

## Minutes of a meeting of the West Yorkshire Pension Fund Pension Board held remotely on Tuesday, 15 December 2020 at 11.00 am

Commenced 11.00 am  
Concluded 11.55 am

### Present -

Employer Representatives	Member Representatives
Councillor S Lal (Chair) – Bradford	Mr G Nesbitt – GMB
Councillor D Jenkins– Leeds	Mr M Binks – Unison
Councillor H Mitchell – Wakefield	Mr C Sykes – Unison
Ms R Manning - Employer	Mr A Jones - Unite

### Councillor Lal in the Chair

#### 25. DISCLOSURES OF INTEREST

All those present who were members or beneficiaries of the West Yorkshire Pension Fund disclosed, in the interests of transparency, an interest in all business under consideration.

#### 26. INSPECTION OF REPORTS AND BACKGROUND PAPERS

There were no appeals submitted by the public to review decisions to restricted documents.

#### 27. MINUTES OF THE WEST YORKSHIRE PENSION FUND 30 JULY 2020

The Director, WYPF presented the minutes (**Document “R”**) for Members to review from the West Yorkshire Pension Fund Joint Advisory Group meeting held on 30 July 2020 and clarified some points in the report.

A brief question and answer session then followed, details of which are set out below:

- A Member raised the issue of the WYPF Risk Management Report in which Members were reluctant to note the Risk Register and asked what progress had been made on this matter. In response the Director stated there were concerns raised regarding the Investment Portfolio which had been referred to the Investment Advisory Panel who were working on the matter.

- A question was also asked around the increased cost per member of administration costs and whether this was due to the increase in working from home since the report was written in March. Whilst the increase was partially due to procurement of equipment to enable home working, it would not contribute to the scheme costs.
- Was there a timescale when looking at AVC's? The Director advised that this would be reported on at the January 2021 meeting.

**Resolved –**

**That the minutes of the West Yorkshire Pension Fund Joint Advisory Group on 30 July 2020 be noted.**

***ACTION: Director, West Yorkshire Pension Fund***

## **28. LOCAL GOVERNMENT PENSION SCHEME REGULATIONS UPDATE**

The Director of West Yorkshire Pension Fund presented a report (**Document “S”**) to update members on changes to the Local Government Pension Scheme (LGPS) 2014 and provided information on associated matters. Since the introduction of the career average LGPS, a number of consultations on proposed changes have taken place, following which amendment regulations have been issued. The report detailed the consultations and other associated matters.

Updates in the report included the Consultations on Fair Deal – Strengthening pension protection and Local valuation cycle and the management of employer risk around flexibility to determine exit payments for employers leaving the scheme and the outcome of the McCloud case, on which Members also received a separate update.

**Resolved –**

**That the report be noted.**

***ACTION: Director, West Yorkshire Pension Fund***

## **29. McCLOUD - EFFECTS ON LOCAL GOVERNMENT PENSION SCHEMES (LGPS)**

The report of the Director, West Yorkshire Pension Fund (**Document “T”**) was presented to the Board following the Government consultation relating to applying the remedy to address the age discrimination inherent in the transitional protections that were adopted by the public service scheme in 2014 which disadvantaged younger members.

The consultation has been closed and amendments to the scheme would be backdated to 2014. Additional information would be required from employers in light of regulation changes which would be requested once the regulations are laid. Software used to make entitlement calculations would need to be updated. Of the seventy thousand members who were eligible, benefit underpinning checks

would need to be carried out on thirty thousand.

The regulations were due to come into force in 2022 which would give time for the necessary work to be carried out. It was anticipated that only a small number of payments would be required once re-calculations were completed.

- A Member commented that she had already completed training in relation to the changes in relation to such a substantial piece of work. Was there confidence that sufficient resources were available to meet demand to carry out the work around re-calculations?
  - In response, it was advised that recruitment to meet the additional needs to resource the work was already underway and training of existing staff was underway.
- Was there any indication of penalty regime at this time and how difficult it could be to obtain records from employers?
  - Consideration of what action to take if information was missing would be needed with a consistent process followed. It was expected that guidance would be provided by Scheme Advisory Board. Also, Members expectations would need to be managed once letters to say a recalculation is being made. Spreadsheets would be going out to employers in order to gather in missing data in preparation for the change in legislation.
- Officers were also able to clarify the increase cost per member and clarified that the main reason for the increase was due to the cost of investments. Assurances were provided that the scheme still offered the best value for money.
- Do new members affect the cost per member?
  - In response, Officers advised that costs per member were impacted but again, stated that costs would remain low.
- A union representative asked whether local authority employees who faced or had been made redundant would be treated preferentially in recruitment to fill the Pension Officers posts which were anticipated?
  - It was advised that posts were advertised internally and were not 'ringfenced' between West Yorkshire local authorities. Due to posts left vacant and the increase in the client base, recruitment of Pension Officers (approximately 11) plus a number of senior posts would be needed.

**Resolved –**

**That the report be noted.**

***ACTION: Director, West Yorkshire Pension Fund***

## **30. REGISTER OF BREACHES OF LAW**

The report of the Director, West Yorkshire Pension Fund (**Document “U”**) was presented to Members to provide an update on the Breaches of law register. The report included details of the percentage of statements sent which was still just under 100%. No issues had been reported to the pensions regulator and the outstanding monies were no longer outstanding.

Members asked the following questions:

- There was a late payment showing and members asked what discussions took place when payment was not received on time.
  - Officers advised that conversations were taking place but that some organisations were struggling due to COVID-19.
- Were government guarantee clients separated out as part of risk management or were they managed in the same way as others?
  - Officers advised that clients were all managed in the same way.
- Was action taken if payments were not made?
  - Officers advised that there were late payment penalty charges and a statutory interest charge was imposed if payments were a month late so that the fund was not subsidising non-paying clients. Non-payments of this kind were also reported to the pensions regulator.

**Resolved –**

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

***ACTION: Director, West Yorkshire Pension Fund***

### **31. TRAINING, CONFERENCES AND SEMINARS**

The report of the Director, West Yorkshire Pension Fund (**Document “V”**) was presented to inform Members of available training events as this remained a priority for Board Members to be able to understand and exercise their responsibilities. The highlights of events coming up were shared from the report.

Details for an upcoming Spring seminar would be circulated to Members outside of the meeting.

Members asked the following questions:

- Was there a skills profile to look at?
- Officers responded that there was no profile available at the moment but following a re-structure a new post to look after Governance and Training would be needed.

**NO RESOLUTION WAS PASSED ON THIS ITEM.**

**32. EXCLUSION OF THE PUBLIC**

**Resolved –**

**That the public be excluded from the meeting during consideration of the Not for Publication Appendix to Document “W” relating to the minutes of the West Yorkshire Pension Fund Investment Advisory Panel held on 30 July 2020 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.**

**33. Minutes of West Yorkshire Pension Fund (WYPF) Investment Advisory Panel held on 30 July 2020.**

**Resolved –**

**That the Not for Publication minutes of the Investment Advisory Panel on 30 July 2020 appended to Document “W” be noted.**

***ACTION: Director, West Yorkshire Pension Fund***

Chair

**Note: These minutes are subject to approval as a correct record at the next meeting of the West Yorkshire Pension Fund Pension Board.**