

## Agenda for a meeting of the West Yorkshire Pension Fund Joint Advisory Group to be held on Thursday, 27 July 2023 at 1.30 pm in Council Chamber - City Hall, Bradford

### Members of the Committee

<p><b><u>Bradford Members</u></b> Councillors: Thornton Salam P Clarke</p>	<p><b><u>Calderdale Members</u></b> Councillors: Lynn Hutchinson Caffrey</p>
<p><b><u>Kirklees Members</u></b> Councillors: Firth Ramsay Crook</p>	<p><b><u>Leeds Members</u></b> Councillors: Bromley Scopes Stephenson</p>
<p><b><u>Wakefield Members</u></b> Councillors: Nicholls Swift Speight</p>	<p><b><u>Trades Union Members</u></b> Chard, GMB Goring, UNISON Bailey, UNISON</p>
<p><b><u>Scheme Members</u></b></p>	

### Notes:

- This agenda can be made available in Braille, large print or tape format on request by contacting the Agenda contact shown below.
- The taking of photographs, filming and sound recording of the meeting is allowed except if Councillors vote to exclude the public to discuss confidential matters covered by Schedule 12A of the Local Government Act 1972. Recording activity should be respectful to the conduct of the meeting and behaviour that disrupts the meeting (such as oral commentary) will not be permitted. Anyone attending the meeting who wishes to record or film the meeting's proceedings is advised to liaise with the Agenda Contact who will provide guidance and ensure that any necessary arrangements are in place. Those present who are invited to make spoken contributions to the meeting should be aware that they may be filmed or sound recorded.
- If any further information is required about any item on this agenda, please contact the officer named at the foot of that agenda item.

### From:

Asif Ibrahim  
Director of Legal and Governance  
Agenda Contact: Jane Lythgow  
Phone: 01274 432270 / 07970411623  
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### To:

## A. PROCEDURAL ITEMS

### 1. APPOINTMENT OF CHAIR (Standing Order 35)

To appoint a Chair for the Municipal Year 2023/2024.

### 2. APPOINTMENT OF DEPUTY CHAIR (Standing Order 35)

To appoint a Deputy Chair for the Municipal Year 2023/2024.

### 3. 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 must consider their interests, and act according to the following:*

<b><i>Type of Interest</i></b>	<b><i>You must:</i></b>
<i>Disclosable Pecuniary Interests</i>	<i>Disclose the interest; not participate in the discussion or vote; and leave the meeting <u>unless</u> you have a dispensation</i>
<i>Other Registrable Interests (Directly Related)</i> <b>OR</b> <i>Non-Registrable Interests (Directly Related)</i>	<i>Disclose the interest; speak on the item <u>only if</u> the public are also allowed to speak but otherwise not participate in the discussion or vote; and leave the meeting <u>unless</u> you have a dispensation</i>
<i>Other Registrable Interests (Affects)</i> <b>OR</b> <i>Non-Registrable Interests (Affects)</i>	<i>Disclose the interest; remain in the meeting, participate and vote <u>unless</u> the matter affects the financial interest or well-being</i>  <i>(a) to a greater extent than it affects the financial interests of a majority of</i>

*inhabitants of the affected ward, and*

*(b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest; in which case speak on the item only if the public are also allowed to speak but otherwise not do not participate in the discussion or vote; and leave the meeting unless you have a dispensation.*

- (2) *Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.*
- (3) *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.*
- (4) *Officers must disclose interests in accordance with Council Standing Order 44.*

#### **4. MINUTES**

**Recommended –**

**That the minutes of the meeting held on 26 January 2023 be signed as a correct record (previously circulated).**

(Jane Lythgow – 01274 432270)

#### **5. 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**

### **6. PENSIONS ADMINISTRATION 1 - 32**

The report of the Director, West Yorkshire Pension Fund (**Document “A”**) will be submitted to the Joint Advisory Group to provide Members with an update on West Yorkshire Pension Fund’s (WYPF) pensions administration activities for the period 1 January 2023 to 30 June 2023.

**Recommended –**

**That the report be noted.**

(Yunus Gajra – 01274 432343)

### **7. WEST YORKSHIRE PENSION FUND FINANCE REPORT 33 - 42**

The report of the Managing Director, West Yorkshire Pension Fund (WYPF), **Document “B”**, presents the WYPF 2022/23 financial outturn, financial and service performance and the draft 2022/23 annual report and accounts (WYPF accounts).

**Recommended –**

**1. That Members note the content of the annual report and account and suggest any improvements.**

**2. That the financial and service performance be noted.**

(Ola Ajala – 01274 434534)

### **8. WYPF BUSINESS PLAN 2023 - 2028 43 - 92**

The Managing Director, West Yorkshire Pension Fund (WYPF) will present **Document “C”** which informs Members of the development of a five-year business plan which highlights objectives for the Fund and documents the priorities and improvements to be implemented to help achieve those objectives.

**Recommended –**

**That the Business Plan 2023–2028 be approved and the progress on key objectives be noted.**

(Yunus Gajra – 01274 432343)

9. **LOCAL GOVERNMENT PENSION SCHEME REGULATIONS UPDATE**

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

**Recommended –**

**That Document “D” be noted.**

(Tracy Weaver – 01274 433571)

10. **REVIEW OF EMPLOYER EXIT POLICY**

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Members are advised that the Investment Advisory Panel will review WYPF’s strategic asset allocation at its meeting on the morning of 27 July 2023. Should the Panel agree to make changes to the strategic asset allocation, this could have implications for some of the calculations undertaken by the WYPF actuary, as the level and expected volatility of future investment returns are inputs in the model the actuary uses.

It is felt that this may also be an opportune time to review WYPF’s Employer Exit Policy and in particular the exit basis for non-tax raising bodies whose liabilities become orphan on exiting the fund. These were last reviewed prior to the significant increases in inflation and interest rates which have taken place over the last couple of years.

The report of the Managing Director, WYPF, **Document “E”** sets out a proposal for how a review of the Exit Policy could take place and changes be brought back for approval by the Joint Advisory Group at its January 2024 meeting.

**Recommended –**

- 1. That a sub-group to convene during Autumn 2023 to consider advice received from the Fund Actuary be approved.**
- 2. That any proposed material changes to the Funding Strategy Statement to be consulted on with employers and brought to the January 2024 Joint Advisory Group meeting for approval.**

(Caroline Blackburn – 077903531709)

**11. REGISTER OF BREACHES OF LAW**

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The Director, West Yorkshire Pension Fund, will present a report (**Document “F”**) which informs Members that, 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 imposes a requirement to report a matter to The Pensions Regulator, as soon as is reasonably practicable where that person has reasonable cause to believe that:

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

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

**Recommended –**

**That the entries and action taken on the Register of Breaches be noted.**

(Caroline Blackburn – 077903531709)

**12. RISK MANAGEMENT**

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The report of the Managing Director, West Yorkshire Pension Fund (WYPF), **Document “G”**, presents the fund’s Risk Policy and Strategy. The purpose of the Policy and Strategy is to effectively mitigate risks which may otherwise impact on WYPF meeting its statutory responsibilities and strategic objectives. This is achieved by the development and maintenance of a comprehensive risk register. For each risk identified its likelihood of occurrence and materiality is considered and actions are identified in order to mitigate the risk.

The Risk Policy and Strategy is subject to regular review by the WYPF Investment Advisory Panel (IAP) and Joint Advisory Group (JAG).

**Recommended –**

**That Members note and comment on the Risk Policy and Strategy and any of the risks set out in the Risk Register.**

(Yunus Gajra – 01274 432343)

### 13. TRAINING, CONFERENCES AND SEMINARS

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Members will be aware that there is a growing need for LGPS funds to demonstrate that Members have an adequate level of knowledge to carry out their roles effectively. With the introduction of a refreshed CIPFA Knowledge & Skills Framework, the Scheme Advisory Board's Good Governance project (England and Wales), and increasing scrutiny from The Pensions Regulator (TPR), the expectation on funds has never been greater.

The training and conferences listed in **Document "H"** will assist Members in meeting their training requirements.

#### **Recommended –**

- 1. That Members agree to undertake the TPR Toolkit online training and the Hymans Robertson online Learning Academy Training.**
- 2. That Members be encouraged to attend external training events and conferences provided by PLSA, LGA, Actuaries, and other specialist organisations as detailed in Document "H".**

(Yunus Gajra – 01274 432343)

### 14. EXCLUSION OF THE PUBLIC

Members are asked to consider if the **Not for Publication Document "I"** relating to the West Yorkshire Pension Fund Governance Review 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 Document "I" relating to the Governance Review of West Yorkshire Pension Fund because information would be disclosed which is considered to be exempt information within paragraph 3 (Financial or Business Affairs) of Schedule 12A of the Local Government Act 1972 (as amended).**

**It is considered that, in all the circumstances, the public interest in maintaining this exemption outweighs the public interest in disclosing this information as it is in the overriding interest of proper administration that Members are made aware of the financial implications of any decision without prejudicing the financial position of the West Yorkshire Pension Fund.**

**15. WEST YORKSHIRE PENSION FUND GOVERNANCE REVIEW**

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The **Not for Publication** report of the Managing Director, West Yorkshire Pension Fund (WYPF), **Document “I”** informs Members of the WYPF Governance Review.

**Recommended –**

**That the report, and verbal update to be provided, be noted.**

(Matt Mott - 07815 476877)

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