

Agenda for a meeting of the West Yorkshire Pension Fund Pension Board to be held on Tuesday, 28 June 2022 at 10.00 am in WYPF, Aldermanbury House, Godwin Street, Bradford

Members of the Committee

Employer Representatives	Member Representatives
Councillor S Lal (Chair) – Bradford	Mr P Charlton – GMB
Councillor L Martin– Leeds	Mr M Binks – Unison
Councillor L Malkin - Wakefield	Mr I Dziya – Unison
Mr B Petty - Employer	Mr A Jones – Unite the Union

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:

Bryn Roberts

Interim City Solicitor

Agenda Contact: Jane Lythgow/Susan Booth

Phone: 01274 432270

E-Mail: jane.lythgow@bradford.gov.uk /susan.booth2@bradford.gov.uk

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 meetings held on 14 December 2021 (adjourned and reconvened on 22 March 2022 at 1000 hours) and 22 March 2022 at 1030 hours 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. **REGISTER OF BREACHES OF LAW**

1 - 10

The Director, West Yorkshire Pension Fund, will present a report (**Document “A”**) 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 2021/22 is appended to Document “A”.

Recommended –

That the report and entries on the Register of Breaches of Law, contained in the appendix to Document “A”, be noted.

(Caroline Blackburn – 01274 434523)

5. LOCAL GOVERNMENT PENSION SCHEME REGULATIONS UPDATE 11 - 16

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. PENSIONS ADMINISTRATION 17 - 46

The report of the Director, West Yorkshire Pension Fund (**Document “C”**) provides an update on West Yorkshire Pension Fund’s (WYPF) pensions administration activities for the period 1 January 2022 to 31 March 2022.

Recommended –

That the report be noted.

(Yunus Gajra - 01274 432343)

7. WYPF 2021/22 BUDGET OUTTURN AND 2022/23 BUDGET ESTIMATES 47 - 54

The Director, West Yorkshire Pension Fund (WYPF) will present a report, (**Document “D”**) which reports the latest WYPF spend for 2021/22 and forecasts for 2022/23.

Recommended –

That the WYPF total net expenditure forecast of £10.46m for 2021/22 be noted.

That the net expenditure budget of £14.7 and forecast of £14.75m for 2022/23 be noted.

That the WYPF total cost per member of £33.63, supported by strong service performance and quality and as the lowest Local Government Pension Scheme cost per member, be noted.

(Ola Ajala – 01274 434534)

8. TRAINING STRATEGY

55 - 64

The report of the Director, West Yorkshire Pension Fund, (**Document “E”**) 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 training of Pension Board members to understand their responsibilities and the issues they are dealing with is a very high priority. To be able to assist the Scheme Manager and meet the requirements of the Public Service Pensions Act 2013, Pension Board Members must be able to demonstrate suitable knowledge and skills relating to the LGPS to effectively scrutinise the decisions made by officers.

Recommended –

That the West Yorkshire Pension Fund Knowledge and Skills Training Strategy, appended to Document “E”, be adopted as the formal commitment to meeting the requirement to demonstrate the knowledge and skills of the LGPS and to assist the scheme manager as defined by the Public Services Pensions Act 2013.

(Matt Mott – 07815 476877)

9. TRAINING - EVENTS AND OPPORTUNITIES

65 - 70

Members will be aware that their training to understand their responsibilities and the issues they will be dealing with is a very high priority. The Director, West Yorkshire Pension Fund (WYPF), will present a report, (**Document “F”**) provides details of training courses, conferences and seminars which may assist Pension Board Members.

Recommended –

- 1. That Members undertake The Pension’s Regulator (TPR) Toolkit online training and the Hymans Robertson online Learning Academy Training and in doing so meet the requirements defined by the Public Service Pensions Act 2013.**
- 2. That Members be encouraged to attend external training events provided by PLSA, LGA & actuaries and consideration be given to the West Yorkshire Pension Fund’s representation at various national events such as the PLSA Conference and LGA Governance conference.**

(Matt Mott - 07815 476877)

10. WEST YORKSHIRE PENSION FUND DATA IMPROVEMENT PLAN 71 - 84

The report of the Director, West Yorkshire Pension Fund (**Document “G”**) informs Members that 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.

The West Yorkshire Pension Fund Data Improvement Plan is appended to the report.

Recommended –

That Document “G” and the WYPF Data Improvement Plan, appended to that Document, be noted.

(Elizabeth Boardall – 07890 532188)

11. TRIVIAL COMMUTATION - UPDATE 85 - 88

Trivial commutation is an option where Members or dependants are able to elect to take a one off lump sum in exchange for a pension under certain circumstances.

The Director, West Yorkshire Pension Fund, (WYPF) will present a report (**Document “H”**) which updates Members on the work currently done by WYPF in making trivial commutation payments to its members and plans for the future.

Recommended –

That the report be noted.

(Grace Kitchen – 01274 434266)

12. EXCLUSION OF THE PUBLIC

Members are asked to consider if the **Not for Publication** Appendix to **Document “I”** relating to the West Yorkshire Pension Fund Investment Advisory Panel 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 Not for Publication Appendix to Document “I” relating to the minutes of a West Yorkshire Pension Fund

Investment Advisory Panel meeting held on 28 April 2022 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.

**13. MINUTES OF THE WEST YORKSHIRE PENSION FUND
INVESTMENT ADVISORY PANEL 28 APRIL 2022**

89 - 90

The report of the Director, West Yorkshire Pension Fund, (**Document “I – containing a Not Publication Appendix**) 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 the meeting of the 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.

Recommended –

Members are requested to review the Not for Publication minutes of the Investment Advisory Panel on 28 April 2022 appended to Document “I”.

(Rodney Barton – 01274 432317)

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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 28 June 2022

A

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 Regulator's requirements and WYPF Breaches procedure.

Recommendation

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

Rodney Barton
Director

Report Contact: Caroline Blackburn
Head of Employer Services and Compliance
Phone: (01274) 434523
Email: caroline.blackburn@wypf.org.uk

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 is also shared with the Pension Board.

3 **Breaches**

The entries on the Register of Breaches for 2021/2022 relate to:

- Delays with Prudential updating members' accounts with contributions, which have also delayed the payment of some retirement benefits. This breach is considered to be of material significance due to the number of members involved

and the continuing and prolonged rectification of this issue. As a result, this issue has been reported to the Pensions Regulator.

- Contributions being paid late by employers and therefore not being received by the fund until after the Pension regulators deadline of the 21st day of the following month.
- An outgoing Transfer Value which was paid after the 3 month guarantee date.
- the non-issue of Annual Benefit Statements by the 31 August 2021 for a small number of active members.

5. Recommendations

It is recommended that the Local Pension Board note the entries and action taken on the Register of Breaches.

6 Appendix

- Appendix A– Register of Breaches 2021/2022

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WYPF Breaches of Law 2021-2022

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	Out-standing Actions
May 2021	<u>Administration</u> AVC contributions - Prudential.		<p>WYPF has an agreement with Prudential to provide an AVC arrangement for its members as part of the Local Government Pension Scheme Regulations.</p> <p>Over the last few months we have received a number of complaints from members to say that their AVC contributions have not been allocated to their AVC accounts.</p>	<p>Delays in Settlement amounts paid to the Fund when members have retired. This has impacted on the Funds ability to pay pension benefits in a timely manner.</p>	<p><u>Prudential</u></p> <p>Prudential have informed us 'The processing delays have been caused in part by the implementation of a new system that has taken additional time to embed within our processes. This has had an impact on applying contributions to members' policies therefore delaying claims. The impact of COVID and the majority of colleagues working from home following the latest lockdown has also affected our productivity and recovery plans'.</p> <p>Prudential had informed WYPF that it had a recovery plan in place and were on target to clear all outstanding cash and claims by the middle of April however by the end of May and the issues had not been resolved satisfactorily.</p> <p>Prudential informed us they still have cases in backlog and whilst they have not met the initial target date for recovery they are making good progress in clearing the</p>	Reported	<p>What are the time scale for completion?</p> <p>According to Prudential they are hoping to 'stabilise' by the end of June.</p> <p>Additional information</p> <p>Prudential have said member's will not lose out on investment returns because of the delays and where appropriate they will pay compensation however this does not compensate WYPF for the additional time and work undertaken due</p>	

WYPF Breaches of the Law 2021 -2022

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	Out-standing Actions
					<p>outstanding claims and have introduced a number of measures to get back on track. Key measures introduced include:</p> <ul style="list-style-type: none"> • Weekend and overtime working • Recruitment of 50 full time colleagues into the service function, the majority of whom are focussed on claims. • Recruitment of 79 full time colleagues into the voice area to deal with the unprecedented increases in call volumes. <p>WYPF WYPF have made advance payments of member’s retirement lump sums so they do not encounter undue hardship. Their monthly pensions have not been paid to avoid any additional tax implications if they crystallise their benefits.</p>		<p>to the delays caused by Prudential.</p> <p>WYPF regularly contact Prudential to chase up urgent cases, by e-mail and phone.</p> <p>Looking to arrange a meeting with Prudential.</p>	

WYPF Breaches of the Law 2021 -2022

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	Out-standing Actions
	Administration Payment of a Cash Equivalent transfer value		Statutory timescales require that a transfer out payment must be paid within 6 months of the relevant date	Transfer value for a member of the scheme was not paid until after the statutory timescale had passed.	<p>The delay was as a result of missing information about the receiving scheme. Numerous requests for the data were sent however the transfer could not proceed without it.</p> <p>Action:</p> <ul style="list-style-type: none"> · The Service Centre are currently recruiting / increasing staff numbers to address any resources issues. · Any future cases staff have been informed they should ring the new scheme to explain what is required as soon as one written attempt has failed <p>Full details about the required timescales and how to request an extension from the Pensions Regulator are already in the work instructions</p>	Not Reported	<p>Payment should have been made by 23.08.2021 (to be within the statutory timescale)</p> <p>Payment made 04.09.2021</p>	
Sept 2021	Administration Issue of Annual Benefit Statements (ABS)	189	Scheme regulations require an ABS be provided to each active member by the 31 August each year	0.01% of active members did not have received their	Only accurate ABS are sent out. Work continues to release ABS to be sent out as soon as the “block” has been cleared	Not reported	Due to the improvement in the performance and the relative	Outstanding ABS continue to be issues as soon as the

WYPF Breaches of the Law 2021 -2022

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	Out-standing Actions
			At the 31 August 21 99.99% of statements had been sent out (92534/92542)	ABS within prescribed time limits			low numbers this breach is not regarded as of material significance	ABS block has been resolved
	<u>Administration</u> Maintaining contributions	147	Employee’s pension contributions must be paid to the manager of the scheme by the 19th day of the month following deduction or by 22nd day if paid electronically. Please see schedule below for details of employers who failed to make payment by the appropriate date.	Contributions not received by the scheme within the prescribed timescales	Immediate action: 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 and are notified that further late payments may be reported to the Pensions Regulator. Continuing Action: 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.	Not reported	All outstanding payments are chased up.	None

WYPF Breaches of the Law 2021 -2022

Employers who failed to pay over employees contributions by the appropriate date - April 2021 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 21	No employer paid late this month					
May 21	South Kirby and Moorthorpe Town Council	21 .06.21	23.06.21	4679.55	0	0
	Consultant Cleaners Ltd (Westborough)	21.06.21	30.06.21	1995.01	0	0
June 21	Prospect Services (Bradford 3)	21.07.21	22.07.21	1690.27	0	0
	Absolutely Cleaners Ltd (BSG)	21.07.21	22.07.21	368.04	0	0
	Absolutely Cleaners Ltd (Batley MAT)	21.07.21	22.07.21	2329.09	0	0
July 21	University Academy Keighley	21.08.21	30.08.21	14674.87	0	0
August 21	Wellspring Academy trust	21.09.21	22.09.21	111,191.80	0	0
	Consultant Cleaners Ltd (Westborough)m	21.09.21	23.09.21	360.30	2	2
September 21	No employer paid late this month					
October 21	No employer paid late this month					
October 21	Turning Point	21.11.21	1.12.2021	164.63	0	0
	Kirkburton Parish Council	21.11.21	02.12.21	687.98	0	0
	Fleet Factor ltd	21.11.21	17.12.21	99.71	0	0
	English Basketball Association	21.11.21	Still outstanding	1156.61	0	0
November 21	No employer paid late this month					
December 21	South Hiendly Parish Council	21.01.2022	02.02.2022	146.66	0	0
	Fleet Factors ltd	21.01.2022	18.02.2022	99.71	1	1
January 2022	Wetherby Town Council	21.02.2022	09.03.2022	2066.01	0	0
	Halifax Opportunities Trust	21.02.2022	22.02.2022	3227.88	0	0

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Report of the Director of West Yorkshire Pension Fund to the meeting of West Yorkshire Pension Fund Pension Board to be held on 28 June 2022

B

Subject: Local Government Pension Scheme Regulations update

Summary statement:

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

Recommendation:

It is recommended that Members note this report.

Rodney Barton
Director

Report Contact: Tracy Weaver
Phone: (01274) 433571
E-mail: tracy.weaver@wypf.org.uk

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.
- 1.3 On 19 September 2021, the Government announced that the Ministry of Housing, Communities and Local Government (MHCLG) became the Department for Levelling Up, Housing and Communities (DLUHC).

2 Consultation on Fair Deal – Strengthening pension protection

- 2.1 On 10 January 2019 Ministry of Housing, Communities and Local Government (MHCLG) issued a consultation on Fair Deal – Strengthening pension protection.
- 2.2 The consultation closed on 4 April 2019, and we are still waiting for DLUHC to publish its response.

3 Consultation: Local valuation cycle and the management of employer risk

- 3.1 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’.
- 3.2 The consultation closed on 31 July 2019.
- 3.3 On 20 March 2020 the LGPS (Amendment) Regulations 2020 came into force. These regulations provide administering authorities with a discretion to determine the amount of exit credit which should be payable to an employer leaving the LGPS with a surplus.
- 3.4 The LGPS (Amendment) (No.2) Regulations 2020 came into effect from 23 September 2020. These regulations provide for new flexibilities that allow employer contributions to be reviewed between valuations, an exiting employer to enter into a Deferred Debt Agreement and an exit deficit to be paid in instalments. Following a consultation WYPF’s Funding Strategy Statement has been updated to include policies on applying these new flexibilities.
- 3.5 DLUHC has yet to publish its response to the other matters contained in the consultation, which included changes to the LGPS Local Valuation Cycle, and employers required to offer LGPS membership.

4 Other LGPS matters

4.1 McCloud remedy

On 16 July 2020 both HMT and MHCLG published consultations on the McCloud remedy. The MHCLG consultation closed on 8 October 2020.

On 13 May 2021 Luke Hall, the Local Government Minister made a written statement on McCloud and the LGPS. The statement confirms the key changes to scheme regulations that will be made to remove age discrimination from the LGPS.

DLUHC are expected to issue a full response to the consultation and to publish draft regulations in the spring.

On 19 July 2021 H M Treasury formally introduced to Parliament the Public Service Pensions and Judicial Offices Bill, which makes provision to rectify the unlawful age discrimination identified by the McCloud judgment.

For the LGPS, Chapter 3 of Part 1 confirms which members will be in scope and what service is 'remediable'. Enabling legislation will allow for scheme regulations to be changed to implement the McCloud remedy.

On 10 March 2022, the Public Service Pensions and Judicial Offices Act 2022 received Royal Assent. The main purpose of the Act is to give the relevant government departments the regulatory powers to resolve the discrimination identified in the McCloud judgment.

DLUHC are expected to issue further consultations later in the year to make the necessary changes to the LGPS Regulations 2013.

4.2 Scheme Advisory Board's Good Governance Report

In 2019 SAB 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 the LGPS going forward. On 31 July 2019 SAB published this report. The phase two report from the Working Groups to SAB was published in November 2019.

When it met on the 8th February 2021 the SAB agreed that the Good Governance – Final Report should be published, and for the Chair to submit the Board's Action Plan to the Local Government Minister for consideration. SAB has now published its action plan and SAB are now waiting to see how DLUHC responds to its proposals.

5 Other matters

5.1 Money and Pensions Service - Pensions dashboard update

On 27 May 2021, the Pensions Dashboard Programme (PDP) launched a call for input on staging. The purpose of the call for input was to gather feedback and insight from pension schemes that will inform Government policy on staging. PDP is recommending that all public service pension schemes should be onboarded in the initial wave – a two-year period starting from April 2023. The call for input closed on 9 July 2021.

PDP received just over 60 responses to the call for input from a variety of stakeholders. These will be used to feed into further policy development of pension dashboards.

Chris Curry, Principal of PDP, announced in October 2021 that draft regulations on pensions dashboards are expected to be published in the near future

On 7 December 2021, the Pensions Administration Standards Association published initial guidance on the choice of data matching convention schemes must make ahead of their compliance with the upcoming pensions dashboards legislation. The guidance details how every pension scheme must choose how they wish to compare 'find requests' from dashboard users against the member records they hold. Choice of matching will depend on the accuracy of the personal data held by Schemes, across all of their deferred and active member records.

On 15 December 2021, PDP announced that it has selected three potential dashboard providers to take part in initial development of the dashboards ecosystem: Aviva, Bud and Moneyhub. In addition to the Money and Pensions Service's non-commercial dashboard, the PDP will work with these companies to support the early work on design standards and technology.

On 16 December 2021, the Pensions and Lifetime Savings Association published an A to Z industry guide containing decisions that are required to make the initial pensions dashboards a success. The guide is intended to help the people engaged with preparing for pensions dashboards understand the key issues to be assessed and resolved.

On 31 January 2022 DWP published a consultation on the draft Pensions Dashboards Regulations 2022. The purpose of the consultation is to seek views on a range of policy questions relating to the creation on pensions Dashboards. The consultation closes on 13 March 2022.

PDP published its latest update report in April. The areas that PDP will be focusing on to October 2022 are:

- Central digital architecture and testing;
- Standard developments and consultation; and
- Industry Readiness

PDP are also continuing to work closely with the MaPS team building the front-ended dashboard.

5.3 The Pensions Regulator Consultation on a new Code of Practice

On 17 March 2021 the Pensions Regulator (TPR) published a consultation a new code of practice. This consultation focuses on the draft content for the first phase of its new code of practice. The new code consists of 51 shorter, topic-based modules and will replace 10 of its existing codes of practice, which mainly deal with the governance and administration of pension schemes.

TPR has published an interim response to the new code of practice consultation. Responses to the consultation included around 10,000 individual answers. TPR has issued the interim response to allow time to consider these responses and to incorporate code content arising from the Pension Schemes Act 2021 into the new code.

TPR does not have a firm publication date for the new code, but it is unlikely to become effective before summer 2022.

5.4 Finance (No.2) Bill 2021/22

On 2 November 2021, HM Treasury (HMT) formally introduced the Finance (No.2) Bill 2021/22 to Parliament. The Bill includes a number of provisions that may affect the administration of the LGPS.

Clause 9: Changes to annual allowance scheme pays deadlines

This clause changes deadlines associated with mandatory scheme pays. The period within which some members must give notice of their election will be extended. The deadline for administrators to provide information about annual allowance tax charges will also change.

These changes are contained in the Finance Act 2022 and the Registered Pension Schemes (Miscellaneous Amendment) Regulation 2022.

Clause 10: Increase in normal minimum pension age

This clause introduces an increase in the normal minimum pension age (NMPA) to age 57 from 6 April 2028.

Section 10 of the Finance Act 2022 confirms the increase to the NMPA from 55 to 57 from 6 April 2028.

5.5 Second Review of State Pension Age

DWP launched the second review of the State Pension Age on 14 December 2021. The review will consider if the State Pension Age (SPA) rules are still appropriate based on the latest life expectancy data and other evidence. Two independent reports will be commissioned as part of the review:

- the Government Actuary will provide a report assessing the appropriateness of SPA considering the latest life expectancy projections
- Baroness Neville-Rolfe will provide a report on other relevant factors including recent trends in life expectancy and other metrics.

On 7 January 2022, DWP published the terms of reference for the independent report to be led by Baroness Neville-Rolfe.

Between 9 February 2022 and 25 April 2022 DWP consulted on a call for evidence, which sought views on what metrics should be considered when setting the State Pension Age.

6 Recommendation

It is recommended that the Pension Board note the report.



Report of the Director, West Yorkshire Pension Fund to the meeting of West Yorkshire Pension Fund Pension Board to be held on 28 June 2022.

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Subject:

Pensions Administration

Summary statement:

This report gives an update on West Yorkshire Pension Fund's (WYPF) pensions administration activities for the period 1 January 2022 to 31 March 2022.

Recommendation:

It is recommended that the Pension Board note the report.

Mr Rodney Barton
Director

Report Contact: Yunus Gajra
Assistant Director (Finance,
Administration and Governance)
Phone: (01274) 432343
E-mail: Yunus.gajra@bradford.gov.uk

1.0 Background

1.1 As well as providing pensions administration for WYPF scheme members, WYPF provides a full administration service to Lincolnshire Pension Fund, the London Borough of Hounslow and more recently the London Borough of Barnet and to twenty three Fire Authorities. This includes pensioner payroll (except for the London Borough of Hounslow), all member and scheme level events, reporting to statutory bodies, provision of data to external bodies such as actuaries, and local authorities for the production of the scheme accounts.

2.0 Performance and Benchmarking

2.1 The table below shows the performance against key areas of work for the period 1 January 2022 to 31 March 2022.

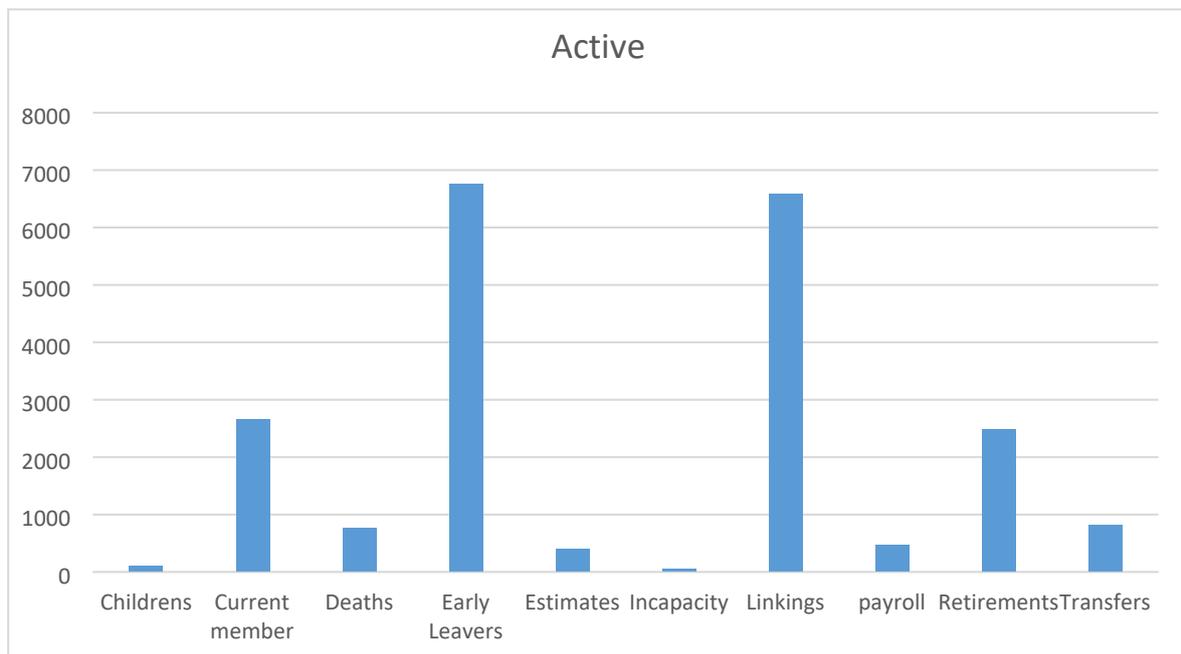
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIMUM TARGET PERCENT	TARGET MET PERCENT
Transfer In Quote	206	35	206	85	100
Transfer In Actual	164	35	158	85	96.34
Divorce Settlement Pension Sharing order Implemented	6	80	6	100	100
Deferred Benefits Set Up on Leaving	3847	20	2651	85	68.91
Refund Quote	1546	35	1538	85	99.48
Refund Actual	740	10	729	95	98.51
Transfer Out Payment	85	35	75	85	88.24
Pension Estimate	949	10	892	90	93.99
Retirement Actual	983	3	968	90	98.47
Deferred Benefits Into Payment Actual	794	5	786	90	98.99
AVC In-house (General)	173	20	170	85	98.27
Deferred Benefits Into Payment Quote	950	35	919	85	96.74
Transfer Out Quote	808	20	749	85	92.7
Monthly Posting	2480	10	2270	95	91.53
Divorce Quote	155	20	141	85	90.97
Change of Address	1233	10	1189	85	96.43
Change of Bank Details	602	10	563	85	93.52
General Payroll Changes	688	10	664	85	96.51
Age 55 Increase to Pension	6	20	6	85	100
NI adjustment to Pension at State Pension Age	86	20	76	85	88.37
Enquiry	40	5	38	85	95
DWP request for Information	6	20	4	85	66.67
Life Certificate Received	12	10	11	85	91.67
Death Grant Nomination Form Received	1154	20	502	85	43.5

WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT
Spouse Potential	47	20	43	85	91.49
Death Grant to Set Up	224	10	191	85	85.27
Initial letter Death in Retirement	1034	10	1019	85	98.55
Death In Retirement	1034	10	946	85	91.49
Initial Letter Death in Service	30	10	30	85	100
Death In Service	30	10	27	85	90
Initial letter Death on Deferred	60	10	57	85	95
Death on Deferred	60	10	52	85	86.67
Estimates for Deferred Benefits into Payment	30	10	28	90	93.33
Update Member Details	4815	20	4795	100	99.58
Pension Saving Statement	12	20	12	100	100
Payment of Spouses _Child Benefits	376	5	340	90	90.43
Phone Call Received	8469	3	8253	95	97.45
Interfund Out Quote	414	35	334	85	80.68
Interfund Linking In Quote	258	35	136	85	52.71
Interfund Out Actual	414	35	217	85	52.42

Reasons for underperforming KPI's:

Work type	Reason
Deferred Benefit set up on leaving	Staff working on historic cases and employers providing data in preparation for the Triennial Valuation. New staff appointed in April are being trained on this area of work and will provide extra resource.
Monthly Postings	Finance Team currently helping Contact Centre answer high call volumes following the distribution of P60s and letters to pensioners regarding My Pension registration.
Death Grant Nomination Form Received	Low priority. Information from the form has been added to the member's record and in the event of the member's death this information would be included when processing survivor/dependant benefits.
Interfund Out Quote	Processing of historic cases for ABS production. Employers across all funds are currently sending in leaver notifications that have been outstanding in preparation for the Triennial Valuation. This has had an impact on the levels of work and has increased the numbers of linkings and interfunds out. New members of staff are also being trained in this area of work
Interfund Linking In Quote	Processing of historic cases for ABS production. Employers across all funds are currently sending in leaver notifications that have been outstanding in preparation for the Triennial Valuation. This has had an impact on the levels of work and has increased the numbers of linkings and interfunds out. New members of staff are also being trained in this area of work
Interfund Out Actual	Processing of historic cases for ABS production. Employers across all funds are currently sending in leaver notifications that have been outstanding in preparation for the Triennial Valuation. This has had an impact on the levels of work and has increased the numbers of linkings and interfunds out. New members of staff are also being trained in this area of work

2.2 Work in progress



The above graph shows the total volume of work in progress categorized into work groups. Work volumes will fluctuate depending on how much work comes in and how much work is completed. Some of the larger volume work cover:

Current Member – changes to member records, changes to AVCs, queries from monthly postings

Early Leavers – calculation of refunds, calculation of deferred benefits, contribution postings queries

Linkings – multiple employments where member can link those employments

Misc – All other types of work i.e. phones calls to return, general enquiries.

Retirements - Retirement quotes and actuals, deferred benefits into payment (quote and actual)

Transfers – Transfers in and out (quote and actual), AVC transfers, Divorce

3.0 Scheme Information

- 3.1 Membership for all schemes administered as at March 22 was 486,829.
A full breakdown between the different Funds and Schemes is shown at Appendix 1.

3.2 Number of Employers in the West Yorkshire Pension Fund

	Actives	Ceased	Total
Scheduled bodies	268	2	266
Admitted bodies	132	11	121
Total	400	13	387

4.0 Praise and Complaints

4.1 As part of our commitment to improving our services we carry out a random survey of customers who have been in contact with us regarding their pension benefits. We also have an online survey which any member can complete at any time. An analysis of the responses received for the quarter July to September is shown:

Appendix 2 - WYPF

4.2 Employer Training

Employer training is an important part of our service to ensure that Employers are fully trained to undertake their duties effectively. The following training was undertaken in this period:

Employer Webinar (Available to All funds)	6
Employer Support / one to one training	10
Member support/Presentation	10

5.0 Internal Disputes Resolution Procedures

5.1 All occupational pension schemes are required to operate an IDR. The LGPS has a 2-stage procedure. Stage 1 appeals, which relate to employer decisions or actions, are considered by a person specified by each employer to review decisions (the 'Adjudicator'). Stage 1 appeals relating to appeals against administering authority decisions or actions are considered the Director of WYPF. Stage 2 appeals are considered by the Chief Executive of the City of Bradford MDC.

A summary of the IDR decisions for the period 1.1.22 to 31.3.22 is shown below:

	Number of Determinations	Outcomes	Type
STAGE 1	3		
		3 Turned down	Payment of GMP Not entitled to transfer out Delays in providing retirement options
STAGE 2	3		
AGAINST EMPLOYER	2	1 Turned down	Not entitled to ill health retirement
		1 Referred back to employer to reconsider	Not awarded early payment of deferred benefits
AGAINST WYPF	1	1 Turned down	No death grant payable

6.0 Administration Update

6.1 Hybrid working

Staff have now returned to the office working 2 days a week in the office and 3 days from home. This maintains some of the benefits of remote working and gives staff a better work life balance.

6.2 Prudential

Members will be aware of the issues with Prudential s in relation to administration performance and delays for Local Government AVC schemes.

Following a meeting with the LGPS Scheme Advisory Board the Prudential has issued the attached letter (Appendix 3) which highlights the actions taken to improve service and expected timescales for resumption of normal service.

6.3 New Fire Authority Clients

Two new Fire clients, Shropshire and Warwickshire joined WYPF's administration from 1st April 2022. This will bring the total number of Fire Authorities under administration to 23.

6.4 Audits undertaken by Bradford Councils Internal Audit:

a) Business continuity arrangements

It is audit's opinion that the standard of control of identified risks in the system is **good**.

The audit review has determined that most of the risks examined were found to be

effectively managed. The control environment is largely as expected but would benefit from some enhancement to support the achievement of key business objectives.

Internal Audit made **5** recommendations for improvement which Managers are currently looking at implementing.

b) Purchase of additional pension

It is audit's opinion that the standard of control of identified risks in the system is **excellent**.

The audit review has determined that the identified risks are being effectively managed. The control environment is as expected and supports the achievement of key business objectives.

Internal Audit made **no** recommendations for improvement.

6.5 Automation

As part of running an active member's Annual Benefit Statement, the growth in the pension benefits from one year to the next is calculated and tested against the HMRC Annual Allowance.

Where the growth either exceeds the Annual Allowance or is within £2,000 of it, WYPF staff have to undertake additional manual calculations to confirm whether the Annual Allowance has been exceeded and if so, issue a Pension Savings Statement.

As part of prioritising resources on automation, running the calculation now takes around 5 minutes of an administrator's time and around 5 minutes of a checker's time: reducing the time from 3 hours per case to 10 minutes. Based on 800 cases per annum, reduces the total time from 2,400 hours to 133 hours per annum. This will be a huge saving in time in what is a very complex area.

The next area targeted for additional automation is Deferred benefits into payment.

7.0 Staffing

7.1 WYPF headcount is 188 Full time equivalent staff with an average age of 45.9, compared to the Council's average age of 46.2 (see Appendix 4).

7.2 For the year ending 1 April 2020 the average number of days absence due to sickness is 7.33 per staff member. This compares with the Council average of 13.94 days (see Appendix 5).

7.3 There were 4 new starters during the last 12 months (see Appendix 6)

7.4 There were 4 leavers during the last 12 months (see Appendix 7).

7.5 A number of recruitment exercises are ongoing to fill vacancies and also for new posts created as a result of increasing workloads.

8.0 Member Portal

8.1 Web Registrations

The number of members registered for online member web are:

Membership Type	Number	Percentage
Active	52,348	33.00%
Deferred	28,982	20.76%
Pensioner	47,841	28.56%

9.0 Awards

WYPF were shortlisted by Pensions Age under the following categories:

- DB Pension Scheme of the Year
- Pension Scheme Communication Award
- Pensions Administration Award

10.0 Conclusion

WYPF continue to provide a high level efficient cost effective service to members and Employers within the Fund.

Appendices

These are listed below and attached at the back of the report	
Appendix 1	Membership Numbers
Appendix 2	Praise and Complaints
Appendix 3	Letter from Prudential
Appendix 4	Workforce Headcount
Appendix 5	Absence Performance
Appendix 6	New Starters
Appendix 7	Leavers

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Membership Numbers

SCHEMENAME	ACTIVES	DEFS	PENS	BENS	LEAVERS		TOTAL
					PRESERVED REFUND	OPTIONS PENDING	
Councillors	0	86	144	18	0	0	248
Gratuity Payments	0	0	8	0	0	0	8
LGPS	104590	87102	92352	11545	12291	1254	309134
Teachers Compensation	0	0	1132	251	0	0	1383
West Yorkshire Fire (1992 Scheme)	0	84	2031	341	0	0	2456
West Yorkshire Fire (2006 Scheme)	0	91	7	8	2	0	108
West Yorkshire Fire (2006/RDS Scheme)	0	12	39	0	0	0	51
West Yorkshire Fire (2015 Scheme)	959	126	13	1	2	4	1105
West Yorkshire Fire (2015/RDS Scheme)	23	0	1	0	0	0	24
South Yorkshire Fire (1992 Scheme)	0	41	1112	201	8	0	1362
South Yorkshire Fire (2006 Scheme)	0	34	2	1	1	0	38
South Yorkshire Fire (2006/RDS Scheme)	0	1	15	0	0	0	16
South Yorkshire Fire (2015 Scheme)	612	80	12	1	4	5	714
South Yorkshire Fire (2015/RDS Scheme)	5	0	0	0	0	0	5
North Yorkshire Fire (1992 Scheme)	0	27	442	86	0	1	556
North Yorkshire Fire (2006 Scheme)	1	145	21	2	1	0	170
North Yorkshire Fire (2006/RDS Scheme)	0	24	58	2	0	0	84
North Yorkshire Fire (2015 Scheme)	632	220	17	3	11	3	886
North Yorkshire Fire (2015/RDS Scheme)	36	3	0	0	0	0	39
Humberside Fire (1992 Scheme)	0	42	839	152	0	0	1033
Humberside Fire (2006 Scheme)	0	110	13	2	2	0	127
Humberside Fire (2006/RDS Scheme)	0	6	76	4	0	0	86
Humberside Fire (2015 Scheme)	653	141	12	0	2	14	822
Humberside Fire (2015/RDS Scheme)	47	3	1	0	0	0	51
Lincolnshire Councillors	0	28	51	3	0	0	82
Lincolnshire LGPS	24343	25687	23593	2525	2550	564	79262
Lincolnshire Fire (1992 Scheme)	2	20	262	54	1	0	339
Lincolnshire Fire (2006 Scheme)	0	316	38	6	20	2	382
Lincolnshire Fire (2006/RDS Scheme)	0	10	41	0	0	0	51

Lincolnshire Fire (2015 Scheme)	571	310	11	4	15	45	956
Lincolnshire Fire (2015/RDS Scheme)	25	1	0	0	0	0	26
Royal Berks Fire (2015/RDS Scheme)	6	1	0	0	0	0	7
Royal Berks Fire (1992 Scheme)	1	60	421	55	2	1	540
Royal Berks Fire (2006 Scheme)	0	59	11	0	0	0	70
Royal Berks Fire (2006/RDS Scheme)	0	11	27	2	0	0	40
Royal Berks Fire (2015 Scheme)	413	105	6	0	1	5	530
Bucks and MK Fire (1992 Scheme)	0	36	363	67	1	0	467
Bucks and MK Fire (2006 Scheme)	0	158	18	11	2	0	189
Bucks and MK Fire (2006/RDS Scheme)	0	12	24	0	0	0	36
Bucks and MK Fire (2015 Scheme)	370	151	8	0	3	22	554
Bucks and MK Fire (2015/RDS Scheme)	2	0	0	0	0	2	4
Devon and Somerset Fire (1992 Scheme)	0	58	924	158	1	0	1141
Devon and Somerset Fire (2006 Scheme)	0	411	134	15	9	1	570
Devon and Somerset Fire (2006/RDS Scheme)	0	71	209	3	0	1	284
Devon and Somerset Fire (2015 Scheme)	1479	601	34	15	8	17	2154
Devon and Somerset Fire (2015/RDS Scheme)	71	7	2	0	0	2	82
Dorset and Wiltshire Fire (1992 Scheme)	0	59	655	97	3	0	814
Dorset and Wiltshire Fire (2006 Scheme)	1	272	37	12	3	0	325
Dorset and Wiltshire Fire (2006/RDS Scheme)	1	47	165	2	0	2	217
Dorset and Wiltshire Fire (2015 Scheme)	870	366	21	3	1	6	1267
Dorset and Wiltshire Fire (2015/RDS Scheme)	93	3	1	0	0	0	97
Unknown Modified Scheme	0	0	1	0	0	0	1
Tyne and Wear Fire (1992 Scheme)	0	69	1237	197	0	0	1503
Tyne and Wear Fire (2006 Scheme)	0	24	5	0	0	0	29
Tyne and Wear Fire (2006/RDS Scheme)	0	1	1	0	0	0	2
Tyne and Wear Fire (2015 Scheme)	582	29	5	0	0	13	629
Tyne and Wear Fire (2015/RDS Scheme)	1	0	0	0	0	0	1
Northumberland Fire (1992 Scheme)	0	19	282	46	0	0	347
Northumberland Fire (2006 Scheme)	0	83	13	4	2	0	102
Northumberland Fire (2006/RDS Scheme)	0	13	33	1	0	0	47
Northumberland Fire (2015 Scheme)	275	114	3	0	1	5	398
Northumberland Fire (2015/RDS Scheme)	7	3	2	0	0	0	12

Norfolk Fire (1992 Scheme)	0	45	387	66	0	0	498
Norfolk Fire (2006 Scheme)	0	102	22	10	0	0	134
Norfolk Fire (2006/RDS Scheme)	0	8	63	0	0	0	71
Norfolk Fire (2015 Scheme)	618	166	13	5	7	39	848
Norfolk Fire (2015/RDS Scheme)	21	1	0	0	0	0	22
Staffordshire Fire (1992 Scheme)	0	23	568	110	0	0	701
Staffordshire Fire (2006 Scheme)	0	312	28	5	2	0	347
Staffordshire Fire (2006/RDS Scheme)	0	36	85	1	0	0	122
Staffordshire Fire (2015 Scheme)	558	316	15	11	15	9	924
Staffordshire Fire (2015/RDS Scheme)	32	2	1	0	0	0	35
LB Hounslow LGPS	6731	7743	6865	874	1377	90	23680
LB Hounslow Teachers Compensation	0	0	141	39	0	0	180
Hereford and Worcester (1992 Scheme)	0	36	390	66	0	0	492
Hereford and Worcester (2006 Scheme)	0	125	30	6	1	0	162
Hereford and Worcester (2006/RDS Scheme)	0	12	42	1	0	0	55
Hereford and Worcester (2015 Scheme)	553	227	13	2	3	10	808
Hereford and Worcester (2015/RDS Scheme)	24	2	0	0	0	1	27
Durham and Darlington (1992 Scheme)	0	29	481	98	0	0	608
Durham and Darlington (2006 Scheme)	0	73	12	0	0	0	85
Durham and Darlington (2006/RDS Scheme)	0	9	28	0	0	0	37
Durham and Darlington (2015 Scheme)	437	133	9	3	0	0	582
Durham and Darlington (2015/RDS Scheme)	11	2	0	0	0	0	13
East Sussex (1992 Scheme)	2	59	516	100	1	0	678
East Sussex (2006 Scheme)	0	125	12	5	3	0	145
East Sussex (2006/RDS Scheme)	0	17	39	0	0	0	56
East Sussex (2015 Scheme)	559	169	4	2	1	31	766
East Sussex (2015/RDS Scheme)	9	3	0	0	0	0	12
LB Barnet Councillors	0	13	14	3	0	0	30
LB Barnet LGPS	8936	9722	7773	998	1207	1292	29928
LB Barnet Teachers Compensation	0	0	368	41	0	0	409
Derbyshire (1992 Scheme)	0	35	609	97	0	0	741
Derbyshire (2006 Scheme)	0	131	17	10	5	0	163
Derbyshire (2006/RDS Scheme)	0	33	66	1	0	0	100

Derbyshire (2015 Scheme)	626	174	14	0	8	2	824
Derbyshire (2015/RDS Scheme)	19	6	3	0	0	0	28
Leicestershire (1992 Scheme)	0	36	550	79	1	0	666
Leicestershire (2006 Scheme)	0	139	25	4	9	0	177
Leicestershire (2006/RDS Scheme)	0	12	50	0	0	0	62
Leicestershire (2015 Scheme)	556	152	14	0	1	2	725
Leicestershire (2015/RDS Scheme)	7	2	0	0	0	0	9
Nottinghamshire (1992 Scheme)	0	46	718	118	1	0	883
Nottinghamshire (2006 Scheme)	0	160	28	9	6	0	203
Nottinghamshire (2006/RDS Scheme)	0	39	62	0	0	0	101
Nottinghamshire (2015 Scheme)	606	168	15	1	0	0	790
Nottinghamshire (2015/RDS Scheme)	18	4	0	0	0	0	22
Cambridgeshire (1992 Scheme)	0	27	378	51	4	0	460
Cambridgeshire (2006 Scheme)	0	207	4	1	3	1	216
Cambridgeshire (2006/RDS Scheme)	0	14	45	0	0	0	59
Cambridgeshire (2015 Scheme)	437	213	10	0	5	0	665
Cambridgeshire (2015/RDS Scheme)	8	2	1	0	0	0	11
Northamptonshire (1992 Scheme)	0	20	356	55	0	0	431
Northamptonshire (2006 Scheme)	0	92	5	1	11	0	109
Northamptonshire (2006/RDS Scheme)	0	11	27	0	0	0	38
Northamptonshire (2015 Scheme)	369	176	5	0	4	7	561
Northamptonshire (2015/RDS Scheme)	9	0	0	0	0	0	9
Shropshire (1992 Scheme)	0	17	256	33	2	0	308
Shropshire (2006 Scheme)	0	113	0	3	4	3	123
Shropshire (2006/RDS Scheme)	0	15	65	1	0	1	82
Shropshire (2015 Scheme)	424	152	9	1	2	2	590
Shropshire (2015/RDS Scheme)	25	2	0	0	0	0	27
Warwickshire (1992 Scheme)	0	27	367	57	0	0	451
Warwickshire (2006 Scheme)	0	103	0	1	2	1	107
Warwickshire (2006/RDS Scheme)	0	11	14	0	0	0	25
Warwickshire (2015 Scheme)	383	153	2	0	3	0	541
Warwickshire (2015/RDS Scheme)	3	1	0	0	0	0	4
Total	158652	139596	148619	18867	17635	3460	486829

Customer Survey Results – WYPF Members (1st January to 31st March 2022)

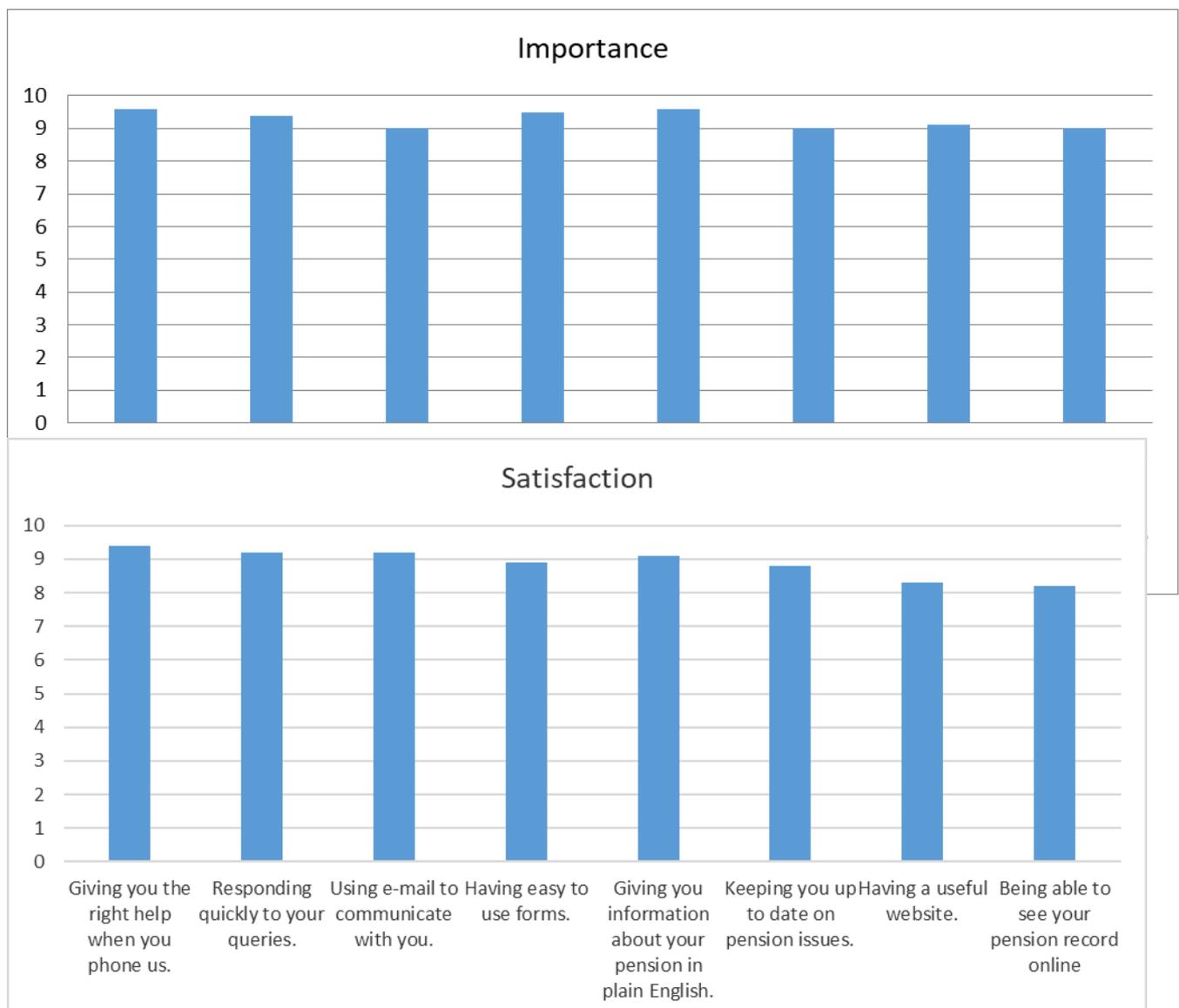
Over the quarter January to March, we received **2** online customer responses.

Over the quarter January to March **570** sample survey letters were sent out and **68 (12%)** returned:

Overall Customer Satisfaction Score:

January to March 2021	April to June 2021	July to September 2021	October to December 2021	January to March 2022
86.4%	87.5%	96.3%	86.3%	84%

The charts below give a picture of the customers overall views about our services;



Member Name /Number	Comments
	Hi XXXX I just wanted to take the time to say that I phoned West Yorkshire Pension on three occasions this week and the service I received was excellent. I spoke initially to XXXX who was both professional and courteous. He helped to clarify information in respect of me considering carrying on working past retirement age.

	<p>This led me to think of further questions to ask so I rang back and spoke to XXXX on two occasions. Again XXXX's manner was professional and courteous. Nothing was too much trouble for XXXX and he explained what I needed to know so that I felt able to make decisions going forward.</p> <p>I really appreciated the help that I received and wanted to follow this up with a thank you for what I consider to be outstanding customer service.</p>
	<p>Dear XXXX,</p> <p>I asked for your email address - hope you don't mind. I wanted to write to say how blown away I've been by XXXX for the last month.</p> <p>You might be aware that there's been a very protracted process of my trying to transfer my pension from you to one with Teachers' Pensions.</p> <p>I made dozens of phone calls to Teachers' Pensions and wrote them dozens of emails. It honestly felt like the more I contacted them, the less they understood what needed to be done! The process was distressing at times as I was so worried about losing my transfer out rights. Indeed, it was an incredibly frustrating process, which ruined a few days of my Christmas holidays: I was trying to look after three young kids whilst simultaneously emailing (for the fifth time, for example) documents requested of me to Teachers' Pensions, then following that up with phone calls that got me nowhere.</p> <p>XXXX, by contrast, was exceptionally helpful. He talked me, a layperson in the pensions world, through exactly which steps were required next and was endlessly supportive of ensuring my pension rights would be transferred.</p> <p>He reassured me on days that my frustration was sky high, always had my case open first thing in the morning, and spoke me through every single hurdle caused by Teachers' Pensions. He promised that any issues with my account would come directly to him rather than there being any admin blackholes on your side.</p> <p>I simply cannot emphasize enough how professional, helpful and courteous he was during every single one of our numerous phone calls. His patience was without bounds.</p> <p>I wondered, therefore, if it would be appropriate for me to send him a £10 Amazon voucher via your email address, to express my gratitude to him? If so, I'd be delighted to do so as a token of my appreciation. I've never thought of doing this in my life before but Stuart's approach was absolutely outstanding.</p> <p>I honestly can't think of a time in the last decade that customer service through phone calls has been so exemplary.</p> <p>Look forward to hearing from you!</p>
	<p>Hi XXXX</p> <p>I hope I am emailing the correct person J</p> <p>I work for BMDC and have had issues in accessing my online pension</p> <p>This morning I spoke to a gentleman called XXXX.</p>

	<p>He was so very helpful, patient and finally managed to get me back up and running to view my online pension fund.</p> <p>In a world where it is so very easy to criticise I would like to give my thanks for his professionalism and great customer service</p> <p>Regards</p>
	<p>Refreshingly professional.</p> <p>I thought you were an excellent group of people and made my request simple in that you liaised with Hargreaves Lansdown about my transfer out to a SIPP.I felt assured by you during any communication throughout the transfer. Please keep up the good work. Thank You</p>
	<p>Thanks to XXXX for all his help, much appreciated.</p>

Complaints/Suggestions:

Member Number	Comments	Summary of Acknowledgement Letter Sent to Member
1191853	<p>Satisfactory but will comment this year on when I got my pension and how to register for it.</p> <p>I got my pension forecast quickly but I need this year's information on how I get my pension as I am in my pension age of June 2022. I was told to call up but other people say DSS pension get in touch it's confusing.</p>	<p>Response sent by XXXX - Thank you for taking the time to complete and return our customer feedback form.</p> <p>If you are looking at retiring and claiming your pension with West Yorkshire Pension Fund you will need to let your employer know and they will send us the details, so we can then calculate your pension and send you your retirement pack.</p> <p>If you are also wanting to claim your state pension, this is separate to your occupational pension with us, you will need to contact the State pension helpline 0800 7310394</p>
1191907	<p>Need more communication.</p> <p>I have not been made aware of my WYPF pension. How has it been set up, what steps do I need to take, how to access my pensions, has it been activated, and what to do now to keep a check on my pension and has received my money.</p>	<p>Response sent by XXXX- Thank you for taking the time to complete and return our customer feedback form.</p> <p>You should have received a starter letter when you joined the scheme, this letter outlined the basics of how the pension scheme works, with a link to our website for further details. If you didn't receive this, please let me know.</p> <p>You will be sent an annual statement each summer.</p>

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Jo Donnelly
Head of Pensions
Local Government Association
18 Smith Square
Westminster
London
SW1P 3HZ

29th April 2022

Dear Jo

M&G plc administration delays for Local Government AVCs

Further to our meetings and discussions in relation to administration performance for Local Government AVC schemes, I have provided some explanations below on this specific areas we have discussed.

Acknowledgement of delays

In reference to our recent conversations and feedback received from you, M&G acknowledge that the service provided to Local Government AVC pension schemes and members has not been meeting expectations and requirements. M&G apologises that the service has not been what members would expect and is committed to the improvement of service to Administering Authorities, employers and scheme members.

Description of problems

In late 2020 M&G migrated to an established administration platform. The platform is designed to offer M&G corporate pension customers and members greater digital capability and online access to their policies.

The approach to processing of contributions paid by employers was enhanced to introduce more controls. Historically, M&G have provided manual assistance to ensure contribution listings and payments were processed quickly (for instance where the payment and contribution listing amounts did not agree).

The enhanced system controls require the contribution listings and payments to agree. As this was not always the case, there were delays in the processing of contributions while discrepancies were addressed.

Contributions are a key dependency for all other administration processes. As a result of the processing delays, there was a collateral effect on the rest of the service that was initially experienced through increased call waiting times and delays in the processing of quotes and claims.

At the same time, as a result of the pandemic, there were restrictions in place that required colleagues to work from home. This had the effect of reducing operational efficiency which would not have been the case if colleagues had been co-located.

Actions taken to improve service

As the administration delays and extended call waiting times became apparent, M&G have been operating a Service Recovery Operation. This has facilitated:

- Recruitment of additional staff into the administration and voice functions
- Dedicated staff working with employer payroll teams to resolve file disparities
- Provision of an escalation route for urgent claims and complaints
- A fast-track complaint resolution process
- Upskilling completed in Annuities and Pensions servicing
- Embedding of improved training processes
- Enhanced contingency plans being put in place from both a people and system perspective

Where there have been delays in the processing of benefits and contributions, M&G have ensured that no member has suffered financial detriment as a result of a delay caused by M&G. M&G assess each case on its own merit paying the member compensation, where appropriate.

Expected timescales for resumption of normal service

Call waiting times

- Staffing in our Voice teams was increased by c.50% since the deterioration in performance and the impacts of both Covid and system migration. Continued recruitment and upskilling continues on a monthly basis to deliver both further and future improvements in performance
- Telephone call abandonment rates and call wait times improved significantly through the second half of 2021 and early 2022. Unfortunately, more recently, the abandonment rate and call waiting times have increased. A recovery plan has been put in place to improve performance.

M&G aim to have abandonment rate of less than 5% with a call wait time of less than 2 minutes.

Customer Journeys (including Bereavements, Claims, New Business, Servicing)

M&G is now processing the large majority of core transactions (e.g. retirement claims, transfers, bereavements, contribution changes, fund switches and new member applications) within normal service levels.

Performance is measured on an end to end journey basis. This means that all activities are joined together and the customer journey time is calculated from the first point of contact to the point of closure where no other activity is required to deliver the customer outcome.

The target is for more than 95% of work to be completed within a set number of days depending on the specific work required. For example we aim to have all claims and bereavements processed within 5 working days of receiving all of the relevant documentation.

For the quarter to December 2021, for Local Government AVCs in England and Wales, 90.2% of work was completed within this target. M&G continue to focus on improving performance to this target.

Annual Benefit Statements and Scheme Revisions

As a consequence of the servicing delays outlined above, the production of the 2020 / 2021 annual scheme revision information and Annual Benefit Statements has been delayed. The majority of schemes received their annual benefit statements within the regulatory deadline. M&G is in contact with any schemes where information is yet to be issued. Detailed planning for the distribution of 2021/22 year scheme revision information and Annual Benefit Statements is underway and expected turnaround times will be confirmed to individual Administering Authorities.

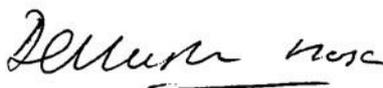
Scheme members can check the value of their AVC account through the online service. Members can login or register for the service at www.pru.co.uk/login

Existing AVC members can access additional support for any general enquiries through the AVC support team which is available Monday – Friday 8.30 - 6pm on 0800 6000 343. Secure messages can also be sent once you have registered for M&G online service.

The Pensions Regulator

M&G have continued to inform The Pensions Regulator about service performance and delays.

Yours sincerely



Alastair Hogg
Head of Corporate Pensions

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Council Workforce

1 May 2022

Select a Department or Service to filter the information shown

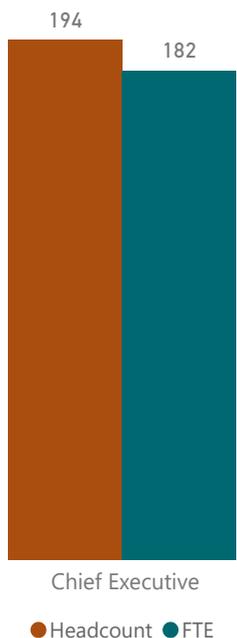
Dept

Chief Executive

Service

West Yorkshire Pension Fund

Council Headcount & True FTE

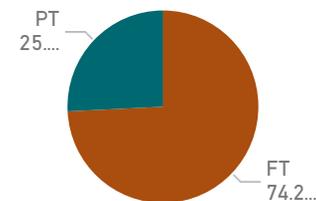
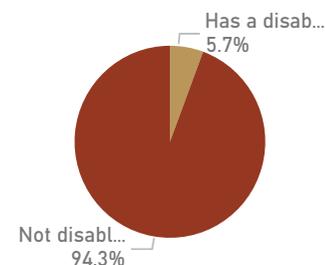
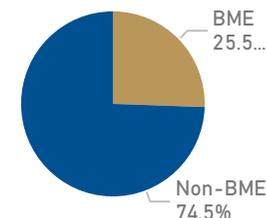
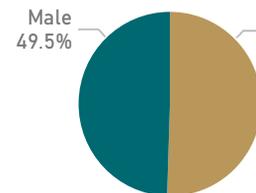


188
Established Employees

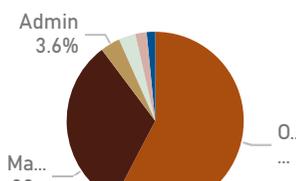
6
Temporary Employees

15
Casual Workers

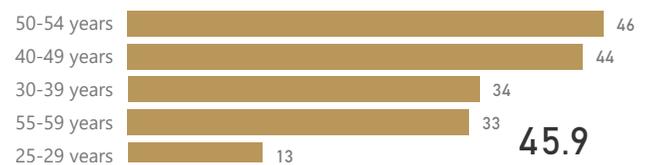
Protected Characteristics



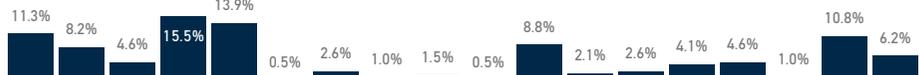
Job Types



Age Bands



Current Employee Start Year



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Absence Performance

Council staff in 12 month period to 1 April 2022

Select a Department or Category to filter the information shown:

Department

Sickness Category

West Yorkshire Pension F... ▾

All ▾

Department	BV12 Sickness Outturns	2019	2020	2021	2022
Chief Exec's & Office of the Chief Exec		5.36	4.87	7.30	16.08
Children's Services		14.03	14.98	12.52	18.03
Corporate Resources		10.32	11.35	9.47	11.01
Health & Wellbeing		15.60	13.37	13.66	16.58
Place		14.06	13.58	9.23	13.98
West Yorkshire Pension Fund		6.14	6.05	5.48	7.33
Council Total (excluding Schools)		13.00	12.96	10.75	14.56

YE Total Sickness

YE Total Sickness

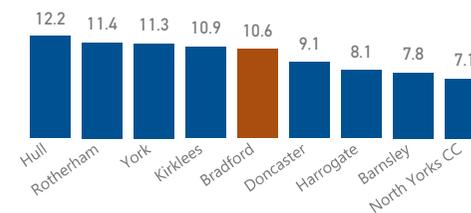
1,196

£178.4K

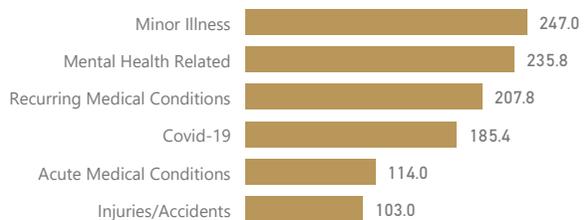
Total FTE Days Lost

Total Sick Pay Cost

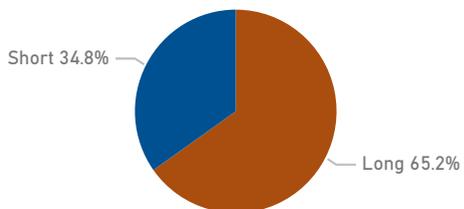
BV12 Local Authority Comparison 2018/19 (incl schools)



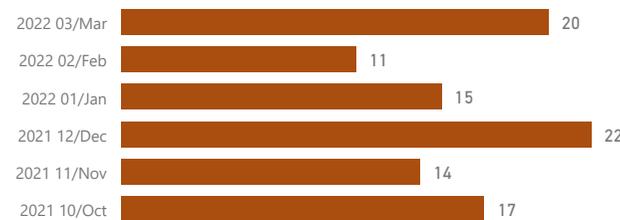
Sickness Category (FTE days) at Year End



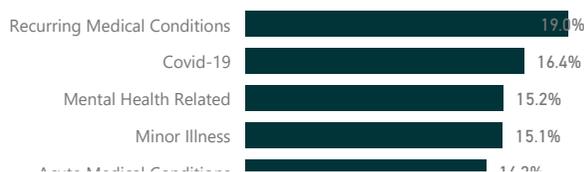
FTE Days by Term at Year End



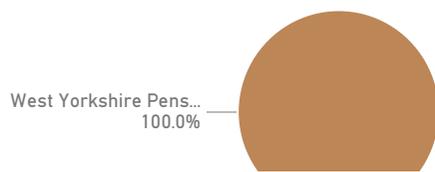
Sickness Spells Commenced per Month



Sick Pay by Category (£) at Year End



Sick Pay Costs Split at Year End



Sick Pay Cost by Month Commenced (£)



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Starters

1 May 2022

Start Date

01/01/2022

31/03/2022

Number of Starters

Select a Department or Service to filter the information shown

Dept

Chief Executive

Service

West Yorkshire Pension Fund

Select an Employee type to filter the information shown (press CTRL key to make multiple selections from a single dropdown)

Age Band

All

BME

All

Disability

All

Employee Group

All

Gender

All

Payscale

All

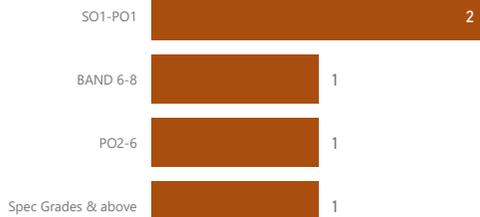
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Starter Pay Band

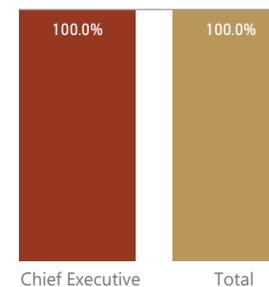
< Gender >

< Ethnicity >

< Disability >



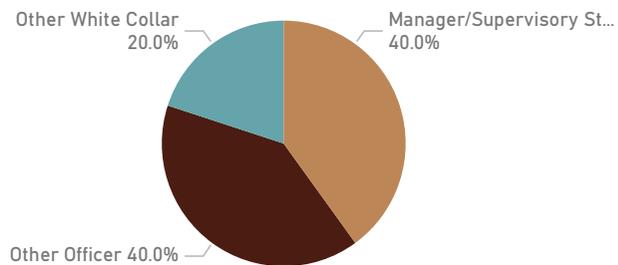
Percentage of Starters



Chief Executive

5

Starter Job Types



Starters Over Time



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Leavers

1 May 2022

Leaving Date

01/01/2022

31/03/2022

Select a Department or Service to filter the information shown

Dept

Service

Chief Executive

West Yorkshire Pension Fund

Select an Employee type to filter the information shown (press CTRL key for multiple selections from a single dropdown)

Age Band

BME

Disability

Employee Gr...

Gender

Payscale

All

All

All

All

All

All

< Show All >

Leavers by Payscale

< Gender >

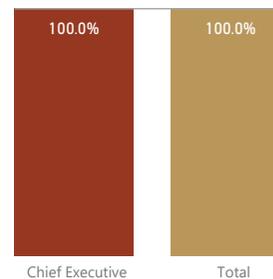
BAND 6-8 2

< Ethnicity >

Spec Grades & above 2

< Disability >

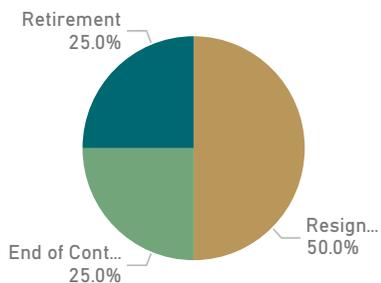
Percentage of Leavers



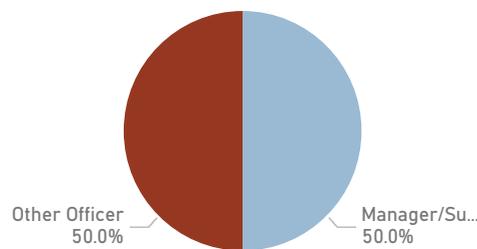
Chief Executive



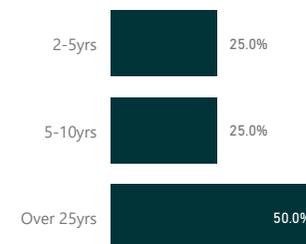
Leaving Reasons



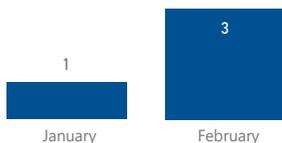
Leaver Job Types



Leaver Length of Service



Leavers Over Time



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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 28 June 2022.

D

Subject: WYPF 2021/22 BUDGET OUTTURN & 2022/23 BUDGET ESTIMATES.

Summary statement:

This report sets out the latest WYPF spend for 2021/22 and forecast for 2022/23. The latest net expenditure for 2021/22 is £10.46m, against a budget of £12.65m, resulting in underspend of £2.19m. The main underspending areas are investment transaction cost £1.28m; salaries £0.42m and general savings and efficiencies. Whilst there are operational challenges, we still managed to deliver all key service objectives.

Expenditure forecast for 2022/23 is £14.75m, against a budget of £14.74m. The biggest increase in expenditure forecast between 2021/22 and 2022/23 are - increased staffing resources to deliver increased service regulations, shared service expansion and increased service demands, and the need to maintain resources for uncontrollable budget areas such as investment transaction costs – brokerage fees, taxes and custody costs.

In terms of performance WYPF remains one of the low risk best performing funds. The financial resources summarised in this report will be used to deliver investment management services for £17.76 billion of financial assets; and pension administration shared services across the UK, for over 490,000 (WYPF 310,000) members and about 1,153 (WYPF 635) active and closed employers across the UK in 2022/23.

WYPF has the lowest total cost per member within LGPS, latest Government published figure for 2020/21 is £33.63 for WYPF. The second place LGPS fund Nottinghamshire PF is £60.93, this is £27.30 more expensive than WYPF. The latest forecast of cost per member for 2021/22 is 33.96 and 2022/23 is £47.58. These forecasts maintain WYPF lowest cost performance going forward.

Rodney Barton
Director WYPF

Report Contact: Ola Ajala
Financial Controller WYPF
Phone: (01274) 434 534
E-mail: ola.ajala@wypf.org.uk

1. SUMMARY

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 this report will be charged to WYPF accounts. The budget proposals in this report will deliver pension administration services to both LGPS and fire services pension scheme members and employers across the UK and will support the governance and oversight of over £17.76 billion of WYPF investment assets. 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.

2. BACKGROUND

2.1 Budget and expenditure monitoring is a routine monthly activity within WYPF and it underpins our financial control, financial planning and financial risk management. We use detailed service activity analysis of expenditure, contracts, commitments, identified service risks, regulatory changes and service best practice on a monthly basis to produce budget monitoring reports for decision making and management information. This detailed process is also known as zero base budget management and provides the most effective financial control. Summarised result of the budget monitoring and review process is provided in the tables below for 2021/22 and 2022/23.

WYPF SUMMARY EXPENDITURE BY TYPE	2020/21 ACTUAL (000)	2020/21 COST PER MBR	2021/22 BUDGET (000)	2021/22 ACTUAL (000)	VAR BDGT-ACT (000)	2021/22 COST PER MBR	2022/23 BUDGET JAN22 (000)	2022/23 FORECAST JAN22 (000)	2022/23 COST PER JAN22 MBR
Accommodation	£349	£1.17	£347	£301	£46	£0.98	£277	£261	£0.84
Actuary	£337	£1.13	£370	£189	£181	£0.61	£371	£350	£1.13
CBMDC Support Services	£453	£1.52	£463	£459	£4	£1.49	£1,288	£1,216	£3.92
Computer	£1,307	£4.38	£1,451	£1,351	£100	£4.39	£0	£1,000	£3.23
Contingency	£0	£0.00	£0	£0	£0	£0.00	£7,487	£7,064	£22.79
Employees	£6,877	£23.07	£8,580	£8,160	£420	£26.51	£491	£463	£1.49
Other Running Costs	£926	£3.10	£1,045	£1,046	£-1	£3.40	£3,752	£3,540	£11.42
Printing & stationery	£496	£1.66	£506	£373	£133	£1.21	£1,130	£1,066	£3.44
Transaction Costs	£1,496	£5.01	£2,616	£1,333	£1,283	£4.33	£2,650	£2,500	£8.06
WYPF Support Services	£0	£0.00	£0	£0	£0	£0.00	£317	£299	£0.96
TOTAL EXPENDITURE	£12,241	£41	£15,378	£13,212	£2,166	£42.92	£17,763	£17,759	£57.29
Other Income	-£223	-£0.75	-£205	-£214	£9	-£0.70	-£189	-£179	-£0.58
Shared Service Income	-£2,016	-£6.76	-£2,528	-£2,543	£15	-£8.26	-£2,830	-£2,830	-£9.13
NET EXPENDITURE	£10,002	£34	£12,645	£10,455	£2,190	£33.96	£14,744	£14,750	£47.58
COUNT OF MEMBERS		298,307				307,796			310,000

2.2 The cost of managing Pension Administration Shared Service, WYPF Investment Management and WYPF Oversight and Governance cost is paid for by a charge to WYPF Fund Account and after appropriate recharges to our LGPS and Fire & Rescue Service partners. Shared cost service income for 2021/22 is £2.19m and forecast for 2022/23 is £2.83m for 2022/23 and this is likely to grow in future.

CHARGED TO WYPF ACCOUNT WYPF	2020/21	2020/21	2021/22	2021/22	VAR	2021/22	2022/23	2022/23	2022/23
	ACTUAL	COST	BUDGET	ACTUAL	BDGT-ACT	COST PER	BUDGET	FORECAST	COST PER
	(000)	PER MBR	(000)	(000)	(000)	MBR	(000)	(000)	MBR
PENSION ADMINISTRATION OVERSIGHT	£4,002 £871	£13.42 £2.92	£4,522 £965	£4,225 £699	£297 £266	£13.73 £2.27	£5,097 £1,074	£5,149 £1,013	£16.61 £3.27
ADMIN + OVERSIGHT INVESTMENT MANAGEMENT	£4,873 £5,129	£16 £17.19	£5,487 £7,158	£4,924 £5,531	£563 £1,627	£16 £17.97	£6,171 £8,573	£6,162 £8,588	£19.88 £27.70
WYPF ACCOUNT	£10,002	£33.53	£12,645	£10,455	£2,190	£33.97	£14,744	£14,750	£47.58
COUNT OF PENSION MEMBERS		298,307				307,796			310,000

WYPF 2021/22 BUDGET OUTTURN

2.3 Net expenditure for 2021/22 is £10.46m against a net budget of £12.65m, underspend of £2.19m. The main underspending areas are:

- a. Investment transaction £1.28m, mainly due to strategic changes and financial market movements.
- b. Salaries £0.42m – vacancies and recruitment challenges, by using efficient processes we are able to deliver on all key service objectives, however we need to address staffing resource issues.
- c. Actuary (Aon) - £0.19m improved cost controls, impact of unitisation, IAS19 reporting improvements and improved recharged processes.
- d. Printing and stationery £0.13m – increased digital services and communication. Newsletters, annual benefit statements, and general communications are now sent to members electronically using our secure online portal MyPension.
- e. Computers £0.10m two projects were delivered using internal resources, costing significantly less than planned. The underspend would have been £0.26m, we decided to charge £0.16m to the 2021/22 accounts for McCloud remedies system solutions, that was delivered in 2021/22.

WYPF 2022/23 BUDGET

2.4 The budget for 2022/23 was compiled using last year budget, adjusted for cost specific inflation, additional service costs and removing cost of services not needed. This process resulted in a base budget of 14.74m. The latest net expenditure forecast for 2022/23 is £14.75m and was produced using the latest expenditure data and current planned expenditure. We are using invest to save strategies to manage a number of budget and service pressures from a resource pool of £1.0m. Most of the £1.0m is from increased income from shared service recharges, efficiencies and saving activities delivered. Key proposals we are looking at are listed below:

- a) £300k – Maintain staffing resources and create capacity for additional shared services. This is mainly directed at staffing resources, processes and procedures. The WYPF senior staff average age is over 50yrs, and succession planning for key staff members that may retire soon needs resourcing. There is an urgent need to build service resilience across WYPF and create capacity for shared services.
- b) £200k - We need to increase service consultation across all service areas, ESG, climate change engagements, employers' consultation on a number of issues to improve pension services and share knowledge with employers. There is also an

urgent need to improve the quality of pension management information we provide to employers and also ensure we get accurate pension data in return.

- c) £200k - Increased regulations and financial compliance rules. A major development in this area is the Taskforce for Climate Financial Disclosure (TCFD) requirements for all asset owners (pension funds and wealth funds). Some of the overseas companies we invest in will be reporting using the EU's Sustainability Financial Disclosure Regulations (SFDR). We will need additional systems and data management resources to capture additional data required by new regulations, source new data; track, validate and analyse data for investment management.

On the pension administration front there are new regulations from government, the Pension Regulator, HMRC tax compliance regulations on payment reporting (closing tax loopholes). In addition, the Pension Ombudsman is changing its approach on how complaints are handle – possible class actions and members needing lower thresholds to raise complaints.

- a. Pension dashboard
- b. McCloud
- c. GMP reconciliation
- d. Pension scams
- e. Exit cap – still a key government aspiration
- f. Tax compliance rules – tax allowance (annual and life time),

Investment is needed to improve our processes – we are building more auto processes, this will release staff to work on exceptions and activities that will add value. We are investing in systems and processes that will improve data quality and accuracy of pension calculations. We are also procuring digital training for staff and employers.

- d) £225k - Uncertain costs and impact of Covid-19 – accelerated digitisation of services, virtual services for staff, members and employers, also migration of virtual services to clients and customers. Added complexity of maintaining and meshing traditional face to face services with new digital services.

Improve investment back office services and systems, core investment systems were last reviewed in 2014/15. We need to introduce workflow processes and use more automated processes. In 2022/23 we are looking to improve systems by employing a specialist IT developer within WYPF IT and collaborate with our investment system providers Linedata and Burgiss.

Brexit this is still a concern for all business operations including the financial service sector.

- e) £75k – Improve investment performance data management and data exchange with Northern Trust, MJ Hudson (Amaces), Portfolio Evaluation (PEL) and Aon - monthly pension unitisation data for managing employers covenant, contracts and financial viability.

The £1.0m held as Invest to Save resources will be released only after further consideration of each business case by management.

- 2.5 The 2021/22 budget is scoped to maintain the current growth of pension administration shared service, investment pooling, increased service capacity, improved service quality, strengthened regulatory compliance and improved data governance.

WYPF 2021/22 AND 2022/23 COST PERFORMANCE

- 2.6 The 2021/22 annual cost of managing WYPF per member is £33.97 and for 2022/23 £48.67. These figures should place WYPF 1st in the LGPS cost per member league table.

WYPF COST PER MEMBER	2019/20 ACTUAL	2020/21 ACTUAL	2021/22 ACTUAL	2022/23 BUDGET	2022/23 FORECAST
MEMBER NUMBER	SF3	SF3	307,796	303,000	303,000
WYPF PENSION ADMIN	£16.23	£13.46	£13.73	£16.82	£16.99
WYPF INVEST MANAGEMENT	£22.83	£17.25	£17.97	£28.29	£28.34
WYPF OVERSIGHT	£2.88	£2.93	£2.27	£3.54	£3.34
TOTAL COST PER MEMBER	£41.94	£33.64	£33.97	£48.65	£48.67
INVESTMENT VALUE (000)	£13,180,582	£16,267,534	£17,762,000	£17,500,000	£17,500,000
COST OF INVEST MANAGEMENT	£6,697	£5,129	£5,531	£8,573	£8,588
COST OF INVEST MANAGEMENT IN BASIS POINTS (bps)	5.08	3.15	3.11	4.90	4.91

INVESTMENT COST OF MANAGEMENT IN BASIS POINTS (bps).

- 2.7 Using basis points (bps) WYPF investment cost is between 3 and 5 bps of current investment asset value of £17.76 billion. Based on the Investment Association survey for 2021/22 the average cost of investment management is 18bps, this is 500% more than WYPF. Similar to the LGPS table, this measure put WYPF in the top quartile in terms of investment management cost of the best performing investment management organisations.

Local Authority SF3 2019/20 (RANK 1 TO 10) + PARTNERS TOTAL NUMBER OF LGPS 85	2020/21								2019/20		
	Total members	Invest mngmt pr mbr	Rank	Pension Admin pr mbr	Rank	Gov & Ovsht pr mbr	Rank	Total mngmt cost pr mbr	Rank	Total mngmt cost pr mbr	Rank
West Yorkshire Superannuation Fund	297,384	17.25	1	13.46	5	2.93	4	33.63	1	41.94	1
Nottinghamshire	145,647	30.00	2	18.48	13	12.39	40	60.87	2	60.93	2
East Riding of Yorkshire UA	100,050	51.71	4	20.64	21	8.64	28	80.99	3	63.07	3
Tameside	390,652	78.78	8	18.90	17	3.95	7	101.63	4	90.43	4
Middlesbrough UA	73,620	67.33	6	26.32	41	7.99	25	101.64	5	103.85	5
Lewisham	25,399	62.64	5	27.21	44	20.04	61	109.89	6	134.88	6
Surrey	111,800	68.14	7	26.20	40	22.26	66	116.60	7	133.54	9
Bedfordshire	72,124	94.49	9	20.83	22	13.32	47	128.64	8	121.21	8
Somerset	67,907	105.78	11	18.70	14	10.03	35	134.51	9	121.25	9
Islington	20,981	46.85	3	68.73	80	19.64	60	135.22	10	151.04	12
Lincolnshire	76,856	128.30	12	12.82	3	9.82	33	150.94	11	156.66	13
Hounslow	69,878	168.31	29	38.16	62	5.07	10	211.54	29	238.91	41
Merseyside Pension Fund	140,023	249.90	44	21.61	29	12.66	42	284.17	44	339.88	60
Barnet	26,803	350.60	63	38.91	65	32.38	80	421.89	63	342.52	62
England & Wales AVERAGE	6,128,702	238.43		24.16		11.74		274.34		245.41	0
								+12% on 19/20			

- 2.8** Based on government figures LGPS average cost was up by 12%, WYPF went down by 20% between 2019/20 and 2020/21.
- 2.9** The impact of WYPF cost per member within the Northern LGPS is shown below, and the relative rank of the NLGPS Pool when compared to the government figures, would place NLGPS in 4th overall.

Local Authority SF3 2020/21	NORTHERN LGPS 2020/21								
	Total number of members	Insvt Exp per Mbr	Rank	Admin Exp per Mbr	Rank	O&G Exp per Mbr	Rank	Tot Exp per Mbr	Rank
West Yorkshire Superannuation Fund	297,384	£17.25	1	£13.46	5	£2.93	4	£33.63	1
Tameside	390,652	£30.00	8	£18.48	17	£12.39	7	£60.87	4
Merseyside Pension Fund	140,023	£249.90	44	£21.61	29	£12.66	42	£284.17	44
NORTHERN LGPS POOL	828,059	£62.61	5	£17.21	9	£9.04	29	£88.85	4

3. OTHER CONSIDERATIONS

None

4. FINANCIAL & RESOURCE APPRAISAL

Expenditure and income detailed in this report will be charged to the WYPF pension fund account. This report is used to determine the financial resources available to WYPF to deliver operational services for the 2021/22 and 2022/23 financial years. As the lowest cost LGPS fund, the level of resources requested will maintain value for money, service standards and quality.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

Budget monitoring is key element of our risk management and control, this report allow management to planned expenditure and income, report on financial activities and strategy, cost control and performance to the Local Pension Board.

6. LEGAL APPRAISAL

In accordance with Local Government Pension Scheme Regulations 2013, the pension fund must prepare annual management and financial performance reports. This report will allow the local Pension Board to note the resources available to WYPF to deliver statutory functions and effective high performing pension management and financial services.

7. OTHER IMPLICATIONS

7.1 SUSTAINABILITY IMPLICATIONS

The services covered in this report are committed to mitigating climate change by using energy efficient supplies and services, avoid waste and where not possible minimise waste. Reuse materials and where facilities are available, recycle office waste.

7.2 GREENHOUSE GAS EMISSIONS IMPACTS

WYPF operates from a modern “Aldermanbury House”, the building was bought in 2014 and we have invested significant sums to improve the energy efficiency of the building, however there is still more to do. We are working with our property managers to further improve the building for staff, visitors and our commercial tenants. Electricity supplied to the building is sourced from renewable suppliers and there is programme to review water boilers and other plant.

In terms of our operations a significant number of our staff have always been able to work from home before the Covid-19 pandemic and since the start of the pandemic all staff that want to work from home have been able to work from home. This has reduced our staff daily journeys into work and also reduced our operational greenhouse gas emission significantly. When on business travel our staff are encouraged to use public transport, unless low greenhouse gas emission alternatives are available.

In order to maintain a balance service, we have moved to a hybrid operation on a standard two days office working and three days home working each week. This approach is welcome by the majority of staff.

7.3 COMMUNITY SAFETY IMPLICATIONS

None.

7.4 HUMAN RIGHTS ACT

None.

7.5 TRADE UNION

The services covered by this report will provide additional employment and apprenticeship opportunities within the local area.

7.6 WARD IMPLICATIONS

The services covered by this report will support pension members and provide additional employment and apprenticeship opportunities within the local area.

7.7 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

The services covered by this report will provide additional employment and apprenticeship opportunities within the local area.

7.8 ISSUES ARISING FROM PRIVACY IMPACT ASSESSMENT

None.

8. NOT FOR PUBLICATION DOCUMENTS

No

9. OPTIONS

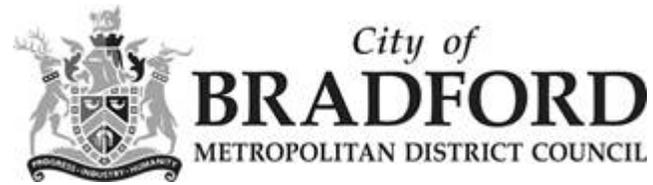
The Local Pension Board should note the original estimate for 2022/23, note the projected

outturn for 2021/22, or may make recommendations to management on any part of this report.

10. RECOMMENDATIONS

That the Local Pension Board:

- A. Note the WYPF total net expenditure forecast of £10.46m for 2021/22.
- B. Note the WYPF total net expenditure budget of £14.74m and forecast of £14.75m for 2022/23.
- C. Note the WYPF total cost per member of £33.63 is the lowest LGPS cost per member, this is also supported by strong service performance and quality.



Report of the Director, West Yorkshire Pension Fund, to the meeting of West Yorkshire Pension Fund Pension Board to be held on 28 June 2022

E

Subject: Training Strategy

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.

To be able to assist the Scheme Manager and meet the requirements of the Public Service Pensions Act 2013, Pension Board Members must be able to demonstrate suitable knowledge and skills relating to the LGPS to effectively scrutinise the decisions made by officers.

The training of Pension Board members to understand their responsibilities and the issues they are dealing with is a very high priority.

Recommendation

It is recommended that the Local Pension Board adopt the training strategy as the formal commitment to meeting the requirement to demonstrate their knowledge and skills of the LGPS and assist the scheme Manager as defined by the Public Service Pensions Act 2013.

Rodney Barton
Director

Report Contact Matt Mott
Phone: 07815 476877
Email: matthew.mott@wypf.org.uk

1. Background

- 1.1 The requirements for Occupational Pension Boards to demonstrate understanding of their pension scheme was first introduced in the Pensions Act 2004.
- 1.2 Local Pension Boards were introduced in the LGPS regulations 2013
- 1.3 The role of The Pension Board was then defined by sections 5(1) and (2) of the Public Service Pensions Act 2013
- 1.4 Pension Board members have a statutory obligation to demonstrate their knowledge and skills of their pension scheme.
- 1.5 There is a strengthening of the Governance covenant nationally as the Scheme Advisory Board (SAB) seeks a consistent and high standard of administration across the LGPS.

2 Board Training

- 2.1 Since the inception of the Pension Board, Members have undertaken training.
- 2.2 Individual Board Members have regularly completed modules on the TPR Public Service Toolkit, attended regular sessions with the scheme actuary regarding valuation and attended various conferences and seminars
- 2.3 There has been no formal Pension Board commitment to attaining the required knowledge and skill training
- 2.4 All Pension Board Members have a statutory obligation under the Public Service Pensions Act 2013 to demonstrate the appropriate knowledge and skills in relation to LGPS pension matters and will:
 - have their knowledge measured and assessed;
 - receive appropriate training to fill any knowledge gaps identified; and
 - seek to maintain their knowledge.

3 Training Strategy

- 3.2 The Training Strategy enables the Board to formally state its intention to meet its statutory obligations and commit all Board members to demonstrating they have, or will attain, the required level of knowledge and skills for the LGPS
- 3.3 TPR are producing a further Code of Practice (anticipated Autumn 2022) which is expected to increase the requirements of the Pension Board to be fully compliant with their scheme rules and pension legislation.

- 3.4 SAB are expected to introduce guidance with anticipated scheme regulation amendments, requiring Board members, and other Boards & Committees associated with Pension Funds, to have the necessary understanding of their scheme to assist and challenge the scheme manager in the administration of the scheme.
- 3.5 Adopting the Training Strategy will enable the Pension Board to meet current and future regulatory requirements and pave the way for associated Boards and Committees (JAG & IAP) to adopt a common approach to knowledge and skills, demonstrating a joined up approach across WYPF in meeting its statutory obligation as an LGPS Administrator.

4. Recommendation

It is recommended that the Local Pension Board adopt the training strategy as the formal commitment to meeting the requirement to demonstrate their knowledge and skills relating to the LGPS and assist the scheme Manager as defined by the Public Service Pensions Act 2013.

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WYPF Pension Fund Knowledge and Skills Training Strategy

Contents

1. Introduction
2. Meeting the Business Plan
3. Delivery of Training
4. Ongoing Development
5. Training Records and Certification

1. Introduction

This is the Training Strategy for the West Yorkshire Pension Fund (WYPF).

It sets out the strategy for the Pension Fund to satisfy the regulations under the Public Service Pensions Act 2013 concerning training and development of the:

- Members of the Pension Board and (when appropriate) other Boards and Committees that may have involvement with the Pension Fund, such as the Joint Advisory Group (JAG) and the Investment Advisory Panel (IAP) (the “Members”); and
- officers of WYPF responsible for the management of the Fund (the “Officers”).

The Training Strategy is established to aid Members in performing and developing personally in their individual roles and to equip them with the necessary skills and knowledge to challenge and act effectively within the responsibility put upon them.

The Pension Board will be effective in its scrutiny of decisions made by Officers, JAG and IAP.

1.1 Strategy Objectives

The Fund’s objectives relating to knowledge and skills are to:

- Ensure the pension fund is managed and its services delivered by people who have the appropriate knowledge and expertise;
- Act with integrity and be accountable to our stakeholders for decisions, ensuring they are robust and well based.

To achieve these objectives, Members require an understanding of:

- their responsibilities as an administering authority of a local government pension fund;

- the operation and administration of the pension fund;
- the fundamental requirements relating to pension fund investments;

So far as is possible, targeted training will also be provided that is timely and directly relevant to the Board's responsibilities as set out in the Fund's business plan. For example, valuation training was provided immediately preceding commencement of the valuation process 2022.

All Pension Board Members have a statutory obligation under the Public Service Pensions Act 2013 to demonstrate the appropriate knowledge and skills in relation to LGPS pension matters and will:

- have their knowledge measured and assessed;
- receive appropriate training to fill any knowledge gaps identified; and
- seek to maintain their knowledge.

1.2 Application of the training strategy

This Training Strategy will apply to all elected members and representatives with a role on the Pension Board and (if applicable) JAG and IAP, plus the Director of WYPF and the director's immediate reports. Other officers involved in the management and administration of the Fund will have their own sectional and personal training plans and career development objectives.

1.3 Purpose of training

The purpose of training is to:

- equip Board Members and Officers with the necessary skills and knowledge to be competent in their role
- promote thorough scrutiny
- support effective and robust decision making
- provide individuals with integrity
- meet the required needs in relation to the Fund's objectives
- meet requirements of the Pension Act 2013

1.4 Summary

This training strategy will:

- meet requirements of the Public Service Pensions Act 2013
- assist in meeting the Fund's objectives
- assist in meeting the Fund's business plan
- assist in achieving delivery of effective management

- equip those responsible with appropriate knowledge and skills
- promote the development of decision makers
- demonstrate compliance with the TPR Code of Practice and
- contribute to good scheme governance

2 Meeting the business plan

2.1 Timely and relevant

There will be times in the year when different circumstances will require specific training. For example, Valuation training was provided before commencement of the valuation process 2022.

It is vital that training is relevant to meet the statutory requirement and any skills gap or business need and training should be delivered in a manner that fits with the business plan.

The training plan will therefore be regularly reviewed to ensure that training will be delivered where necessary to meet immediate needs and fill knowledge gaps.

3 Delivery of Training

3.1 Training resources

Consideration will be given to various training resources available in delivering training to Members or Officers in order to achieve efficiencies. For Members and Officers these may include but are not restricted to:

Board Member	Officer
Online TPR Public Sector Tool Kit	Online TPR Public Sector Tool Kit
Hyman Roberson's online Learning Academy	Hyman Roberson's online Learning Academy
Conferences, seminars and webinars	Conferences, seminars and webinars
External training courses	Training for qualifications from recognised professional bodies (e.g. CIPFA, CIPP, PMI)
Internally developed training days and pre/post Board sessions	Desktop / work based training
Shared training with Local Government Association (LGA) and other Funds	In-house / Internally developed sessions
Regular updates from officers and/or advisers	
In-house / Internally developed sessions	

3.2 Training Plans

Fund Training Plans will be produced annually. These will be updated as required taking account of the changes to scheme regulation and overarching pension legislation.

Induction Training will be provided for all new Officers and Members. This will involve an overview of the LGPS and WYPF, will cover the requirements of the Training Strategy alongside guidance and information on the requirements of their roles and the expectation to complete regular online training in addition to Board meetings and Board training. It is expected the initial Induction Training for Members could involve approximately the equivalent of 3 hours training on a one to one basis, albeit these sessions could be spread over a several days.

Newly appointed Board, JAG and IAP members will be expected to completed the LGA Fundamentals training programme.

3.3 External Events

A log of potential external events attended will be maintained by the WYPF Officer responsible for Fund governance and will demonstrate necessary knowledge and skills training. This will be updated as information on events becomes available and will be provided at Pension Board meetings.

After attendance at an external event, Members will be expected to provide verbal feedback at the following Pension Board meeting covering the following points

- Their view on the value of the event and the merit, if any, of attendance
- A summary of the key learning points gained from attending the event; and
- Recommendations of any subject matters at the event in relation to which training would be beneficial to other Pension Board members

Officers attending external events will be expected to report to their direct line manager with feedback covering the following points:

- Their view on value of the event and the merit, if any, of attendance
- A summary of the key learning points gained from attending the event; and
- Recommendations of any subject matters at the event in relation to which training would be beneficial to other officers

4 Continuing development

4.1 Maintaining knowledge

In addition to undertaking an on-going assessment in order to measure knowledge and skills against requirements of the Pension Act 2013 and identify knowledge gaps, Officers and Members are expected to maintain their knowledge of on-going developments and issues through attendance at external events and seminars.

Appropriate attendance at events for representatives of the Pension Board and (if appropriate JAG and IAP) will be agreed by the WYPF Director. Appropriate attendance at events for Officers will be agreed via their relevant line manager.

A list of future events and seminars will be presented at each Pension Board meeting.

Owing to the changing world of pensions, it will also be necessary to have ad hoc training on emerging issues or on a specific subject on which scrutiny is required by the Pension Board in the near future.

5 Training records

5.1 Progress and achievement

Progress and achievement will be recorded by the Fund collectively for the Board and also individually for all Officers and Members. These will detail:

- The current assessment of an individual's acquired knowledge
- Their attendance at internal/external training or events; and
- All training courses completed (online) and events attended by them to

date

5.2 Training Resource and Material

Training resource and material will include but will not be restricted to:

- TPR Public Sector Toolkit
- LGA Fundamentals Training
- Learning Academy
- CIPFA Skills & Knowledge Framework
- TPR Code of Practice 14
- SAB Good Governance Reports
- LGPS Regulations 2013
- Public Service Pensions Act 2013
- WYPF policy, process and discretion

June 2022

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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 28 June 2022

F

Subject: Training

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.

To be able to assist the Scheme Manager and meet the requirements of the Public Service Pensions Act 2013, Pension Board Members must be able to demonstrate suitable knowledge and skills of the LGPS to effectively scrutinise the decisions made by officers.

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

It is recommended that Members of the Local Pension Board undertake the TPR Toolkit online training and the Hymans Robertson online Learning Academy Training and in doing so meet the requirements defined by the Public Service Pensions Act 2013.

Board Members should also be encouraged to attend external training events provided by PLSA, LGA & actuaries. Consideration should also be given to Local Pension Board Member representation at various national events such as the PLSA Conference and LGA Governance conference.

Rodney Barton, Director
Report Contact Matt Mott
Phone: 07815 476877
Email: matthew.mott@wypf.org.uk

1. Training and 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 training and events.

- **TPR Public Service Toolkit**

The Trustee toolkit is aimed specifically at Trustees of Occupational Pension Schemes. The Public Service Online Toolkits is aimed specifically at Public Service schemes including the LGPS and includes a series of online learning modules and downloadable resources developed to help Board Members meet the **minimum** required level of knowledge and understanding as defined by the Public Service Pensions Act 2013. <https://trusteetoolkit.thepensionsregulator.gov.uk/>

All Pension Board members should complete the Pension Regulators toolkit training. Once completed a copy of the completion certificate should be given to the Governance and New Business Manager.

The mandatory training includes Modules across a range of pension topics including;

- Conflicts of Interest
- Maintaining Accurate Member Data
- Providing Information to Members and Others
- Reporting Breaches of the Law
- Managing Risk and Internal Controls
- Maintaining Member Controls
- Resolving Internal Disputes

Each module takes approximately 30 to 60 minutes to complete and Board Members are requested to complete a minimum of two prior to each Board meeting until all modules are completed.

TPR Regularly update the content and may amend or add additional modules for Trustees. WYPF are considering signing up to the TPR transfer pledge, as discussed at Board on 22 March 2022, and to do so all Board Members are required to have completed the TPR Pension Scams Module

- **Hymans Robertson online Learning Academy**

Hymans Robertson have produced an online training centre specifically for the LGPS and is aimed at Local Pension Board Members and scheme practitioners.

The Learning Academy aids the knowledge and skills required of Board Members to fulfil their statutory duties and has 6 tutorials which include presentations, a glossary and question and answers. It can also be used as a record of all other training achievements and events attended.

Each module takes approximately 30 to 60 minutes to complete and Board Members are requested to complete a minimum of two prior to each Board meeting until all modules are completed.

To access your learning please go to <https://aspire.hymanslearning.co.uk/>

There is a "How to" User Guide that will help you navigate through the system and can be found here ["How to" User Guide](#)

Please contact Matt Mott or [Aspire.Hymans <Aspire.Hymans@hymans.co.uk>](mailto:Aspire.Hymans@hymans.co.uk) if you have any questions.

- **LGA Fundamentals training programme 2022**

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. 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.

Each day has a different theme and will include sessions delivered by experts in their field. The event also provides delegates with valuable networking opportunities. Each day's programme will start at 10am, with registration and coffee from 9:30am, and close by 4pm with refreshments and lunch provided. Full details can be found [here](#).

The training will take place in two locations, London and Birmingham. LGA are also offering online only sessions, so delegates will have the choice of attending in person or virtually.

- **LGA Annual Governance Conference**

The annual conference retains its popular lunchtime to lunchtime format. It will start on Thursday 19 January and end on Friday 21 January 2023 and will take place in Cardiff. The programme is currently being finalised and further details will be provided late in the year.

- **Training at Board Meetings**

It is the intention of WYPF to provide additional training as part of the Board Meetings. These may be planned topics to support the existing training, current "hot" topics, or training presented prior to a discussion of a particular report. Training topics may also be at the suggestion of the Board or a Board Member.

Where additional training is not provided as part of the Board Meetings there may be an update or summary of training completed to date and events attended by Board Members.

WYPF have considered the recent number of new appointments to the Board within the last 12 months and will provide a training presentation, a scheme Overview and Administration.

- **LGA circulars and bulletins**

Members can also make use of the LGA website where circulars, bulletins and updates are published on a regular basis.

<http://www.lgpsregs.org/index.php>

- **Scheme Advisory Board website**

Members can find lots of useful information on the Scheme Advisory Boards website

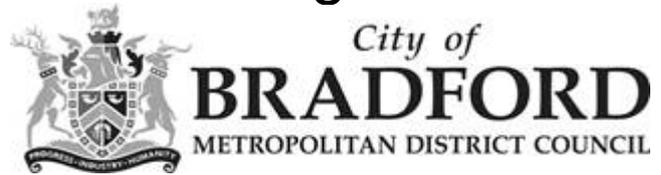
<https://www.lgpsboard.org/>

2. Recommendations

It is recommended that Members of the Local Pension Board undertake the TPR Toolkit online training and the Hymans Robertson online Learning Academy Training and in doing so meet the requirements defined by the Public Service Pensions Act 2013.

Board Members should also be encouraged to attend external training events provided by PLSA, LGA & actuaries. Consideration should also be given to Local Pension Board Member representation at various national events such as the PLSA Conference and LGA Governance conference.

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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 28 June 2022**

G

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.

Rodney Barton
Director

Report Contact: Elizabeth Boardall
Phone: 07890 532188
E-mail:
elizabeth.boardall@wypf.org.uk

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 schemes 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 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

West Yorkshire Pension Fund

Data Improvement Plan

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 comply with its core functions and to ensure the cost effective use of resources.
- 1.4 The LGPS continues to face on-going legislative change with oversight of administration and governance now falling under the remit of the Pension Regulator, with a heightened responsibility on scheme managers and local pension boards 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 etc.
- 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.

2.3 In summer 2019 the Local Government Association issued a revised list of Scheme-specific data that LGPS Funds should use to check their data against. Changes to WYPF data reconciliation reports were implemented in November 2019 and as result the data quality scores shown on the 2018/19 Data Improvement Plan and the score shown on the 2019/20 Data Improvement Plan are not comparable.

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 (also known as conditional) data.
- Increase in the number of Annual Benefit Statements (ABS) issued by 31 August each year/members 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 ABS are sent out.
- Reduction in administration costs due to increased efficiency.
- Reduces the likelihood of the Government Actuary Department rejecting data for the scheme valuation.
- Improves 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 provision 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 Ongoing 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 profile 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 engage with a Tracing Bureau for both monthly mortality screening and for members we don't have a current address for. 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 decreased 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 elements present,
- Spouse elements that don't match member elements,
- Incorrect dates for the first entry after the member is deferred,
- 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 records 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

	June 21	Sept 21	Dec 21	Apr 22
TPR Score – Common	95.91	95.94	95.87	96.00
TPR score - Conditional	88.97	88.94	88.88	92.17

Breakdown of activities	June 21	Sept 21	Dec 21	Apr 22
Count of Missing, Bad or Temp NI Number	425	442	436	433
Count of Forename(s) Missing	1	1	1	1
Count of Gender Missing	3	4	5	3
Count of Bad Date of Birth	6	4	4	4
Count of Address Missing	10362	10344	10726	10550
Count of Postcode Missing	136	136	136	136
Count of no date joined scheme				
Count of Folder Status/ Status History Mismatch	91	52	32	38
Count of Multi FolderStatHist Entries on Same Day	179	180	180	178
Count of Missing or Bad Expected Retirement Date	1259	1260	1260	1233
Count of No Folder Scheme History	25	25	25	25
Count of Missing Date Joined Employer	1	1	1	1
Count of Missing Earnings	546	542	592	1308
Count of Invalid Part Time Service Present	2	2	3	3
Count of Missing CARE Benefit	266	347	271	320
Count of Missing CARE Revaluation Rate	34	112	33	75
Count of Invalid Contracted Out Date	29	29	29	29
Count of Missing Initial Pension (Def)	52	50	51	50
Count of Invalid Deferred Payment Date	11	21	64	108
Count of Missing Initial Care Pension (Def)	172	172	171	171
Count of missing initial pension				
Count of Missing CARE Initial Pension	46	44	45	48
Count of start data inconsistency	2509	2503	2482	2481
Count of invalid transfer in present	551	548	533	512
Count of no NI Contributions or GMP	7517	7479	7433	6540
Count of No Date of Leaving	4	3	5	5
Count of Missing Benefit Crystallisation	4	4	4	4
Count of Missing Benefit Crystallisation details	7127	7192	7255	7329
Count of Invalid AVC Data for Member	2	2	4	4
Count of Missing Current Pension	3971	3965	3944	762
Count of Missing Annual Allowance Calculation	1370	1404	2482	182
Count of Deferred – No Total Exit GMP	17588	17724	17871	11634
Count of No Post 88 Exit GMP	8527	8612	8706	6056
Count of missing marital status	15	14	14	14
Count of No retirement details				

Appendix B at November 19

Data Category	Category	Priority	Resolution required	Responsibility	Progress/ Notes	Deadline
Missing Ni Number	Common	Low	Ni number to be identified where possible	Service centre	Ongoing	Ongoing
Bad Date of birth	Common	Medium	Interrogate records	Service Centre		Nov 22
Missing Address	Common	Medium	Actives – Contact employer Deferred and preserved refunds use tracing service	Service Centre	Ongoing	Ongoing
Missing postcode	Common		Actives – Contact employer Deferred and preserved refunds use tracing service	Service Centre	Ongoing	Ongoing
Missing or bad expected retirement date	Common	Medium	ICT to review if bulk update can be completed	ICT		Nov 22
Multifolder status history on the same day	Common	low	Review each record as they may have 2 entries on the same day in error	Service Centre and Pensioners Services		Nov 23
Folder status/ Status history mismatch	Common	Medium,	Review each case as it may be as a result of an change due to monthly postings	Finance		Nov 23
No folder scheme history	Scheme Specific	Medium	Interrogate records	Service centre/Pensioner services		Nov 22
No NI contribution or GMP	Scheme Specific	Medium	ICT to review the report as data is on the records	ICT		Nov 22

Missing Benefit Crystallisation record	Scheme Specific	Low	Interrogate records - All Pensioner records	SC5		Nov 23
Missing Benefit crystallisation details	Scheme specific	Medium	ICT to consider bulk update	Ict		Nov 22
Missing date joined employer	Scheme Specific	Low	Majority of cases awaiting leaver / pensioner benefits calculating in the service Centre	Service Centre	Completed	Work dealt with in accordance with KPIs
Missing earnings	Scheme Specific	Low	Interrogate records			Nov 23
Missing marital status	Scheme specific	Low	Interrogate record or default to married	Service Centre		Nov 23
Invalid transfer in present	Scheme Specific	Low	Interrogate records	Service Centre		Nov 23
Invalid AVC Data for member	Scheme Specific	Low	Interrogate records	Service Centre		Nov 23
Invalid part time service present	Scheme Specific	Low	Interrogate record	Service Centre		Nov 23
Missing CARE benefits	Scheme Specific	High	Majority of cases awaiting leaver/ pensioner benefits calculating in the Service Centre	Service Centre		Work to be dealt with in accordance with KPI
Missing CARE revaluation rate	Scheme Specific	Low	Majority of cases awaiting leaver/ pensioner benefits calculating in the Service Centre	Service Centre		Work to be dealt with in accordance with KPI

Invalid Contracted out date	Scheme Specific	Low	Interrogate records	Service Centre		Nov 23
Missing Current Pension	Scheme Specific	medium	ICT to refine report	ICT		Nov 22
Missing Initial Pension (def)	Scheme Specific	High	As per KN – Historic cases which are updated on an annual basis via a report. KN to review	Service Centre		Nov 22
Invalid deferred payment date	Scheme Specific	Low	Team early leaver to investigate	Service Centre		Nov 23
Missing Initial CARE pension (def)	Scheme specific	Low	Team early leavers to investigate ICT may need to amend report to not include cases where member joined right at the end of the year and no care benefits	Service Centre ICT		Nov 23
No date of leaving	Scheme specific	Low	Interrogate record	Pensioner services		Nov 23
Missing CARE Initial Pension	Scheme Specific	Low	Interrogate records	Pensioner services		Nov 23
Missing SPA date (def)	Scheme Specific	Low	Interrogate record	Service Centre	Completed	Nov 23
Missing Annual Allowance Calculation	Scheme Specific	Low	ICT to consider if bulk update can be done	ICT		Nov 23
Start date inconsistent	Scheme Specific	Low	ICT to consider if bulk update can be done	ICT		Nov 23
Deferred – No total Exit GMP	Scheme Specific	Low	ICT to review report	ICT		Nov 23
No post 88 Exit GMP	Scheme Specific	Low	ICT to review report	ICT		Nov 23

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.

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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 28 June 2022

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Subject: Trivial Commutation – Update

Summary statement:

Trivial commutation is an option where members or dependents are able to elect to take a one off lump sum in exchange for a pension under certain circumstances.

This report updates the Local Pension Board on the work currently done by the pension fund in making trivial commutation payments to our members and our plans for the future.

Recommendation

The Local Pension Board note the report

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Rodney Barton
Director

Report Contact: Grace Kitchen
Phone: (01274) 434266
Email: Grace.Kitchen@bradford.gov.uk

1.0 Background

- 1.1 Members or dependents are able to elect to take a one off lump sum in exchange for a pension if they meet certain criteria
- 1.2 A trivial commutation lump sum payment extinguishes all entitlement to benefits under the Local Government Pension Scheme.
- 1.3 Allowing members to take a trivial commutation lump sum is at the discretion of the Administering Authority subject to overriding regulations as detailed below.
- 1.4 Administering Authorities may pay a trivial commutation lump sum to members in accordance with section 166 of the Finance Act 2004. The total value of member's pension benefits in the LGPS and non LGPS has to be less than £30,000 (the value of the benefits is determined by a formula set out in the Act).
- 1.5 Administering Authorities may pay a trivial commutation lump sum death benefit in accordance with section 168 of the Finance Act 2004 if the value of all the dependant's benefits in the LGPS in England and Wales resulting from the death of a member is less than £30,000 (the value of the benefits is not determined by a formula set out in the Act but is instead calculated by guidance issued by the Secretary of State).
- 1.6 Administering Authorities may pay a trivial commutation (small pot) lump sum to members in accordance with De Minimis payments under regulations 11 or 12 of the Registered Pension Schemes (Authorised Payments) Regulations 2009. The member must have left the LGPS after 1 April 2008 and the total value of member's pension benefits in the LGPS has to be less than £10,000
- 1.7 Before a trivial commutation lump sum can be paid there are a number of conditions that must be met such as the member being at least age 55 or in the case where a member has a Guaranteed Minimum Pension (GMP) this increases to age 60 for women age 65 for a man.

2.0 Update of work currently undertaken by the pension fund

- 2.1 The Pension Fund has started to offer members who have dependents benefits the option to take a trivial commutation lump sum death benefit in accordance with section 168 of the Finance Act 2004
- 2.2 As part of setting up the dependents pension a process is started to offer members the option to take a trivial commutation lump sum.
- 2.3 The pension fund to date has sent over 2100 trivial commutation quotes to dependent members. It has received 1241 claim forms back from members who have elected to take a trivial commutation lump sum payment. The uptake to the offer is around 59%.
- 2.4 The total value of trivial commutation lump sums paid to date is £5,846,960.25

3.0 Future plans

- 3.1 We plan to roll this out to other categories of members and are looking to start with De Minimis payments under regulations 11 or 12 over the next 3 - 6 months

4.0 Other Considerations - Risks

- 4.1 Future changes made to the pension scheme rules which retrospectively apply may mean we have to recalculate benefits to members even though we have paid a trivial commutation lump. It may be difficult to try and contact these members sometime after making the payment and may require addition resources such as using tracing agencies.
- 4.2 Paying trivial commutation lump sum payments would reduce membership numbers and so may impact on the cost per member.
- 4.3 We need to co-ordinate with finance before any large scale trivial commutation exercise is undertaken to ensure no impact to the funds cash flow in the short term.
- 4.4 Sending members the option to ask if they want to take a trivial commutation lump sum will cause extra work initially, including having to process the payments and identify which members to write to.

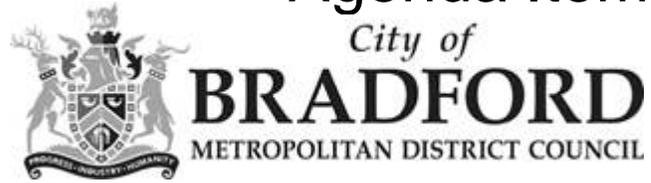
5.0 Advantages

- 5.1 With the increasing emphasis to capture and maintain accurate data which can put a strain on pension administration allowing members to commute should reduce work in the longer term.
- 5.2 Reduced administration burden of looking after small pensions. Once a trivial commutation lump sum payment is made there is no need to maintain the pensioner record in the future, such as finding members who move house and don't notify the pension fund, dealing with death notifications or arranging payment of any potential death grant or dependent benefits.
- 5.3 Reduced monthly payroll expenditure.
- 5.4 Potential reduction in fund liabilities, which could lead to a better funding position.
- 5.5 Members who have small pension benefits usually need to be continually chased to claim these, offering trivial commutation may encourage them to take a one off lump sum in exchange for a small pension.

6.0 Recommendations

The Local Pension Board note this report

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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 28 June 2022.

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This appendix to this report is a 'NOT FOR PUBLICATION' item as it falls within 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

Subject: Minutes of West Yorkshire Pension Fund (WYPF) Investment Advisory Panel held on 28 April 2022.

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 Local Pension Board review the minutes/notes from the meeting.

Rodney Barton
Director

Phone (01274) 432317
E-mail: Rodney.barton@bradford.gov.uk

1. Appendix

- Appendix A – NFP Notes of the meeting of 28 April 2022.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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