

Agenda for a meeting of the West Yorkshire Pension Fund Joint Advisory Group to be held on Thursday, 30 January 2020 at 1.00 pm in Ernest Saville Room - City Hall, Bradford

Members of the Committee

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

Notes:

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

From:

Parveen Akhtar
City Solicitor
Agenda Contact: Jane Lythgow
Phone: 01274 432270
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To:

A. PROCEDURAL ITEMS

1. 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 25 July 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. WEST YORKSHIRE PENSION FUND AUDITED REPORT AND ACCOUNTS FOR 31 MARCH 2019

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The report of the Director, WYPF, (**Document “O”**) reminds Members that in order to comply with statutory accounting requirements for Local Government and Local Government Pension Schemes West Yorkshire Pension Fund (WYPF) must prepare an annual audited Report and Accounts.

The Reports and Accounts provide a summary of WYPF’s financial position for the year ended 31 March 2019. The audited accounts have been prepared in accordance with:-

- CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.
- CIPFA Guidance on Accounting for Local Government Pension Scheme Management Costs
- Pensions Statement of Recommended Practice 2007
- International Financial Reporting Standards (IFRS) as amended for the UK public sector.

Recommended –

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

(Ola Ajala – 01274 434534)

5. WEST YORKSHIRE PENSION FUND 2019/20 REVISED ESTIMATES AND 2020/21 ORIGINAL ESTIMATES 7 - 14

The Director, West Yorkshire Pension Fund, will present **Document “P”** which reports that in accordance with Local Government Pension Scheme Regulations, costs of managing LGPS pension funds must be charged to pension fund accounts and not to local authorities’ general fund accounts.

The cost of services reported in Document “P” will be charged to WYPF accounts. The budget proposals in Document “P” will deliver pension administration services to over 430,000 pension scheme members, made up of 293,000 WYPF and 126,000 shared service partner members. We support over 800 active employers. The same resource will be used to manage over £15bn WYPF investment assets.

The number of partners in our pension shared cost service continue to grow it has increased from 7 two years ago to 19 (WYPF, Lincolnshire, Hounslow LGPS and 16 fire services). More plan to join us in 2020/21. Our service strategy is to maintain our service quality and cost performance, not necessarily the lowest cost in all areas, but a balance of cost and performance, as the quality of service is important to both employers and individual members.

Recommended

- 1. That the projected outturn of £14.51m against budget of £14.61m be noted for 2019/20.**
- 2. That a budget of £14.85m be approved for 2020/21.**
- 3. That the total pension cost per member of £34.46 for 2018/19 (2017/18 £36.45) making WYPF the lowest cost LGPS scheme for 2018/19 be noted.**

(Ola Ajala – 01274 434534)

6. ACTUARIAL VALUATION 2019 AND CONSULTATION ON THE DRAFT FUNDING STRATEGY STATEMENT 15 - 62

The report of the Director, West Yorkshire Pension Fund (WYPF), (**Document “Q”**) advises Members that the next triennial Actuarial valuation of the West Yorkshire Pension Fund is being prepared based on the situation at 31 March 2019 and will determine the level of employers’ contributions from 1 April 2020 to 31 March 2023.

Recommended –

- 1. That the report be noted.**
- 2. That the draft Funding Strategy Statement be approved.**

(Caroline Blackburn – 01274 432317)

7. WEST YORKSHIRE PENSION FUND AUDIT STRATEGY MEMORANDUM

The report of the Director, West Yorkshire Pension Fund, (**Document “R” – to follow**) sets out the plan for the external audit of the West Yorkshire Pension Fund for the year ended 31 March 2020.

The report is presented in draft for Members’ information and will be submitted to the Governance and Audit Committee at the meeting on 26 March 2020 for approval.

In accordance with Standing Order 38.2 of the Council’s Constitution the Director, West Yorkshire Pension Fund, will explain at the meeting the reason the report was not available for public inspection five days before the meeting.

The views of Members are requested.

(Sharon Liddle - 0191 383 6311 / 07881 283343)

8. WYPF PENSIONS ADMINISTRATION REPORT 63 - 80

The report of the Director, West Yorkshire Pension Fund (WYPF) (**Document “S”**) provides an update on WYPF’s pensions administration activities over the last six months.

Recommended –

That Document “S” be noted.

(Yunus Gajra – 01274 432343)

9. SHARED SERVICE PARTNERSHIP UPDATE 81 - 100

The Director, West Yorkshire Pension Fund will present **Document “T”** which reports on current administration issues and performance for West Yorkshire Pension Fund’s shared service partnerships.

Recommended –

That the report be noted.

(Yunus Gajra – 01274 432343)

10. LOCAL GOVERNMENT SCHEME REGULATION UPDATES 101 - 106

The report of the Director, West Yorkshire Pension Fund, **Document “U”**, updates Members 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)

11. REGISTER OF BREACHES OF LAW

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

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

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

A register of any breaches of the Pensions Code of Practice is maintained in accordance with the WYPF Breaches Procedure. The Register of Breaches 2019/20 is appended to Document “V”.

Recommended –

That the report and entries on the Register of Breaches of Law be noted.

(Caroline Blackburn – 01274 434523)

12. PENSIONS ADMINISTRATION STRATEGY AND COMMUNICATIONS POLICY 2020/21

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The Director, West Yorkshire Pension Fund (WYPF), will present **Document “W”** which reports that, as part compliance with the LGPS Regulations 2013, WYPF prepare a written statement of the authority’s policies in relation to such matters as it considers appropriate in relation to procedures for liaison and communication with scheme employers and the levels of performance which the employers and WYPF are expected to achieve.

The Pensions Administration Strategy and Communications Policy are brought before the Joint Advisory Group each year to review and approve, particularly if there are any new regulations and revisions to working practices.

There are no changes to the Pensions Administration Strategy. The Communications Policy has been updated to reflect activities planned for 2020-21.

Recommended –

That the Pension Administration Strategy and the Communications Policy 2020/21 be approved.

(Yunus Gajra – 01274 432343)

13. **THE PENSIONS REGULATOR - GOVERNANCE AND ADMINISTRATION 'DEEP DIVE' ENGAGEMENT REPORT** 137 - 164

The report of the Director, West Yorkshire Pension Fund, (**Document “X”**) introduces The Pension’s Regulator’s Governance and Administration Risks in Public Service Pension Schemes Engagement Report, a deep dive into the administration and governance of 10 LGPS funds.

Recommended –

That The Pension Regulator’s findings, contained in Document X, be noted.

(Yunus Gajra – 01274 432343)

14. **TRAINING CONFERENCES AND SEMINARS** 165 - 166

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

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

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

(Rodney Barton – 01274 432317)

15. **EXCLUSION OF THE PUBLIC - CIPFA BENCHMARKING CLUB**

Members are asked to consider if the item relating to the CIPFA Benchmarking Club (**Document “Z containing Not for Publication Appendix 2”**) should be considered in the absence of the public and, if so, to approve the following recommendation:-

Recommended –

That the public be excluded from the meeting during consideration of Document “Z” containing Not for Publication Appendix 2 (CIPFA Benchmarking Club) because information would be disclosed which is considered to be exempt information

within paragraph 3 (Financial or Business Affairs) of Schedule 12A of the Local Government Act 1972 (as amended).

It is considered that, in all the circumstances, the public interest in maintaining this exemption outweighs the public interest in disclosing this information as it is in the overriding interest of proper administration that Members are made aware of the financial implications of any decision without prejudicing the financial position of the West Yorkshire Pension Fund.

16. CIPFA BENCHMARKING CLUB

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The Director, West Yorkshire Pension Fund (WYPF), will present **Document “Z” which contains Not for Publication Appendix 2**, which reports that WYPF takes part in the CIPFA Benchmarking Club for Pensions Administration. The report provides information about the costs of WYPF’s pensions administration service and compares those costs with other Local Government Pension Schemes funds who are part of the CIPFA Benchmarking Club.

Recommended –

That the report be noted.

(Yunus Gajra – 01274 432343)

17. EXCLUSION OF THE PUBLIC - NORTHERN LGPS (NLGPS)

Members are asked to consider if the item relating to the creation of an investment pool, Northern LGPS, (**Document “AA” containing Not for Publication Appendices 1 & 2**) should be considered in the absence of the public and, if so, to approve the following recommendation:-

Recommended –

That the public be excluded from the meeting during consideration of Document “AA” containing Not for Publication Appendices 1 & 2, relating to the Northern Pool, because information would be disclosed which is considered to be exempt information within paragraph 3 (Financial or Business Affairs) of Schedule 12A of the Local Government Act 1972 (as amended).

It is considered that, in all the circumstances, the public interest in maintaining this exemption outweighs the public interest in disclosing this information as it is in the overriding interest of proper administration that Members are made aware of the financial implications of any decision without prejudicing the financial position of the West Yorkshire Pension Fund.

18. NORTHERN LGPS

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

The report of the Director, West Yorkshire Pension Fund, (**Document AA” which contains Not for Publication Appendices 1 & 2**) sets out the progress in establishing the Northern LGPS (NLGPS) covering:-

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

Recommended –

That the progress to date, contained in Document “AA”, be noted.

(Rodney Barton – 01274 432317)