



**Agenda for a meeting of the West Yorkshire Pension Fund Pension Board to be held on Tuesday, 13 August 2019 at 10.00 am in Aldermanbury House, Godwin Street, Bradford**

**Members of the Committee**

<b>Employer Representatives</b>	<b>Member Representatives</b>
<b>Councillor S Lal (Chair) – Bradford</b>	<b>Mr G Nesbitt – GMB</b>
<b>Councillor D Jenkins– Leeds</b>	<b>Mr M Binks – Unison</b>
<b>Councillor M Johnson – Wakefield</b>	<b>Mr C Sykes – Unison</b>
<b>Ms R Manning - Employer</b>	<b>Mr M Morris - Unite</b>

**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  
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**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

**Recommended –**

**That the minutes of the meeting held on 26 March 2019 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. WYPF DATA IMPROVEMENT PLAN

1 - 20

The report of the Director, West Yorkshire Pension Fund (WYPF), **Document “A”**, informs members that The Pension Regulator’s (TPR) Code of Practice 14 and The Public Service Pensions (Record Keeping & Miscellaneous Amendments) Regulations 2014 sets out the requirements for public sector pension funds to maintain comprehensive and accurate data on their members and their members’ pension contributions.

**Recommended –**

**That the report be noted.**

(Caroline Blackburn – 01274 434523)

### 5. LOCAL GOVERNMENT PENSION SCHEME REGULATIONS UPDATE

21 - 34

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

**6. REGISTER OF BREACHES OF LAW**

35 - 48

The Director, West Yorkshire Pension Fund, will present a report (**Document “C”**) which informs Members that, in accordance with the Public Service Pensions Act 2013, from April 2015, all Public Service Pension Schemes come under the remit of the Pensions Regulator.

Section 70 of the Pensions Act 2004 (the Act) imposes a requirement to report a matter to the Pensions Regulator as soon as it is reasonably practicable where that person has reason 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 Breaches of Law is, therefore, maintained in accordance with the Pension’s Regulators requirements and WYPF Breaches procedures.

**Recommended –**

**That the entries on the Register of Breaches of Law be noted.**

(Caroline Blackburn – 01274 434523)

**7. TRAINING, CONFERENCES, SEMINARS**

49 - 70

Members are reminded that training 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 “D”**) contains details of training courses, conferences and seminars which may assist Pension Board Members.

**Members are requested to give consideration to attendance at the events contained in Section 1 of Document “D” and note the requirement to complete the Pension Regulator’s toolkit.**

(Caroline Blackburn – 01274 434523)

**8. MINUTES OF THE WEST YORKSHIRE PENSION FUND INVESTMENT ADVISORY PANEL 25 APRIL 2019**

71 - 72

The report of the Director, West Yorkshire Pension Fund, **Document “E” (which contains Not for Publication Appendix A)** reminds Members that the role of The Pension Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013 is to assist the Council as Scheme Manager in ensuring the effective and efficient governance and administration of the Local Government Pension Scheme (LGPS) including securing compliance with the LGPS

regulations and any other legislation relating to the governance and administration of the LGPS; securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and any other such matters as the LGPS regulations may specify.

The Minutes of meeting of WYPF Investment Group are submitted to the Pension Board to enable the Board to ensure effective and efficient governance and administration of the LGPS.

**Members are requested to review the Not for Publication minutes of the West Yorkshire Pension Fund Investment Advisory Group 25 April 2019 appended to Document "E"**

(Rodney Barton – 01274 432317)

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

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## **Report of the Director, West Yorkshire Pension Fund, to the meeting of West Yorkshire Pension Fund Pension Board to be held on 13 August 2019.**

**A**

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**Subject: WYPF Data Improvement Plan**

### **Summary statement:**

The Pension Regulator's (TPR) Code of Practice 14 and The Public Service Pensions (Record Keeping & Miscellaneous Amendments) Regulations 2014 set out the requirements for public sector pension funds to maintain comprehensive and accurate data on their members and their member's pension contributions.

### **Recommendation**

It is recommended that the Local Pension Board note this report.

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Rodney Barton  
Director

**Portfolio:**

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[caroline.blackburn@bradford.gov.uk](mailto:caroline.blackburn@bradford.gov.uk)

**Overview & Scrutiny Area:**

## 1. SUMMARY

- 1.1 The Pension Regulator's (TPR) Code of Practice 14 and The Public Service Pensions (Record Keeping & Miscellaneous Amendments) Regulations 2014 set out the requirements for public sector pension funds to maintain comprehensive and accurate data on their members and their member's pension contributions.

## 2. BACKGROUND

- 2.1 In 2018, for the first time, Local Government Pension Funds were required to report on the quality of common and scheme-specific data in their Pension Regulator scheme returns.
- 2.2 The Pensions Regulators (tPR) guidance requires that scheme should:
- Continually review their data and carry out a data review exercise at least annually
  - Where a review of scheme's data identifies poor or missing data, a data improvement plan should be put in place to address these issues.
- 2.3 There are two types of data that should be measured: common data and scheme specific data.
- **Common data** – used to identify scheme members and includes name, address, national insurance number and date of birth.
  - **Scheme specific data** (also known as conditional data) – essential to calculate benefits entitlement such as pensionable pay and service history. It also encompasses data relating to events that occur during and individual's member ship, for example transfers.
- 2.4 As a result of measuring the data a data score is calculated. A data score is the percentage of members in the scheme that have been assessed as having complete and accurate common or scheme specific data.
- 2.5 In 2018 the Local Government Association started a project to develop list of scheme specific data for the LGPS. Unfortunately this work was not completed until July 2019. As a result Funds were advised to assess what they thought were scheme specific data, and use this for 2018 tPR scheme return.
- 2.6 Work has now been completed by the LGA and a final list of scheme specific data to be used was launched on 8 July 2019. Work is currently underway to adjust the data quality reports to take into account the new scheme specific requirements.

The results from October / November 2019 will therefore record the data scores on the amended list of scheme specific data.

2.7 WYPF has developed a Data Improvement Plan which identifies and prioritises actions to be taken to improve the Data. A copy of WYPFs Data improvement Plan can be found at Appendix A.

### **3. APPENDIX**

- Appendix A – WYPF Data Improvement Plan 2018/19

### **RECOMMENDATION**

It is recommended that the Local Pension Board note this report and WYPF Data Improvement Plan.

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## West Yorkshire Pension Fund

### Data Improvement Plan 2018/19

#### 1. Introduction

- 1.1 This document defines the data improvement plan of the Pension Administration section of West Yorkshire Pension Fund (the Fund).
- 1.2 The Fund collects and holds large amounts of digital and paper based data and is heavily reliant on the timely receipt of quality data from employers, in order to effectively administer the Local Government Pension Scheme (LGPS).
- 1.3 Fundamentally, the purpose of the LGPS is to pay the correct pension benefits to its members when they become due. It is therefore imperative that the Fund achieves and maintains the highest possible data quality standards, to achieve with its core purpose and to ensure the cost effective use of resources.
- 1.4 The LGPS continues to face legislative change with oversight of administration and governance now falling under the remit of the Pension Regulator, with a responsibility on scheme managers to ensure data is readily available and fit for purpose at all times.
- 1.5 The legal requirements relating to scheme record keeping are set out in the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014.
- 1.6 The Pension Regulators guidance requires that schemes should:
  - Continually review their data and carry out a data review exercise at least annually
  - Where a review of the scheme's data identifies poor or missing data, a data improvement plan should be put in place to address these issues

#### 2. The Pension Regulator Annual Scheme Return

- 2.1 Annually the Pensions Regulator (tPR) issues a scheme return which should be completed and returned. From 2018 each Pension Fund is required to include in the return a Data Quality Score which has two types of data:
  - **Common data** – used to identify scheme members and includes name, address, national insurance number and date of birth.
  - **Scheme-specific data** – essential to calculate benefit entitlement such as pensionable pay and service history. It also encompasses data relating to events that occur during an individual's membership, for example transfers.
- 2.2 tPR has issued a quick guide on measuring scheme data which states that one piece of missing data, such as a current address on a deferred member's record should be reported to them as a failed record.

### **3. Key Objectives**

The key objectives of this plan are to:

- Ensure member, pensioner, deferred and beneficiary records are maintained as accurately as possible to ensure benefits are paid correctly on time, members receive a high standard of service and the fund is able to meet legal obligations.
- Ensure Investment and Administration costs are reliable/correct.
- Ensure data supplied to the Fund's actuary for the valuation is as accurate as possible so the correct liabilities can be calculated.
- Ensure the Fund complies with tPR's Code of Practice.

### **4. Outcomes**

Outcomes of an improvement in the data held by the Fund are:

- Improvement of tPR data score for Common and Scheme Specific data.
- Increase in the number of Annual Benefit Statements (ABS) issued by 31 August each year to ensure members are aware of the value of their benefits.
- Reduction in the number of Internal Dispute Resolutions (IDRPs) received for incorrect calculation of benefits, or delays in paying benefits.
- Reduction in the number of queries from the Fund's Actuary at valuation time.
- Reduction in the number of queries received when ABSs are sent out.
- Reduction in administration costs due to increased efficiency.
- Reduction in the likelihood of the Government Actuary Department rejecting data for the scheme valuation.
- Improvement in accuracy for IAS19 valuations.
- Reduction in delays for calculating and paying retirement benefits, death benefits, transfers out.
- Reduction in the queries between WYPF and Employers
- Reduction of breaches recorded on the Breaches Register (e.g. due to ABS being issued late).

### **5. Additional general responsibilities relating to Data Improvement as follows:**

## 5.1 Fund Officers

- Fund officers continually review and ensure data collected is fit-for-purpose and processes are in place to monitor accuracy and timeliness. All processes have working instructions in place to assist with staff training, understanding and compliance.
- Team Managers are responsible for ensuring that staff have the appropriate level of UPM access to fulfil their duties and access is withdrawn upon the member of staff leaving WYPF. This minimises the risk of accidental loss, errors and unauthorised activity.

## 5.2 Scheme Employers

- The Fund is reliant upon the accuracy, completeness and timeliness of data submitted by scheme employers and any third party agencies that they may utilise e.g. outsourced payroll providers.
- The Fund will work with scheme employers throughout the year to support the collection of data to the required standard.
- Details of the information employers are required to provide, and the financial penalties should they fail to do so, are detailed in the Fund's Pensions Administration Strategy.

## 6 Data Cleansing

### 6.1 Monthly Returns data quality checks

WYPF embraced monthly contribution postings several years ago with the aim of simplification, systems integration, increased data accuracy and complete up to date member records. The benefits include ensuring that employee's contributions, member's personal details, and financial records are up to date, accurate and complete.

### 6.2 LGPS National Insurance Database

Administered by South Yorkshire Pension Fund Authority on behalf of the Local Government Association (LGA), the secure National Insurance Database was developed for Local Government Pension Scheme (LGPS) administering authorities to share data to prevent duplicate payment of death grants. This follows changes to Scheme Regulations in 2014 where payment of a death grant in respect of a member with entitlement across multiple membership categories is restricted to an aggregate payment value in relation to any active or pensioner/deferred membership. When processing the death of a scheme member, officers will check the LGPS National Insurance Database for the existence of membership at other LGPS Funds. (Please note not all LGPS administrators are part of this database).

### **6.3 'Tell Us Once' Service**

The secure LGPS National Insurance Database also facilitates the integration of the Fund's membership into the Department of Work and Pensions (DWP) 'Tell Us Once' service (TUO). The service allows a person registering a death to request that the DWP pass on the deceased's information to other government services and council services. If the deceased is a member of the Fund, as determined by the LGPS National Insurance Database, an email notification is received informing the designated officers that a copy of the death certificate is accessible on the secure government gateway.

### **6.4 National Fraud Initiative**

The National Fraud Initiative (NFI) matches electronic data within and between public and private sector bodies to prevent and detect fraud. These bodies include police authorities, local probation boards, fire and rescue authorities as well as local councils and a number of private sector bodies. WYPF submit data to National Fraud Initiative on a regular basis to identify deceased members and members who are no longer entitled to receive a pension.

### **6.5 Mortality screening and tracing service**

WYPF employs a Tracing Bureau for both monthly mortality screening and for members without a current address on record. For deferred members, where a current address for a lost contact cannot be found by the Tracing Bureau, a more detailed check is carried out 3 months before payment of pension is due.

### **6.6 Annual Benefits Statement (ABS) checks**

Before producing an ABS each year certain checks are applied to active records to ensure accurate data is used in the production of the ABS. These checks include:

- Ensuring contributions are received for every month during the year,
- Checks to make sure there are no spikes in care pensionable pay,
- Checks to ensure the final pay has not increased by 20% or decrease by 10%,
- Checks to ensure there aren't any outstanding processes,
- Address check to compare the address held on the record and that supplied on the monthly return,
- Identifying casual workers.

If these checks identify further information is required from an employer the ABS production for this case will be blocked and a query will be referred back to the employer. Upon receipt of the appropriate information the record will be updated and the ABS will be released for production.

### **6.7 Deferred pensions increase**

As part of the annual deferred pensions increase process certain data errors are identified and pensions increase is blocked until they are resolved. These errors include:

- Incorrect amounts present,
- Spouse's amounts that don't match the member's amounts,
- Incorrect dates on the member's record

Data errors are corrected to allow deferred pensions increase to run on to individual deferred folders.

### **6.8 Annual deferred benefit statements**

Before producing the annual deferred benefit statements data errors that would result in potentially incorrect statements being produced are identified. These include:

- Deferred pensions increase not updated
- Multiple 'normal payment' dates being held on the deferred folder
- Multiple entries for the same date shown on the pension history screen
- Initial entries on the pension history missing
- Service start date mismatches

Once these errors are resolved and the record is updated the deferred ABS will be released for production.

## **7 Data errors**

When tackling data errors the following considerations will be used when making the decision on the priority of errors to be resolved:

- Priority identified on the error report
- Data improvement plans objectives

## 8. Frequency

Data Quality reports will be run on a quarterly basis to measure the data quality scores and identify any further action that may be required.

## 9 Appendices

- Appendix A details the Data Quality scores and errors
- Appendix B details to work planned to deal with the data errors identified.

## Appendix A

### WYPF results

	Nov 18	Feb 19	June 19	
TPR Score – Common	95.83%	96.19%	96.15%	
TPR score - Conditional	97.86%	98.38%	93.61%	

Breakdown of activities	Nov 18	Feb 19	June 19	
Count of Missing, Bad or Temp NI Number	457	440	444	
Count of Surname Missing	3	3	3	
Count of Forename(s) Missing	4	4	4	
Count of Sex Missing	113	98	89	
Count of Bad Date of Birth	6	6	5	
Count of Address Missing	9887	8982	8793	
Count of Postcode Missing	151	147	147	
Count of No Date Joined Scheme	27	26	26	
Count of No Folder Status History	6	7	7	
Count of Folder Status/ Status History Mismatch	123	146	251	
Count of Multi FolderStatHist Entries on Same Day	174	184	223	
Count of Missing or Bad Expected Retirement Date	1342	1319	1288	
Count of No Folder Scheme History	26	25	26	
Count of Missing Date Joined Employer	33	28	27	
Count of Missing Earnings	3516	1478	858	
Count of Invalid Part Time Service Present	5	1	1	
Count of Missing CARE Benefit	4048	2098	1464	
Count of Missing CARE Revaluation Rate	3311	1446	871	
Count of Invalid PSO or Sharing Order	228	227	228	
Count of Invalid Contracted Out Date	26	24	30	
Count of Missing Initial Pension (Def)	97	104	109	
Count of Invalid Deferred Payment Date	63	100	15	
Count of Missing Initial Care Pension (Def)	216	228	221	
Count of Missing SPA Date (Def)	8	2	2	
Count of Missing CARE Initial Pension	30	32	31	
Count of Beneficiary Link to Pensioner Missing	2619	2545	2496	
Count of Beneficiary Type Missing	2619	2545	2496	
Count of start data inconsistency		3477	2859	
Count of missing final salary (Def)			6923	

Appendix B

**November 18**

<u>Data Category</u>	<u>Category</u>	<u>Issue at November 2018</u>	<u>Priority</u>	<u>Resolution required</u>	<u>Responsibility</u>	<u>Progress/ Notes</u>	<u>Deadline</u>
<b>NI Number</b>	Common	454 cases where Temp NI	Low				
		43 actives		Obtain correct Ni number from employer	Comms		Nov19
		43 beneficiaries		Report to be expanded to identify if beneficiary lives overseas	IT	Spot checked and cases are overseas beneficiaries who may not have ever been to UK therefore will not have a NINO	Nov19
		46 deferred members		Write to member to obtain NI	Comms		Nov 21
		2 deferred ex-spouse		Write to ex-spouse to obtain NI	Comms		Nov 21
		7 leaver options pending		Write to member to obtain NI once leaver form received	Service Centre		Nov 21
		1 pensioner			SC5	This is a pensioner from the Isle of man and HMRC have informed us to not use the Nino of file	completed
		312 preserved refunds			Service Centre	All file notes have been reviewed and not been able to identify NINO from the records.	Nov 21
<b>Surname</b>	Common	7 Cases	Low		Development		

<u>Data Category</u>	<u>Category</u>	<u>Issue at November 2018</u>	<u>Priority</u>	<u>Resolution required</u>	<u>Responsibility</u>	<u>Progress/ Notes</u>	<u>Deadline</u>
and Forename		3 deferred (forenames)		Interrogate records	Team		Nov 21
		1 leaver options pending (forenames)		Interrogate records			Nov 21
		2 deferred (Surnames)		Interrogate records			Nov 21
		1 Leaver options pending (surname)		Interrogate records			Nov 21
Sex	Common	113 cases	Low		Development Team		
		93 active		To interrogate records manually and update as required			Nov 21
		2 deferred		To interrogate records manually and update as required			Nov 21
		18 leaver options pending		To interrogate records manually and update as required			Nov 21
Date of Birth	Common	6 cases	Medium		Comms  IT  Service Centre		
		1 active		Interrogate record or obtain info from employer			Nov 20
		3 beneficiary pensioner		Report to exclude cases where DOB is with 12 months of data of death		3 records are for children's pensions so are correct.	Nov 20
		2 deferred		Interrogate record			Nov 20
Address and postcode	Common	9887 addresses missing and 151 post codes missing	Low				

<u>Data Category</u>	<u>Category</u>	<u>Issue at November 2018</u>	<u>Priority</u>	<u>Resolution required</u>	<u>Responsibility</u>	<u>Progress/ Notes</u>	<u>Deadline</u>
		421 Actives		Contact Employer for addresses	Comms		Nov 21
		15 beneficiaries		Interrogate record	SC5		Nov 21
		6890 deferred		Tracing service on a rolling program	Service Centre		Rolling program
		4 deferred ex-spouse		Tracing service on a rolling program	SC5		Rolling program
		1 full commutation			SC5		
		104 leaver option decisions		Obtain info from former employer	Employers		Nov 19
		114 pensioners		Interrogate record	SC5		Nov 21
		1 pensioner deferred		Interrogate record	SC5		Nov 21
		2334 preserved refunds		Accurate Data Service engaged to carry out address tracing for deferred and preserved refunds members	Service Centre		Nov 21
		1 pensioner (post code)		Postcode checker	Service Centre		Nov 21
		150 preserved refunds (postcode)		Accurate Data Service engaged to carry out address tracing for deferred and preserved refunds members	Service Centre		Nov 21
		3 serious ill health		Postcode checker	Service Centre		Nov 21
No Date joined scheme	Common	27 cases:	Medium				
		1 active		Interrogate record	Service Centre		Nov 20

<u>Data Category</u>	<u>Category</u>	<u>Issue at November 2018</u>	<u>Priority</u>	<u>Resolution required</u>	<u>Responsibility</u>	<u>Progress/ Notes</u>	<u>Deadline</u>
		1 preserved refund		Interrogate record	Service Centre		Nov 20
		25 pensioner ex-spouse		Interrogate records	Sc5		Nov 20
No folder Status	Common	6 cases:	High				
		1 Active		Interrogate records	Service Centre		Nov 19
		5 beneficiary pensioner		Interrogate records	Sc5		Nov 19
Folder Status/ Status History mismatch	Common	123 cases:-	Medium				
		22 active		Review cases as it appears they might be changes to folder status from monthly postings	Finance		Nov 19
		3 deferred		Review cases as it appears they might be changes to folder status from monthly postings	Finance		Nov 19
		1 deferred ex-spouse		Review cases as it appears they might be changes to folder status from monthly postings	Finance		Nov 19
		68 leaver options decision		Review cases as it appears they might be changes to folder status from monthly postings	Finance		Nov 19
		5 pensioner		Review cases as it appears they might be changes to folder status from monthly	Finance		Nov 19

<u>Data Category</u>	<u>Category</u>	<u>Issue at November 2018</u>	<u>Priority</u>	<u>Resolution required</u>	<u>Responsibility</u>	<u>Progress/ Notes</u>	<u>Deadline</u>
				postings			
		18 preserved refunds		Review cases as it appears they might be changes to folder status from monthly postings	Finance		Nov 19
		6 serious ill health		Review cases as it appears they might be changes to folder status from monthly postings	Finance		Nov 19
Multi folder Status 2 entries on Same day	Common	174 cases :-	Low				
		8 deferred		Need to look at each case as it appears they might have moved onto 2 status on the same day	Service Centre		Nov 21
		18 leaver options decision		Need to look at each case as it appears they might have moved onto 2 status on the same day	Service Centre		Nov 21
		133 pensioner		Need to look at each case as it appears they might have moved onto 2 status on the same day	Sc5		Nov 21
		1 pensioner ex-spouse		Need to look at each case as it appears they might have moved onto 2 status on the same day	Sc5		Nov 21
		14 preserved refund		Need to look at each case as it appears they might have moved onto 2 status on the same day	Service Centre		Nov 21
Missing or	Common	1342 active cases	Low	Spot check a number of	IT		Nov 21

<u>Data Category</u>	<u>Category</u>	<u>Issue at November 2018</u>	<u>Priority</u>	<u>Resolution required</u>	<u>Responsibility</u>	<u>Progress/ Notes</u>	<u>Deadline</u>
Bad expected retirement date				records and identify if bulk update is required			
No folder scheme history	Common	26 cases:-	Medium				
		1 active		Interrogate record	Service Centre		Nov 20
		25 pensioner ex-spouse		Interrogate record	Sc5		Nov 20
Missing Date joined employer	Scheme specific	33 active cases	Low	To interrogate records possible intra-funds transfer	Service centre		Nov 21
Missing earnings	Scheme specific	3516 active cases	High	Majority Awaiting leaver/pensioner benefits to be calculated in Service Centre	Service Centre		Deal with in accordance with KPI targets
Invalid part time service present	Scheme specific	5 cases:-	Low				
		1 deferred		Interrogate records PT indicator but no PT hours recorded –	Service Centre		Nov 21
		4 actives		Interrogate records PT indicator but no PT hours recorded –	Service centre		Nov 21
Missing CARE benefits	Scheme specific	4048 active cases	High	Either outstanding leaver form to be received – To be chased up monthly by Comms or outstanding work in service centre.	Service Centre/ Comms		Deal with in accordance with KPI targets

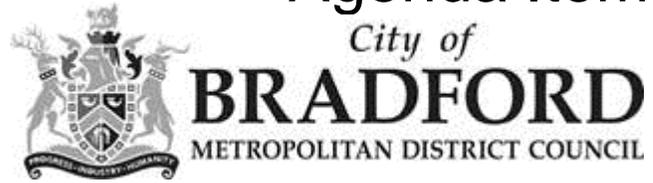
<u>Data Category</u>	<u>Category</u>	<u>Issue at November 2018</u>	<u>Priority</u>	<u>Resolution required</u>	<u>Responsibility</u>	<u>Progress/ Notes</u>	<u>Deadline</u>
Missing CARE revaluation rate	Scheme specific	3311 active cases	High	Either outstanding leaver form to be received – To be chased up monthly by Comms or outstanding work in service centre.	Service Centre Comms	Working with the employers is resulting in outstanding leaver forms being sent in Work in the service centre is reducing backlogs.	Deal with in accordance with KPI targets
Invalid PSO or Sharing Order	Scheme specific	228 cases:	Low	IT to alter the report so it does not pick up ex spouse surname	IT		
		59 actives					Nov 21
		36 deferreds					Nov 21
		133 Pensioners					Nov 21
Invalid contracted Out date	Scheme specific	26 cases:-	Low				
		11 actives		Interrogate records	Service Centre		Nov 21
		1 deferred		Interrogate records	Service Centre		Nov 21
		8 pensioners		Interrogate records	SC5		Nov 21
Missing initial pension (DEF)	Scheme specific	97 deferred cases	Low	Possible bare EPB cases. To interrogate and sample records	IT		Nov 19
Invalid deferred Payment	Scheme specific	63 deferred cases	Low	KN -Historic cases which are updated an annual basis via a report.	MSM (KN)		Annual rolling program

<u>Data Category</u>	<u>Category</u>	<u>Issue at November 2018</u>	<u>Priority</u>	<u>Resolution required</u>	<u>Responsibility</u>	<u>Progress/ Notes</u>	<u>Deadline</u>
date							
Missing SPA date (DEF)	Scheme specific	8 deferred cases	Low	Team to investigate	Service centre(TEL)		Nov 21
Missing CARE initial Pension	Scheme specific	30 pensioner cases	Low	Email sent to IT 18/12/18 asking for the report to be expanded as the majority of cases appear to be correct	IT		Nov 19
Missing initial CARE pension (DEF)	Scheme specific	216 deferred cases	Low	Team to investigate  Spot check a number of cases as it might be where member joined right at the end of the year and no care benefits	Service Centre		Nov 21
Beneficiary link to Pensioners missing	Scheme specific	2619 beneficiary pensioner cases	Low	Speak to MSM - Pensioner Services	SC5		Nov 21
Beneficiary type missing	Scheme specific	2619 beneficiary pensioner cases	Low	Speak to MSM – Pensioner Services	SC5		Nov 21

This improvement plan primarily aims to address the key issues identified from the Funds Data Quality review and data quality score and details the plans in place to improve the data we hold.

	Common data
	Scheme Specific Data

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## **Report of the Director, West Yorkshire Pension Fund, to the meeting of West Yorkshire Pension Fund Pension Board to be held on 13 August 2019**

**B**

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**Subject: Local Government Pension Scheme Regulations update**

### **Summary statement:**

This report updates the Joint Advisory Group on changes to the Local Government Pension Scheme (LGPS) 2014 and provides information on associated matters.

### **Recommendation**

It is recommended that the Local Pension Board note this report

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Rodney Barton  
Director

**Portfolio**

Report Contact: Tracy Weaver  
Phone: (01274) 433571  
Email: [tracy.weaver@wypf.org.uk](mailto:tracy.weaver@wypf.org.uk)

**Overview & Scrutiny Area**

## 1. **Background**

- 1.1 The career average Local Government Pension Scheme (LGPS) was introduced on 1 April 2014.
- 1.2 Since the introduction of the new LGPS there have been a number of consultations on proposed changes to the LGPS, following which amendment regulations have been issued.

## 2 **Consultation on Fair Deal – Strengthening pension protection**

- 2.1 On 10 January 2019 MHCLG issued a consultation on Fair Deal – Strengthening pension protection.
- 2.2 This consultation sought views on proposals to amend the rules of the LGPS that would require service providers to offer LGPS membership to individuals who have been compulsorily transferred from an LGPS employer. The proposals include a new approach to achieve this, the ‘deemed employer’, as an alternative to obtaining admission body status. The consultation also includes proposals that would automatically transfer assets and liabilities when employers in the Scheme are involved in a merger or takeover. The proposals are broadly welcomed.
- 2.3 The consultation closed on 4 April 2019 and a copy of WYPF’s response is attached at Appendix 1.

## 3 **Consultation on Revised Late Retirement Factors**

- 3.1 MHCLG issued a technical consultation on the implementation of new late retirement factors proposed from 1 May 2019. MHCLG does not normally consult on actuarial guidance but have done so in this instance due to the significant change to the methodology being proposed. The consultation closed on 17 April 2019 and a copy of WYPF’s response is at Appendix 2.
- 3.2 On 1 July 2019 MHCLG issued revised guidance on late retirement factors. This guidance will come into force on 1 September 2019.

## 4 **Consultation: Local valuation cycle and the management of employer risk**

- 4.1 On 8 May 2019 MHCLG issued a 12 week policy consultation called ‘LGPS: Changes to the local valuation cycle and the management of employer risk’. The consultation documents are available on the scheme consultations page of [www.lgpsregs.org](http://www.lgpsregs.org)
- 4.2 The consultation closed on 31 July 2019 and covers the following areas:
  - amendments to the local fund valuations from the current 3 year (triennial) to a 4-year (quadrennial) cycle
  - a number of measures aimed at mitigating the risks of moving from a triennial to a quadrennial cycle
  - proposals for flexibility on exit payments
  - proposals for further policy changes to exit credits

- proposals for changes to the employers required to offer local government pension scheme membership
- 4.3 Regarding the change to exit credit payments, given that the consultation proposes backdating the change, LGA are of the view that it would be legitimate to delay payment of an exit credit (where a side agreement was in place) pending the consultation outcome.
- 4.4 A copy of WYPF's response is attached at Appendix 3.

## **5 Other LGPS matters**

### **5.1 Post 2014 Deferred Refund, member left more than five years ago**

The LGPS Regulations 2013 require that a member who left the scheme after 31/03/2014 and who are only entitled to a preserved refund have a 5 year deadline for claiming the payment.

The National Technical Group has contacted the Scheme Advisory Board (SAB) to request a change in the LGPS Regulations 2013 to remove the requirement for a refund to be paid within five years. Unless and until such a change is made, the rules apply as they stand.

### **5.2 Scheme Advisory Board (SAB) 2018 annual report**

The 2018 annual report has recently been published by the Scheme Advisory Board.

The aim of the annual report is to provide a single source of information about the status of the LGPS for its members, employers, and other stakeholders. It aggregates information supplied in the 89 fund annual reports, as at 31 March 2018.

Key highlights:

- The total membership of the LGPS grew by 197,000 (3.4%) to 5.8m members in 2018 from 5.6m in 2017
- The total assets of the LGPS increased to £275bn (a change of 5%). These assets were invested in pooled investment vehicles (54%), public equities (29%), bonds (7%), direct property (3%), as well as other asset classes (7%)
- The local authority return on investment over 2017/2018 was 4.4%. This was reflective of the market conditions during the year and set against the UK Return of 0.2%
- The Scheme maintained a positive cash-flow position overall. Scheme income was higher than total scheme outgoings by £500m; this is including investment income
- Over 1.7m pensioners were paid over the year.

The full report can be viewed on the Scheme Advisory Board website at <http://www.lgpsboard.org/index.php/schemedata/scheme-annual-report>.

### 5.3 Actuarial Factors

(MHCLG) has issued revised Government Actuary's Department Guidance and factors for:

- Purchase of additional pension;
- Lifetime allowance;
- Annual allowance scheme pays;
- Pension credit to the former spouse or civil partner of a member;
- Inverse commutation;
- Conversion of AVCs to transfer credits;
- Conversion of accumulated AVCs for added pension (pre 2014); and
- Conversion of accumulated AVCs for added pension (post 2014).

### 5.4 Revised Club memorandum published – effective from 1 April 2019

In March 2019 a revised version of the Club Memorandum, including new Club transfer factors, was published. The new Club Memorandum is effective from 1 April 2019.

MHCLG have updated the actuarial factor spreadsheet for England and Wales to include the new Club factors. The update will also include a revision to the CRA factors.

### 5.5 McCloud and valuation guidance

It was reported on 21 December 2018 that the Court of Appeal held that transitional protections that protected older judges and firefighters from the public sector pension scheme changes in 2015, were unlawfully discriminatory. This case is known as the 'McCloud case'. Following the judgment, on 30 January 2019 the Government published a written statement that paused the HMT cost management process for public service pension schemes, pending the outcome of the application to appeal the McCloud case to the Supreme Court. On 8 February 2019, LGPS England & Wales Scheme Advisory Board (E&W SAB) confirmed it had no option but to pause its own cost management process pending the outcome of McCloud.

As a results administering authorities were asked to inform SAB about their preference concerning the approach to the 2019 valuation. Specifically, whether they would prefer to receive guidance from SAB on how McCloud and cost management should be taken account in the 2019 valuation, or if they would prefer to determine their own approach taking advice from their actuarial adviser.

The majority of funds expressed a preference to receive central guidance which was issued on 14 May 2019.

CIPFA have also provided a separate note on accounting for McCloud and cost management.

The SAB advice note sets out their proposed approach in five key points and

administering authorities are been encouraged to discuss this approach, together with the CIPFA guidance note, with their actuaries.

Earlier than expected, the Supreme Court, on 27 June 2019, denied the Government's request for an appeal in the McCloud case in respect of age discrimination and pension protection. Further news will follow once we can confirm the next steps in the process.

## **5.6 Consultation on restricting exit payments**

On 10 April 2019 HM Treasury opened a 12 week consultation called 'Restricting exit payments in the public sector: consultation on implementation of regulations'. The consultation documents can viewed on the [non-scheme consultation](https://www.lgpsregs.org) page of [www.lgpsregs.org](https://www.lgpsregs.org). The consultation closed on 3 July 2019.

## **5.7 Scheme Advisory Board's Good Governance Report**

Earlier in the year the Scheme Advisory Board commissioned Hymans Robertson to prepare a report on the effectiveness of current LGPS governance models and to consider alternatives or enhancements to existing governance models which can strengthen LGPS going forward.

On 31 July 2019 the Scheme Advisory Board published this report, which can be viewed at <http://lgpsboard.org/images/PDF/GGreport.pdf>.

# **6 Other Pension Matters**

## **6.1 The Money and Pensions Service**

The Government provided free financial guidance and debt advice through three services, Pensions Wise, The Pensions Advisory Service (TPAS), and the Money Advice Service (MAS). On 1 April 2019 these were replaced by one new single financial guidance body (SFGB). On 6 April 2019 the SFGB was re-named the Money and Pensions Service.

The Money and Pensions Service has published its Business Plan, in which it confirms that for the initial 'transition' year, customers will still be able to access services through Pension Wise, The Pensions Advisory Service (TPAS) and Money Advice Service (MAS).

## **6.2 Pension Dashboards**

The DWP consultation on the introduction of pension dashboards closed on 28 January 2019. The government published its response to the consultation on 4 April 2019. You can find the consultation documents, the Local Government Association (LGA) response and the government response to the consultation on:

- The non-scheme consultations page of [www.lgpsregs.org](https://www.lgpsregs.org)
- The non-scheme consultations page of [www.scotlgpsregs.org](https://www.scotlgpsregs.org)

Key details of the government's plans include:

- Legislation to compel pension providers to make consumers' data available on the dashboard
- Staged onboarding of schemes with the majority of schemes participating within 3 to 4 years
- The inclusion of state pension data
- A commitment to multiple dashboards, with a non-commercial dashboard being overseen by the Money and Pensions Service.

## **7 Recommendation**

It is recommended that the Joint Advisory Group note the report.

### **Appendices**

**Appendix 1** – WYPF response to MHCLG consultation on Fair Deal

**Appendix 2** – WYPF response to MHCLG consultation on revised late retirement factors

**Appendix 3** – WYPF response to MHCLG consultation on Local valuation cycle and the management of employer risk

Dear Sir

**Local Government Pension Scheme: Fair Deal – Strengthening pension protection**

I refer to the consultation opened on 10 January 2019 seeking comments on changes to the Local Government Pension Scheme (LGPS) to incorporate Fair Deal provisions.

West Yorkshire Pension Fund (WYPF) welcomes the proposed changes and below are WYPF's comments on the questions asked in the consultation:

**Chapter 2 – Fair Deal**

**Q1 - Do you agree with this definition? (points 7 to 18)**

In principle WYPF agree with the definition and agree that LGPS employers must ensure protected transferees are given access to membership of the LGPS for so long as they have an entitlement to membership of the LGPS.

I can confirm WYPF are happy with the proposal in paragraph 17 to not allow membership of the LGPS where membership is allowed in another public sector pension scheme.

**Q2 – Do you agree with this definition of a Fair Deal employer? (points 19 to 23)**

WYPF agree with the definition of a Fair Deal employer and welcome the proposal that non-Fair Deal employers which undertake an outsourcing could still allow continued access to LGPS via the admission body route.

**Q3 – Do you agree with these transitional measures? (points 24 to 26)**

WYPF agrees with the transitional measures proposed in the consultation.

**Q4 – Do you agree with our proposals regarding the calculation of inward transfer values? (point 26)**

WYPF are happy with the proposed calculation of inward transfers. However, we feel those members who have had a five year break or more, since their TUPE to an employer with a broadly comparable pension scheme, and have not transferred their deferred benefits to the broadly comparable pension scheme should still be allowed the final salary link for this membership on linking it to their new period of membership. WYPF feel it is unfair to limit those members to CARE benefits when the break was outside their control.

**Q5 – Do you agree with our proposals on deemed employer status? (points 27 to 39)**

In principle WYPF supports the proposal on deemed employer route, however, there could be a number of practical issues and it is therefore imperative that the accompanying guidance provides clear information on the responsibilities of all parties involved in the process. As an example, where, a school, on converting to an academy enters in an agreement with the Local Authority for employees providing cleaning/catering services to remain with the Local Authority, but the academy subsequently awards the contract to another provider it needs to be made clear that these employees will be protected transferees, and the Fair Deal employer will be the academy. We are not convinced that the draft regulations provide for this scenario.

In regards to points 32 and 37 WYPF feel that Funds should have the option of having a legal agreement setting out the responsibilities of the service provider. However, the main contract must still detail how the two parties deal with pensions and risk sharing. To this end it would be useful for the guidance to contain draft wording and/or template agreements/pension appendices for contracts.

WYPF feel that the service provider should be able to make its own decisions, however, where this involves a cost there must be a requirement to obtain approval from the Fair Deal employer. The deemed employer must also be required to adopt the discretionary policies of the Fair Deal employer.

**Q6 – What should advice from the scheme advisory board contain to ensure that deemed employer status works effectively? (points 27 to 39)**

WYPF feel that the guidance needs to make clear who has responsibility for any pension matter. Below are some specific issues that WYPF feel must be covered in the guidance:

- That all employees transferring, and not just members of LGPS are protected employees and must outline the actions required by the deemed employer i.e. all transferring employees should be brought into LGPS with the option to opt out.
- How the deemed employer route would work for accounting purposes.
- Provide a definition of wholly or mainly employed on the delivery of the service or function transferred.

WYPF also feels that the guidance must be to all parties involved in the process, not just administering authorities, and must contain details of the implications of not following the guidance.

**Q7 – Should the LGPS Regulations 2013 specify other costs and responsibilities for the service provider where deemed employer status is used? (points 40 to 41)**

WYPF feel that by having to have all pension decisions, which could have a cost implication, made by the service provider approved by the Fair Deal employer and with a sufficiently robust contract in place between the Fair Deal employer and service provider no other costs and responsibilities need to be specified.

**Q8 – Is this the right approach? (points 42 to 43)**

WYPF feel the deemed employer route will be the most appropriate for the majority of outsourcing, but are content that the admission body route will be an option, because this may be more appropriate where the outsourcing is in respect of a large number of members and is expected to be in place for several years.

WYPF feel that it must be made clear that for administrative purposes the Fair Deal employer ultimately retains the full responsibility for any failures, under the regulations, by a service provider or admission body.

**Q9 – What further steps can be taken to encourage pension issues to be given and timely consideration by Fair Deal employers when services or functions are outsourced?**

WYPF fully support the need to get all parties engaged with dealing with pension matters on outsourcing in a timely manner, however from experience I feel that this is unlikely to happen in all cases. I would hope having guidance, that is readily available to all parties, would improve the engagement of all employers.

Funds should also be encouraged to ensure that they have a Pensions Administration Strategy which clearly sets out responsibilities on outsourcing and implications where they are not complied

with e.g. fines or reporting to the Pensions Regulator.

**Q10 – Are you aware of any other equalities impacts or of any particular groups with protected characteristics who would be disadvantaged by our Fair Deal proposals?**

WYPF feel that all Fair Deal employers must have the same rules applied to them. If certain Fair Deal employers were able to have differing rules their staff could, potentially, have less protection that could impact on their work force, which could be predominately female and lower paid.

### **Chapter 3 – Transferring pension assets and liabilities**

**Q11 – Is this the right approach? (points 48 to 53)**

WYPF feel this is the right approach.

The regulations or guidance should make it clear that any costs, e.g legal and actuarial, incurred will be rechargeable to the employer.

**Q12 – Do the draft regulations effectively achieve our aims?**

WYPF feel the draft regulations broadly achieve this aim

**Q13 – What should guidance issued by the Secretary of State state regarding the terms of assets and liability transfers?**

WYPF feel it is important that the guidance includes a draft asset transfer note that in the majority of circumstances would provide an asset transfer which is fair on both the transferring Fund and new the Fund. For this purpose it may be appropriate to ask for input from the actuarial firms advising Funds.

I trust you will find these comments useful. If you require any further information please do not hesitate to contact me.

Yours faithfully

Tracy Weaver  
Technical Services Manager  
Phone: 01274 43571

Dear Thahira,

West Yorkshire Pension fund's view is that the formula is overly complex for such a small increase in benefits and will pose a challenge in communicating the additional benefit a member will gain if they remain in the scheme post NPA. Clearly, this additional complexity will place an additional burden on fund resources, particularly if the system software is not updated in readiness for the effective date, forcing administrators to manually calculate and implement the revised formula.

As the new factors in the main have been increased, it is questionable whether there is a need to implement the proposed complicated approach given there is no "cliff edge" to consider, unlike the previous factor change in 2017. Furthermore, the suggested complicated approach results in the value of member pensions being less as opposed to simply implementing the new factors.

The Fund does not support the use of short-term assumptions within the derivation of factors as this will inevitably lead to frequent revision. This will add to the already onerous administration burden, along with the undermining of member understanding and confidence in the scheme

It would be helpful if the implementation date could be arranged to ensure software providers have had enough time to deliver software updates to avoid the necessity of manual calculations.

Kind regards

**Caroline Blackburn**

Technical and Development Manager

West Yorkshire Pension Fund

Tel: 01274 43 4523

WYPF, PO Box 67, Bradford, BD1 1UP

Dear Sir

**Local Government Pension Scheme: Changes to the Local Valuation Cycle and the Management of Employer Risk**

I refer to the consultation opened on 8 May 2019 seeking comments on changes to the Local Government Pension Scheme (LGPS) on changes to the local valuation cycle and the management of employer risk.

West Yorkshire Pension Fund (WYPF) welcomes the proposed changes and below are WYPF's comments on the questions asked in the consultation:

- **Changes to the LGPS valuation cycle**  
**Question 1 – As the Government has brought the LGPS scheme valuation onto the same quadrennial cycle as the other public service schemes, do you agree that LGPS fund valuations should also move from a triennial to a quadrennial valuation cycle?**

WYPF agree that LGPS fund valuations should also move from a triennial to a quadrennial valuation.

**Question 2 - Are there any other risks or matters you think need to be considered, in addition to those identified above, before moving funds to a quadrennial cycle?**

WYPF feel the main risk in moving to a quadrennial valuation cycle is in relation to short term employers, e.g. 1(d) admission bodies, should there be a significant change in market conditions. However, the proposed provisions for interim valuations and being able to issue revised rates and adjustments certificates between valuations should address this risk.

**Question 3 - Do you agree the local fund valuation should be carried out at the same date as the scheme valuation?**

WYPF agree that fund valuations should be carried out at the same date as the Scheme valuation, as not to do so would involve extra work and associated costs.

**Question 4 - Do you agree with our preferred approach to transition to a new LGPS valuation cycle?**

Given WYPF's current funding position and that the LGPS is a long term arrangement, our preference would be for option a, as if necessary, say due to significant change in market conditions, an interim valuation could be carried out.

- **Dealing with changes in circumstances between valuations**  
**Question 5 - Do you agree that funds should have the power to carry out an interim valuation in addition to the normal valuation cycle?**

WYPF agree that funds should have the power to carry out interim valuations in specific circumstances.

**Question 6 - Do you agree with the safeguards proposed?**

WYPF feel that the proposed safeguards seem appropriate and reasonable.

**Question 7 – Do you agree with the proposed changes to allow a more flexible review of employer contributions between valuations?**

WYPF agree with the proposed changes to allow a more flexible review of employer contributions between valuations, however, consider that funds should also be allowed to review employer contributions between valuations in other circumstances, such as the extension of a 1(d) admission body's contract.

**Question 8 – Do you agree that Scheme Advisory Board guidance would be helpful and appropriate to provide some consistency of treatment for scheme employers between funds in using these new tools?**

WYPF agree that Scheme Advisory Board guidance would be a helpful, and assist funds in using the proposed new tools.

**Question 9 – Are there other or additional areas on which guidance would be needed? Who do you think is best placed to offer that guidance?**

At the current time WYPF do not feel that there are any other or additional areas where guidance is necessary. However, WYPF would expect any guidance to be kept under review and updated as necessary.

- **Flexibility on Exit Payments**

**Question 10 – Do you agree that funds should have the flexibility to spread repayments made on a full buy-out basis and do you consider that further protections are required?**

WYPF agree that funds should have the flexibility to spread repayment of an exit payment and feel that a period of up to 5 years would be an appropriate timeframe. However, to protect funds, WYPF believe that the regulations should contain provisions that require the payment to be guaranteed by a bond, or an indemnity from the relevant scheduled employer, to protect other employers within the fund.

**Question 11 – Do you agree with the introduction of deferred employer status into LGPS?**

WYPF agree with the introduction of deferred employer status, but feel that this option should only be open to an employer with significant assets and liabilities in a fund. Giving small employers this options would increase administration, by way of monitoring and the cost of valuations.

**Question 12 – Do you agree with the approach to deferred employer debt arrangements set out above? Are there ways in which it could be improved for the LGPS?**

WYPF are happy with the proposed approach to employer debt arrangements and do not feel there are ways in which they can be improved.

**Question 13 – Do you agree with the above approach to what matters are most appropriate for regulation, which for statutory guidance and which for fund discretion?**

WYPF feel that the regulations are the best place to contain the basic principles and definitions for the proposed approaches with the regulations being backed up by statutory

guidance containing guidance to funds on issues they need to consider and decide on and with those decisions being contained in the fund's Funding Strategy Statement.

**Question 14 – Do you agree options 2 and 3 should be available as an alternative to current rules on exit payments?**

I can confirm that WYPF agree that options 2 and 3 should be available, in certain circumstances, as an alternative to the current rules on exit payments. However, the ultimate decision whether or not to allow either of the proposed new options should rest with funds.

**Question 15 – Do you consider that statutory or Scheme Advisory Board guidance will be needed and which type of guidance would be appropriate for which aspects of these proposals?**

WYPF feel that statutory or Scheme Advisory Board guidance would be appropriate. For any issue that would impose compulsion on funds must be covered by regulation and statutory guidance. Any other issues may be covered in Scheme Advisory Board guidance.

- **Exit credits under the LGPS Regulations**

**Question 16 – Do you agree that we should amend the LGPS Regulations 2013 to provide that administering authorities must take into account a scheme employer's exposure to risk in calculating the value of an exit credit?**

WYPF notes that the consultation refers to an exit credit that may be payable if an actuarial assessment shows that the employer is in surplus on a full buy-out basis at the time of their exit. However, there is no reference to full buy-out basis in regulation 64 and, and this is inconsistent with WYPF's approach to exit valuations, whereby if another WYPF Scheme employer has agreed to subsume the assets and liabilities of the exiting employer the exit valuation would be done on an ongoing basis. Therefore, whilst the proposal may be useful to address exit valuation in relation to 1(d) admission bodies, WYPF feels that it may not be an appropriate basis for the exit valuation for other exiting employers.

**Question 17 – Are there other factors that should be taken into account in considering a solution?**

WYPF feel that when considering a solution the role of the Scheme employer letting the contracts plays in the process should be taken in to consideration. For the majority of 1(d) admissions funds will not have seen any contractual agreements and WYPF feel that it is not within their remit to determine what is meant by full pass-through arrangements.

Given that an exiting employer may have other obligations to the Scheme employer WYPF would therefore prefer that if a refund of exit credit is to be allowed that the regulations are amended to allow the refund of exit credit to be made to the Scheme employer, and for them to determine whether it should be returned in full or part to the exiting employer.

- **Employers required to offer LGPS membership**

**Question 18 – Do you agree with our proposed approach?**

I can confirm that WYPF agrees to the proposals and it particularly welcomes that members will be protected whilst in continuous employment or following a compulsory transfer to a successor body.

- **Public sector equality duty**  
**Question 19 – Are you aware of any other equalities impacts or of any particular groups with protected characteristics who would be disadvantaged by the proposals contained in this consultation?**

WYPF is not aware of any other equalities impacts.

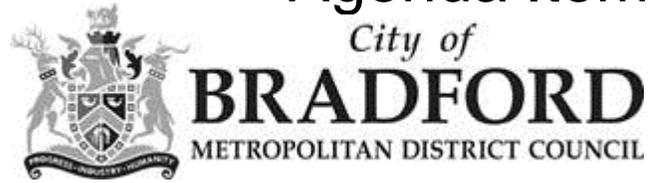
I trust you will find these comments useful. If you require any further information please do not hesitate to contact me.

Yours sincerely

Tracy Weaver

Technical Services Manager

Phone: 01274 433571



## **Report of the Director, West Yorkshire Pension Fund, to the meeting of West Yorkshire Pension Fund Pension Board to be held on 13 August 2019**

**C**

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**Subject: Register of Breaches of Law**

### **Summary statement:**

In accordance with the Public Service Pensions Act 2013, from April 2015 all Public Service Pension Schemes come under the remit of the Pensions Regulator.

Section 70 of the Pensions Act 2004 (the Act) 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 Breaches of Law is therefore maintained in accordance with the Pensions Regulators requirements and WYPF Breaches procedure.

### **Recommendation**

It is recommended that the Local Pension Board note the entries on the Register of Breaches of Law.

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Rodney Barton  
Director

**Portfolio**

Report Contact Caroline Blackburn  
Phone: (01274) 434523  
Email: caroline.blackburn@bradford.gov.uk

**Overview & Scrutiny Area**

## 1. **Background**

1.1 Section 70 of the Pensions Act 2004 (the Act) imposes a requirement to report a matter to the Pensions Regulator as soon as reasonably practicable where a 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.

1.1 This requirement applies to:

- a trustee or manager of an occupational or personal pension scheme;
- a member of the pension board of a public service pension scheme;
- a person who is otherwise involved in the administration of an occupational or personal pension scheme;
- the employer in relation to an occupational pension scheme;
- a professional adviser in relation to such a scheme; and
- a person who is otherwise involved in advising the trustees or managers of an occupational or personal pension scheme in relation to the scheme.

1.2 The Act states that a person can be subject to a civil penalty if he or she fails to comply with this requirement without a reasonable excuse. The duty to report breaches under the Act overrides any other duties the individuals listed above may have. However the duty to report does not override 'legal privilege'. This means that, generally, communications between a professional legal adviser and their client, or a person representing their client, in connection with legal advice being given to the client, do not have to be disclosed.

## 2. **Reporting Breaches Procedure**

2.1 A record of past breaches may be relevant in deciding whether to report a breach (for example it may reveal a systemic issue). WYPF maintains a record of all reported or unreported breaches.

2.2 The Register of Breaches of Law (reported or otherwise) is provided to each Joint Advisory Group meeting, and this will also be shared with the Pension Board.

## **4 Breaches from April 2019**

- 4.1 The entries on the Register of Breaches for 2019/20 relate to the late payment of contributions.

## **5. Enviroserve**

- 5.1 During September 2018 the Fund reported one employer to the Pensions Regulator, Alchemy Facilities Limited, trading as Enviroserve. It is an admission body in WYPF in relation to three contracts awarded to it by scheme employers participating in the Fund. Two of Enviroserve's admissions started on the 1 November 2017 and the third commenced on 1 January 2018.
- 5.2 Despite numerous attempts by the Fund to contact Enviroserve contributions were outstanding for a number of months. The fund took the decision to notify the Pensions Regulator of the breach of law as it felt the breach was of material significance.
- 5.3 In May 18 Joseph Norton Academy started a contract with Enviroserve. The Admission agreement to enable the Fund to collect contributions was completed in December 18.
- 5.4 On 31 March 19 two of the scheme employers (Ebor and Victoria) ceased their contracts with Enviroserve and moved the contract to other providers. All outstanding contributions have now been received.
- 5.5 On 31 May Calder High ceased its contract with Enviroserve and moved its contract to another provider. All outstanding contributions have now been received.
- 5.6 On 31 May 19 Joseph Norton ceased its contract with Enviroserve and moved its contract to another provider. WYPF is currently communicating with both Enviroserve and Joseph Norton Academy to ensure outstanding contributions are paid over to the Fund for the period May 18 to May 19.

## **6 Recommendations**

It is recommended that the Joint Advisory Group note the entries and action taken on the Register of Breaches.

## **7 Appendices**

- Appendix A – Register of Breaches 2018/19
- Appendix B – Register of Breaches 2019/20

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## WYPF Breaches of the Law 2018 -2019

Date	Category (eg administration, contributions, funding , investments)	Pensions Regulator code of practice	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to breach	Reported/Not reported	Outcome of report and or investigations	Outstanding Actions
April 2018	<b>Administration - Maintaining contributions</b>	147	<p>Employee contributions deducted from a members pay must be paid to the manager of the scheme, at the latest by the 19th day of the month following deduction or by 22nd day if paid electronically.</p> <p><b>Please see schedule below for details of employers who failed to make payment by the appropriate date.</b></p>	Contributions not received by the scheme within the prescribed timescales	<p><b>Immediate action:</b> All employers have a designated business partner who contact each employer to make them aware of any late payment. Subsequent late payments incur an admin fee charged and notified if there are any further late payments they may be reported to the Pensions Regulator.</p> <p><b>Continuing Action:</b> Employers are closely monitored. Records of each employer who fail to make payment each month are maintained along with details of the number of late payment occasions.</p>	<ul style="list-style-type: none"> <li>• Enviroserve were reported to the Pensions Regulator on the 13<sup>th</sup> September 2018.</li> <li>• All other late payments have not been report</li> </ul>	All outstanding payments are chased up and all payments received.	None

## WYPF Breaches of the Law 2018 -2019

Date	Category (eg administration, contributions, funding , investments)	Pensions Regulator code of practice	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to breach	Reported /Not reported	Outcome of report and or investigations	Outstanding Actions	Notes
Sept 18	Administration – Issue of Annual Benefit Statements	189	<p>Scheme regulations require and annual benefit statement to be provided to each active member by the 31 August each year.</p> <p>At 31 August 18 the percentage of statements sent out were:</p> <p>Active – 99.6% (90598 statements out of 90941)</p>	Some members not supplied with relevant information within time limit	Continue to issue annual benefit statements out after the 31 <sup>st</sup> August when case queries resolved.	Not reported	Due to the improvement in performance in issuing statements to active members by the deadline it is not regarded as of material significance.	Only accurate statements have been released as strict quality controls in place. Outstanding statements are released on a daily basis when record is correct.	The percentage of ABS sent out in 2017 is an improvement from 2016

## WYPF Breaches of the Law 2018 -2019

Date	Category (eg administration, contributions, funding , investments)	Pensions Regulator code of practice	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to breach	Reported /Not reported	Outcome of report and or investigations	Outstanding Actions	Notes
March 19	Administration		<p>17/07/18 – member requested a transfer out quotation</p> <p>31/08/19 – member left the scheme</p> <p>19/10/18 – Transfer quote sent.</p> <p>LGPS regulations state a transfer value must be supplied within 3 months</p> <p>A transfer value was issued 3 days over the LGPS Regulations three month time limit. WYPFs understanding at that time was it had to be supplied within 3 months of date of leaving however clarification has been received from LGA that transfer information must be provided within 3 months of a member’s request for it regardless of their date of leaving.</p>	No effect. Transfer details were supplied to member 3 days outside the timescale	None	Not reported	WYPF Working instructions and practices have been updated following LGA clarification.		

## WYPF Breaches of the Law 2018 -2019

### Employers who failed to pay make pay over employees contributions by the appropriate date - April 2018 onwards

Month	Employer	Date contributions due	Date Paid	Value of late contributions	No of times late in last 6 months prior to this month	No of times late in last 12 months prior to this month
April	Leeds College of Music	18/05/18	06/06/18	82566.48	0	0
	Ackworth Parish Council	18/05/18	14/06/18	1466.76	1	1
	Sodexo Ltd	18/05/18	20/06/18	1784.61	0	0
	Caterlink Ltd (Grove Lea Primary School)	18/05/18	10/07/18	80.48	0	0
	Enviroserve (Calder High School)	18/05/18	05/10/18	1,127.85	1	1
	Enviroserve (Victoria Primary Academy)	18/05/18	02/07/18	353.76	5	5
	Enviroserve (Ebor Gardens Primary Academy)	18/05/18	02/07/18	591.35	5	5

May	Carerlink (Grove Lea Primary School)	19/06/18	10/07/18	100.05	1	1
	Leeds Appropriate Adult Service	19/06/18	10/07/18	452.05	0	0
	Enviroserve (Calder High School)	19/06/18	05/10/18	1,127.85	2	2
	Enviroserve (Victoria Primary Academy)	19/06/18	20/11/18	353.76	6	6
	Enviroserve (Ebor Gardens Primary Academy)	19/06/18	09/11/18	591.31	6	6
	Enviroserve (Joseph Norton)	19/06/18	Not received			

June	Groundwork Wakefield	19/07/18	25/07/18	3679.74	0	0
	Groundwork Leeds	19/07/18	25/07/18	1541.91	0	4
	Baildon Town Council	19/07/18	24/07/18	1510.14	0	0
	Calderdale College	19/07/18	26/07/18	86679.03	0	0
	Enviroserve (Calder High School)	19/07/18	05/10/18	1,127.85	3	3
	Enviroserve (Victoria Primary Academy)	19/07/18	20/11/18	353.76	6	7
	Enviroserve (Ebor Gardens Primary Academy)	19/07/18	09/11/18	406.19	6	7
	Enviroserve (Joseph Norton)	19/07/18	Not received			

## WYPF Breaches of the Law 2018 -2019

### Employers who failed to pay make pay over employees contributions by the appropriate date - April 2018 onwards

Month	Employer	Date contributions due	Date paid	Value of late contributions	No of times late in last 6 months prior to this month	No of times late in last 12 months prior to this month
July	Pool Parish Council	17/08/18	30/08/18	275.45	0	0
	Compass Contract Services (UK) Ltd (SPTA)	17/08/18	23/08/18	244.52	0	0
	Woodhouse Grove School	17/08/18	22/08/18	676.18	0	1
	Leeds College of Music	17/08/18	22/08/18	76,786.93	1	1
	Compass Contract Services (St John Fisher)	17/08/18	23/08/18	1,340.02	0	0
	Enviroserve (Calder High School)	17/08/18	05/10/18	1,127.85	4	4
	Enviroserve (Victoria Primary Academy)	17/08/18	23/08/18	1340.02	6	8
	Enviroserve (Ebor Gardens Primary Academy)	17/08/18	09/11/18	261.34	6	8
	Enviroserve (Joseph Norton)	17/07/18	Not received			
<b>August</b>	Morley Town Council	19/09/18	10/10/18	226.92	0	0
	Aspens (Featherstone)	19/09/18	05/10/18	178.81	2	5
	Aspens (Leeds West)	19/09/18	05/10/18	392.32	2	5
	Aspens (Leeds East)	19/09/18	05/10/18	381.43	2	5
	Aspens (Oasis Lister Park Academy)	19/09/18	05/10/18	1,023.08	2	5
	Aspens (Appleton Academy)	19/09/18	05/10/18	1,258.92	2	5
	Waterton Academy Trust	19/09/18	27/09/18	64,067.34	0	0
	Enviroserve (Calder High School)	19/09/18	05/10/18	1,127.85	6	5
	Enviroserve (Victoria Primary Academy)	19/09/18	20/11/18	353.76	6	9
	Enviroserve (Ebor Gardens Primary Academy)	19/09/18	09/11/18	261.34	6	9
	Enviroserve (Joseph Norton)	19/09/18	Not received			

## WYPF Breaches of the Law 2018 -2019

## Employers who failed to pay make pay over employees contributions by the appropriate date - April 2018 onwards

Month	Employer	Date contributions due	Date paid	Value of late contributions	No of times late in last 6 months prior to this month	No of times late in last 12 months prior to this month
September	Catholic Care	19/10/18	22/10/18	376.96	1	1
	Bradford College	19/10/18	22/10/18	140,112.02	0	0
	Horsforth Town Council	19/10/18	25/10/18	520.73	0	0
	Aspens (Featherstone)	19/10/18	7/11/2018	176.14	3	5
	Aspens (Leeds West)	19/10/18	7/11/2018	380.52	3	5
	Aspens (Leeds East)	19/10/18	7/11/2018	428.45	3	5
	Aspens (Oasis Lister Park Academy)	19/10/18	7/11/2018	849.86	3	5
	Aspens (Appleton Academy)	19/10/18	7/11/2018	1315.55	3	5
	Enviroserve (Victoria Primary Academy)	19/10/18	20/11/2018	353.76	6	10
	Enviroserve (Ebor Gardens Primary Academy)	19/10/18	9/11/2018	261.34	6	10
	Enviroserve (Joseph Norton)	19/10/18	Not received			

October	Absolute Catering ltd (Batley MAT)	19/11/18	22/11/18	2813.97	3	4
	Innovate Services Ltd (Crossflatts)	19/11/18	22/11/18	671.73	1	1
	Enviroserve (Joseph Norton)	19/11/18	Not received			

November	Hepworth Gallery trust	19/12/18	04/01/19	1924.17	0	1
	Elite Cleaning Ltd	19/12/18	22/01/19	395.67	1	1
	Enviroserve (Joseph Norton)	19/12/18	Not received			

## WYPF Breaches of the Law 2018 -2019

<b>December</b>	Elite Cleaning Ltd	19/01/19	22/01/19	395.67	2	2
	Absotlute Catering Ltd (BGS)	19/01/19	22/01/19	2140.62	3	4
	Absolute Catering Ltd (Batley)	19/01/19	22/01/19	730.07	1	1
	Spie Ltd	19/01/19	22/01/19	1092.67	3	4
	Sitlington Parish Council	19/01/19	24/01/19	621.54	0	0
	Ebor Gardens Primary Academy	19/01/19	30/01/19	4633.92	1	1
	Enviroserve (Calder high)	19/01/19	25/01/19	970.94	6	6
	Enviroserve ( Victoria Primary Academy)	19/01/19	02/07/19	293.70	6	11
	Enviroserve (Ebor Gardens Primary academy)	19/01/19	02/07/19	276.46	6	10
	Enviroserve (Joseph Norton)	19/01/19	Not received			

<b>January 19</b>	Holme Valley Parish Council	19.02/19	08/03/19	113.35	0	0
	Elite Cleaning Ltd	19/01/19	01/03/19	383.34	3	3
	Enviroserve (Joseph Norton)		Not received			

<b>Feb 19</b>	Open College Network Yorks and Humberside	19/03/19	23/03/19	871.24	0	0
	Enviroserve (Joseph Norton)	19/03/19	Not received			

<b>March 19</b>	Community Accord	19/04/19	18/05/19	163.63	0	0
	Pool Parish Council	19/04/19	23/05/19	275.45	1	1
	Mears Ltd South	19/04/19	23/04/19	5729.72	0	0
	Mears Ltd West	19/04/19	23/04/19	2056.76	0	0
	Creative Support Ltd	19/04/19	24/04/19	1166.66	0	0
	Bradford Central Pupli Referral	19/04/19	02/05/19	3506.03	0	0
	Enviroserve (Calderhigh)	19/04/19	11/06/19	943.98	5	8
	Enviroserve (Victoria Primary Academy)	19/04/19	02/07/19	293.70	6	12
	Enviroserve ( Ebor Gardens Primary Academy)	19/04/19	02/07/19	276.46	6	11

### WYPF Breaches of the Law 2018 -2019

	Enviroserve ( Joseph Norton Academy)	19/04/19	Not received			
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## WYPF Breaches of the Law 2019 -2020

Date	Category (eg administration, contributions, funding , investments)	Pensions Regulator code of practice	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to breach	Reported/Not reported	Outcome of report and or investigations	Outstanding Actions
April 2019	<b>Administration - Maintaining contributions</b>	147	<p>Employee contributions deducted from a members pay must be paid to the manager of the scheme, at the latest by the 19th day of the month following deduction or by 22nd day if paid electronically.</p> <p><b>Please see schedule below for details of employers who failed to make payment by the appropriate date.</b></p>	Contributions not received by the scheme within the prescribed timescales	<p><b>Immediate action:</b> All employers have a designated business partner who contact each employer to make them aware of any late payment. Subsequent late payments incur an admin fee charged and notified if there are any further late payments they may be reported to the Pensions Regulator.</p> <p><b>Continuing Action:</b> Employers are closely monitored. Records of each employer who fail to make payment each month are maintained along with details of the number of late payment occasions.</p>	<ul style="list-style-type: none"> <li>• Not of material significance. Not reported</li> </ul>	All outstanding payments are chased up and all payments received.	None

## WYPF Breaches of the Law 2019 -2020

### Employers who failed to pay make pay over employees contributions by the appropriate date - April 2019 onwards

Month	Employer	Date contributions due	Date paid	Value of late contributions	No of times late in last 6 months prior to this month	No of times late in last 12 months prior to this month
April 19	Basketball England	17/05/19	05/07/19	924.76	0	0
	Pool Parish Council	17/05/19	14/06/19	291.34	0	0
	Carroll Cleaning (Whetley)	17/05/19	11/06/19	73.67	0	0
	Carroll Cleaning (Wakefield)	17/05/19	11/06/19	27.32	0	0
	Carroll Cleaning (Holy Trinity)	17/05/19	11/06/19	51.72	0	0
	Carroll Cleaning (Birkenshaw Primary)	17/05/19	11/06/19	41.77	0	0
	Carroll Cleaning (Lee Mount)	17/05/19	11/06/19	16.59	3	6
	Carroll Cleaning (Thornbury)	17/05/19	11/06/19	28.43	0	0
	Carroll Cleaning (Frizinghall)	17/05/19	11/06/19	39.47	0	0
	Carroll Cleaning Lapage Primary)	17/05/19	11/06/19	56.86	0	0
	Carroll Cleaning (Nessfield)	17/05/19	11/06/19	207.92	0	0
	Carroll Cleaning	17/05/19	11/06/19	397.14	0	0
	Enviroserve (Calder High)	17/05/19	02/07/19	943.98	6	9
	Enviroserve (Joseph Norton)	17/05/19	Not received		3	3



## **Report of the Director, West Yorkshire Pension Fund, to the meeting of West Yorkshire Pension Fund Pension Board to be held on 13 August 2019**

**D**

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**Subject: Training, Conferences, Seminars**

### **Summary statement:**

The training of Pension Board members to understand their responsibilities and the issues they are dealing with is a very high priority. Details of training courses, conferences and seminars listed may assist Board Members.

### **Recommendation**

Consideration is given to attendance by Board Members at the events in Section 1 and members note the requirement to complete the Pension Regulators toolkit training.

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Rodney Barton  
Director

**Portfolio:**

Report contact: Caroline Blackburn  
Phone: (01274) 434523  
E-mail: [caroline.blackburn@wypf.gov.uk](mailto:caroline.blackburn@wypf.gov.uk)

**Overview & Scrutiny Area:**

## 1. Training Events

1.1 If any Pension Board member would like any specific training through one to one meetings with the in-house team, then this can be arranged.

1.2 Pension Board members should consider the following events.

- **LGC Investment Summit**  
4-6 September 2019  
Newport
- **PIRC Seminar**  
12 September (11am to 2pm)  
Church House, Westminster, London
- **LGPS Fundamentals Training 2019 – (3 separate days)**  
17 October/14 November/5 December 2019  
Leeds
- **LGPS Annual Governance Conference**  
23 -24 January 2020  
York
- **Schroders Trustee Training 2019**  
22 November 2019  
Leeds
- **LAPFF Annual Conference**  
4, 5 & 6 December 2019  
Bournemouth - venue tbc

If you would like to attend any of these event please let the Technical and Development Manager (Caroline Blackburn) know so arrangements can be made to book a place.

### 1.3 Pensions Regulator toolkit

It is the intention that all Pension Board members carry out the Pension Regulators toolkit training. Once completed a copy of the completion certificate should be given to the Technical and Development Manager.

The Trustee toolkit is a free, online learning programme aimed at trustees of occupational pension schemes.

The Trustee toolkit includes a series of online learning modules and downloadable resources developed to help you meet the minimum level of knowledge and understanding introduced in the Pensions Act 2004.

<https://trusteetoolkit.thepensionsregulator.gov.uk/>

- 1.4 Other online training is available at **Aberdeen Standard Life Learning Gateway**  
Web based training provided by Aberdeen Standard Life  
<https://www.aberdeenstandard.com/en/uk/adviser/investment-tools/learning-gateway>

## **2. Training Analysis**

- 2.1 All Pension Board members are required to complete the training analysis on an annual basis so individual training requirements can be identified.

A Training Analysis can be found at Appendix B and should be completed by all board members and returned to the Technical and Development Manager (Caroline Blackburn).

## **3. Recommendation**

Consideration is given to attendance by Board Members at the events in Section 1

Pension Board Members note the requirement to complete the Pension Regulators toolkit training.

## **4. Appendices**

Appendix A – LGPC training events.  
Appendix B – Training Analysis

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The Local Government Pensions Committee  
Secretary: Lorraine Bennett

## **CIRCULAR**

Please forward this circular to your Treasurer/Director of Finance, HR department and Pension Officer(s) as quickly as possible

**No. 314 – JUNE 2019**

**16<sup>TH</sup> ANNUAL LGPS GOVERNANCE CONFERENCE  
23 - 24 JANUARY 2020 – YORK  
“PUBLIC SERVICE PENSION REFORM – LIFE AFTER  
HUTTON”**

**UPDATE ON FUNDAMENTALS 2019**

**Purpose of this circular:**

1. This circular has been issued to update authorities on the forthcoming annual LGPS governance conference organised by the Local Government Pensions Committee (LGPC) as outlined in circular 313 of April 2019.

**Background:**

2. The conference programme retains its popular lunchtime-to-lunchtime format and is being held on Thursday 23 January and Friday 24 January 2020.

**Venue:**

3. The venue this year is The Principal York Hotel, Station Rd, York YO24 1AA the conference will run from 12:30pm on the 23<sup>rd</sup> January to 12:30pm on the 24<sup>th</sup>.

## Conference Programme:

4. Full details of the conference programme are currently being finalised and will be released when all speakers and the programme has been confirmed. The planned programme is outlined below.

<b>Day one – Thursday 23 January 2020</b>	
<b>12:30 – 13:50</b>	<b>Registration and buffet lunch</b>
<b>13:50 – 14:00</b>	<b>Welcome from the Chair</b>
<b>14:00 – 14:30</b>	<b>Keynote address</b>
<b>14:30 – 15:00</b>	<b>How the SAB levy is spent</b> A look at the work being undertaken by the Scheme Advisory Board including a review of its achievements
<b>15:00 – 15:20</b>	<b>Refreshments and networking</b>
<b>15:20 – 15:50</b>	<b>Checking compliance</b> An expert evaluation of the role of local pension boards from the coal face
<b>15:50 – 16:20</b>	<b>A Scheme member's perspective</b> A summary of the impact of the Hutton reforms from the perspective of Scheme members
<b>16:20 – 17:00</b>	<b>Panel session – is the cost cap fit for purpose?</b> An opportunity to question an expert panel about the cost cap process
<b>17:00 -17:15</b>	<b>Closing remarks from the Chair</b>
<b>20:00</b>	<b>Conference dinner followed by after dinner quiz</b>

<b>Day two – Friday 24 January 2020</b>	
<b>09:25 – 09:30</b>	<b>Welcome from the Chair</b>
<b>09:30 -10:00</b>	<b>Regulating the reforms</b> How is the LGPS measuring up against the Pension Regulator’s standards on governance and administration?
<b>10:00 – 10:30</b>	<b>Scheme simplification</b> Five years on, is it time for a spring clean? A summary of the work being undertaken to simplify the scheme
<b>10:30 – 11:00</b>	<b>Legal update</b> All you need to know to keep the lawyers at bay!
<b>11:00 – 11:20</b>	<b>Refreshments and networking</b>
<b>11:20 – 11:50</b>	<b>A view from the Responsible Authority</b> MHCLG’s stewardship role with particular emphasis on managing and regulating the reform agenda
<b>11:50 – 12:20</b>	<b>Investment spotlight</b> A look at topical investment issues
<b>12:20 – 12:30</b>	<b>Closing remarks from the Chair</b>
<b>12:30</b>	<b>Buffet lunch and networking</b>

**Booking:**

- The conference is now available for booking. The conference fee is £515 plus VAT and is all inclusive. All meals are included from arrival to departure as well as overnight accommodation at The Principal Hotel, York.
- Due to the strictly limited number of places available, early booking is highly recommended.
- Booking for the conference is via the events on-line booking facility which is part of the Local Government Association’s website  
<https://www.local.gov.uk/events>

Alternatively, click [here](#) which will take you directly to the conference booking page.

When booking, you will need full delegate details, including a mailing address if this is different to that to which the invoice for payment is to be sent. Our cancellation policy is available in our terms and conditions on the website.

If you experience any difficulties in using the on-line booking system or do not have access to the internet, please contact Elaine English, LGPS Executive Officer by email at: [elaine.english@local.gov.uk](mailto:elaine.english@local.gov.uk).

## Update Fundamentals Training:

### Background

8. As outlined in Circular [313](#) Fundamentals' is a bespoke three day training course aimed at elected members and others who attend pension committees/panels and local pension boards. Past delegates include elected members, trade union representatives, member and employer representatives, as well as a variety of officers who attend/support committees and some private sector organisations who provide services to administering authorities.
9. The course provides a scheme overview and covers current issues in relation to administration, investments and governance of the LGPS. Attending all three days will assist delegates in meeting the relevant requirement for knowledge, skills and understanding either required in statute or encouraged by relevant guidance.
10. Each day has a different theme and each session is delivered by experts in their field. This year's speakers include representatives from:

AON

Mercer

Eversheds

MJ Hudson Allenbridge

Baillie Gifford

Investec

Investment Pools

Royal Bank of Canada

Hymans Robertson

Barnet Waddingham

Cheshire Pension Fund

Ministry of Housing, Communities and Local Government

Secretariat to the Scheme Advisory Board

Secretariat to the Local Government Pensions Committee

The event also provides delegates with valuable networking opportunities.

11. A programme for the course is attached at **Appendix A**. The content will be adapted to include any major developments in the world of local government pensions should they occur between now and the training taking place. The final programme may differ.
12. Each day's programme will start at 10am, with registration and coffee from 9:30am, and close by 4pm with refreshments and lunch provided.

18 Smith Square, London SW1P 3HZ

T 020 7664 3000 F 020 7664 3030 E [info@local.gov.uk](mailto:info@local.gov.uk) [www.local.gov.uk](http://www.local.gov.uk)

13. Bookings are now open for 'Fundamentals'. If you would like to attend please see details below. Please click on the date to take you directly to the booking page. The 2019 dates and venues are confirmed as:

<b>Day 1</b>	London	LGA offices, Westminster	<a href="#">3 October 2019</a>
	Leeds	Marriott Hotel	<a href="#">17 October 2019</a>
	Cardiff	Marriott Hotel	<a href="#">31 October 2019</a>

<b>Day 2</b>	London	LGA offices, Westminster	<a href="#">6 November 2019</a>
	Leeds	Marriott Hotel	<a href="#">14 November 2019</a>
	Cardiff	Marriott Hotel	<a href="#">21 November 2019</a>

<b>Day 3</b>	Leeds	Marriott Hotel	<a href="#">5 December 2019</a>
	Cardiff	Marriott Hotel	<a href="#">12 December 2019</a>
	London	LGA offices, Westminster	<a href="#">18 December 2019</a>

14. Identical material will be delivered at each location. Delegates are therefore able to attend the course by visiting different locations, should their diaries not allow attendance on all three days at the same location. Although we recommend that delegates attend all three days, it is possible to attend just one or two days if preferred.

### **Actions for Administering Authorities**

15. All administering authorities are urged to copy this circular and the associated conference flyer to all interested parties including pension committee/panel members, local pension board members and employers in their fund or, alternatively direct them to the booking page at <http://www.local.gov.uk/events> where more information can be found.

**Karl White**  
**Pensions Adviser (Training)**  
**June 2019**

## **Distribution sheet**

Local authorities who have registered for notification of circulars  
Pension managers (internal) of administering authorities  
Pension managers (outsourced) and administering authority client managers  
Local Government Pensions Committee  
Trade unions  
MHCLG  
COSLA  
SPPA  
Regional Directors  
Private clients

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LGPC  
18 Smith Square  
Westminster  
London  
SW1P 3HZ  
Or email: [karl.white@local.gov.uk](mailto:karl.white@local.gov.uk)

## Appendix A.

## PROGRAMME

### Fundamentals 2019 - Day 1

- 9.30           **Registration and Coffee**
- 9.55           **Chairs introduction to the day**
- 10.00          **Legal Framework of the Scheme**
- The LGPS in its legal context
  - General local authority legal issues
  - LGPS specific duties and responsibilities
  - Wider duties and responsibilities
  - What happens when things go wrong?
- 11.15          **Coffee Break**
- 11:30          **Governance Framework**
- The Hutton Report
  - The Public Service Pensions Act 2013
  - The law governing –
    - The Responsible Authority (MHCLG)
    - Scheme Advisory Board
    - Local Pension Boards
    - Asset Pools
- 12.45          **Lunch**
- 1.30           **Benefit Structure**
- The basis of the LGPS
  - Final salary v CARE schemes
  - A tour of the 2014 Scheme.
  - Administering authority and scheme employer roles
- 2:45           **Break**
- 3:00           **Investment Framework**
- The Management and Investment of Funds Regulations – a history
  - Statement of Investment Principles
  - Investment Strategy Statement (ISS)
  - ISS Statutory Guidance
  - Funding Strategy Statement
  - Annual reports and auditing
- 4.00           **Close**

**PROGRAMME**  
**Fundamentals 2019 - Day 2**

- 9:30           **Registration and Coffee**
- 10:00           **Investing strategically**
- What is asset allocation and why it really drives return
- 11:15           **Break**
- 11:30           **Managing the Risk**
- From exchange rates to politics to climate change
- 12.45           **Lunch**
- 1.30             **Acting Responsibly**
- Why it's not just about the short-term financial return
- 2.15             **Break**
- 2:30             **Realising Value**
- The journey from gross to net return and why costs matter
- 3:15             **Taking a wider view**
- Why diversity matters in the who and the how of investing
- 4:00             **Close**

## PROGRAMME

### Fundamentals 2019 - Day 3

- 9:30      **Registration and Coffee**
- 10:00     **Duties and responsibilities of Pension Committee and Board members**
- The evolving requirements
  - Committee vs Board - delegation and representation
  - The governance budget
  - The Pension Regulator's involvement
  - Standing agenda items, breaches of law, knowledge and training
- 11:15     **Break**
- 11:30     **Preparing and maintaining Scheme strategies and policies**
- Mandatory and desirable policies in the LGPS
  - How strategies and policies assist the scheme manager
- 12:45     **Lunch**
- 1:30      **Data and oversight from other bodies**
- The importance of data for pensions
  - Obligations to bodies with oversight over the LGPS
- 2:15 to 4:00 (break at 2.45)
- Valuations, Exit Payments and Funding**
- Valuations**
- The purpose of an actuarial valuation
  - Assets and liabilities
  - How do liability calculations work?
  - What assumptions are used?
- Funding**
- What is the Funding Strategy?
  - Different employers – different characteristics and objectives
  - Employer covenants
- 3:55      **Course Review and Further Information**
- 4:00      **Close**

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## West Yorkshire Pension Fund Pension Board members Training Analysis

Apr-16  
Version 1

Name of Pension Board Member:

Date form completed:

Core area	Sub Heading	Learning needs analysis	Rate my knowledge	Understanding required
		Do I possess?	1 = no knowledge	
			5 = highly knowledgeable	
<b>Pensions legislation</b>	General Pensions Framework	A general understanding of the pensions legislative framework in the UK.	1 2 3 4 5	Basic
	Scheme specific legislation	An overall understanding of the legislation and statutory guidance specific to the scheme and the main features relating to benefits, administration and investment.	1 2 3 4 5	Basic
		An appreciation of the LGPS discretions and how the formulation of the discretionary policies impacts on the pension fund, employers and local taxpayers.	1 2 3 4 5	Basic
		A regularly updated appreciation of the latest changes to scheme rules	1 2 3 4 5	detailed
		Knowledge of the role of the administering authority in relation to the LGPS.	1 2 3 4 5	detailed

<b>Pensions Governance</b>	Pension Regulator and others	An understanding of how the roles and power of DCLG, the Pensions Regulator, the Pensions Advisory Service and the Pensions Ombudsman relate to the workings of the scheme	1	2	3	4	5	basic
	Governance	Knowledge of the role of the Scheme Advisory Board and how it interacts with other bodies in the governance structure	1	2	3	4	5	basic
	WYPF specific	A broad understanding of the role of Joint Advisory Group and Investment Advisory Panel in relation to the fund, the administering authority, employing authorities, scheme members and taxpayers.	1	2	3	4	5	detailed
	Finance	An awareness of the roles and statutory responsibilities of the treasurer and monitoring officer.	1	2	3	4	5	basic
		Knowledge of the Myners principals and associated CIPFA and SOLACE guidance.	1	2	3	4	5	detailed
	Governance	A detailed knowledge of the duties and responsibilities of pension board members.	1	2	3	4	5	detailed
	Communications	Knowledge of consultation, communication and involvement options relevant to the stakeholder.	1	2	3	4	5	basic

<b>Pensions Governance</b>	Risk	Knowledge of how pension fund management risk is monitored and managed.	1 2 3 4 5	basic
	Governance	An understanding of how conflicts of interest are identified and managed.	1 2 3 4 5	basic
		An understanding of how breaches in law are reported	1 2 3 4 5	basic
<b>Pensions Administration</b>	Performance	An understanding of best practice in pensions administration eg performance and cost measures.	1 2 3 4 5	basic
	WYPF specific	Understanding of the required and adopted scheme policies and procedures relating to:		
		member data maintenance and record keeping	1 2 3 4 5	detailed
		Internal Dispute Resolution Procedure (IDRP)	1 2 3 4 5	detailed
		contributions collection	1 2 3 4 5	detailed
		scheme communication and materials	1 2 3 4 5	detailed
	Scheme specific legislation	Knowledge of how discretionary powers operate.	1 2 3 4 5	detailed

<b>Pensions Administration</b>	WYPF specific	Knowledge of the pensions administration strategy and delivery (including, where applicable the use of third party suppliers, their selection, performance management and assurance processes).	1 2 3 4 5	detailed
		An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation to benefits administration.	1 2 3 4 5	Basic
		An understanding of what AVC arrangements exist and the principles relating to the operation of those arrangements, the choice of investments to be offered to members, the provider's investment and fund performance report and the payment schedule for such arrangements.	1 2 3 4 5	Basic
<b>Pension accounting and auditing standards</b>	Finance	An understanding of the Accounts and Audit Regulations and legislative requirements relating to internal controls and proper accounting practice.	1 2 3 4 5	Basic
		An understanding of the role of both internal and external audit in the governance and assurance process.	1 2 3 4 5	Basic
		An understanding of the role played by third party assurance providers.	1 2 3 4 5	Basic

<p><b>Pensions services procurement and relationship management</b></p>	<p>Procurement</p>	<p>An understanding of the background to current public procurement policy and procedures, and of the values and scope of public procurement and the roles of key decision makers and organisations</p>	<p>1 2 3 4 5</p>	<p>Basic</p>
		<p>A general understanding of the main public procurement requirements of UK and EU legislation.</p>	<p>1 2 3 4 5</p>	<p>Basic</p>
		<p>An understanding of the nature and scope of risk for the pension fund and of the importance of considering risk factors when selecting third parties.</p>	<p>1 2 3 4 5</p>	<p>detailed</p>
		<p>An understanding of how the pension fund monitors and manages the performance of their outsourced providers.</p>	<p>1 2 3 4 5</p>	<p>Basic</p>
<p><b>Investment performance and risk management</b></p>	<p>Investments</p>	<p>An understanding of the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long term risk.</p>	<p>1 2 3 4 5</p>	<p>detailed</p>
		<p>An awareness of the Myners principles of performance management and the approach adopted by the administering authority.</p>	<p>1 2 3 4 5</p>	<p>detailed</p>
		<p>Awareness of the range of support services, who supplies them and the nature of the performance monitoring regime.</p>	<p>1 2 3 4 5</p>	<p>Basic</p>

<b>Financial markets and products knowledge.</b>	Investment Strategy	An understanding of the risks and return characteristics of the main asset classes (equities, bonds, property etc.).	1 2 3 4 5	detailed
		An understanding of the roles of these asset classes in long term pension fund investing.	1 2 3 4 5	detailed
	Financial markets	An understanding of the primary importance of the funds statement of investment principals and the investment strategy decisions.	1 2 3 4 5	detailed
		A broad understanding of the workings of the financial markets and of the investments vehicles available to the pension fund and the nature of the associated risk.	1 2 3 4 5	detailed
		An understanding of the limits placed by regulation on the investment activities of local government pension funds.	1 2 3 4 5	detailed
		An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation investments	1 2 3 4 5	Basic

<b>Actuarial methods, standards and practices</b>	Valuations	A general understanding of the role of the fund actuary.	1   2   3   4   5	Basic
		Knowledge of the valuation process, including developing the funding strategy in conjunction with the fund actuary, and inter-valuation monitoring.	1   2   3   4   5	detailed
		An awareness of the importance of monitoring early and ill health retirement strain costs.	1   2   3   4   5	Basic
		A broad understanding of the implications of including new employers into the fund and of the cessation of existing employers.	1   2   3   4   5	Basic
		A general understanding of the relevant considerations in relation to outsourcing and bulk transfers.	1   2   3   4   5	Basic
		A general understanding of the importance of the employer covenant and the relative strengths of the covenant across the fund employers.	1   2   3   4   5	Basic

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## **Report of the Director, West Yorkshire Pension Fund, to the meeting of West Yorkshire Pension Fund Pension Board to be held on 13 August 2019**

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**Subject: Minutes of West Yorkshire Pension Fund (WYPF) Investment Advisory Panel held on 25 April 2019.**

### **Summary statement:**

The role of the Pension Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013 is to assist the Council as Scheme Manager in ensuring the effective and efficient governance and administration of the Local Government Pension Scheme (LGPS) including securing compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS; securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and any other such matters as the LGPS regulations may specify.

The Minutes of meeting of WYPF Investment Advisory Panel are submitted to the Pension Board to enable the Board to ensure effective and efficient governance and administration of the LGPS.

### **Recommendation**

It is recommended that the Board review the minutes/notes from the meeting.

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Rodney Barton  
Director

Portfolio:

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Overview & Scrutiny Area:

## **1. Appendix**

- Appendix A – NFP Notes of the meeting of 25 April 2019

Appendix A is marked as a Not for Publication item as it contains exempt information relating to the financial and business affairs of the West Yorkshire Pension Fund as defined by Schedule 12A of the Local Government Act 1972 (as amended).