

Agenda for a meeting of the West Yorkshire Pension Fund Joint Advisory Group to be held on Thursday, 25 July 2019 at 1.30 pm in Ernest Saville Room - City Hall, Bradford

Members of the Committee

<p><u>Bradford Members</u> Councillors: Thornton Salam Winnard</p>	<p><u>Calderdale Members</u> Councillors: Baines Lynn Metcalf</p>
<p><u>Kirklees Members</u> Councillors: Ahmed Asif Murgatroyd</p>	<p><u>Leeds Members</u> Councillors: Vacancy Harrand Scopes</p>
<p><u>Wakefield Members</u> Councillors: Graham Shaw Speight</p>	<p><u>Trades Union Members</u> Ms L Bailey (UNISON) Mr Chard (GMB) A Goring (UNISON)</p>
<p><u>Scheme Members</u> Vacancy 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: Jane Lythgow
Phone: 01274 432270
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To:

A. PROCEDURAL ITEMS

1. APPOINTMENT OF CHAIR (Standing Order 35)

To appoint a Chair for the Municipal Year 2019/2020.

2. APPOINTMENT OF DEPUTY CHAIR (Standing Order 35)

To appoint a Deputy Chair for the Municipal Year 2019/2020.

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

Recommended –

That the minutes of the meeting held on 31 January 2019 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. WEST YORKSHIRE PENSION FUND'S RISK MANAGEMENT REPORT 1 - 38

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. PENSIONS ADMINISTRATION 39 - 70

The report of the Director, West Yorkshire Pension Fund, (**Document "B"**) provides an update on West Yorkshire Pension Fund's pensions administration activities over the last six months.

Recommended –

That the report be noted.

(Yunus Gajra – 01274 432343)

8. WEST YORKSHIRE PENSION FUND (WYPF) ADMINISTRATION OUTTURN REPORT 31 MARCH 2019 71 - 76

The report of the Director, West Yorkshire Pension Fund, (**Document “C”**) summarises the total costs of administering pensions and investments in 2018/2019.

Recommended –

That the report be noted.

(Ola Ajala – 01274 434534)

9. WEST YORKSHIRE PENSION FUND UNAUDITED REPORT AND ACCOUNTS FOR 31 MARCH 2019 77 - 320

The report of the Director, West Yorkshire Pension Fund, (**Document “D”**) presents the WYPF unaudited Report and Accounts for the year ending 31 March 2019.

The unaudited Report and Accounts provide a summary of West Yorkshire Pension Fund’s financial position. The accounts have been prepared in accordance with:

- CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2018/19
- 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 –

That the unaudited report and accounts for 2018/19 be considered and noted.

(Ola Ajala – 01274 434534)

10. AUDIT COMPLETION REPORT 321 - 344

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 2019 (**Document “E”**).

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 “E”, be noted.

(Sharon Liddle – 0191 3836311)

11. NORTHERN POOL LOCAL GOVERNMENT PENSION SCHEME (LGPS) 345 - 384

The report of the Director, West Yorkshire Pension Fund, (**Document “F”**), advises members that, 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 LGPS (NLGPS).

The report sets out the progress in establishing the Northern LGPS (formerly the Northern Pool), covering:-

- Drafting the Northern LGPS Operating Agreement, including the Terms of Reference for the Joint Committee
- Procuring a joint custodian for all the assets of NLGPS
- 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 to date, and the response to the Ministry of Housing, Communities and Local Government on the limited informal consultation in respect of revised statutory guidance on investment pooling, be noted.

(Rodney Barton – 01274 432317)

12. LOCAL GOVERNMENT PENSION SCHEME REGULATIONS UPDATE 385 - 394

The report of the Director, West Yorkshire Pension Fund (**Document “G”**) provides an update on changes to the Local Government Pension Scheme (LGPS) 2014 and provides information on associated matters.

Recommended –

That the report be noted.

(Tracy Weaver – 01274 433571)

13. REVIEW OF ADDITIONAL VOLUNTARY CONTRIBUTION PROVIDERS 395 - 406

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 “H”**) outlines the findings of that review.

In addition, this year, the actuary was asked to provide advice on designating a default arrangement.

Recommended –

- 1. That the removal of the Invesco High Income Fund and Standard Life Investments Global Absolute Return Strategies from the Scottish Widows approved funds be approved.**

- 2. That the Prudential passive lifestyle option be approved as the default AVC arrangement.**

(Rodney Barton – 01274 432317)

14. ACTUARIAL VALUATION

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The report of the Director, West Yorkshire Pension Fund (WYPF), (**Document “I”**) advises Members that the next triennial Actuarial valuation of the West Yorkshire Pension 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.

(Rodney Barton – 01274 432317)

15. FUNDING STRATEGY STATEMENT (FSS)

411 -
454

The report of the Director, West Yorkshire Pension Fund, will present a report, (**Document “J”**) which advises Members that the current Funding Strategy Statement and require updating for two reasons.

The first effects how the funding target (liabilities) is calculated for employers subject to what is referred to as the scheduled and subsumption body funding target.

The second effects how the liabilities will be calculated for employers exiting the West Yorkshire Pension Fund.

Recommended –

- 1. That the proposed increase of the probability of funding success to 75%; the proposed 1% increase to be added to liabilities on exit to take into account the potential increase in liabilities for both McCloud and GMP equalisation and the resulting changes to the Funding Strategy Statement be noted.**
- 2. That the postponement of the employer consultation exercise, agreed in January 2019 in relation to updates to LSPG Regulation 64 pending the outcome of the national consultation and potential changes to the regulations, be noted.**

(Caroline Blackburn – 01274 434523)

16. REGISTER OF BREACHES OF LAW

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The Director, West Yorkshire Pension Fund, will present a report (**Document “K”**) 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 2019/19 and 2019/20 are appended to Document “K”.

Recommended –

That the entries and actions taken on the Register of Breaches be noted.

(Caroline Blackburn – 01274 434523)

17. TRAINING, CONFERENCE AND SEMINARS

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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**

“L”) 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 “L”.

(Rodney Barton – 01274 432317)

18. ANNUAL MEETINGS

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The Director, West Yorkshire Pension Fund, will present a report (**Document “M”**) which advises Members that West Yorkshire Pension Fund will be holding two Annual Meetings in 2019. 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 “M” be noted.

(Rodney Barton – 01274 432317)

19. PENSIONS ADMINISTRATION STRATEGY 2019/20

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The Director, West Yorkshire Pension Fund, will present a report, (**Document “N”**) which advises Members that, to comply with 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 is brought before JAG each year to review and approve, particularly if there are any new regulations and revisions to working practices.

The Pensions Administration Strategy has been updated to reflect the current Fund performance levels and remove the charge made to members requesting more than one estimate of their retirement benefits in any one year.

Recommended –

That the Pension Administration Strategy, contained in Document “N”, be approved.

(Yunus Garja – 01274 432343)

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