

Minutes of a meeting of the West Yorkshire Pension Fund Pension Board held on Tuesday, 21 March 2023 in WYPF, Aldermanbury House, Godwin Street, Bradford

Commenced 10.30 am
Concluded 10.55 am

Present – Members

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

Councillor Lal in the Chair

30. DISCLOSURES OF INTEREST

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

Action: Director of Legal and Governance

31. MINUTES

Resolved –

That the minutes of the reconvened meeting of 13 September, held on 18 October 2022, be signed as a correct record.

32. INSPECTION OF REPORTS AND BACKGROUND PAPERS

There were no appeals made to view restricted documents

33. LOCAL GOVERNMENT PENSION SCHEME REGULATIONS UPDATE

The report of the Managing Director, West Yorkshire Pension Fund, (**Document “V”**) updated Members on changes to the Local Government Pension Scheme (LGPS) 2014 and provided information on associated matters.

Members were advised that the report was being discussed at the meeting scheduled later in the day and it was agreed that a more up to date presentation be presented at that time.

Resolved –

That the report be noted.

Action: Managing Director, West Yorkshire Pension Fund

34. REGISTER OF BREACHES

The Managing Director, West Yorkshire Pension Fund, presented a report (**Document “W”**) which informed Members that, in accordance with the Public Service Pensions Act 2013, from April 2015, all Public Service Pension Schemes came under the remit of the Pensions Regulator.

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

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

It was explained that a register of any breaches of the Pensions Code of Practice was maintained in accordance with the WYPF Breaches Procedure and a copy of the register 2022/23 was appended to Document “W”.

As the matter was being discussed at the meeting scheduled later in the day it was agreed that a more current presentation be presented at that time.

Resolved –

That the entries and actions taken on the Register of Breaches of Law contained in the appendix to Document “W” be noted.

Action: Managing Director, West Yorkshire Pension Fund

35. PENSIONS ADMINISTRATION

The report of the Managing Director, West Yorkshire Pension Fund (**Document “X”**) provided an update on West Yorkshire Pension Fund’s (WYPF) pensions administration activities for the period 1 July 2022 to 30 September 2022.

Members were reminded that in addition to providing pensions administration for WYPF scheme members, WYPF provides a full administration service to Lincolnshire Pension Fund, the London Boroughs of Hounslow and Barnet and to twenty-three Fire Authorities. This service 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 and local

authorities for the production of the scheme accounts.

The report detailed performance against a number of key performance indicators (KPI's) and explanation was given for any underperformance. The report also provided an account of being undertaken which was categorised and revealed work in progress and work pending providing an account of the volume of work was and the nature tasks undertaken.

Information on praise and complaints revealed an overall customer training during the period of 93.2%. Full details of customer survey results were appended to the report.

Internal conflict resolution procedures during the period were reported and Members were reminded that WYPF operated a two-stage procedure for resolving issues of conflict with stage 1 managed by employer adjudicators or the Director of WYPF in cases involving the administering authority (Bradford). Stage 2 appeals were considered by the Chief Executive of Bradford City Council.

It was reported that Annual Benefit statements and Deferred Benefit statements were being issued electronically. Members were encouraged to register online but hard copies were still available if any Members preferred paper copies. The percentage of ABS/DBS statements issued on time stood in excess of 99%. Reasons for not achieving a 100% target of issue by 31 August were due to queries with employers and linkages.

Members were advised that the administration service had been subject to internal audit and had received an excellent rating with no recommendations for improvement.

Members queried that, as KPI's such as 100% of ABS statements by August would never be achieved due to people not informing the fund of changes to details such as house moves; were the KPI's unrealistic and questioned if they should be amended. In response it was explained that work was being undertaken to automate some process and the fund would always aim to address underperformance

It was questioned if staffing had impacted on the fund's performance and it was explained that the fund, like all other funds nationally, did have recruitment issues. Some recruitment processes had taken longer than the fund would have liked and additional training did hinder existing qualified staff. The level of vacancies was queried and it was explained that there were four vacancies arising from internal promotions on the administration team and recruitment would be made to the internal investment team shortly.

The reason for a turned down appeal outlined in the Internal Disputes Resolution Performance was queried and it was explained that this was because that Member was over pensionable age and the fund had no discretion to pay that members transfer value because of their age.

Members expressed their thanks to officers for their hard work which was documented in the report.

Resolved –

That the report be noted.

Action: Managing Director, West Yorkshire Pension Fund

36. MONTHLY DATA POSTING - PHASE (MP Phase 3)

The report of the Managing Director, West Yorkshire Pension Fund (**Document “Y”**) presented an overview of West Yorkshire Pension Fund Monthly Data Posting System and an update on the latest version of the system “MP Phase3”.

The report revealed that WYPF introduced monthly data posting in April 2014, using a simple, yet comprehensive Microsoft Excel spreadsheet template. The WYPF template allowed employers to submit financial data for contribution and pension data together, this was rare in the sector as most pension funds collected admin data separately from financial data. WYPF offered a one-stop data collection each month which was unique at the time and the strategy was built around data needs of the career average scheme and has evolved since 2014. Two of the efficiency and effectiveness driving factors were to move data posting to pension member records and cash reconciliation from an annual, problematic, project based event to efficient, routine, business as usual monthly activities. WYPF had delivered these two points.

It was explained that the system developed internally by WYPF, built on basic Civica systems, had proven to be industry leading. WYPF had supported both Civica and the wider Local Government and Fire public pension sector to develop Monthly Data Posting. The system had been tweaked over the years and regularly updated. The latest version would bring in a number of change processes that would ensure the Monthly Data Posting system would be fit for purpose going forward and support data needed for pensions dashboard. The fund was also looking to review the data posting deadline of 10 days, downward to 8 days, depending on the efficiency of the new system.

Members were advised that it had been hoped to go live with the new system in January 2023, however, cyber testing was continuing and whilst that should be completed within the next two weeks the launch had been deferred to 19 May 2023 to allow Bradford Council contractors to deliver testing. The current performance for posting was 94.5% against a target of 95% which had been hampered by the testing and employer engagement.

Members questioned if the current system would be operating in parallel with the new version and it was confirmed that the current system would run in parallel and not be abandoned. Employers would be brought into the new interface in phases; comparisons would be made and when satisfied the fund would encourage employer to use the new process.

In response to questions it was confirmed that suggestions received from a pilot of the new interface had been taken forward. Recommendations to use the new process as a ‘one stop process’ had been considered but resolutions were still required for notification of hours. Work had been conducted on suggestions but

not yet tested.

Resolved –

That the report be noted.

Action: Managing Director, West Yorkshire Pension Fund

37. McCLOUD - EFFECTS ON LOCAL GOVERNMENT

The report of the Managing Director, West Yorkshire Pension Fund (**Document Z**) was submitted to provide details of the work undertaken in anticipation of the regulations being made in light of the McCloud remedy. That followed the release, in July 2020 of the government's long awaited consultation on applying the remedy to address the age discrimination inherent in the transitional protections that were adopted by the public service scheme in 2014.

The report revealed response to the consultation was expected before the summer recess in July 2022, however, that was not received and it was expected it would be towards the end of the year with draft regulations issued shortly afterwards. Members were advised that the regulations would come into force on 1 October 2023 and whilst the preparation window was shortening the fund were poised for action.

Resolved –

That the report be noted.

Action: Managing Director, West Yorkshire Pension Fund

38. ACTUARIAL VALUATION 2022

The report of the Managing Director, West Yorkshire Pension Fund (**Document "AA"**) provided an update of the work undertaken to date on the 2022 Actuarial Valuation and the next steps.

Members were advised that the report was being discussed at the meeting scheduled later in the day and it was agreed that a more up to date presentation be presented at that time.

Resolved –

That the report be noted.

Action: Managing Director, West Yorkshire Pension Fund

39. TRAINING REQUIREMENTS

The report of the Director, West Yorkshire Pension Fund, (**Document "AB"**)

reminded 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.

Members were aware that the training of Pension Board members to understand their responsibilities and the issues they would be dealing with was 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.

Details of training courses, conferences and seminars were contained in Document "AB" to assist Board Members.

Members were advised that the report was being discussed at the meeting scheduled later in the day and it was agreed that a more up to date presentation be presented at that time.

NO RESOLUTION WAS PASSED ON THIS ITEM

Chair

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

THESE MINUTES HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER