a common custodian bank.

Recommended –

That the report be noted.

(Ola Ajala – 01274 434534)

15. PROJECT MAGPIE - TRANSFER OF FIRST WEST YORKSHIRE TO GREATER MANCHESTER PENSION FUND

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The Director, West Yorkshire Pension Fund, will present a report (**Document “AA”**) which updates Members on progress made in transferring assets for First Bradford to Greater Manchester Pension Fund.

Recommended –

That the report be noted.

(Ola Ajala – 01274 434534)

- 16. EXIT PAYMENT IN RESPECT OF YORKSHIRE FORWARD** 181 -
182
- The report of the Director, West Yorkshire Pension Fund (**Document “AB”**) updates Members on the agreement reached with the Department for Business, Energy and Strategy on the exit payment required in respect of Yorkshire Forward.
- Recommended –**
- That the report be noted.**
- (Tracy Weaver – 01274 433571)
- 17. REGISTER OF BREACHES OF LAW** 183 -
198
- The report of the Director, West Yorkshire Pension Fund (**Document “AC”**) informs Members that, in accordance with the Public Service Pensions Act 2013 from April 2015 all Public Service Pension Schemes now come under the remit of The Pensions Regulator.
- Section 70 of the Pensions Act 2004 imposes a requirement to report a matter to The Pensions Regulator as soon as is reasonably practicable where that person has reasonable cause 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 Law is maintained in accordance with West Yorkshire Pension Fund (WYPF) Breaches procedure. The Register of Breaches since April 2018 is appended to Document “AC”.
- Recommended –**
- That the report and entries on the Register of Breaches of Law, as contained in Document “AC” be noted.**
- (Caroline Blackburn – 0124 434523)
- 18. PENSIONS ADMINISTRATION STRATEGY AND COMMUNICATIONS POLICY 2019/20.** 199 -
220
- The Director, West Yorkshire Pension Fund, will present a report, (**Document “AD”**) which advises Members that, as part of the Local Government Pension Fund Scheme (LGPS) Regulations 2013, West Yorkshire Pension Fund (WYPF) prepare a written statement of the authority’s policies in relation to such matters as it considers appropriate in relation to procedures for liaison and communication with scheme employers and the levels of performance which the employers and WYPF are expected to achieve.

The Pensions Administration Strategy and Communications Policy were produced last year and approved by Joint Advisory Group (JAG). They will be brought before JAG each year to review and approve, particularly if there are any new regulations and revisions to working practices.

There are no changes to the Pensions Administration Strategy. The Communications Policy has been updated to reflect activities planned for 2019-20.

Recommended –

That the Pension Administration Strategy and the Communications Policy 2019/20, contained in Document “AD”, be approved.

(Yunus Garja – 01274 432343)

19. CIPFA BENCHMARKING REPORTS

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West Yorkshire Pension Fund takes part in the CIPFA Benchmarking Club for Pensions Administration. The report of the Director, West Yorkshire Pension Fund, (**Document “AE”**) provides information about the costs of the Fund’s pensions administration service and compares those costs with other LGPS funds who are part of the CIPFA Benchmarking Club.

Recommended –

That the report be noted.

(Yunus Gajra – 01274 432343)

20. TRAINING, CONFERENCES AND SEMINARS

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The training of Joint Advisory Group Members to understand their responsibilities and the issues they are dealing with is a very high priority.

The report of the Director, West Yorkshire Pension Fund, (**Document “AF”**) provides details of training courses, conferences and seminars which may assist Members. Full details of 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 “AF”.

(Rodney Barton – 01274 432317)