

Agenda for a meeting of the West Yorkshire Pension Fund Joint Advisory Group to be held remotely on Thursday, 30 July 2020 at 1.00 pm.

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> Mark Morris Vacancy</p>	

- **Notes:** Due to the current circumstances we are only able to produce limited paper copies. A webcast of the meeting will be available to view live on the Council's website at <https://bradford.public-i.tv/core/portal/home> and later as a recording.
- Any non member Councillors or members of the public who wish to make a contribution at the meeting are asked to email jane.lythgow@bradford.gov.uk by **10.30 on Tuesday 28 July 2020** and request to do so. In advance of the meeting those requesting to participate will be advised if their proposed contribution can be facilitated and those participants that can be will be provided with details how to electronically access the meeting. Non member Councillors and members of the public with queries regarding making representations to the meeting please email Jane Lythgow.
- Approximately 15 minutes before the start time of the meeting the Governance Officer will set up the electronic conference arrangements initially in private and bring into the conference facility the Chair and Members so that any issues can be raised before the start of the meeting. The officers presenting the reports at the meeting will have been advised by the Governance Officer of their participation and will be brought into the electronic meeting at the appropriate time.

From:

Parveen Akhtar

City Solicitor

Agenda Contact:

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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

1 - 12

Recommended –

That the minutes of the meeting held on 30 January 2020 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 RISK MANAGEMENT REPORT 13 - 48

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

Recommended –

That the report be noted.

(Yunus Gajra – 01274 432343)

5. PENSIONS ADMINISTRATION 49 - 82

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

Recommended –

That the report be noted.

(Yunus Gajra – 01274 432343)

6. WEST YORKSHIRE PENSION FUND (WYPF) ADMINISTRATION OUTTURN 31 MARCH 2020 83 - 90

The report of the Director, West Yorkshire Pension Fund, (**Document “C”**) summarises the total costs of administering pensions and investments for 2019/2020..

Recommended –

That the report be noted.

(Ola Ajala – 01274 434534)

7. WEST YORKSHIRE PENSION FUND UNAUDITED REPORT AND ACCOUNTS FOR 31 MARCH 2020 91 - 312

The report of the Director, West Yorkshire Pension Fund, (**Document “D”**) advises Members that in order to comply with statutory accounting requirements for Local Government and Local Government Pension Schemes, WYPF must prepare an annual audited Report and Accounts. The 2019/20 Reports and Accounts is presented to the Joint Advisory Group to note, before being presented to Bradford Council Governance and Audit Committee later in the year for approval.

The Report and Accounts, appended to Document “D”, provide a summary of West Yorkshire Pension Fund’s financial position at the end of the year and key financial activities during the year ended 31 March 2020. The accounts have been prepared in accordance with:

- CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2019/20
- CIPFA Guidance on Accounting for Local Government Pension Scheme Management Costs.
- Latest Pensions Statement of Recommended Practice
- International Financial Reporting Standards (IFRS), as amended for the UK public sector

Recommended –

That the unaudited report and accounts for 2019/20 be considered and noted.

(Ola Ajala – 01274 434534)

8. LOCAL GOVERNMENT PENSION SCHEME REGULATIONS UPDATE 313 - 318

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

9. REVIEW OF ADDITIONAL VOLUNTARY CONTRIBUTION 319 -

West Yorkshire Pension Fund has 3 Additional Voluntary Contribution Providers, namely:

- Utmost Life and Pensions (previously Equitable Life),
- Scottish Widows, and
- Prudential.

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

Members are asked to consider whether further advice be sought on the removal or replacement of the Prudential International Fund.

Tracy Weaver - (01274) 433571

10. ACTUARIAL VALUATION 2019

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The report of the Director, West Yorkshire Pension Fund (WYPF), (**Document “G”**) advises Members that the triennial actuarial valuation of the West Yorkshire Pension Fund has been prepared based on the situation at 31 March 2019 and determines the level of employers’ contributions for the period 1 April 2020 to 31 March 2023.

At 31 March 2019, WYPF was 106% funded, compared to the situation at 31 March 2016 when it was 94% funded. This valuation combined with a positive cash flow demonstrates that the Fund is in a sound financial position.

A copy of the statement from the Actuary for the year ended 31 March 2020, which summarises the results of the valuation, is attached as Appendix A to Document “G”.

Recommended –

That the report be noted.

(Caroline Blackburn – 01274 434523)

11. FUNDING STRATEGY STATEMENT (FSS)

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The report of the Director, West Yorkshire Pension Fund (WYPF) (Document “H”) advises Members that following a consultation exercise with all stakeholders WYPF’s current Funding Strategy Statement requires updating to cater for two key items:

- Changes to the Local Government Pension Scheme (LGPS)

Regulations relating to exit credits, which came into effect on 20 March 2020, effective from 14 May 2018; and

- Changes to how new admissions are administered, to reduce administration and advisory fees and to provide a further option for employers via the introduction of a pass through (“pooling”) approach with effect from 1 April 2020.

It reports that WYPF have also taken the opportunity to clarify that the costs of employers joining and exiting the Fund will generally be re-charged to the relevant employers to avoid all employers in the Fund picking up these costs (which will principally relate to actuarial and legal fees).

Recommended -

That the changes to the Funding Strategy Statement be approved.

(Caroline Blackburn – 01274 434523)

12. REGISTER OF BREACHES OF LAW

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

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

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

A register of any breaches of law is maintained in accordance with West Yorkshire Pension Fund (WYPF) Breaches Procedure.

Document “I” also explains that as a result of the current COVID 19 pandemic WYPF has updated its approach relating to the payment of employers contributions during the coronavirus emergency including requests for deferral of payments.

Up until the beginning of June the Fund had received a number of enquiries regarding deferment of employer contributions policy however, no formal applications have been received.

A copy of the Employer Contribution Payment Deferral Policy can be found at Appendix C.

Recommended –

- (1) That the 2019/20 and 2020/21 Register of Breaches, appended to Document “I”, be noted.
- (2) That the Employer Contribution Payment Deferral Policy, appended to Document “I”, be approved.

(Caroline Blackburn – 01274 434523)

13. TRAINING, CONFERENCE AND SEMINARS

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The Director, West Yorkshire Pension Fund, will present a report (**Document “J”**) which reminds Members that their training, 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 Members. Full details about each event will be available at the meeting for anyone interested.

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

(Rodney Barton – 01274 432317)

14. EXCLUSION OF THE PUBLIC

Members are asked to consider if the item relating to the West Yorkshire Pension Fund Restructure (**Document “K”**) should be considered in the absence of the public and, if so, to approve the following recommendation:-

Recommended –

That the public be excluded from the meeting during consideration of the item relating to the West Yorkshire Pension Fund Restructure because information would be disclosed which is considered to be exempt information within paragraph 4 (Labour Relations, Consultation or Negotiation) 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 implications of any decision without prejudicing the Labour Relations, Consultation or Negotiation position of the West Yorkshire Pension Fund.

15. WEST YORKSHIRE PENSION FUND RESTRUCTURE

The Director, West Yorkshire Pension Fund, will present a report, **Not for Publication Document “K”**, which considers the West Yorkshire Pension Fund restructure.

Recommended -

That the report be noted.

(Rodney Barton – 01274 432317)

16. **EXCLUSION OF THE PUBLIC**

Members are asked to consider if the item relating to the Northern LGPS, (**Document “L” containing Not for Publication Appendix 1**) 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 “L” containing Not for Publication Appendix 1, relating to the Northern LGPS (NLGPS), 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.

17. **NORTHERN LGPS (NLGPS)**

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The Director, West Yorkshire Pension Fund, will present a report (**Document “L” containing Not for Publication Appendix 1**) which reminds Members that, in accordance with the guidance from Government, West Yorkshire Pension Fund (WYPF) together with Greater Manchester (GMPF) and Merseyside (MPF) Local Government Pension Funds have established an investment pool, Northern LGPS (NLGPS).

Document “L” sets out the progress of the Northern LGPS (formerly the Northern Pool).

Recommended –

That the report, together with Not for Publication Appendix 1, be noted.

(Rodney Barton - 01274 432317)

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