

## Agenda for a meeting of the West Yorkshire Pension Fund Joint Advisory Group to be held remotely on Thursday, 28 January 2021 at 1.00 pm

### Members of the Committee

<p><b><u>Bradford Members</u></b> Councillors: Thornton Salam Winnardl</p>	<p><b><u>Calderdale Members</u></b> Councillors: Baines Lynn Metcalf</p>
<p><b><u>Kirklees Members</u></b> Councillors: Asif Firth Murgatroyd</p>	<p><b><u>Leeds Members</u></b> Councillors: Dawson Harrand Scopes</p>
<p><b><u>Wakefield Members</u></b> Councillors: Graham Shaw Speight</p>	<p><b><u>Trades Union Members</u></b> Ms L Bailey (UNISON) Mr Chard (GMB) Mr A Goring (UNISON)</p>
<p><b><u>Scheme Members</u></b> 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:  
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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 - 14

**Recommended –**

**That the minutes of the meeting held on 30 July 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. WYPF AUDITED REPORTS AND ACCOUNTS FOR 31 MARCH 2020 15 - 20**

The Director, West Yorkshire Pension Fund (WYPF) will present **Document “M”** which details the latest report and account for West Yorkshire Pension Fund, summarising financial activities and financial performance for the year 2019/20, the audited report is available on WYPF website page:

[https://www.wypf.org.uk/media/3018/2019\\_20-wypf-audited-report-and-accounts.pdf](https://www.wypf.org.uk/media/3018/2019_20-wypf-audited-report-and-accounts.pdf)

**Recommended –**

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

(Ola Ajala – 01274 434534)

### **5. WYPF 2020/21 REVISED ESTIMATES AND 2021/22 ORIGINAL ESTIMATES 21 - 28**

The report of the Director, West Yorkshire Pension Fund (WYPF), **Document “N”**, reports that in accordance with Local Government Pension Scheme Regulations, costs of managing LGPS pension funds must be charged to the pension fund accounts and not to local authorities' general fund accounts.

The cost of services reported in the report will be charged to WYPF accounts. The budget proposals in the report will deliver pension administration services to both LGPS and fire services pension scheme members and employers across the UK and will be used to manage over £15bn WYPF investment assets. WYPF service strategy is to maintain service quality and cost performance, not necessarily the lowest cost in all areas, but a balance of cost and performance.

**Recommended –**

- 1. That the projected outturn of £12.68m against budget of £14.85m be noted for 2020/21.**

2. That budget of £15.38m be approved for 2021/22.

3. That the Government SF3 data - total pension cost per member of £41.94 for 2019/20, making WYPF the lowest cost LGPS scheme for 2019/20, be noted.

(Ola Ajala – 01274 434534)

## 6. FUNDING STRATEGY STATEMENT (FSS)

29 - 88

The report of the Director, West Yorkshire Pension Fund (WYPF) (**Document “O”**) advises Members that the Ministry of Housing, Communities and Local Government (MHCLG) laid regulations LGPS (Amendment) (No2) Regulations 2020 on employer contributions and exit payment flexibility on 23 September 2020.

As a result WYPF’s current Funding Strategy Statement requires updating to cater for:

- Regulation 64A: revision of rates and adjustments certificate – **Revisions to scheme employer contributions between valuations**
- Regulation 64B : Revision of actuarial certificates – **Spreading of exit payments**
- Regulation 64: Special circumstances where revised actuarial valuations and certificates must be obtained – **Deferred Debt Arrangements**

The Scheme Advisory Board (SAB) and MHCLG have issued draft guidance on the operational and practical assistance to administering authorities and scheme employers in implementing these flexibilities.

### **Recommended –**

**That subject to there not being any material changes to the guidance to be issued by the Ministry of Housing, Communities and Local Government (MHCLG) and Scheme Advisory Board (SAB) and the results of the consultation exercise with stakeholders does not indicate any concerns or issues, the changes to the Funding Strategy Statement outlined in Document “O” be approved.**

(Caroline Blackburn – 01274 434523)

## 7. WYPF PENSIONS ADMINISTRATION REPORT

89 - 114

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

**Recommended –**

**That Document “P” be noted.**

(Yunus Gajra – 01274 432343)

**8. SHARED SERVICE PARTNERSHIP UPDATE** 115 -  
132

The Director, West Yorkshire Pension Fund will present **Document “Q”** 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)

**9. LOCAL GOVERNMENT SCHEME REGULATION UPDATES** 133 -  
146

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

**10. REGISTER OF BREACHES OF LAW** 147 -  
154

The Director, West Yorkshire Pension Fund, will present a report (**Document “S”**) 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 2020/21 is appended to Document “S”.

**Recommended –**

**That the report and entries on the Register of Breaches of Law, contained in Document “S”, be noted.**

(Caroline Blackburn – 01274 434523)

11. **PENSIONS ADMINISTRATION STRATEGY AND COMMUNICATIONS POLICY 2021/22** 155 - 178

The Director, West Yorkshire Pension Fund (WYPF), will present **Document “T”** 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.

The Pensions Administration Strategy has been updated to reflect new employer flexibilities which came into force in September. The Communications Policy has been updated to reflect activities planned for 2021-22.

Appendix A – Pensions Administration Strategy  
Appendix B – Communications Policy

**Recommended –**

**That the Pension Administration Strategy and the Communications Policy 2021/22, contained in Document “T”, be approved.**

(Yunus Gajra – 01274 432343)

12. **TRAINING CONFERENCES AND SEMINARS** 179 - 180

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 “U”**) 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 “U”.**

(Rodney Barton – 01274 432317)

**13. REVIEW OF ADDITIONAL VOLUNTARY CONTRIBUTION PROVIDERS**

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Previous reference: Minute 9

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

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

Annually the West Yorkshire Pension Fund asks 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 “V”**) is a follow up to the report provided to the meeting on 30 July 2020.

**Recommended –**

- 1. That the removal of the Invesco High Income Fund from the Scottish Widows approved funds be approved and that further advice be obtained from Aon on a replacement fund.**
- 2. That the removal of the ASI Global Absolute Return Strategies Fund from the Scottish Widows approved funds be agreed and that a communication be sent to member’s regarding the alternative funds available to them.**
- 3. That a full review of the Scottish Widows Lifestyle strategy be approved.**
- 4. That the removal of the Prudential International Fund from the approved funds be agreed.**

Tracy Weaver - (01274) 433571)

**14. EXCLUSION OF THE PUBLIC**

Members are asked to consider if the item relating to the Northern LGPS, (**Document “W” containing Not for Publication Appendices 1, 2 & 3**) 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 “W” containing Not for Publication Appendices 1, 2 & 3, 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.**

**15. NORTHERN LGPS (NLGPS)**

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The Director, West Yorkshire Pension Fund, will present a report (**Document “W” containing Not for Publication Appendices 1, 2 & 3**) 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 “W” provides an update on the activities of the Northern LGPS.

**Recommended –**

**That the report, together with Not for Publication Appendices 1, 2 & 3, be noted.**

(Rodney Barton - 01274 432317)